

ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

The corporate social responsibility information contained in this document is part of the first Report of the ACS Group, which, following recommendations 53 and 55 of the Code of Good Government of the CNMV, has been prepared according to the requirements of the main standards Benchmarks in non-financial reporting:

* The guidelines contained within the framework of the International Council of Integrated Reports (IIRC acronym in English).

* The new GRI Standards of the Global Reporting Initiative (GRI). The associated indicators have been Verified by an independent third party according to ISAE 3000

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THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

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All of the companies share the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas, thanks to the multiple factors involved in their decision making and generating know-how and good practices that are also independent.

In this context of operational decentralisation, there are many different companies within the ACS Group that make their own contributions towards Corporate Social Responsibility adding up to a combined whole. They define their action policies autonomously and manage their resources as efficiently as possible, based at all times on the common principles and objectives defined in the Corporate Social Responsibility Policy of the ACS Group, approved on 26 February 2016, and that sets out the basic and specific principles of action in this field, and the Group's relations with its environment.

6.1 TRANSPARENCY, ETHICS AND INTEGRITY

The ACS Group and the companies that compose it are committed to promoting, reinforcing and controlling matters related to ethics and integrity, through measures that enable them to prevent, detect and eradicate bad practices.

In order to guarantee compliance with these basic principles of conduct, the ACS Group has two corporate tools, the Code of Ethics and the Ethical Channel, which are broadly implemented in the various areas of activity, as well as a control system for which the Board of Directors is responsible, called the Code of Conduct Monitoring Committee.

THE ACS GROUP'S CODE OF CONDUCT

The Code of Conduct summarises these basic principles and constitutes a guide for employees and managers of the ACS Group in relation to their daily work, the resources used and the business environment in which this takes place.

The basic principles for action in the Code of Conduct are as follows:

- **Integrity:** Among its employees, the ACS Group promotes the recognition of behaviour consistent with loyalty and good faith, which are demonstrated fulfilling the following principles: loyalty to the company, fulfilment

of the law, honest management, fair competition, fiscal responsibility and confidentiality.

- **Professionalism:** the ACS Group's employees and executives should be recognised for their high level of professionalism based on proactive and efficient and customer-centric performance focused on excellence, quality, innovation and willingness to provide service. In this regard, their behaviour must be based on the following principles: quality and innovation, customer mindedness, use and protection of company assets, impartiality and objectiveness in relationships with third parties and transparency.



• **Respect for others and for the environment:** ACS undertakes to act at all times in accordance with the United Nations Global Compact, to which it has been a signatory since its foundation, the objective of which is the adoption of universal principles in the areas of human and labour rights and environmental protection. Likewise, ACS Group companies undertake to act responsibly and diligently in order to identify, prevent, mitigate and respond to the negative consequences that could arise from their activities. The Code has also includes the company's adaptation with the framework of the United Nations Ruggie Report on Business and Human Rights.

All actions taken by the ACS Group and its employees shall strictly abide by the Human Rights and Civil Liberties included in the Universal Declaration of Human Rights, and, specifically, the United Nations Ruggie Report on Business and Human Rights. The relationship of the Group with its employees, as well as the relationship among employees, therefore, shall be based on the following commitments:

- Equal opportunities
- Non-discrimination
- Training
- Occupational health and safety
- Eradication of child labour
- Eradication of forced labour
- Respect for minority rights
- Respect for the environment

The Code of Conduct, approved by the Board of Directors of the ACS Group on 15 March 2007, was subsequently amended to adapt it to the various regulatory requirements regarding ethics and integrity and corporate governance, and the version in force is that dated 12 November 2015.

The Code of Conduct of the ACS Group is mandatory for all companies composing the Group, with the exception of the investees that belong to the HOCHTIEF Group and the CIMIC Group, as they are listed on German stock exchanges and the Sydney Stock Exchange, respectively and, therefore, are subject to the regulations of their own regulatory bodies and have their own Codes of Conduct, as well as their own internal reporting and monitoring channels.



CODE OF CONDUCT MONITORING COMMITTEE

The Monitoring Committee is comprised three members appointed by the Board of Directors of the Group's parent, out of whom a Chairman and the Secretary are designated. After operating for four years, the Code of Conduct Monitoring Committee has taken the initiative to prepare Rules of Procedure that were approved by the Parent's Board of Directors in its meeting held on 29 July 2016.

With these Rules, the Committee wanted to capture both the cumulative experience gathered from processing and resolving past proceedings, as well as the rules established by the Spanish Data Protection Agency for managing reporting channels and the principles contained in the ISO 19600 standard to establish, develop, implement, assess, maintain and improve an effective compliance management system, which generates an active response from all of the companies that compose the Group.

Pursuant to the Rules of Procedure, the Monitoring Committee is in charge of the following functions:

- Promoting the dissemination, knowledge of and compliance with the Code in each and every Group company.
- Establishing the appropriate channels of communication to ensure that any employee can seek or provide information regarding compliance with this Code, ensuring the confidentiality of complaints processed at all times.
- Interpreting the regulations derived from the Code and supervising their implementation.
- Ensuring the accuracy and fairness of any proceedings commenced, as well as the rights of persons allegedly involved in possible breaches.
- Defining the cases in which the scope of the Code should be extended to third parties that are to have business or trade relations with the ACS Group.
- Gathering data on levels of compliance with the Code and disclosing the specific related indicators.
- Preparing an annual report on its actions, making the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

With respect to the stages of the proceeding, an initial period is established for receiving reports and conducting the preliminary analysis that, once concluded, when the Committee decides to notify the reporting party that an

investigation has been opened, the reported party must be informed as soon as possible of the acts that they are accused of, as well as the departments and services that may be reported within the Group.

However, in cases in which the aforementioned notification entails a risk of manipulation or elimination of the evidence necessary for the investigation by the reported party, thereby jeopardising the Monitoring Committee's capacity to investigate, the notification may be delayed up to three months from receipt of the report.

The new Rules of Procedure have taken into account the coming into force of European Regulation 2016/679, of 27 April, the General Data Protection Regulation (GDPR), which will entail significant modifications to the current Organic Act on Data Protection and its implementing regulation RD 1720/2007 and introduces a series of changes and new items based on which the current data processing process must be adapted prior to its full application. Therefore, art. 5 and 6 of the Regulation specifically regulate the protection of personal

data and information provided to the reporting party, including the obligation to notify the interested parties pursuant to the principal transparency, regarding the circumstances and conditions of the data processing to be conducted, as well as their rights.

If the preliminary analysis produces indications of the existence of actions that could infringe the basic principles of conduct contained in the ACS Group's Code of Conduct, the secretary of the Monitoring Committee will open an investigation, and report this to the reporting party.

The purpose of the investigation will be to clarify the acts that have been reported and identify the parties responsible.

Any member of the Monitoring Committee who may have a conflict of interest will be relieved from the investigation.

The first stage of the investigation is the collection of information; it must be done objectively and comprehensively in order to identify

and rule out possible biased or malicious reporting.

The Monitoring Committee will determine what units or bodies of the Group should collaborate in the investigation and, in this regard, may request assistance from any employee or manager of the Group.

The Committee will properly select the individuals or departments from that to request assistance in this stage. Discretion, impartiality, knowledge on the matter and efficacy should govern the selection. If necessary, any individuals who, because they have been directly affected by the events reported, could compromise the objectivity or the outcome of the investigation, will be removed.

Once all of the procedures of the investigation are complete, the Monitoring Committee will prepare a report containing conclusions and recommendations that will include the following items:

a) Place, time and nature of all of the reported acts.



b) Identification of the reporting and reported parties, as well as the units of the Group to which they belong.

c) List of the acts performed, the parties involved and the evidence obtained in the investigation process.

d) Assessment of the facts proven and, where applicable, the following may be proposed:

i. That the proceedings be filed if the Monitoring Committee determines that the acts do not constitute a violation of the Code of Conduct.

ii. Continuation of the proceedings, if the Committee determines that, based on the investigation, it has been sufficiently proven that the party reported did perform an act in violation of the basic principles of conduct contained in the ACS Group Code of Conduct, urging the corresponding management of the ACS Group Business Unit or Area to impose disciplinary measures.

e) Recommendations for organisational, preventive and control measures to prevent the recurrence of the same violation, including, in all cases, recommendations related to training Group employees and executives. The Committee may, likewise, request the Audit Committee develop and implement these measures and controls.

f) Recommendations for compensation with respect to any person, entity or stakeholder that may have been harmed by the acts.

The Monitoring Committee will proceed to disseminate the facts internally, as well as to any ACS Group body or unit and, in general,

to all employees and executives of the Group when it believes it will serve as an effective tool for preventing similar incidents or irregularities in the future, duly complying with legislation on personal data protection and safeguarding the required confidentiality and reservations.

When the facts proven during the course of the proceeding could give rise to criminal liability for any legal entity composing the ACS Group, the Committee will immediately notify the Board of Directors of the Group's parent through the Audit Committee.

The Monitoring Committee's conclusions and recommendations report will be immediately communicated to the corresponding management of the ACS Group Business Unit or Area to which the company in which the reported party and the reporting party provide their services belong.

The recommendations made and the effects thereof will be monitored and the results of such monitoring will be included in the Code of Conduct Monitoring Committee's Annual Report. The conclusions drawn will contribute to the periodic reviews of the various prevention manuals, internal regulations and codes of conduct of the ACS Group.



