

5.9 TAX INFORMATION



In 2015, the ACS Board of Directors approved the corporate Fiscal Policy, in accordance with which it aims to establish a collaborative relationship with the tax authorities based on mutual trust and transparency. In addition, the Group is committed to not creating artificial corporate structures unrelated to the Company's business activity for the sole purpose of reducing its tax burden or to generate a lack of transparency, and to not carry out operations between related companies aimed at reducing taxable bases and artificially transferring profits to low-tax territories.

All Group companies comply in every country with the applicable tax regulations in relation to transparency and tax information.

In particular, in Spain in 2010, ACS signed the Code of Best Tax Practices promoted by the Spanish tax authorities (Agencia Estatal de la Administración

Tributaria) and, in application thereof, voluntarily provides the aforementioned Agency with the Annual Fiscal Transparency Report, with special emphasis on the Group's international composition, including information related to tax havens.

Therefore, the ACS Group's current policy is not to promote the creation of new companies in tax havens or low or no-tax territories (unless necessary for the execution of works or physical facilities in the territories), as well as to commit to the gradual liquidation of the existing companies. In this regard, several entities which are residents of tax havens are in the process of liquidation.

In accordance with tax regulations in the majority of countries, profit is taxed in the country in which it is obtained, that is, based on the nature of the construction activity, in the place where the construction work or facility is executed.



Corporate Tax Policy

Based on this criterion, the table below gives a breakdown, by country, of the taxes paid by the ACS Group for all items, pre-tax profit, and the subsidies received in 2020 (amounts in thousands of euros):

Country	TAXES PAID 2020 ⁽¹⁾				Pre-tax profit ⁽²⁾	Subsidies received
	TOTAL	Profits tax paid	Other taxes paid	Taxes collected		
Spain	1,357,385	91,936	530,957	734,491	666,350	538
United States	635,352	55,959	96,521	482,871	31,342	
Australia	629,832	6,865 ⁽³⁾	19,503	427,937	552,326	
Germany	120,063	4,771	36,130	79,162	-30,498	
Indonesia	94,849	33,217	15,971	45,661	-58,024	
Brazil	67,586	41,093	17,068	9,425	110,981	
United Kingdom	52,325	1,580 ⁽³⁾	10,173	40,572	14,627	
Chile	45,662	11	11,450	34,202	-73,946	
Mexico	41,139	39,018	20,228	-18,107	43,264	
Singapore	36,950	35,996 ⁽³⁾	1,104	-150	37,190	
Peru	36,694	13,109	4,317	19,268	47,213	
Poland	23,510	336	6,037	17,138	-24,525	
Canada	21,721	5,725 ⁽³⁾	3,402	12,593	158,026	
Portugal	19,855	366 ⁽³⁾	8,847	10,642	13,686	
New Zealand	19,511	316	1,263	17,932	-76,442	
Argentina	14,083	1,877	5,781	6,426	-954	
Mongolia	12,357	12,054	1,374	-1,071	-13,442	
Israel	10,533	-307	1,640	9,200	747	
Czech Republic	9,440	94	5,474	3,871	1,753	
Luxembourg	8,946	3,991	1,019	3,936	40,042	
Netherlands	8,551	10	143	8,397	72	
Colombia	8,440	42	3,388	5,011	-23,411	
France	8,389	248	6,686	1,455	4,747	
Panama	7,810	464	4,129	3,218	5,159	
India	7,303	449	1,840	5,014	-6,189	
Italy	5,919	0	2,061	3,858	476	
Japan	5,702	1	549	5,152	-5,093	
Botswana	5,683	2,330	884	2,480	27,705	
Hong Kong	5,502	4,935	360	206	-13,192	
Ecuador	5,477	1,191	1,404	2,882	7,656	
Others (*)	36,073	4,067	86,185	-54,189	-69,748	
Unattributable consolidation adjustments ⁽⁴⁾					-292,112	
TOTAL	3,362,640	361,742 ⁽⁵⁾	1,081,415	1,919,483	1,075,788	538

(*) Countries less than EUR 5 million of taxes paid.

(1) The OECD methodology includes Social Security contributions as taxes paid.

