COMMUNICATION ON PROGRESS

2019

AEE Power EPC, S.A.U.

Table of Contents

01 Commitment Renewal Letter

02 Company Profile

03 Methodology

04 Analysis

- Customers
- Employees
- Suppliers
- Community/Civil Society
- Environment

COMMITMENT
RENEWAL LETTER

With this letter, I am pleased to communicate our willingness to renew the commitment that AEE Power EPC, S.A.U. made in 2015 by joining the Global Compact initiative, through this Progress Report for the year 2019.

The commitment to the United Nations Global Compact involves a process of continuous improvement of the various activities carried out by AEE Power, which affects all its stakeholders.

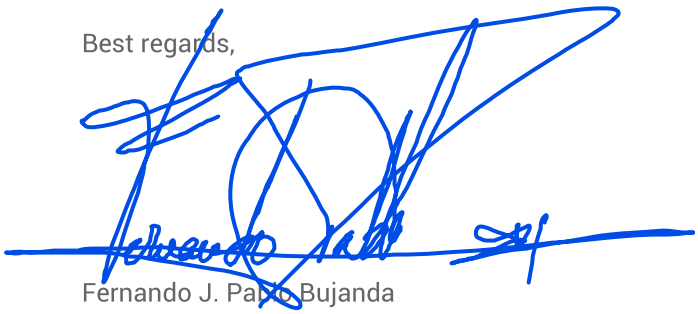
In the period since the last report, AEE Power has worked and maintained the key points of this commitment as part of the Action and Priority Policy, in line with this, we have continued to work in compliance with its Integrated Management System Policy. In addition, we have worked on the preparation, approval and dissemination of the Code of Conduct, as well as on updating the occupational risk management system and subsequent certification under ISO 45001, thus anticipating the end of its coexistence with the international standard OHSAS 18001, under which it has been certified since 2016.

These actions aim to reinforce the specific actions foreseen in the previous reports, and are within the constant exercise that we carry out of adapting to the business reality and reflecting on the necessary actions aimed at the maximum and continuous involvement of our employees with the 10 Principles of the Global Compact, as well as with the achievement of the Sustainable Development Goals (SDG).

This Management, alongside the Board of Directors of AEE Power, assumes that the business development of our activity as a company cannot be separated from the goals that all actors, public and private, have set in the Sustainable Development Objectives, being our maxim our involvement with the development of a responsible and sustainable business.

We reiterate this today and will work to ensure that all levels of our activity are permeable to this message, that best practices are adopted and that our activity becomes an example and generates alliances with other stakeholders that contribute to the same ends. The sum of our efforts will be the key to everyone's success.

Best regards,



Fernando J. Pardo Bujanda
Managing Director

PROFILE
OF THE COMPANY

GENERAL INFORMATION

Company Name

AEE Power EPC, S.A.U.

Type of enterprise

SME

Address

Plaza Manuel Gómez Moreno, 2

City

Madrid

Province

Madrid

Autonomous Community

Community of Madrid

Website address

http://www.aeepower.com/

Total number of employees

209

Billing / Revenue in Euro (Amounts subject to $/euro exchange rate)

24 - 48 million

BUSINESS MODEL AND BUSINESS ENVIRONMENT

Sector

Engineering and Construction

Activity, main brands, products and/or services

AEE Power EPC S.A.U.'s areas of activity focus on the generation, transmission and distribution of electricity exclusively in African countries. From a deep respect for the context of our activity and the environment, our services in electricity generation are focused primarily on renewable resources (hydroelectric, solar, wind and geothermal, exceptionally thermal, when it is not possible to guarantee supply solely from renewable sources). As far as the transport of electricity is concerned, our company is dedicated to the construction of electricity network infrastructure with high-voltage lines and substations. This activity is complemented by distribution infrastructure installations (medium and low voltage lines, electric lighting, airport runway markers, catenaries, traction and signalling substations, etc.).

Countries where the company is present or has projects

Democratic Republic of the Congo, Senegal, Central African Republic, Angola, Kenya, United Republic of Tanzania, South Africa, Côte d'Ivoire, Namibia

Description of the business environment, organisation and structure, detailing the organisation chart

The company is a sole proprietorship (S.A.U.) belonging to AEEPOWER Holdings Sàrl. The attached document presents the organisation chart, showing the departments to which, each functional area of the activity depends and which make up the Management Committee.

Organisation chart of our undertaking

Download attached item

Main objectives and strategies of the company

MISSION VISION VALUES. The supply of energy and the improvement of access to electricity in Africa through the development and implementation of sustainable and innovative projects. We always carry out these actions respecting the environment and contributing to local

development, which is one of the pillars of our work, even in adverse conditions. To be strategic partners for our clients in the energy sector in Africa, contributing to the development of all the countries in which we are present. We achieve this objective by training and integrating people from the countries in which we operate into our core teams, which provides us with qualified and dynamic technical staff with specific knowledge. Customer orientation: the foundation of AEE Power's efforts and strategy is to fully satisfy our customers in all our projects. Results orientation: We achieve efficiency and excellence in all the projects we manage, obtaining the best results in the shortest possible time. Commitment: each and every one of AEE Power's employees is aligned with the company's objectives and dedicates all the necessary efforts to make the results a success.

Who at management level carries out the decision-making and good governance processes for the implementation of CSR in line with the Principles of the Global Compact and whether the Chair of the highest governance body also holds an executive position

The Board of Directors is composed of an executive Chairman, a deputy chairman, a managing director and three non-executive directors. This Board directs and decides on business strategy, and is therefore, the highest governing body and shows a firm commitment to the implementation of social responsibility in the company. The decisions of this Board of Directors are implemented through the different management, development, and control bodies, according to the attached organisation chart.

SELECTION OF STAKEHOLDERS

Most significant stakeholders: (Stakeholders make up your Progress Report)

Customers, Employees, Suppliers, Community/Civil Society, Environment

Criteria used to select the stakeholders

Outstanding stakeholders are those who, on the basis of our mission, vision and identified values, have a special impact and, in turn, are influenced by the development of our activity and our commitment to the Principles of the Global Compact by Sustainability.

How the Progress Report is being disseminated to stakeholders

The Progress Report is given to all newcomers of the company as part of the welcome information pack and is available to employees on the corporate intranet. The Progress Report is available to other stakeholders on the Global Compact website, and through the corporate website.