Monitoring Committee Regulations

ETHICAL CHANNEL

The main tool serving the Monitoring Committee is the Ethical Channel. It is used to report on any irregular conduct in any of the companies that form part of the ACS Group or any breach of the rules set out in the Code of Conduct, using the following email address: canaletico@grupoacs.com. Or also by writing by post to: Canal Ético, Grupo ACS, Avda. Pío XII 102, 28036 Madrid, España.

The Ethical Channel is both a means for reporting breaches of the rules in the ACS Group's Code of Conduct and a means for resolving doubts that may be raised in relation to applying the Code of Conduct.

The employees and executives of the ACS Group must expressly research the Code of Conduct, as well as the Ethical Channel and how it works, knowledge of which is an integral part of the contractual relationship.

In the event the parent of the ACS Group receives reports related to the activity of companies comprising the Hochtief Group, or its subgroup Cimic, the Monitoring Committee will inform the reporting party of the corresponding internal reporting mechanisms so that they may, in each case, seek out the respective channel. The Monitoring Committee will communicate the report to the responsible body in each of these subgroups so that it may properly monitor the matter until its final resolution.

A total of 102 reports were received in 2016, in relation to which 2 informational proceedings and 6 investigations were opened. Among the investigations processed, it is

worth noting the proposals made by the Committee in its corresponding Conclusions and Recommendations Reports in relation to implementing training programmes for employees and executives to comply with the guidelines of the UNE-ISO 19600 standard.

The details of the proceedings are as follows:

HUMAN RIGHTS POLICY

The ACS Group, throughout its history, has been committed as a business to respecting human rights according to the ethical principles and the corporate culture that guide the performance of its activities and the achievement of its goals.

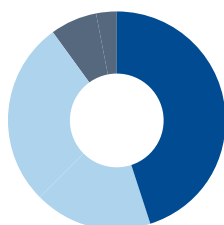
In 2016 the ACS Group's Human Rights Policy was approved. According to this policy, the Group assumes its responsibility to respect human rights, formalising a due

diligence process for identifying, preventing, mitigating and reporting on how to handle the impact of its activity on human rights, as well as a process for remedying all of the negative consequences its activity has caused or has contributed to causing in relation to human rights.



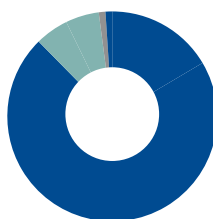
Human Rights Policy

Source of communications



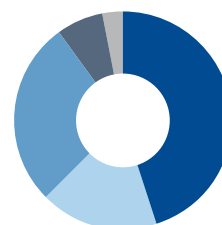
Employee	46
Third-party	10
Ex employee and shareholder	46

Country of Origin



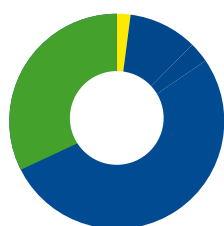
Spain	94
Dominican Republic	7
Guatemala	1

Reason for Communication



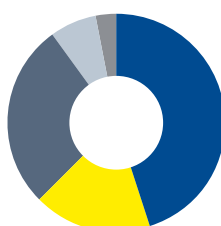
Corruption	46
Discrimination	18
Bullying	28
Unpaid bills	7
Others	3

Communications per area of activity



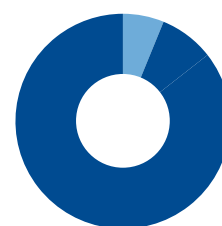
Corporation	2
Services	64
Industrial Services	36

Method of Resolution



File shelved	46
Filed by preliminary ruling	18
Recommendation report	28
Committe is not skilled	7
Others	3

Processing period



Less than 15 days	18
15-30 days	0
More than 30 days	84

TRAINING

In order to guarantee compliance with all of its internal commitments and regulations, the ACS Group encourages all of its employees to become familiar with them through awareness campaigns and training courses that are carried out at all Group companies.



	2015	2016
Scope of the training plans on human rights, ethics, integrity or conduct (% employees).	91.8%	90.5%
Number of courses given with content involving human rights, ethics, integrity or conduct	212	315
Number of employees trained in Human rights, ethics, integrity or conduct content during the year	21,121	24,094
Training hours per trained employee*	6.7	4.7

* In 2015 and 2016 this indicator reached a scope of 88.31% and 84.37% of employees, respectively, and, therefore, the training hours were calculated per employee based on such scope.

TRANSPARENCY AND FISCAL CONTRIBUTION

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. Furthermore, the Group undertakes, not to create artificial corporate structures unrelated to the Company's business activity for the sole purpose of reducing its tax payments or to create a lack of transparency, nor to perform transactions between related companies that aim to reduce taxable bases and artificially transfer profit to low tax territories.

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

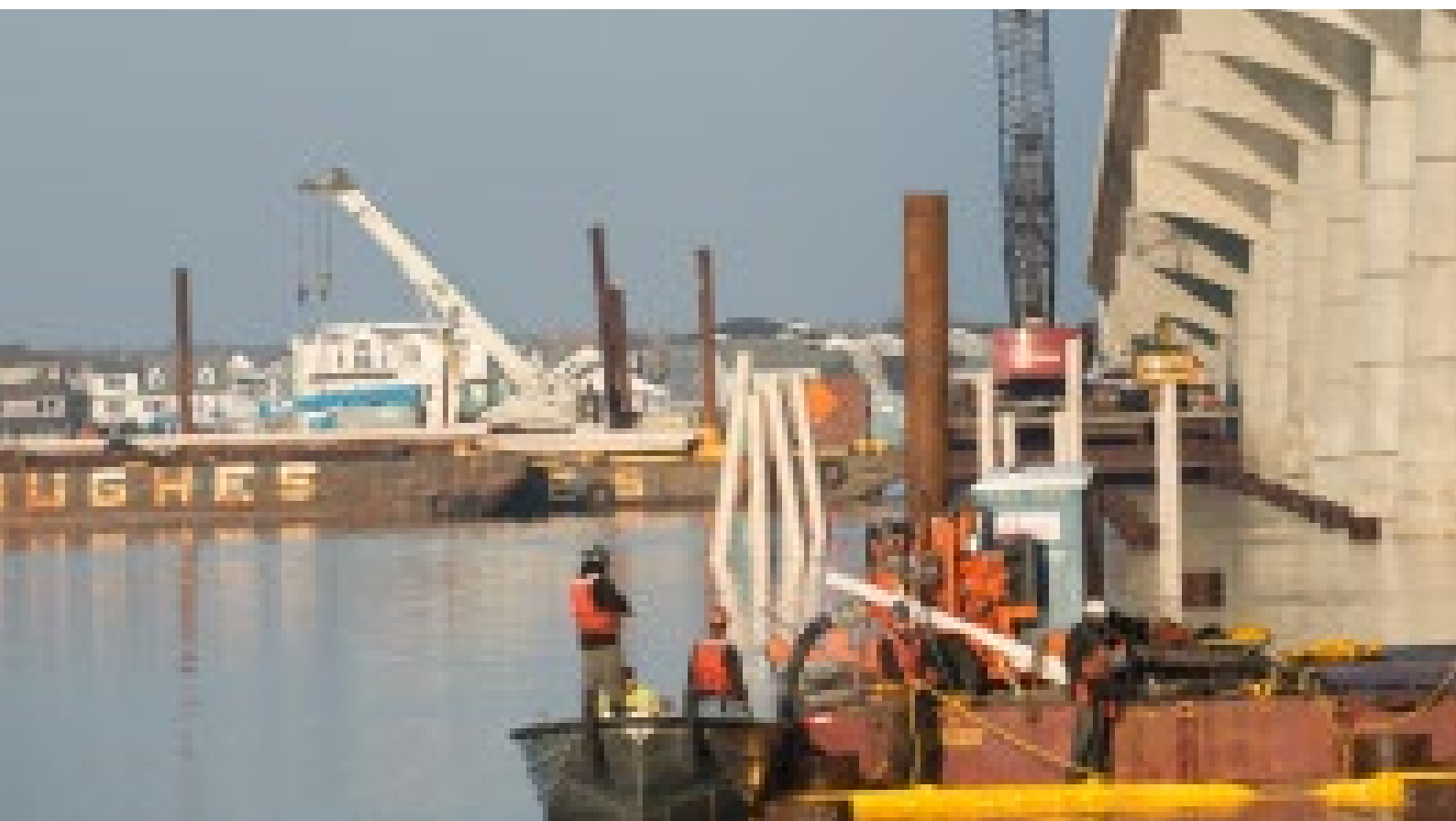
In particular, in Spain in 2010, ACS signed the Code of Best Tax

Practices promoted by the Spanish tax authorities (Agencia Estatal de la Administración Tributaria) and, in application thereof, complies with the requirements established in relation to fiscal transparency and voluntarily provides the information required to do so, 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 said territories), as well as to commit to the gradual liquidation of the existing companies. In this regard, several entities that are residents of tax havens are in the process of liquidation.

In this respect, of the 1,075 companies within the Group's scope of consolidation, there are

11 companies that are residents in tax havens that are subsidiaries of CIMIC that is a resident of and listed in Australia (7 of which are in Mauritius, 2 are in the Cayman Islands and 1 each in Macau and Fiji) and a subsidiary of the Industrial area in Gibraltar, where it performs installation work. Likewise, in other territories customarily considered no or low tax territories, the Group has several companies to carry out the business activity it performs in such territories, of which Hong Kong, Panama and Singapore are of particular note. In these three locations sales amounted to €1,801 billion in 2016, mainly from construction, for which 39 companies were used. In addition, there are 5 more companies in other territories with these characteristics. All of these companies are listed in the appendix to the financial statements and none obtained income from Spain in 2016.



