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What was the context of your initiative?

No company in the world has been spared from the pandemic. These are complicated, strange times, difficult to understand. At Sacyr we have also had to overcome many difficulties during the pandemic. We are dedicated to managing concessional projects, engineering and infrastructure projects as well as services, offering a holistic service for both public and private clients. We are the seventh largest infrastructure concession operator in the world and the third largest infrastructure and engineering developer in South America.

Which process did you put in place?

Do you want to know how we have turned challenges into business opportunities through risk management? Focusing our efforts on three key challenges.

First, protecting the health and safety of our people. We are a team of 45,000 people, spread across six continents.

Second, to guarantee the continuity of our operations and critical assets, including hospitals, residential centres and airports, and in essential services at a global level considered to be of public interest during the health crisis, for example care services for dependent persons, disinfection, cleaning, waste collection services, water supply, treatment, building maintenance, infrastructure, etc.

Finally, and most importantly, continue to grow in a sustainable and profitable manner to meet the 2021-2025 strategic plan, focused on sustainability and strengthening the group's concession profile. It is in this challenge associated with fulfilment of the group's strategy over the next five years where our risk management system comes into play as a key lever to set the course of the business towards a successful execution of the strategic plan. Our innovative approach to risk management may sound controversial, but it works. Our motto is 'better informed people make better risk informed decisions'. We believe that risk management is not about managing risks, it's all about managing how people make decisions. Instead of trying to avoid loss altogether, our focus is on empowering informed risk taking, so our decision makers at all levels of the organisation can say 'yes'.

Let me share some real examples of how risk management helped us to successfully overcome some of the Covid-19 challenges.

The evolution of the health crisis was very different in the twenty countries where we operate. The measures put in place by the governments changed every single day, and we

needed to keep up with changes in our operations. The influence in the group's risk culture held the crisis committee, led by health and safety, to enable team alignment on priorities and consciousness around the need for individual accountability for protecting people first, and then critical business assets, activities, processes and key IT systems to recover and restore them to normal operations, minimising operational risk and our exports. Our unique risk management system is integrated within the project budgeting process and it works as an early warning system throughout the whole lifecycle of a project, providing a comprehensive vision of risk to address economic and non-economic team concerns. For example, in 2020, 100% of our buildings kept on being analysed by our risk management system. And 314 projects in the execution phase were monitored in real time, accounting for €39bn. Classified according to their alert level and country to facilitate the followup of actions, plans and their evolution.

Technology helped us to move nimbly from a monthly to a weekly review during the peak of the crisis, to keep the crisis committee informed at all times. Despite we had implemented our own, in-house project risk software in 2016, "MyRisk" app. As well as a risk analytics tools since 2019, Covid-19 forced us to hit the ground running and accelerate the digitalisation of some risk management processes.

What were the results of your initiative?

Let's move to the results of our approach from a strategic company perspective. Against all odds, in 2020 we had fully complied with strategic plans drawn up in 2015, one year ahead of schedule. The company had transformed its culture, transformed its business model and strengthened its focus on essential business and sustainability.

It also established its financial situation. €724m EBITDA, ranking among the best operating margins in the sector, 15% generating 13 times more cashflow than in 2014, and recovering a growing dividend after seven years without paying its shareholders. We had a strong liquidity position to deal with the usual business operations.

Now let's have a quick glimpse at the group's risk management results. Organisational resilience was achieved. Demonstrating risk-based decision-making is a driver of sustainable growth and profitability, no matter what comes. A simple and clear governance model including clear, decision-making workflows for every type of position based on the direct and indirect impact of risk at project level allowed us to quickly get teams aligned on set priorities, involving the right people on time. Business decisions were informed backed by our risk management system, as well as made on time and by the right people, according to its consequences.

What is your view for the future?

Learned lessons? Before, during and after any crisis an integrated risk governance and risk management framework is central to secure business decision-making at all levels. Get to know what keeps your stakeholders awake at night, to be more agile and efficient, and ask your experts to simultaneously think of ways to disrupt the business. Try the power of risk management and resilience as a transformation catalyst. Let the risk manager become a

critical part of the business from the perspective of operational resilience and corporate governance.

Long story short? Better if all people make better risk informed decisions. I'm very proud of the ground-breaking risk management framework we have created. It connects more than 1200 experts at project level globally. The system allows us to put people in the centre and enables project teams to anticipate, prevent, act and report alerts accordingly, with a comprehensive vision of risks, in the most practical way, regardless of the nature of crisis.

I would like to dedicate this video to all Sacyr soldiers in the trenches, who continue working tirelessly to make our lives better.