SCOPE AND MATERIALITY

Scope of the Progress Report (Countries for which the company reports information in the Progress Report) and possible limitations, if any

AEE Power has a presence and has operated in the last year through its subsidiaries in the countries described above. The scope of this report refers to the Global Compact company, AEE Power EPC, S.A.U., which has 43 employees, and in those cases where the actions carried out also cover the different countries in which it operates, the corresponding subsidiaries are also considered.

How materiality has been established or the most significant issues to be included in the Progress Report

Through the holding of inter-departmental meetings, with senior management and with other stakeholders involved.

Period covered by the information contained in the report

Calendar year

Progress Report Cycle

Annual

REPORT ON ODS

Do you want to report ODS?

Yes

METHODOLOGY

This Progress Report is based on the stakeholder's reporting methodology. The concept of stakeholders is the key to understanding CSR. The complexity and dynamism of the current business context has made it necessary to acquire a solid commitment to the different stakeholders, directly or indirectly affected by the business mission.

Identifying stakeholders and their expectations are aspects that facilitate the comprehensive implementation of CSR within any organisation. This will enable entities to anticipate possible risks or opportunities and to establish policies, actions, tools and monitoring indicators such as those contained in this report.

The company that has prepared this Progress Report has developed the following steps:

1. Select the most relevant stakeholders in your undertaking.
2. Identify the most significant sustainability issues for the selected stakeholders.
3. Describe in detail the company's work in the field through:

Policies: formal written documents that define the values and communications of the entity detected in the identification of the themes.

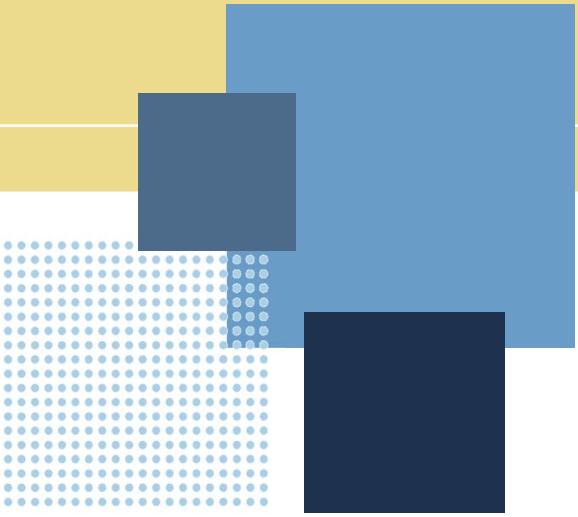
Actions/Projects: the actions help the company to shape the policies developed and minimise the risks detected. Actions must be planned over time and designed based on the interest group to which they are addressed.

Monitoring tools: evaluation and control of the results obtained from the implemented actions. They provide the tools to monitor policy compliance and help detect management system failures for later improvement.

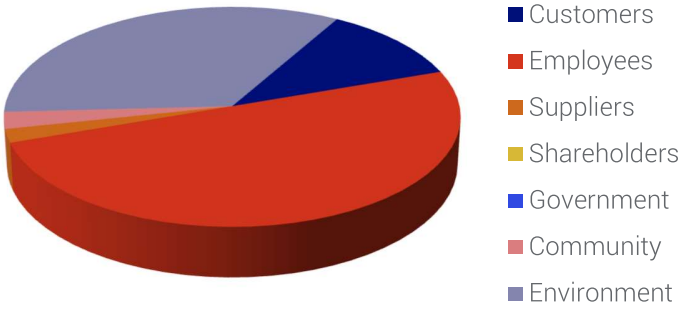
Monitoring indicators: quantitative data to measure the degree of implementation of the ideas (policies, actions / projects, and monitoring tools)

The Progress Report is set out in terms of measuring progress: it is not a question of 100% compliance in the first year, the aim is to make progress. The Progress Report is therefore an important demonstration by the signatories of their commitment to the Global Compact and its Principles.

ANALYSIS



HUMAN RIGHTS	LABOUR REGULATIONS	ENVIRONMENT	ANTI-CORRUPTION
7	5	2	1
Topics covered	Topics covered	Topics covered	Topics covered



STAKEHOLDERS
Customers

Promotion of quality in the company

The success of any business activity is based on carrying out an impeccable service, and always in constant improvement. In this way, operational and production processes are optimised, reducing non-quality costs, and the customer is satisfied with what it has obtained after signing a contract. AEE Power cannot conceive of performing its functions without guaranteeing the customer at least the quality required by each contract and by current legislation, and it works every day to improve the quality offered, as well as to achieve excellence in management

Quality Policy - Policy

Through the Quality, Environmental and Occupational Risk Prevention Policy, the Senior Management:
- manifests its commitment to quality, continuous improvement, protection, conservation and improvement of health and safety and the environment
- demonstrates its customer orientation,
- ensures the provision of means and resources to the company to achieve the objectives set. The integrated management system is, in itself, the tool implemented in the organisation to promote continuous improvement and excellence in management.

Quality and Environment Manual - Policy

AEE Power has a quality, environmental and occupational risk prevention management system, certified in accordance with ISO reference standards. The Integrated Management System Manual sets out the management principles, which include continuous improvement and promotion of the quality of the service provided.

Training - Action / Project

Throughout 2019, work has been done to improve the training of AEE Power employees. After several months of analysis of the options offered by the market, a training platform was launched in the last quarter of the year, online and in two languages, so that it could reach the largest number of employees of the group in Europe and Africa. The aim of this project is to extend the training across the broad spectrum of the workforce in order to improve their qualifications and therefore contribute to the promotion of the quality of the company's performance. The results of this project can be measured and evaluated from the year 2020 onwards.

Appoint a quality manager - Action / Project

Since 2013, when AEE Power obtained its first ISO 9001 certificate, there has been a department responsible for quality appointed by senior management. This is the Quality, Environment and Occupational Health and Safety Department (QHSE), which works transversally with the other departments to promote quality and improve the organisation's performance.

Internal and external communication - Action / Project

In 2019 a new internal communication channel has been opened in addition to the existing ones, consisting of the creation of an internal QHSE committee. The objective of this committee, which meets every four months, is to inform workers about the company's progress in quality, environmental and ORP matters, to consult them on those issues that need to be consulted, and to encourage their participation in the system and in the decisions that need to be taken to improve it. The committee is made up of 7 members belonging to all the divisions and departments of AEE Power, and representing 17.5% of the workforce, so it is a fairly extensive representation of the employees of the Madrid offices. This initiative has been very well received by employees, and the meetings held have led to satisfactory and enriching conclusions for the system.