Likewise, the information on the total taxation on profit, explaining the income tax expense for 2016 worldwide, which amounted to €408 million, is included in the note on tax matters in the financial statements. In addition, as the parent of the Group, ACS will submit to the Spanish tax authorities, before the established deadline, the information, broken down by country, which is subject to exchange with the tax authorities of other countries.

In accordance with the provisions of the tax regulations in the majority of countries, profit is taxed in the country in which it is obtained, i.e., given the nature of the construction business, in the place where the construction work or facility is

executed. In this connection, the Group performs its activity in a large number of countries and, specifically, revenue exceeds €250 million in 15 countries.

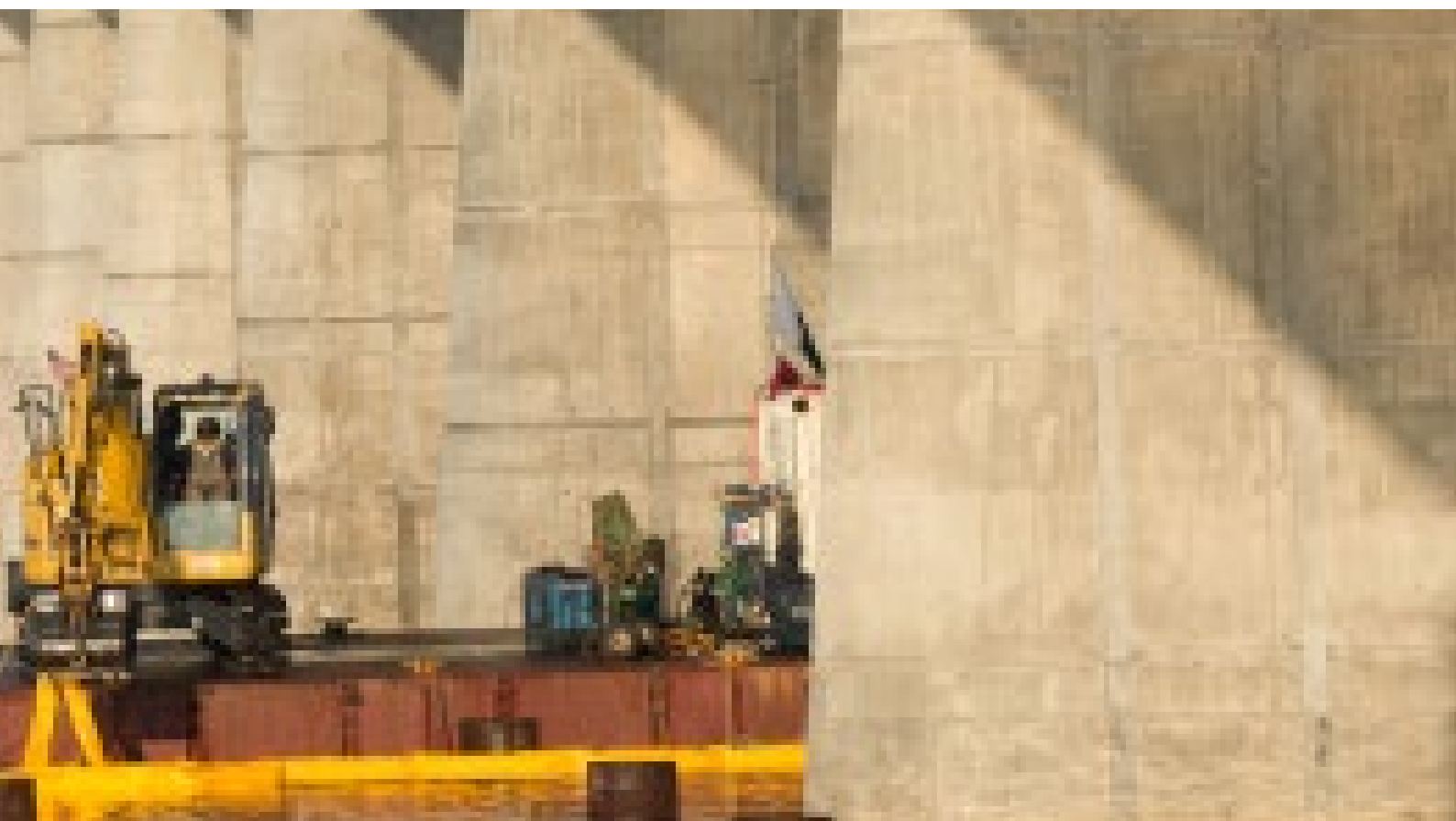
In particular, in 2016, in Spain, where the ACS Group performs 13% of its activity and has its headquarters, it paid €85 million for 2016 tax prepayments.

Similarly, the applicable tax charges and employee benefit costs are deposited in the country in which the activity takes place, including the Group's most significant charges and costs, such as those related to its staff that amounted to €6,751 million in 2016. The aforementioned charges represent an average of 33.2% of total staff costs in the

eight main countries in which the Group operates and that account for 81% of its revenue. This means that the amounts paid by the Group companies to the various national authorities for withholdings for taxation on labour and social contributions represent a figure equivalent to six times the dividend the Group has been paying to the shareholders of ACS.

¹³ Identified in accordance with Royal Decree 1080/1991 as not as being considered tax havens

¹⁴ Source: OECD.- Taxing Wages 2016. Tax burden on labour income in 2015 and recent trends. Calculated taking the average by country (Germany 49.4%; Spain 39.6%; Poland 34.7%; US 31.7%; Canada 31.6%; UK 30.8%; Australia 20.4%; Mexico 19.7%)



6.2 THE ACS GROUP'S PEOPLE

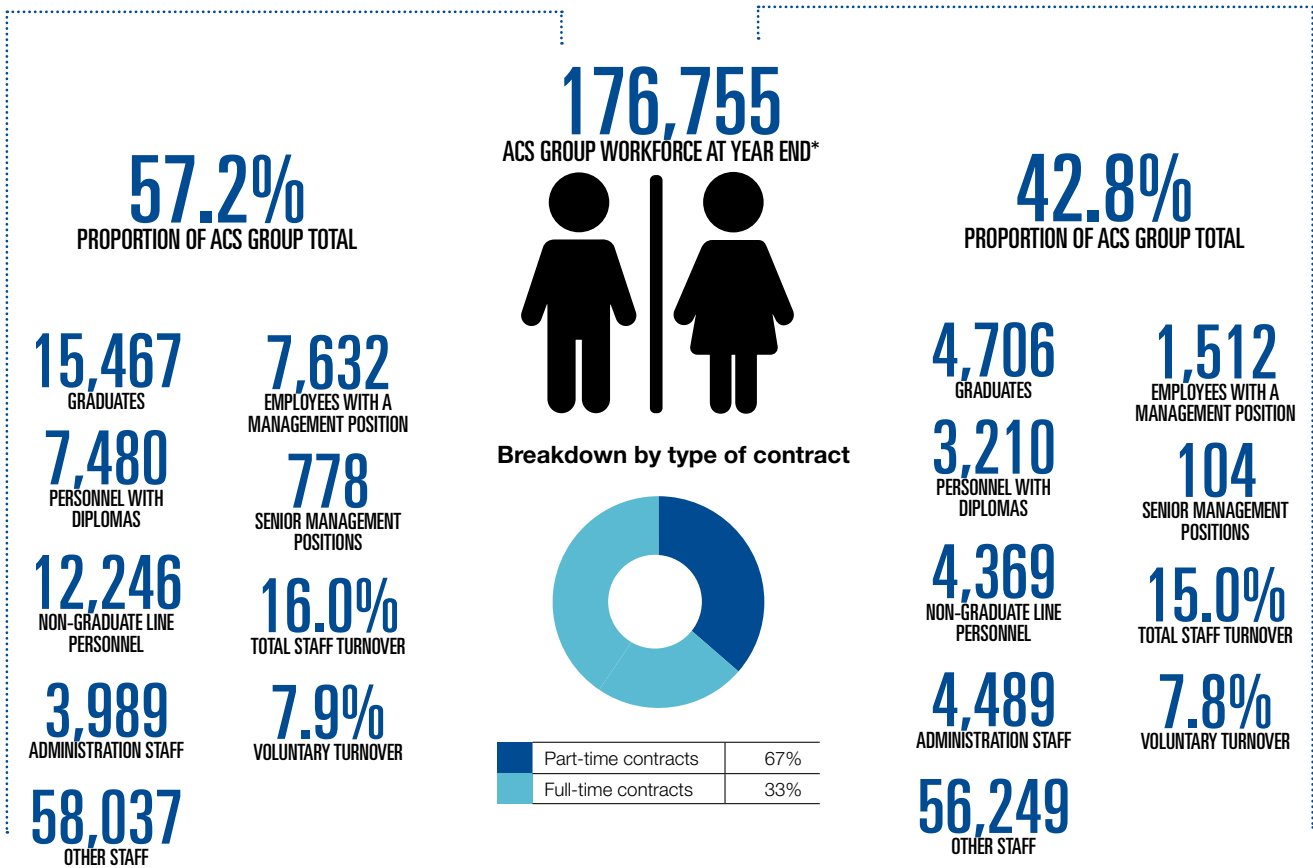
The ACS Group's business success comes from the talent of its teams. Hence the company maintains its commitment to continuously improving their skills, capabilities and level of responsibility and motivation, while at the same time addressing working and safety conditions with the utmost dedication.