(2) This corresponds to the pre-tax profit according to the Consolidated Statement of Earnings, not including the results by method of participation (which are presented, in accordance with accounting regulations, already net of taxes, since, as they are not companies controlled by the group, more information is unavailable) and without excluding the adjustment to minority interest.

(3) The low taxes paid in these countries is due to the effect of the return of overpaid taxes in previous years, as well as to the offsetting tax credits for losses from previous years.

(4) Items that cannot be objectively attributed to specific countries (mainly amortisation of PPA Purchase Price Allocation- of acquisitions) are included, with no impact on the payment of taxes in any of them.

(5) Significant deviations with regard to each country's nominal tax rates are due to the fact that the tax rules themselves create differences between the tax in terms of payment and the tax in terms of accrual, differences that are offset in the long term.

The figures for 2019 in regard to pre-tax earnings, profit taxes paid and subsidies received are as follows:

Country	TAXES PAID 2019 ⁽¹⁾				Pre-tax profit ⁽⁶⁾	Subsidies received
	TOTAL	Profits tax paid	Other taxes paid	Taxes collected		
Australia	1,030,575	117,455	215,423	697,697	-1,165,702	
Spain	947,216	-154,410 ⁽²⁾	412,460	689,166	546,727	909
United States	572,290	49,474	109,278	413,538	65,504	
Germany	222,848	3,533	46,861	172,454	-74,849	
Mexico	102,618	27,842	1,834	72,942	49,638	
Indonesia	97,902	73,399	5,950	18,553	252,258	
Peru	72,738	23,141	5,859	43,738	58,092	
Brazil	68,863	22,475	39,582	6,807	157,964	
United Kingdom	53,366	-2,420 ⁽²⁾	12,803	42,982	16,738	
Canada	46,873	-2,242 ⁽²⁾	8,709	40,407	90,282	
Chile	35,364	2,509	5,579	27,275	-21,959	
Portugal	24,161	3,145	9,690	11,326	10,382	
Singapore	21,640	18,100	2,932	608	-24,528	
Argentina	18,044	596	7,437	10,010	7,917	
India	12,287	1,103	1,208	9,976	6,205	
New Zealand	11,115	13	2,456	8,645	30,286	
Philippines	10,848	2,024	1,345	7,478	10,134	
Hong Kong	9,016	8,376	411	229	95,268	
Mongolia	8,033	3,811	1,806	2,417	25,609	
Botswana	7,853	2,321	185	5,347	34,246	
Panama	6,521	661	2,964	2,896	10,118	
Saudi Arabia	6,027	1,093	794	4,140	28,693	
Luxembourg	2,239	23	389	1,827	33,354	
Others ^(*) ⁽³⁾	123,039	6,141	89,396	27,502	-111,020	
Unattributable consolidation adjustments ⁽⁴⁾					-57,616	
TOTAL	3,511,477	208,166 ⁽⁵⁾	985,351	2,317,960	73,741	909

(*) Countries less than EUR 5 million of taxes paid

(1) The OECD methodology includes Social Security contributions as taxes paid.

(2) The low taxes paid in these countries is due to the effect of the return of overpaid taxes in previous years, as well as to the application of tax credits for losses from previous years. Specifically, in the case of Spain, the excess tax returned totalled EUR 229.62 thousand.

(3) This includes losses in countries considered to be tax havens under Spanish law, or 'non-cooperating countries and territories for tax purposes' under EU law, for a total of EUR 37.291 thousand, and in which a tax payment of EUR 217 thousand was made.

(4) Items that cannot be objectively attributed to specific countries (mainly amortisation of PPA Purchase Price Allocation- of acquisitions) are included, with no impact on the payment of taxes in any of them.

(5) Significant deviations with regard to each country's nominal tax rates are due to the fact that the tax rules themselves create differences between the tax in terms of payment and the tax in terms of accrual, differences that are offset in the long term.

(6) This corresponds to the pre-tax profit according to the Consolidated Statement of Earnings, not including the results by method of participation (which are presented, in accordance with accounting regulations, already net of taxes, since, as they are not companies controlled by the group, more information is unavailable) and without excluding the adjustment to minority interest.