Satisfaction Surveys - Tracking Tool

In order to know the degree of satisfaction of the client and to obtain suggestions from them on how we could improve the quality offered, a simple satisfaction survey is sent annually in relation to the work carried out in the previous period. Generally, AEE Power's customers participate by responding to these surveys, and they indicate to us that they are satisfied with the work done. Sometimes they propose opportunities for improvement, which are studied and analysed internally in the organisation, and put into practice, provided that they have been considered positive and applicable to the activity at a global level.

Results of customer satisfaction surveys - Follow-up indicator

Concept	FY 2018	FY 2019	% Change
Overall satisfaction with AEE Power's services (rating from 1 to 10)	6.4	9.5	+ 48.4 %
Average value of all valuations received (rating from 1 to 10)	7.72	9.39	+ 21.6 %

Training hours per employee - Tracking Indicator

YEAR	Number of training actions	Number of employees	No. of man-hours of training
2018	9	40	1,505
2019	76	56	1,913

Objectives set for the theme

The objective is the continuous improvement of the quality offered to the customer.
- Increase in staff training, in terms of hours of training received, and also in terms of the number of employees trained.
- Increase or at least maintain the level of customer satisfaction.

Transparent customer information

Code of Ethics / Conduct - Policy

AEE Power makes its Code of Conduct available to its stakeholders, including its customers, and establishes a channel for complaints through the e-mail address codeofconduct@aeepower.com. The Code of Conduct of AEE Power urges you to report through this channel any situation in which the principles of the Code of Conduct are being violated that you become aware of.

This document specifies the general behaviour standards that every stakeholder must comply with, with particular emphasis on full respect for Human Rights included in the Universal Declaration of Human Rights, information transparency and expressly prohibition of any kind of bribery, corruption and influence peddling.

Internal and external communication - Action / Project

AEE Power's relationships with its customers are based on the principles of cooperation and transparency. To this end, the company is in constant communication with customers, through visits, calls or the use of new technologies, in order to inform them at all times of the production and management processes.

Number of communications - Monitoring indicator

In 2019, no internal or external communications have been received regarding the content or subject matter of the Code of Conduct, either through the established channel or through other communication channels.

No. of complaints received and resolved - Follow-up indicator

In 2019, no internal or external communications have been received regarding non-compliance with the principles of the Code of Conduct, either through the established channel or through other communication channels.

Incident resolution and customer satisfaction

The focus on the client is a maxim in the performance of our activity, during the preparation and execution of projects, and this is reflected in the Integrated Management System Policy. Good execution of the project implies that it has been carried out with the quality and professionalism demanded and expected by the client, which translates into their satisfaction and therefore also ours. As part of the philosophy of continuous improvement of AEE Power's quality system,

customer satisfaction is one of the objectives of improvement that is pursued year after year, and on which we can always work to achieve excellence.

Quality Policy - Policy

Through the Quality, Environmental and Occupational Risk Prevention Policy, the Senior Management:
- manifests its commitment to quality, continuous improvement, protection, conservation, and improvement of health and safety and the environment
- demonstrates its customer orientation,
- ensures the provision of means and resources to the company to achieve excellence in management.
The Integrated Management System Manual provides a way to measure customer satisfaction by conducting annual surveys.

Audits - Tracking Tool

AEE Power has a tri-standard Integrated Management System, certified under ISO 14001, ISO 9001 and ISO 45001, which is audited at least once a year internally and externally. The client carries out the audits that he considers relevant and/or necessary to the performance of the organisation, both to evaluate us in the tender phase and during the execution of the project. These audits do not have a defined periodicity and are carried out at the client's discretion.

Satisfaction mailbox - Tracking Tool

On the company's website there is a contact section, where any stakeholder, including customers, can contact us to convey their queries, complaints, suggestions, service offers, or any other matter deemed to be of interest.

Satisfaction Surveys - Tracking Tool

All our clients are asked about their satisfaction with our performance over the last year by sending a simple annual satisfaction survey that they receive from the Project Manager assigned to each project.**Results of customer satisfaction surveys - Follow-up indicator**

The overall customer satisfaction result for 2019 is 9.5/10, an increase from the same period last year when the value was 6.4/10. This shows that the work of our sales and project management team has been more effective, and more customer oriented.

Number of audits carried out - Monitoring indicator

In 2019 the audits corresponding to the maintenance of the certifications have been carried out, that is to say, one internal and one external audit by the certifying body. These audits have been successful, and the deviations found have not been serious. In the same year, two potential private clients have also audited AEE Power's QHSE performance, as well as its management system, with favourable results.

Objectives set for the theme

The objective is to increase, or at least maintain, the degree of customer satisfaction with the services offered by AEE Power.

Long-term customer relationship

Customer satisfaction is a maxim for the management of AEE Power's activity, and the establishment of lasting relationships is an indicator of confidence in AEE Power, and satisfaction with the work carried out.

Internal and external communication - Action / Project

AEE Power's Commercial Department works incessantly with two main objectives: the search for new clients and the loyalty of existing ones. To this end, it works on several strategic fronts, which together serve to achieve these objectives:

1. Implementation of CRM (Customer Relationship Management) as the main tool for customer relationship management. It is an online tool, accessible to all employees involved in the customer relationship. This tool stores, updates and shares relevant information on current and potential customers, and provides different types of reports, necessary for relationship management, with economic and energy sector information for each country, relevant information on each customer, the environment, organisational structure, etc. Finally, this tool also archives meeting reports or reports on visits made to the customer.
2. Internal coordination between the Projects Department and the Commercial Department.Interdepartmental communication is a fundamental part of centralising information and always proposing the best and most innovative solution to the customer.
3. Reinforcement of the corporate image. In 2019 the corporate image has been improved, strengthening the presence in social networks such as Linkedin, and modernising the brand image.
4. Measurement of customer satisfaction. As indicated in the corresponding section, the degree of customer satisfaction is measured annually by sending out satisfaction surveys.