The ACS Group applies modern and efficient human resource management tools with the goal of retaining the best professionals. Some of the fundamental principles governing the Group companies' corporate human resources policies are based on the following common actions

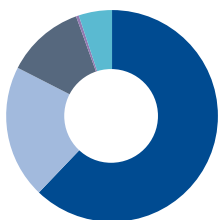
- Attracting, retaining and motivating talented individuals.
- Promoting teamwork and quality control as tools to drive the excellence of work well done.
- Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
- Supporting and increasing training and learning.
- Innovating to improve processes, products and services.



6.2.1 DIVERSITY



Employees breakdown by geographical areas



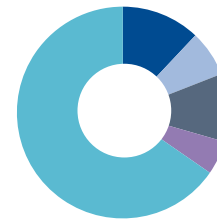
Europe	62.1%
America	20.4%
Asia	12.0%
Africa	0.4%
Oceania	5.1%

Employees breakdown by activity area



Construction	36%
Industrial Services	23%
Services	41%

Employees breakdown by professional category



Graduates	12%
Personnel with diplomas	7%
Non-graduate line personnel	11%
Administration staff	5%
Other staff	65%

*31/12/2017 including 6,801 employees of UGL nor 58 from Devine The breakdown of the information does not include these two companies given their recent acquisition

Equality of opportunity, lack of discrimination and respect for human rights, which are basic principles included in the Group's Code of Conduct, are also determining factors when advancing the professional and personal development of all of the ACS Group's employees.

The ACS Group rejects any type of discrimination, in particular that due to age, sex, religion, race, sexual

orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on an assessment of the person's capabilities, on an analysis of the requirements of the job post and on individual performance.

It is worth noting that, as a result of the ACS Groups commitment to women in the working world and their professional development,

since 2012 the number of women in executive positions has increased 52%.

The ACS Group also understands the important role that having local roots and being sensitive to each place's unique features has in the company's success. For that reason, it promotes direct hiring of local employees and executives.

Highlight labour integration of vulnerable groups at Clece

Clece Social is the Clece Group's social project. The expression of its commitment to people. A commitment not understood as the company's duty or a designed social responsibility strategy, but rather something inherent to its roots and development: a company by people for people.

Its goals include promoting equal opportunities through the integration of people from vulnerable groups, mainly people with disabilities, people at risk of social exclusion, women who are victims of gender violence, victims of terrorism and youth who have been unemployed long term.

The Inclusion & Employment project is focused on providing vulnerable groups easier access to a job (people with disabilities, victims of gender violence, persons at risk of social exclusion and youth). Today, 9.6% of the workforce who are members of these groups are working in a fully integrated capacity within the company.

To achieve this goal, Clece worked with third sector organisations, collaborating with 350 organisations with which it has signed 80 agreements in the last 2 years.



Clece Social Project



Inclusion & Employment Project



6.2.3. SKILL DEVELOPMENT

COMMITMENT TO PROFESSIONAL DEVELOPMENT

The ACS Group promotes the professional development of its workers. With this aim, it has an employment policy that generates wealth in the areas where it operates.

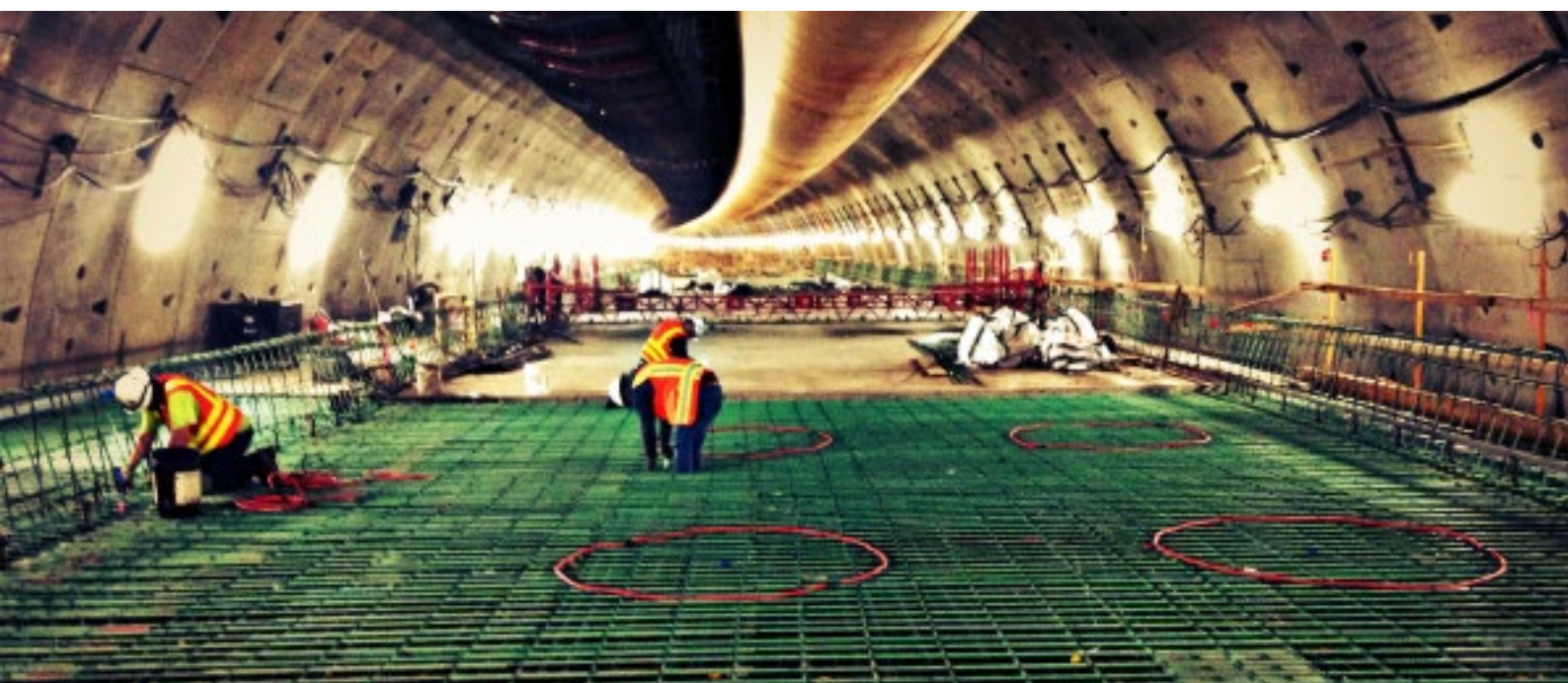
Each ACS Group company manages the development of its staff independently, adapting their needs to the specific characteristics of their activity, although all address the elements defined in the Skill Development and Assessment Policy:

Skill Development and Assessment Policy

The ACS Group seeks to develop the following best practices with regard to skill development and assessment:

1. Strengthen performance evaluations through the achievement of goals.
2. Multidimensional performance evaluation (180° or 360°).
3. Strengthen the individual evaluation of employees, recognising and encouraging leadership among those with high potential.
4. Apply incentives related to long-term goals for staff below senior management.
5. Associate incentives related to long-term goals with non-financial performance indicators (environment, health and safety, customer satisfaction, relationship with stakeholders, etc.).
6. Implement measures to reduce the rate of voluntary turnover.
7. Measure employee satisfaction.
8. Take measures to increase employee satisfaction.
9. Implement a global metric to quantitatively evaluate the benefits for the business of investing in human capital.

	2015	2016
Employees covered by a formal professional development system	90.9%	88.3%
Employees subject to performance evaluation processes	29.6%	31.0%
Employees covered by variable remuneration systems	96.7%	93.8%



Programme for graduates at CIMIC

In 2016 the CIMIC Group launched a new programme for graduates. 78 university graduates entered CPB Contractors, Thiess and EIC Activities in February 2016. Throughout the two year programme, the graduates will participate in daily structured development plans providing them an in-depth look into the key areas of the business. The CIMIC Group's new programme for graduates has replaced previous programmes offered by individual management companies. The new programme provides an ongoing development experience for all of the graduates which offers them the opportunity to rotate throughout the Group, even at CIMIC. The 2016 graduates come from various disciplines including engineering (75%), supply chain, legal, finance, security and human resources.

In its first year, the CIMIC Group's programme for graduates was ranked 32 out of the classification of the 75 best employees for university graduates from the sector's primary classification body, the Australian Association of Graduate Employers (AAGE). The AAGE classification is the definitive guide to the best programmes for graduates in Australia, since it is based exclusively on the results of questionnaires given to individuals who have gone through a formal programme of this type. The questionnaire asks that graduates, who respond anonymously, to classify their organisation based on 25 categories.



TRAINING PROGRAMMES

The ACS Group has programmes for on-going training and skills development, aimed at covering the employees' training wants and needs, as identified during the year and in line with the competences established in the management models. In addition, the training plans are highly focused on employees' professional and personal development.

The training plans for the different companies are updated regularly to adapt them to the needs of each business and, in the end, of each person.

In order to determine the efficacy of the training programmes, the Group companies evaluate the courses given at various levels: satisfaction of the participants, knowledge acquired by the participants and impact on the performance of the participants in the area in which they have been trained.

THE ACS GROUP HAS PROGRAMMES FOR ON-GOING TRAINING AND SKILLS DEVELOPMENT, AIMED AT COVERING THE EMPLOYEES' TRAINING

	2015	2016
Total teaching hours given	1,952,129	1,651,049
Teaching hours per employee (over total employees)	11.5	9.7
Employees participating in training activities	78,415	71,367
Teaching hours per employee (over total trained employees)	24.9	23.1
Investment in training (M€)*	24.3	26.3
Investment in training per employee (over total employees) (€)	170.9	186.4
Investment in training per employee (over total employees) (€)	366.0	436.4

* In 2015 and 2016 these indicators covered 88.31% and 77.49% of employees, respectively, and, therefore, the investment were calculated per employee based on such scope.



6.3 HEALTH AND SAFETY

THE MAIN GOAL OF THE ACS GROUP IS TO CREATE A CULTURE OF OCCUPATIONAL RISK PREVENTION ENABLING IT TO ATTAIN AN ACCIDENT RATE OF ZERO.

The prevention of labour risks is one of the strategic pillars of all ACS Group companies. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its employees, but also for its suppliers, contractors and collaborating companies.

The main goal of the ACS Group is to create a culture of occupational risk prevention enabling it to attain an accident rate of zero. The Group is getting closer and closer to reaching this goal thanks to the work of the prevention services and the commitment of employees, suppliers, contractors and collaborating companies.

Although each Group company is managed independently, the great majority of them share common

principles in the management of their employees' health and safety.

- Compliance with current regulations on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into all activities and at all levels through proper planning and implementation.
- Adoption of measures beyond regulations to ensure employees' protection and well-being.
- Application of the principle of on-going improvement of the system. And the extension of its principles and the participation of employees through training and information.
- Investment in certification of personnel and application of technological innovations to prevent accidents.
- Development of measures to protect the safety of third parties at the companies' facilities.

The large majority of companies have a specific department and a health and safety management system to comply with the above action plans and priorities.

At the companies that have these types of systems, the following activities are performed:

- Periodic assessment of the risks to which employees are exposed.

- Definition of prevention plans with formal targets that incorporate the improvements identified in the assessment processes.
- Identification and recording of situations that could have given rise to an incident (near misses).
- Workers' and managers' remuneration are linked to fulfilment of formal targets as regards health and safety.

The supervision and optimisation of these systems involves setting and monitoring objectives, generally on an annual basis, which are approved by senior management. The Risk Prevention Plans implemented at the Group companies include the conclusions from the periodic risk assessments made and establish guidelines for achieving the objectives set.

6.3.1 TRAINING

Training and information are the most effective measures to raise awareness and get people from the company involved in meeting the health and safety goals.

The ACS Group collaborates with organisations specialised in health, safety and risk prevention and actively participates in the major conferences, congresses and forums organised domestically and internationally.

	2015	2016
Employees who have received health and safety training during the year (%)	67.3%	64.2%
Employees who have received health and safety training during their career with the company (%)	99.5%	99.5%



6.3.2 SAFETY STATISTICS

	2013*	2014*	2015	2016
Percentage of total employees covered by OHSAS 18001 certification	75.4%	83.3%	82.8%	84.9%
Investment in health and safety (millions of euros)	172	129	128	147
Spending per employee on Safety (euros)	768.5	804.5	754.2	867.6

* In 2013 and 2014 Services includes Urbaser.

Accident rate indices Employees

EMPLOYEES	2013*	2014*	2015	2016
Frequency	19.07	15.20	13.04	13.87
Construction	4.23	2.41	3.29	3.07
Industrial services	11.95	11.14	9.89	7.48
Services	39.79	42.69	28.80	32.91
Severity	0.55	0.38	0.37	0.36
Construction	0.12	0.08	0.09	0.11
Industrial services	0.31	0.31	0.33	0.18
Services	1.16	1.02	0.79	0.83
Incident rate	33.24	37.38	24.62	25.53
Construction	8.13	9.47	7.65	6.64
Industrial services	22.11	22.55	20.36	15.64
Services	61.00	65.10	41.15	47.03

* In 2013 and 2014 Services includes Urbaser.

Health and Safety Glossary

Frequency Rate: Number of accidents that have occurred during the working day per 1 million hours worked.

Severity Rate: Number of working days missed due to accidents per 1,000 hours worked.

Incident Rate: Number of accidents with time off per 1,000 workers.

This ongoing effort made by all ACS Group companies in relation to health and safety is evident year after year in the on-going improvement of the indicators. However, in 2016 there was a small increase in certain indicators.

Although the construction and industrial services businesses continue to improve in the majority of indicators, the services business that, because of the nature of the activity, has a higher incident rate and frequency, recorded a small increase. Given the weight of the services activity within the Group based on the number of employees, this increase has a considerable impact on the Group's overall indicators.

“Fit for work + Fit for life” at CIMIC

In June 2016, CIMIC launched its “Fit for work + Fit for life” initiative to address mental health in the construction and mining industries. “Fit for work + Fit for life” aim to encourage the steps which employees can take to achieve and maintain their physical and mental health and avoid or better manage physical and mental conditions, such as fatigue, depression and anxiety.

“Fit for work + Fit for life”:

- creates awareness regarding mental health at work;
- trains our leaders in protection measures;
- generates resilience in employees by promoting physical health which, in turn, benefits mental health; and
- puts our people in contact with mental health support services offered by the Employee Assistance Programme and by experts such as beyondblue, Lifeline, Mates in Construction and Mates in Mining.

Dragados’ Health and Safety Bulletin

In order to strengthen the company’s health and safety culture, Dragados has prepared and disseminated internally a Health and Safety Bulletin which includes the best practices implemented at the company at the international level in the various activities performed by it.

The latest bulletin includes the best practices in works performed on roads with vehicle traffic. In addition to establishing a general safety framework in these activities, it proposes several innovative or technological solutions developed and applied successfully in work performed by the company

to reduce the accident rate and for dissemination. Some examples of these solutions are:

- Protection from falls from vehicles
- Procedure for managing traffic when there is a risk of landslides
- Mobile barriers for demarcating work areas
- Mobile systems for reducing impact
- Lighting system for safety helmets



Cobra's Incident Reporting Project

In 2016, Cobra worked in particular on raising awareness regarding reporting incidents at the workplace, including those that are seemingly less important, in order to identify causes and prevent more serious accidents.

In 1931, H.W. Heinrich published one of the most famous studies on this matter. He discovered the following relationship: for every very serious injury, or for every fatality, there are around 10 serious injuries, 30 minor injuries and 600 incidents that cause no injury.

Cobra believes that by working up from the base of the pyramid, it can avoid reaching the tip. In order to work on the base, incidents must be recorded in order to investigate and control the root cause. To do so, COBRA has launched the Incident Reporting Project. The goal (which in certain cases is already a reality), is to significantly increase voluntary incident reporting. As the first step, senior management has voiced its commitment through conferences, meetings and letters of commitment.

In addition, given that it is a cultural change, the company is working to involve the entire organisation in an effort to reach each and every employee with this initiative, whether the company's employees or employees of collaborating companies. The project is based on transmitting these basic principles:

- Risk prevention is not only a priority, it is one of the company's values. There is nothing more important than a person's life.
- When an incident occurs, the organisation should know. Therefore, any incident that occurs should be reported with absolute confidence. Cobra will include it as a "lesson learned" in order to prevent it from occurring again and avoid escalation.
- Reporting an incident is a personal collaboration, in which the employee demonstrates their concern for their own safety and that of their colleagues.

Accident rate indices. Subcontractors

CONTRACTORS	2013*	2014*	2015	2016
Frequency	7.83	9.36	4.74	3.98
Construction	6.78	8.84	9.99	8.93
Industrial services	3.28	2.40	1.90	1.36
Services	143.11	151.67	0.00	0.00
Severity	0.16	0.14	0.05	0.05
Construction	0.13	0.06	0.07	0.07
Industrial services	0.06	0.06	0.04	0.04
Services *	3.53	2.80	0.00	0.00

* In 2013 and 2014, Services included Urbaser. Following the sale of Urbaser, the only company included under the Services activity was Clece in 2015 in 2016. Given that Clece does not work with subcontractors, the indicators of the Services activity drop to zero.

The spreading of the risk prevention culture among suppliers, contractors and collaborating companies is another of the Group's basic lines of action in this subject. Details on the control and management efforts in this area are included in this document in the Suppliers section.

6.4 ENVIRONMENT

96.8%

LEVEL OF IMPLEMENTATION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM

The ACS Group combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. ACS's environmental policy defines the general principles to be followed and these are sufficiently flexible as to accommodate the elements of policy and planning of the companies in the various business areas and to comply with the requirements of the ISO 14001 standard. These principles include the following:

- Commitment to complying with legislation
- Commitment to preventing pollution
- Commitment to on-going improvement

74.1%

LEVEL OF IMPLEMENTATION OF ISO 14001 CERTIFICATION

- Commitment to transparency, communication and the training of Group employees, suppliers, customers and other stakeholders

In order to be able to articulate and deploy a policy based on these environmental commitments, the most significant commitments are identified at corporate level, according to their impact on the environment and external requirements, and are then compared with each company's management systems and the environmental priorities for each business activity.