Satisfaction Committee - Tracking Tool

Interdepartmental coordination meetings are held on a weekly basis. The Commercial Committee meets on a quarterly basis. In these meetings, formed by the President of the company, the Regional Directors and the rest of the commercial team, the relevant information and the state of the hiring/loyalty of the clients is updated, as well as the state of the horizon for the prospection of new clients.

Duration of the relationship with clients - Monitoring Indicator

Since 2007, AEE Power has maintained relationships with 14 clients in various African countries, and the relationship with 7 of them remains in place at the end of 2019. The table below

shows the duration of the contractual relationship with the various clients, from 2007:

CLIENT	YEAR OF START	CONTRACTUAL DURATION (YEARS)
Kenya Power and Lighting Company Limited (KPLC)*	2007	13(*)
AEROPORTOS E SEGURANÇA AÉREA (ASA)	2010	2
Société Nationale D'Electricité (SNEL)*	2011	9(*)
EMPRESA NACIONAL DE ELECTRICIDADE (ENE)*	2012	8(*)
KEC International Limited	2012	5
Bureau Central de Coordination (BCECO)	2014	3
Gridco	2014	2
Copperbelt Energy Corporation (CEC)	2014	3
Nyumba Ya Akiba SARL	2015	2
Aloe Investments No. 27	2016	2
Société Nationale d'Electricité du Sénégal (SENELEC)*	2017	3(*)
ENERCA*	2018	2(*)
China Machinerry Engineering Corporation (CMEC)*	2019	1(*)
Tanesco*	2019	1(*)

NOTE: those relationships that are still valid are marked with an asterisk (*)

Number of annual meetings - Monitoring Indicator

YEAR	No. of meetings of the Commercial Committee
2018	4
2019	3

Results of customer satisfaction surveys - Follow-up indicator

The overall customer satisfaction result for 2019 is 9.5/10, an increase from the same period last year when the value was 6.4/10. This shows that the work of our sales and project management team has been more effective, and more customer oriented.

Objectives set for the theme

AEE Power's objective is to improve the quality of the service provided and customer service daily, which will be reflected in the expansion of the customer portfolio and customer loyalty.

STAKEHOLDERS
Employees

Promoting environmental awareness

AEE Power considers care for the environment to be one of the pillars in the development of its activity, and in order for the company's performance to be respectful of the environment, it is essential that the team carrying out the different tasks be aware of both the importance of preserving the environment and the best way to do so.

Environmental Policy - Policy

Through the Quality, Environmental and Occupational Health and Safety Policy, Senior Management expresses its commitment to quality, continuous improvement, protection, conservation and improvement of health and safety and the environment, demonstrating its commitment to care and protection of the environment. Through this Policy, AEE Power is also committed to ensuring that the company is provided with the means and resources to achieve the principles set forth therein.

Environmental information/awareness – Action / Project

All employees at the Madrid offices receive information on the integrated management system certified in accordance with the ISO 9001, ISO 4001 and ISO 45001 standards, as well as the climate change information pill developed by the Spanish Global Compact Network. This information is available to all AEE Power employees (not only those located in Madrid) on the corporate intranet, in three languages: Spanish, English and French. On the other hand, it is a good practice adopted in all the projects under execution, to give talks on environmental and safety awareness, carried out by the HSE managers in the project, and aimed at the workers of the projects, both own and subcontracted. In these talks, the environmental and safety management of the tasks being carried out is addressed.

Appoint an environmental manager - Action/Project

Since 2014, AEE Power has had an environmental management system certified in accordance with ISO 14001, which has helped the company to identify, prioritise and manage the environmental risks arising from its activity. From that moment on there is a department responsible for the environment, appointed by top management. This is the Quality, Environment and Occupational Health and Safety Department (QHSE), which works transversally with the other departments to ensure that the environment is cared for and that the organisation's environmental performance is improved.

Communication channels – Action / Project

In 2019, a new communication channel has been set up by holding quarterly meetings in the Madrid offices, the aim of which is to inform and consult employees and encourage their participation in all matters relating to the quality, environmental and occupational risk prevention management system.

Diversity of the workforce in the undertaking

We work on inclusion, equal opportunities and participation of all people involved in the company's projects. AEE Power applies non-discriminatory criteria when recruiting staff, and the result of this is the diversity data of our employees, understood in the broadest sense: gender, age, nationality, etc. In this sense, one of AEE Power's strengths is precisely the integration into our staff of personnel from different nationalities and cultural backgrounds.

Communication channels - Action/Project

New communication channels with employees: Throughout this year 2019, the company's management has promoted and developed new channels of communication with employees, encouraging the direct participation of all of them in the creation of interesting content and the exchange of experiences. We have launched a new employee portal, through which the employee has access to all internal company documentation. In this regard, some of the company's internal procedures, such as vacation requests, have been digitised. Another of the channels that have been enabled throughout this year is the internal newsletter, which publishes content and information of interest to all employees. In terms of external communication, the company is making a major effort to have greater visibility on the Internet and social networks. To this end, this year the new design of the corporate website has been presented, which substantially improves the previous one. In addition, we are very present on Linkedin, publishing an average of 2-3 posts a week.

Career planning - Action/Project

In 2019, AEE Power began a collaboration with Structuralia, a training company specialised in the engineering and construction sector, which has allowed us to assign courses to all the company's employees on an individual basis, depending on their profile. On the other hand, throughout the year, several junior African engineers from other offices and new recruits have joined the Madrid office to start their career at AEE Power.

Satisfaction mailbox - Tracking Tool

Within the Employee Portal, a suggestion box has been included, to which the QHSE and HR and Corporate Services Departments have access, in order to analyse the messages that may come from any employee.

Number of new recruits by gender and age - Monitoring Indicator

In 2019, 66 new employees, 10 permanent, 51 temporary and 5 new service providers joined the group.