Specifically and operationally, the main environmental measures focus on three key risks:

- The fight against climate change

0.1%

LEVEL OF IMPLEMENTATION OF OTHER CERTIFICATIONS

- Efficient use of resources
- Respect for biodiversity

Targets and improvement programmes are established for each of these priorities by company or group of companies. The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each group of companies.



6.4.1 CLIMATE CHANGE

The ACS Group shares the company's growing concern for climate change. In this regard, its main challenge is understanding and quantifying all of the ACS Group's emissions in order to subsequently implement measures to reduce the emissions associated with its operations. Each company is responsible for maintaining an inventory of emissions, in which the main sources are identified.

ACS Group strategy in the fight against climate change is based mainly on proper assessment and management of direct emissions, the use of fossil fuels, renewable energies, energy efficiency and saving and sustainable travel.

Overall responsibility for climate change in the Group falls to ACS's Board of Directors, which approved and oversees the development of policies to minimise impact in this area.

Accordingly, the ACS Group contributes through the company and its customers in the fight against climate change through a wide range of products and services that contribute to moving towards a low-carbon economy.

In 2016 the ACS Group considerably reduced its emissions in both absolute and relative terms (based on sales) in all activities. A significant part of this reduction was due to the sale of Urbaser, which was the Group

company with the highest emissions. The ACS Group's emissions intensity therefore dropped by 54% compared to 2014, therefore bringing the Group closer to reaching its climate change targets. Accordingly, ACS Group companies that represent 91.9% of sales carried out several initiatives in the year to reduce CO₂ emissions, with an estimated emissions savings of 9,774 tons of CO₂.



Más información
3.3 Which addresses the sector's challenges and opportunities

Emisiones de CO₂ por áreas de actividad (tCO₂eq)

	2013*	2014*	2015	2016
TOTAL ACS GROUP	11,177,096	16,584,914	8,454,528	7,033,872
Scope 1	3,771,674	5,492,986	3,101,441	2,169,793
Scope 2	302,158	363,767	255,510	242,119
Scope 3***	7,103,265	10,728,161	5,097,577	4,621,960
Emission intensity (total emissions/€Mn sales)	282	487	272	225
Construction: total emissions**	7,650,751	12,370,617	8,333,390	6,927,191
Scope 1	3,526,160	5,213,013	3,031,124	2,111,363
Scope 2	225,960	292,503	226,452	218,923
Scope 3	3,898,631	6,865,102	5,075,813	4,596,905
Emission intensity (total emissions/€Mn sales)	258.8	496.4	358.3	286.7
Industrial Services: total emissions	99,278	136,365	98,965	85,908
Scope 1	72,798	99,199	54,476	44,471
Scope 2	15,064	13,412	22,725	16,383
Scope 3	11,416	23,754	21,764	25,054
Emission intensity (total emissions/€Mn sales)	14.0	21.8	15.4	15.0
Services: total emissions	3,427,066	4,077,932	22,173	20,773
Scope 1	172,716	180,773	15,841	13,960
Scope 2	61,133	57,853	6,333	6,813
Scope 3	3,193,217	3,839,306	nd	nd
Emission intensity (total emissions/€Mn sales)	1,142.4	1,426.1	16.1	14.8

* In 2013 and 2014, Services included Urbaser.

** The environmental information of the ACS Group includes the figures of CIMIC. In 2013 the information from January 2013 to December 2013 (inclusive) was included, and 2014 includes the information from July 2013 to June 2014 (inclusive). The figures in this table that relate to CIMIC are as follows (from July 2013 to June 2014): Emissions Scope 1 CO₂: (5,362,111 tons). Emissions Scope 2 CO₂: (271,610 tons). Emissions Scope 3 CO₂: (2,747,782 tons).

*** Scope 3 emissions include those calculated for employee travel. In HOCHTIEF and CIMIC they include those calculated referring to the Supply Chain (Cement, Timber, Waste and Steel).

Noteworthy good company practices regarding climate change

Clece continues its commitment to integrating environmental criteria in the organisation's management. The calculation of its carbon footprint within its Integrated Management System was certified in 2016.

The certification in accordance with UNE-EN ISO 14064 standard was granted by AENOR. This certificate verifies the calculation performed by Clece of the carbon footprint of its activities, which amounts to 22,829 tCO₂eq. The calculation of

the company's carbon footprint includes direct and indirect emissions, arising from the energy consumed, and other GHG emissions resulting from the provision of its services.

For Clece, this verification provides greater control over the organisation's emissions, and an improvement in the company's credibility and transparency, and the possibility of developing strategies and action plans regarding climate change.



6.4.2 EFFICIENT USE OF RESOURCES

The ACS Group considers efficiency in resource consumption and reducing waste generation to be a priority, as an effective strategy in these aspects implies benefits from two angles. On one hand, it reduces the environmental impact on the surrounding areas and, on the other, it cuts the costs needed for their purchase or treatment.

Energy is one of the main resources used by ACS Group companies. Several of the business activities carried out involve high energy intensity and, therefore, operating costs are reduced. In 2016, energy consumption was reduced by 20,505 MWh as a direct result of initiatives in favour of conservation and efficiency.



Energy consumption (kWh)

	2013*	2014*	2015	2016
Total ACS Group	14,281,028,055	22,133,314,155	12,423,154,439	8,810,053,592
Construction	13,113,379,751	20,726,480,238	12,031,151,526	8,489,345,216
Industrial Services	315,142,710	440,550,809	300,486,298	235,766,578
Services	852,505,594	966,283,108	91,516,615	84,941,798
Energy intensity for the ACS Group (kWh/€ Mn sales)	360,395	650,033	400,257	281,523

* Includes Urbaser in 2013 and 2014

2020 Ecoefficiency Plan of Dragados

In 2016, Dragados drafted its 2020 Ecoefficiency Plan for the general purpose of reducing the consumption of resources and the production of emissions, and making personnel aware of the importance of adequately managing natural resources.

Given the complexity and diversity of the projects carried out by Dragados, it is difficult to create an environmental management plan that enables consumption to be predicted and targets established. Therefore, the company decided to carry out an in-depth analysis to identify the consumption associated with each process or activity carried out within the various projects. This allows the company to plan resource consumption for the works, to plan economically, and to establish efficiency measures for the most critical projects.

In 2016, Dragados took action regarding energy consumption. This work concluded with the implementation of an overall Energy Management System for the entire company:

- Fixed centres: energy consumption at all corporate buildings was analysed, identifying those that were least efficient and developing studies for improving energy efficiency at such buildings. The actions developed include optimising installed capacity, entering into a framework agreement with the only electricity

supplier and several efficiency measures with regard to lighting and cooling.

- Machinery depot: a process of measuring consumption was implemented to detect those that were most critical and establish actions for improvement.
- Works: consumption was analysed for all processes and activities carried out in the various projects executed by Dragados. In-depth knowledge of the processes allows the company to develop an energy plan for the work and establish specific operational control for the most intensive activities.

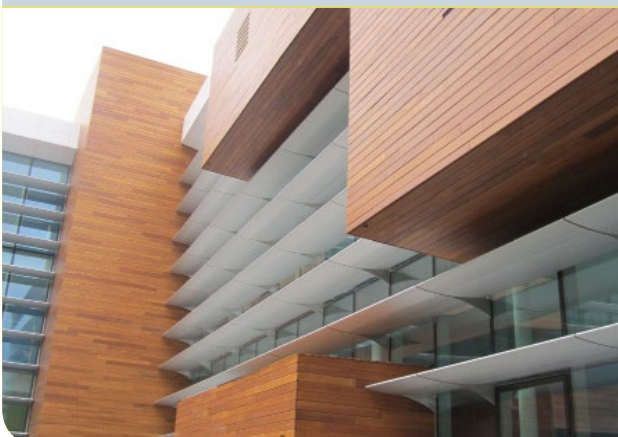
The measures developed enabled Dragados to establish a target of reducing energy consumption by 6% for 2017.

For the coming years, the objective is to repeat the same process for the rest of the resources consumed by Dragados, beginning with water.

ISO 50001 and European Energy Efficiency Directives

The effort with regard to energy efficiency made by Dragados, which certified its Energy Management System under the international standard ISO 50001, also served to comply with Royal Decree 56/2016, which transposed Directive 2012/27/EU of the European Parliament and of the Council, on energy efficiency, which requires large enterprises to carry out an energy audit on 85% of the consumption of all their facilities.

Dragados fully complies with this obligation, since the certification obtained covers 100% of its fixed centres and machinery depots. Accordingly, in its 2020 Ecoefficiency Plan, Dragados established the objective of certifying the works that implement its Environmental Management System.



Energy Award of HOCHTIEF

With the first Energy Award of HOCHTIEF, we have highlighted solutions that combine innovation with our environmental responsibility. Employees from all offices and construction sites were invited to share their ideas and examples of best practices in relation to energy efficiency. A total of 44 entries from the entire HOCHTIEF Group were submitted and ten were selected to receive an award.

First prize went to a programme put forward by Thiess for modernising the low-consumption

lighting systems of the mines in Australia. Thanks to the energy efficiency measures, to date this project has saved almost 2 million kWh of electricity per year. Once these measures are adapted to other mining projects, consumption may even be reduced by up to 32 million kWh.

In view of this success, the competition is now to once again obtain the Innovation Award for HOCHTIEF. Energy will continue to be one of the categories.