By gender:

- Men: 60
- Women: 6

By age range:

- > 45 years: 16
- Between 35 and 45 years: 18
- Between 20 and 35 years: 32

Total number and distribution of employees by gender, age, country and occupational classification - Monitoring Indicator

At the close of 2019, the total number of employees of the business group was 209, distributed as follows:

Country	% of employees
Democratic Republic of Congo	51.2%
Spain	16.7%
Kenya	15.3%
Senegal	7.7%
Angola	2.9%
South Africa	2.4%
Ivory Coast	1.9%
Central African Republic	1.4%
Namibia	0.5%

Gender	% of employees
Male	79.4 %
Female	20.6 %

Age group	% of employees
> 45 years	33 %
Between 20 and 35 years	25 %
Between 35 and 45 years	42 %

Area / Department	% of employees
Chair	0.5%
CEO	0.5%
Human Resources	1.0%
QHSE	1.4%
Commercial	1.9%
Business Development	2.9%
Finance / Administration	9.6%
Medium	27.3%
Production	55.0%

Professional Category	% of employees
Senior Management	1.0%
Management positions	4.8%
Middle management	8.6%
Technical staff	35.4%
Operations personnel	50.2%

Percentage of composition of corporate governance governing bodies (including the Board of Directors) and other employees by category, gender, age and other diversity indicators – Monitoring Indicator

The composition of the Board of Directors and the Management Committee by gender and nationality is as follows:

BOARD OF DIRECTORS

Gender	No. of members	%
Male	4	80 %
Female	1	20 %

Nationality	No. of members	%
Spanish	3	60 %
French	1	20 %
American	1	20 %

EXECUTIVE COMMITTEE

Gender	No. of members	%
Male	3	60 %
Female	2	40 %

Nationality	No. of members	%
Spanish	5	100 %

Eradication of child/forced labour

AEE Power, aware of the situation in the countries in which it operates and as a part of its commitment to respect for Human Rights, prohibits the hiring of children, and expressly rejects child and/or forced labour.

Code of Ethics / Conduct - Policy

AEE Power pays special attention to equal opportunities, respecting the rights of ethnic or indigenous minorities, and expressly rejects child or forced labour, as reflected in the company's Code of Conduct. The code of conduct applies to the entire business group, and therefore to AEE Power's activities worldwide.

This document, that expressly rejects child labour and forced labour, specifies the general behaviour standards that every stakeholder must comply with, with particular emphasis on full respect for Human Rights included in the Universal Declaration of Human Rights, information transparency and expressly prohibition of any kind of bribery, corruption and influence peddling.

The express rejection and prohibition of child or forced labour is also set out in the company's general purchasing conditions, a document of a contractual nature which is signed at the beginning of the contractual relationship by both parties.

No. of complaints received and resolved - Follow-up indicator

In 2019, AEE Power has not received any complaints regarding child or forced labour from any organisation or individual in relation to the projects and work carried out by the company.

Health and safety in the workplace

The health and safety of workers, both direct and indirect, is one of the pillars of AEE Power's CSR management. Senior management is fully committed to the continuous improvement of employee welfare standards, as it is aware that the human team is the basis of the company's activity.

Occupational Risk Prevention Policy - Policy

Through the Quality, Environmental and Occupational Health and Safety Policy, Senior Management expresses its commitment to quality, continuous improvement, protection, conservation and improvement of health and safety and the environment, demonstrating its commitment to the occupational well-being of employees, as well as to the objective of eliminating hazards and reducing risks associated with each job. Through this Policy, AEE Power is also committed to ensuring that the company is provided with the means and resources to achieve the principles set forth therein.

Code of Ethics / Conduct - Policy

AEE Power's Code of Conduct aims to provide its employees with a safe working environment, as well as the necessary means to carry out their work in a safe environment. The constant updating of the safety measures to be used during the development of the different tasks is a constant commitment of the company, as well as the compliance with the safety premises must be a commitment and obligation of all the workers.

Communication channels - Action / Project

In addition to the existing internal communication channels, AEE Power has added new forms of two-way interaction with its employees in 2019: - Notice board: a notice board has been set up in the central offices, through which workers are informed of all new developments in the field of ORP. - Intranet: This year the corporate intranet has been set up, where all relevant ORP information and documentation is available to employees, and where a suggestion box has also been set up, through which any employee can express their concerns, queries or complaints related to the company. - Quarterly QHSE meetings: although not large enough to create a health and safety committee, an interdepartmental committee has been set up, involving more than 20% of staff and representing all departments. This committee meets every four months, and the company informs the workers about the developments in the field, and they react by expressing their comments, contributions and consultations on the subject.

Training in occupational health and safety - Action / Project

All AEE Power employees have received occupational risk prevention training related to their job, in accordance with Article 19 of Law 31/1995 on the Prevention of Occupational Risks.

Improvement of health and safety conditions at work - Action / Project

Throughout 2019, work has been done on the migration of the safety part of the integrated management system from the OHSAS 18001 standard to the new international standard ISO 45001. The process culminated in October with the certification of the system under the umbrella of the new standard. This has meant a complete overhaul of the system, greater involvement and leadership by Senior Management, and improvement where necessary.

Satisfaction mailbox - Tracking Tool

AEE Power has enabled a virtual suggestion box for the entire staff. This mailbox is available on the home page of the corporate intranet, and employees can also access it by sending an e-mail to suggestions@aeepower.com.

Accident Report - Tracking Tool

AEE Power has contracted the services of the accident insurance company IBERMUTUAMUR, which issues the corresponding annual accident report that includes the occupational accidents of its employees and provides the corresponding accident rates.

Audits - Tracking Tool

AEE Power has a tri-standard Integrated Management System, certified under ISO 14001, ISO 9001 and ISO 45001, which is audited at least once a year internally and externally. The client carries out the audits that he considers relevant and/or necessary to the performance of the organisation, both to evaluate us in the tender phase and during the execution of the project. These audits do not have a defined periodicity and are carried out at the client's discretion.

Workplace accident indicators - Monitoring indicator

The occupational accident rate is monitored on a monthly basis, both for the Spanish company and for the other companies in the group, and accident rates are calculated in accordance with the provisions of the National Institute of Health and Safety at Work:

$$INCIDENCE\ RATE = \frac{Nº\ Lost\ time\ incidents\ (LTI)}{Nº\ workers\ exposed\ to\ risk} \times 10^5$$

$$FREQUENCY\ RATE = \frac{Nº\ Lost\ time\ incidents\ (LTI)}{Nº\ hours\ worked} \times 10^6$$

$$SEVERITY\ RATE = \frac{Nº\ days\ lost\ because\ of\ LTI}{Nº\ hours\ worked} \times 10^3$$

	Global 2019	Spain 2019	RDC 2019	Kenya 2019	Senegal 2019	CFA 2019
Incidence Rate	957.6	0.0	1,882.4	0.0	0.0	0.0
Frequency Rate	0.48	0.0	0.9	0.0	0.0	0.0
Severity Rate	0.73	0.0	1.33	0.0	0.0	0.0

If we compare these values with data from the sector at a Spanish and European level, we can conclude that they are very positive.

Percentage of employees over the total who have received training - Monitoring indicator

100% of AEE Power's employees have received ORP training related to their job performance.

Number of audits carried out - Monitoring indicator

In 2019 the audits corresponding to the maintenance of the certifications have been carried out, that is to say, one internal and one external audit by the certifying body. These audits have been successful and the deviations found have not been serious.

Objectives set for the theme

To continue analysing the different jobs and reviewing the occupational risk assessments, in order to implement the most appropriate safety measures that will allow us to reduce the occupational accident rate and continue improving the well-being of our workers.

Work/Life Balance

AEE Power encourages and facilitates work-life balance, promoting a balance between the personal and professional lives of its employees, as far as possible

Organisation of working time - Action / Project

100% of the employees have the ability to organise their work and ask their superior for a vacation proposal. In the vast majority of cases, vacations are approved, without the need for the employee to modify his or her personal plans, except in cases of force majeure.

Balance measures (flexible hours, teleworking, etc.) - Action / Project

At the end of 2018, flexible working hours were introduced in the central offices located in Spain, which allows and favours the work / life balance. This schedule gives the entire staff a 2-hour flexibility when it comes to starting work, and also provides a 45-minute to 2-hour lunch break. Depending on the time of entry, and the time spent at midday, the employee may leave his or her workstation between 5 p.m. and 8.15 p.m. after completing the established working day.

Satisfaction mailbox - Tracking Tool

There is a suggestion box available to employees, which can be accessed via the corporate intranet, and also by sending an e-mail to suggestions@aeepower.com.

All communications received are considered by the Human Resources Department and the General Department and adopted as far as possible.

Percentage of employees out of the total who enjoy the balance measures (Time flexibility %, Reduced working hours %, Teleworking %, Flexibility in vacation days or leave days %, Others (specify) %) - Monitoring Indicator

	% of workforce AEE Power EPC - Spain
Flexible schedule	100 %
Reduced working hours for legal guardianship of minors	5 %
Flexibility in vacation days or leave of absence	100 %

Number of hours of absenteeism - Tracking Indicator

The absenteeism that occurred in 2019 was due to common contingencies. The General Absenteeism Rate (GAR), understood as the ratio between the days not worked in 2019 due to temporary disability derived from the common contingency, and the average number of workers in the period, was 1.33, a value much lower than the GAR for the same sector in Spain (6.79).

No. of complaints received and resolved - Follow-up indicator

In 2019, no complaints have been received in relation to work / life balance.

Employee performance evaluation

The success of the organisation is not viable without the correct performance of each of the links that make up the production process, that is, its employees. For this reason, in 2019 AEE Power has started the annual and individual evaluation of its workers' performance, to improve both their satisfaction and the result of the work done

Career planning - Action / Project

During 2019 we have completed the process of detecting training needs that began in 2018. This has served to make one of the points of the performance evaluation the development of the skills identified as critical for the development of the tasks of each position.

Standardisation of performance evaluation processes - Action / Project

In 2019, a homogeneous and standardised system for evaluating staff performance was implemented for the first time. The initiative consisted in each manager meeting individually at the beginning of the year with each of the members of her or his team to establish the objectives to be achieved during the year, both purely professional and in terms of competence. At the beginning of the following year, these meetings will be held again, with the aim of checking and monitoring the fulfilment of the planned objectives and setting new objectives for the new year. This project is intended to: - increase the degree of commitment of employees, through their participation in both the definition of their job and its objectives - motivate employees to achieve the objectives set, as this is linked to obtaining a monetary bonus if the company makes a profit during the current year. - improve team performance through increased job satisfaction.

Training for evaluators - Action / Project

All the evaluators received, in a training session, the appropriate indications to carry out the evaluation of their subordinates. Afterwards, specific queries have been solved in a simple and agile way.

Implementation of computer systems to facilitate the process - Action / Project

This year, at the IT systems level, we have implemented the employee portal to facilitate all internal procedures. In addition, AEE Power's corporate training portal has also been implemented, together with Structuralia.

Percentage of employees receiving regular performance evaluations by gender and professional category - Monitoring Indicator

The performance evaluation system has been implemented in 2019 for 100% of the employees hired in Spain. This means that the percentage of staff who receive performance evaluations within the corporate group is 13.24 %.

Objectives set for the theme

Improve and refine the staff performance evaluation system, through actions such as holding mid-year follow-up meetings with employees to analyse the progress of objectives and if necessary and appropriate to redirect or adapt them, the publication of the company's profitability objectives at the beginning of the year to establish a basis from which to generate profit, and therefore, bonuses for employees, etc.

Employee training

AEE Power is aware that human capital is one of the company's most valuable assets, and also that it is essential to implement a continuous training programme to keep their skills up to date, and to expand them where necessary

Training and Development Plans - Policy

Every year, AEE Power's Human Resources Department draws up the training plan for employees. The identification of training needs is elaborated in collaboration with the rest of the people in charge of each area, and after the search for training programs, the corresponding courses, planned throughout the year, are given.

Training - Action / Project

During 2019, the contracting of an online training platform, belonging to Structuralia, was completed, which has allowed the extension of training management to all employees of the business group, and to provide quality training also to those employees located in remote places of the African continent. The training includes, in general terms, training in ORP and technical training. The platform was launched in October 2019, and until then the training provided to employees in Spain had been similar to that of previous years.

All employees at the central offices in Madrid have the option of taking individual language classes, either in person or online, depending on their needs and time availability.

Communication channels - Action / Project

All employees have been informed of the implementation of the Training Portal by e-mail. Also, when a course is assigned, each employee receives an email with the course assignment and directions to access it (in case it is online).