Efficient use of water resources

	2013*	2014*	2015	2016
TOTAL ACS GROUP				
Total water consumption (m ³)	18,460,840.0	28,324,846.7	34,171,672.2	46,570,927.8
Waste water discharged (m ³)	7,833,733.0	9,456,047.8	11,803,032.4	15,339,531.1
Volume of reused water (m ³)	n.d.	n.d.	5,171,994.3	5,429,154
Ratio: m ³ of water/sales (millions of euros)	465.9	831.9	1,101.0	1,488.2
Construction				
Total water consumption (m ³)	741,412.0	8,917,733.0	14,212,769.3	14,719,557.1
Waste water discharged (m ³)	258,943.6	739,519.2	630,250.8	808,527.5
Volume of reused water (m ³)	n.d.	n.d.	5,171,634.3	4,428,854
Ratio: m ³ of water/sales (millions of euros)	465.9	831.9	611.2	609.3
Industrial Services				
Total water consumption (m ³)**	10,115,303.3	13,446,247.5	19,958,902.9	31,851,370.7
Waste water discharged (m ³)	6,081,782.5	7,528,438.8	11,172,781.6	14,531,003.7
Volume of reused water (m ³)	n.d.	n.d.	360.0	300.0
Ratio: m ³ of water/sales (millions of euros)	1,431.3	2,144.8	3,115.2	5,558.7
Services				
Total water consumption (m ³)	7,604,124.7	5,960,866.2	0.0	0.0
Waste water discharged (m ³)	1,493,006.9	1,188,089.8	0.0	0.0
Volume of reused water (m ³)	n.d.	n.d.	0.0	0.0
Ratio: m ³ of water/sales (millions of euros)	2,534.7	2,084.7	0.0	0.0

* In 2013 and 2014, Services included Urbaser. Water consumption in 2014, 2015 and 2016 includes CIMIC with 8,180,000 m³, 11,900,000 m³ and 13,080,988 m³ of water consumed, respectively.

** In 2016 total water consumption of Industrial Services included 31,638,607 m³ litres of Tedagua compared to the 18,107,550 m³ in 2015, due to the start-up of the Escombreras desalination plants.

The activities carried out by the ACS Group involve considerable water consumption, especially in the construction field. As such, the company recognises the need to reduce consumption of this natural resource, especially in areas where there is water stress.

The ACS Group has adequate measurement systems (at project, company and corporate level), which provide detailed knowledge of the main sources of consumption, information that enables the Group to implement the most appropriate efficiency measures in each case.

It is noteworthy of mention that the Group also performs exhaustive control on the quality of the water discharged into the environment,

in order to ensure the discharges do not have significant effects and always comply with that stipulated by law.

In addition to responsibly managing water resources, the ACS Group, through its Industrial Services business, carries out projects that contribute to improving water quality and guaranteeing access to drinking water, such as drinking water, desalination and waste water treatment plants. As a result of the entry into operation of these assets, the Industrial Services business may experience significant one-off increases in water consumption. Despite the efforts made in managing water resources, water consumption for this line of business increased by 59.5%, mainly as a result of the start-

up of the Escombreras desalination plant.

Management of water resources at Hochtief

At CIMIC, in the HOCHTIEF Asia Pacific division, 43% of the water used in 2016 came from recycled or reused water. In HOCHTIEF Europe, the water generally comes from freshwater sources, depending on the project.

At Sydney Metro Northwest, the joint venture CPB Contractors John Holland Dragados (CPBJHD) was able to reduce the total water used by 37%

below the benchmark footprint as a result of the closed recirculation circuits used for cooling the tunnel borers used in the project. The use of drinking water was reduced through systems for collecting rainwater at work sites and the use of recycled water.



Waste management

	2013*	2014*	2015	2016
ACS Group				
Non-hazardous waste sent for management (t)	3,115,431	4,032,274	4,408,470	2,869,819
Hazardous waste sent for management (t)	268,137	171,643	310,993	50,860
Construction				
Non-hazardous waste sent for management (t)	3,054,986	3,864,620	4,354,210	2,818,769
Hazardous waste sent for management (t)	232,656	152,935	308,848	49,226
Industrial Services				
Non-hazardous waste sent for management (t)	42,519	149,790	54,260	51,023
Hazardous waste sent for management (t)	1,267	2,312	2,141	1,618
Services				
Non-hazardous waste sent for management (t)	17,926	17,864	n.d.	28
Hazardous waste sent for management (t)	34,214	16,396	5	15

* In 2013 and 2014, Services included Urbaser.

** This decrease is associated with the significant reduction of projects that have led to activities related to the extraction of aggregates in HOCHTIEF.*** This decrease is associated with a significant decrease in waste from works and excavation of quarries and mines in HOCHTIEF, and the decrease in the number of projects in Cobra

Waste management at the ACS Group is always aimed at minimising the waste generated, in terms of quantity and of their hazards, giving priority to recycling and reuse above other management options and energy recovery as the preferred choice as against dumping.

Waste is managed in accordance with the regulations in force in each country. The facilities have the corresponding authorisations for producers of hazardous waste, which allow for their recording, inventory taking, storage and management. The non-hazardous waste generated is reused at the production site or collected by an authorised manager for treatment, recycling or reclamation or, failing this, for disposal in controlled dumps.

The ACS Group also generates other hazardous waste or waste specifically regulated that must be treated, respectively, by an authorised hazardous waste manager or by an Integrated Waste Management System. Hazardous waste is, in general, delivered to authorised waste managers in accordance with the legislation in force.



SUSTAINABLE CONSTRUCTION

The ACS Group specifically promotes the use of recycled and/or certified construction materials, offering customers these types of options when making decisions regarding the materials to be used.

In order to encourage the use of sustainable materials among the Group companies, the Group as a Construction Materials Policy that establishes guidelines and good practices in this regard.



The ACS Group seeks to implement the following good practices in the process of recommending construction materials to customers in bids to tender where applicable:

1. Propose a traceability analysis of 100% of products used.
2. Keep a record of suppliers who offer recycled/certified products.
3. Stress the importance of aspects such as durability and maintenance when selecting construction materials.
4. Provide information about the characteristics of products which give off gases or contain harmful substances and also about the products' life cycles.
5. When making an offer or taking part in a bid to tender, always include the option of certified timber, and offer information on the environmental benefits of its use.
6. When making an offer or taking part in a bid to tender, always include the option of cement made from recycled aggregates, and offer information on the environmental benefits of its use.
7. Provide environmental details of the proposed construction materials, such as energy used by machinery during extraction or treatment, greenhouse gas emissions, etc.
8. Report on the corporate waste management policy.
9. Provide information on waste management plans in projects, including design phases.
10. Give information on specific targets to reduce, recycle and reuse waste. Construction materials policy
11. Report on procedures in place for the recovery and recycling of construction materials by subcontractors.
12. Give details of staff and subcontractor training processes in waste management techniques.
13. Provide details of waste separation processes in project facilities and works.
14. Actively promote the purchase and sale of recycled by-products.

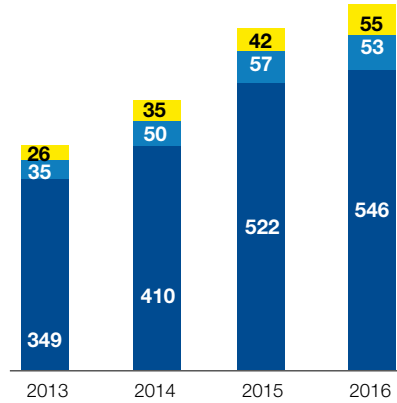
The ACS Group's building construction activities, performed mainly by HOCHTIEF and its subsidiaries, are carried out in accordance with sustainable construction standards in its main areas of operation.

Since 2000, a total 654 projects have been registered and certified as per different certifications in terms of efficient construction.

Turner mainly adopts the LEED standard. CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) and LEED in its construction activities, while HOCHTIEF mainly adopts the DGNB, LEED and BREEAM certifications in Europe.

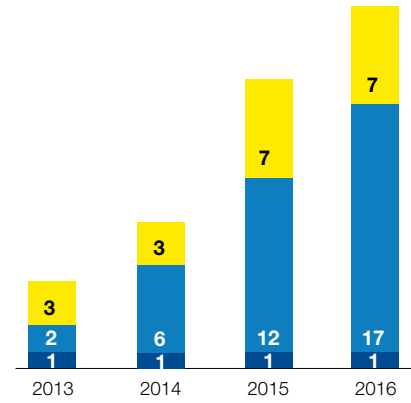
Similarly, 25 projects were certified in terms of efficient infrastructure since 2013 (CEEQUAL, ISCA and Greenroads).

Green Buildings at HOCHTIEF*



- HOCHTIEF Europe division
- HOCHTIEF Asia Pacific division
- HOCHTIEF Americas division

Green infrastructure at HOCHTIEF**



- HOCHTIEF Europe division
- HOCHTIEF Asia Pacific division
- HOCHTIEF Americas division

* Cumulative number (since 2000) of Green Buildings certified built by HOCHTIEF.
 ** Certified and registered Green Infrastructure (since 2013) number built by HOCHTIEF



6.4.3 BIODIVERSITY

The ACS Group's activities have an effect on the environment where the construction work is carried out, however, the company always tries to minimise the impact of its activities on the biodiversity, especially in areas of high ecological value.