Training hours per Professional Category - Tracking Indicator

The Human Resources Department monitors the training hours received by employees on an annual basis. The data for 2018 and 2019 are as follows:

Professional Category	Hours of training provided 2018	Hours of training provided 2019
Management positions	-	188
Middle management	-	327
Technical staff	-	1,398
TOTAL:	**1,505**	**1,913**

Training Evaluation - Monitoring Indicator

Once the training has been completed, an evaluation of the effectiveness of the training is carried out. The language evaluation is carried out by the language academy itself, since at the end of each course the teacher prepares a report on the performance of each student. The evaluation of the effectiveness of ORP training is carried out by the QHSE Management taking into account parameters such as the safe behaviour of employees, and the number of incidents that have occurred. The evaluation of the effectiveness of the technical training is made by the superior of the students who have received it, considering whether the course has fulfilled the expectations, or whether it has helped the staff to complete their knowledge. 100% of the training provided in 2019 has been evaluated and has proved to be effective.

Objectives set for the theme

Extend the scope of planned training to employees throughout the corporate group.

STAKEHOLDERS
Suppliers

Evaluation of suppliers on CSR aspects

AEE Power, aware that all links in the production chain contribute to the respect of the 10 Principles of the Global Compact and to the achievement of the Sustainable Development Objectives, involves suppliers and subcontractors within the integrated management system as far as possible. AEE Power has implemented a supplier approval and evaluation system, based on criteria relating to the environment, quality and occupational risk prevention

Quality Policy - Policy

Through the Quality, Environmental and Occupational Health and Safety Policy, Senior Management expresses its commitment to quality, continuous improvement, protection, conservation and improvement of health and safety and the environment, demonstrating its customer orientation, and ensuring that the company is provided with the means and resources to achieve excellence in management.

Audits - Tracking Tool

AEE Power has a tri-standard Integrated Management System, certified under ISO 14001, ISO 9001, and ISO 45001, which is audited at least once a year internally and externally. The client carries out the audits that he considers relevant and/or necessary to the performance of the organisation, both to evaluate us in the tender phase and during the execution of the project. These audits do not have a defined periodicity and are carried out at the client's discretion.

Supplier Approval - Tracking Tool

The supplier approval system has been renewed and simplified in 2019. The approval criteria that suppliers and subcontractors must meet in order to be contracted by AEE Power include environmental, occupational risk prevention and product or service quality issues. Suppliers and subcontractors are approved at the beginning of the contractual relationship, and are evaluated annually, and always after the end of the contract, also considering criteria related to the issues discussed. Evidence of both the approval and the subsequent evaluations is provided in the approval sheets.

Suppliers and subcontractors, in addition to providing the necessary documents to prove this type-approval, must sign the general and specific purchasing conditions defined by AEE Power, in which they undertake to comply with the United Nations' Global Compact's Ten Principles of corporate sustainability, and very specially

in relation to the protection of internationally proclaimed Human Rights, the recognition of the right to collective bargaining for workers, the elimination of all forms of forced and compulsory labor, the abolition of child labor, the elimination of discrimination, the protection of environment and the prevention of corruption, including extortion and bribery.

Number of audits carried out - Monitoring indicator

In 2019 the audits corresponding to the maintenance of the certifications have been carried out: one internal and one external audit by the certifying body. These audits have been successful, and the deviations found have not been serious.

Objectives set for the theme

Strengthen the system implemented for the approval of suppliers before they are contracted, and the periodic evaluation of their performance based on CSR criteria.

STAKEHOLDERS
Community

The company's contribution to local development

The activity developed by AEE Power contributes to the local development of those countries in which it operates, by being part of the electrification process of these countries.

AEE Power's activity works itself towards the improvement of the Human Rights when providing accessible energy to those emplacements that have a lack of it.

Actions to promote local development - Action / Project

The projects that AEE Power carries out are projects that mostly electrify rural areas without access to electricity. The contribution to local development is twofold, given that during the execution of the project we encourage the local hiring of labour and subcontractor companies that are also local, all of which is essential for the project to be completed. Once the project is finished, the benefited group is all the houses and family units that from that moment, have access to the electrical energy of the state network.

When hiring local people and contracting local companies for the execution of the works, AEE Power's commitment to respect of Human Rights is always present, through:

- **The Code of Conduct**, which applies to all stakeholders, this document emphasizes particularly on full respect for Human Rights included in the Universal Declaration of Human Rights, information transparency and expressly prohibition of any kind of bribery, corruption and influence peddling.
- The **General Purchasing Conditions** defined by AEE Power, in which both parties undertake to comply with the United Nations' Global Compact's Ten Principles of corporate sustainability, and very specially in relation to the protection of internationally proclaimed Human Rights, the recognition of the right to collective bargaining for workers, the elimination of all forms of forced and compulsory labour, the abolition of child labour, the elimination of discrimination, the protection of environment and the prevention of corruption, including extortion and bribery.

Communication with community actors - Action / Project

In accordance with the contractual requirements of those projects with multilateral financing (mainly the World Bank and the African Development Bank), conciliation and communication tables with the local communities have been carried out throughout their execution. The objective of these communication sessions is to explain to the community what the project to be carried out or being carried out consists of, as well as the benefits it will bring to the communities once it is finished.

Impact of the activity on the local society - Monitoring Indicator

Throughout 2019, the impact of AEE Power's activity on local society is reflected in the following data:

KPI	Value
Electrical power installed in electrical substations and transformers	361.34 MVA
Total linear km of installed power line, of which	171.95 km
Km of installed low-voltage electric line	*157.7 km*
Km of installed medium voltage power line	*14 km*
Km of installed high voltage electric line	*0.25 km*
Number of users or low voltage connections made in the towns	3,317 users

Objectives set for the theme

To continue providing service to the countries of sub-Saharan Africa, contributing to extend accessibility to electrical energy to the maximum of the population, as far as possible. In the medium term, we also aim to create a group of corporate volunteers who can also contribute in some way to the development of disadvantaged segments of the population, either in Spain or in African countries.

Alliances between companies and the third sector

AEE Power is aware of the difficult situation in which the majority of the population of the countries in which it is present, and that the best way to impact the improvement of conditions is through the establishment of alliances with the third sector.

Collaborations with NGOs - Action / Project

In 2019, the company became part of the UNHCR's Solidarity SME Network, collaborating with the entity to make possible the development of projects and actions to benefit thousands of refugees and displaced persons around the world, but also in the countries where AEE Power is present. In 2019, AEE Power has also joined the Alliance for Childhood Vaccination and is collaborating with Gavi, the Vaccine Alliance, in the fight against child mortality.

Number of collaborations - Tracking Indicator

In 2019 the following collaborations have been made: - UNHCR: Solidarity SME Network. - La Caixa Banking Foundation: GAVI, The Vaccine Alliance

Objectives set for the theme

The objective is to continue with the established alliances, and thus continue to contribute to the improvement of living conditions in the countries where AEE Power is present.

STAKEHOLDERS Environment

Consumption by the company

Environmental Policy - Policy

Through the Quality, Environmental and Occupational Health and Safety Policy, Senior Management expresses its commitment to quality, continuous improvement, protection, conservation and improvement of health and safety and the environment, demonstrating its commitment to the occupational well-being of employees, as well as to the objective of eliminating hazards and reducing risks associated with each job. Through this Policy, AEE Power is also committed to ensuring that the company is provided with the means and resources to achieve the principles set forth therein.

Measures taken to improve efficiency in the use of resources - Action / Project

Various actions have been taken in the Madrid offices to improve efficiency in the use of resources:

- Earthenware cups have been purchased to minimise the consumption of single-use plastic cups.
- 100% of the paper we buy is 100% recycled
- Signs have been placed near taps to raise awareness of responsible water use.

Audits - Tracking Tool

Every year AEE Power submits its management system to at least one internal audit, and another external audit carried out by a certification body. These audits aim to confirm the company's compliance with the requirements of ISO 14001

Satisfaction mailbox - Tracking Tool

AEE Power has a suggestion box available to all employees of the company group, who can contact the QHSE department at suggestions@aeepower.com, and also through the section dedicated to this purpose on the corporate intranet.

Consumption of recycled material - Monitoring indicator

100% of the paper consumed for printing is 100% recycled.

Raw material consumption - Monitoring indicator

The data for the main consumption of raw materials at the Madrid headquarters in 2018 and 2019 are as follows:

KPI	2018 Figure	2019 Figure	% Change
Kg of plastic consumed through plastic cups	5 kg.	0 kg.	-100%
Kg of printing paper consumed:	1,133 kg.	851 kg.	-25%
KWh of energy consumed	44,858 kWh	52,060 kWh	+16%

There has been a decrease in the consumption of plastic and paper, thanks to the efforts indicated in previous sections. The consumption of electrical energy has increased slightly, due to the fact that the workforce in Madrid has increased with respect to 2018.

Number of audits carried out - Monitoring indicator

A total of 2 audits were performed in 2019:

- 1 Internal audit
- 1 External audit

Number of suggestions on the subject - Monitoring Indicator

In 2019, no suggestions have been received on the subject

ANNEX
THEMATIC LINKAGES

Source: UNGC

Employees

Raising awareness of environmental issues

Principle: Principle 7: Businesses should maintain a precautionary approach that benefits the environment.
Related ODS 06 | Clean Water and Sanitation, 13 | Climate Action

Diversity of the workforce in the undertaking

Principle: Principle 6: Businesses should support the elimination of discrimination in employment and occupation.
Related ODS: 05 | Gender equality, 10 | Reducing inequalities
Linked Law: II.- Information on social and personnel issues: Training, III. Information on respect for human rights
GRI Indicator: 102-8, 405, 401-1

Eradication of child/forced labour

Principle: Principle 5: Businesses should support the effective abolition of child labour.
Related ODS: 08 | Decent Work and Economic Growth, 16 | Peace, Justice and Strong Institutions
Linked Law: III. Information on respect for human rights
GRI Indicator: 408, 409

Health and safety in the workplace

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 03 | Health and Welfare, 08 | Decent Work and Economic Growth
Linked Law: II.- Information on social and personnel issues: Health and Safety
GRI Indicator: 403

Work/Life Balance |

Principle: Principle 4: Businesses should support the elimination of all forms of forced or compulsory labour.
Related ODS: 05 | Gender Equality
Linked Law: II.- Information on social and personnel issues: Organisation of the work
GRI Indicator: 401-3, 401-2

Employee performance evaluation |

Principle: Principle 6: Businesses should support the elimination of discrimination in employment and occupation.
Related ODS: 04 | Quality Education, 08 | Decent Work and Economic Growth
GRI Indicator: 404-3

Employee training |

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 04 | Quality Education, 08 | Decent Work and Economic Growth
Linked Law: II.- Information on social and personnel issues: Training
GRI Indicator: 404

Suppliers

Evaluation of suppliers on CSR aspects |

Principle: Principle 2: Businesses should ensure that their companies are not complicit in the violation of Human Rights.
Related ODS: 08 | Decent Work and Economic Growth, 12 | Responsible Production and Consumption
Linked Law: III. Information on respect for human rights, V. Information about the company: Subcontracting and suppliers
GRI Indicator: 308-1, 308-2, 414, 407

Customers

Promotion of quality in the company

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 09 | Industry, Innovation and Infrastructure, 12 | Responsible Production and Consumption
Linked Law: V. Information about the company: Consumer
GRI Indicator: 416

Transparent customer information

Principle: Principle 10: Businesses should work against corruption in all its forms. Including extortion and bribery.
Related ODS: 16 | Peace, Justice and Strong Institutions
Linked Law: IV. Information on the fight against corruption and bribery
GRI Indicator: 417

Incident resolution and customer satisfaction

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 08 | Decent Work and Economic Growth, 12 | Responsible Production and Consumption

Long-term customer relationship

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 08 | Decent Work and Economic Growth, 12 | Responsible Production and Consumption

Community

The company's contribution to local development

Principle: Principle 1: Businesses should support and respect the protection of the fundamental internationally recognised Human Rights within its sphere of influence
Related ODS: 01 | End of Poverty, 02 | Zero Hunger
Linked Law: V. Information about the company: Company's commitment to sustainable development
GRI Indicator: 413-1

Alliances between companies and the third sector

Principle: Principle 5: Businesses should support the effective abolition of child labour.
Related ODS: 17 | Alliances to achieve the objectives
Linked Law: V. Information about the company: Company's commitment to sustainable development
GRI Indicator: 102-13

Environment

Consumption by the company

Principle: Principle 7: Businesses should maintain a precautionary approach that benefits the environment.
Related ODS: 12 | Responsible Production and Consumption
Linked Law: I. Information on environmental issues: Sustainable use of resources
GRI indicator: 301-1, 302-1, 302-2

AEE Power EPC S.A.U.

2 Plaza Manuel Gomez-Moreno, 28020 Madrid, Spain

T: +34 917708777

aeepower@aeepower.com