The implementation of measures to conserve the flora and fauna is one of the environmental principles applied in planning operations. These measures are based on physical protection, transplanting or transfer, as well as on respect for the life cycles of the plant and animal species affected.

The ACS Group prepares environmental impact studies, which attempt to minimise the possible adverse effects of projects on the

environment. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out. The company also has supervision plans that guarantee the fulfilment of the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.

In 2016, the ACS Group was involved in restoring 48.71 km² of habitats. A total of 13.1% of these initiatives are being verified by independent external professionals.



Noteworthy good practices in biodiversity

Dragados, in the Pacific Highway Connection Project 1 in Columbia, designed an Environmental Management Plan for the purpose, among others, of ensuring the protection of the ecosystem surrounding the project and species of high conservation value.

This road infrastructure work comprises the construction, maintenance and operation of 32.2 km of the new dual carriageway, Bolombolo - Camilo C, "Cuatro Palos" sector; and the operation and maintenance of 18 km of the "Cuatro Palos" - Ancón Sur road, with a total road concession of 50.2 km granted.

These environmental obligations include the Compensation Programme, which establishes measures for ecologically replenishing and restoring important ecosystems in the area, such as the tropical dry forest in the surrounding areas of the Cauca river and the rainforests of the Amagá massif. The Programme comprises the involvement of riverbeds and forest areas to improve the water supply of the most important aqueducts and develop biological connections or corridors for the fauna present in the area.

The actions considered to conserve the flora and fauna are as follows:

- Fauna surveying before using forest resources prior to construction activities.
- Rescue and transfer of fauna: during the execution of the project, fauna was rescued and transferred to biological corridors located in the sector of the Popala jurisdiction in the municipality of Venecia. In addition, a specific point was established to care for wildlife rescued during the construction activities.
- Rescue and transfer of species of vegetation with high conservation value: rescue and relocation efforts were carried out for seedlings and saplings of species banned by the Autonomous Corporation of Antioquia and species of orchids and bromeliads living in epiphytic and land habitats, as well as tree ferns banned by the INDERENA2 at a national level.

Training seminars were provided for personnel involved in the project regarding the obligations required by the environmental license.



Fauna surveying
Source: Conpacifico, 2016



Fauna rescue. Middle American indigo snake (*Drymarchon malanurus*)
Source: Conpacifico, 2016



Epiphyte rescue.
Source: Conpacifico, 2016

6.5 SUPPLIERS AND CONTRACTORS

94.3%

**ADHERENCE TO THE ACS
GROUP CODE OF CONDUCT**

84.5%

**ANALYSIS OF LABOUR
STANDARDS AND
PRACTICES OF SUPPLIERS
AND SUBCONTRACTORS**

99.2%

**CERTIFICATION IN
ENVIRONMENTAL ASPECTS**

99.9%

**CERTIFICATION IN QUALITY
ASPECTS**

Supplier and contractor management is an important aspect for the Group, since the work performed thereby has a direct influence on the quality of the final result of the projects carried out by the Group.

In ACS Group companies, the purchasing departments are responsible for managing the relationship with suppliers and contractors by means of specific systems for managing, classifying, approving and controlling the risk thereof.

As a characteristic feature that differentiates the Group from its competitors, it is important to highlight the distinct decentralisation of purchasing and supplier management departments in this area. This provides Group companies with a competitive advantage as a result of the agility, flexibility and autonomy granted by this model.

ACS has a variety of systems in this aspect, which vary according to companies' operating needs. A central corporate reference department defines the policies and prices, with a greater level of

autonomy, always using a common and generalised policy.

Furthermore, Group companies face three different types of suppliers or subcontractors:

- Suppliers of materials and/or services defined by the customer
- Suppliers of services or subcontractors contracted by the ACS Group
- Materials suppliers contracted by the ACS Group

In the first instance, the customer determines the type of suppliers through contracts, as well as the quantity and characteristics of the materials to be used, and the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing and supplier departments have established a control procedure to verify the efficiency of the supplier designated by the customer, which enables any delays to be reported and corrective measures to be implemented for other work.

If suppliers of services and materials are directly contracted by the ACS Group, whether through a

central purchasing department or in a decentralised manner by construction managers, detailed management and control processes are defined, which have the following points in common in all Group companies:

- There are specific standards and a system for managing, classifying, proofing and controlling the risk of suppliers and subcontractors.
- The level of compliance with these systems is analysed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.
- There is an extensive comparison policy that promotes the participation of various suppliers in selection processes. In order to objectively take decisions and facilitate access for new suppliers in different parts of the world, a study on customary suppliers has been launched.
- Visible purchasing portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving

(because the most competitive prices are identified) and to controlling material consumption by employees or construction managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.

SUPPLIER APPROVAL SYSTEMS:

Companies representing 98.2% of the ACS Group's procurement expenses have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which is subsequently used by the construction managers of the projects and provides them with information on the suitability or otherwise of a supplier to fulfil the intended task. The main concepts used for approving suppliers are as follows:

- Cost, payment and collection period, experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Additional non-financial criteria that are shown in the table below.

The ACS Group's supplier approval system includes a phase for subsequently analysing the suppliers that were contracted, a process that provides feedback for the system. This process, which seeks to guarantee compliance with contractual clauses and agreements and includes the identification of economic, environmental and social risks, is based fundamentally on

Level of implementation of non-financial criteria in supplier approval (% of ACS Group purchases)

	2015	2016
Adherence to the ACS Group Code of Conduct	77.3%	94.3%
Adherence to international standards as regards human rights and labour rights	60.8%	79.8%
Adherence to standards for fulfilment of commitments in ethical, social and environmental matters	70.6%	70.6%
Certification in quality aspects (ISO 9001)	99.5%	99.9%
Certification in environmental aspects (ISO14001, EMAS or similar)	99.8%	99.2%
Analysis of labour standards and practices of suppliers and subcontractors	83.1%	84.5%



Noteworthy good practices in supplier approval

In 2016, CIMIC launched the Group's Procurement Policy applicable to all acquisitions related to the projects and to the CIMIC Group's corporate procurement at a global level, including joint ventures. This new policy is in line with our Code of Conduct and will play an important role in the execution of projects, cost control, sustainability and financial return. Suppliers are assessed based on different relevant scales of performance:

compliance with regulations on health, safety and employment (15%), compliance with regulations on sustainability and the environment (15%), quality (15%), compliance with deadlines (15%), technical assistance (10%), receptiveness (10%), contractual terms (10%), quality certificates (5%), withholdings and guarantees (5%).



the detection of non-compliance and on corrective or management measures to be applied.

In the case of detection and control initiatives, they are based on internal and independent audits performed on a regular basis.

Once any non-compliance or risks are detected, the relevant corrective measures are applied, which are adapted taking into account the following circumstances:

- If it is a critical supplier for the company, the reasons for the negative assessment are analysed and initiatives proposed to strengthen the identified areas for improvement including, among others, training and collaboration activities.
- If the company is not critical for the company, it is classified as not approved in the database.
- In the case of serious breaches, the contracts or agreements

regarding supplier relations may be immediately terminated.

ANALYSIS OF CRITICAL SUPPLIERS

The ACS Group's companies carry out an analysis to identify critical suppliers in their supply chains.

The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers.

Therefore, companies that represent 90.6% of the Group's procurement expenses have determined processes to identify critical suppliers. As a result of these processes, the main data from the analysis of critical suppliers is as follows:

- Companies representing 85.8% of suppliers have performed this analysis.

- Of these, 1.85% are considered critical suppliers.
- These suppliers represent 39.6% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key customer to their business activity.

Average payment period to suppliers in Spain

The following table details the information required by additional provision two of Law 31/2014, of 3 December, which was prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the information to be included in the management report with regard to the average payment period to suppliers in commercial transactions:

	2016	2015 *
	Days	
Average payment period to suppliers	82	78
Ratio of payments made	84	77
Ratio of payments pending	78	81
	Thousand euros	
Total payments made	2,626,562	3,032,636
Total payments pending	1,613,286	1,255,106

(*) Data restated

6.6 COMMITMENT TO QUALITY WITH THE CUSTOMER

41.7%

PRODUCTION CERTIFIED
UNDER ISO 9001
CONSTRUCTION

99.1%

PRODUCTION CERTIFIED
UNDER ISO 9001
INDUSTRIAL SERVICES

96.0%

PRODUCTION CERTIFIED
UNDER ISO 9001
SERVICES

54.6%

PRODUCTION CERTIFIED
UNDER ISO 9001
TOTAL ACS GROUP

6.6.1 QUALITY IN OUR ACTIVITIES

For the ACS Group, which works in an industry with high technical sophistication, quality represents a fundamental competitive advantage over the competition.

Quality management at the ACS Group is decentralised, whereby each company is responsible for managing quality. Although each company has the autonomy to manage quality according to their interests, a series of common lines of action have been identified:

- Establishment of objectives and regular assessment of compliance therewith.
- Development of actions aimed at improving the quality of the services provided.
- Performance of actions in collaboration with suppliers and subcontractors to improve quality.

In order to move forward in this regard, most Group companies

have a quality management system. These systems are audited on a regular basis to verify compliance therewith in conformity with the benchmark standard, customarily ISO 9001.

The improvement targets customarily set are as follows:

- Obtain and expand the scope of the certifications, especially with regard to developing a new technique or expanding activities to a new geographical area.
- Implement tools to improve management.
- Improve specific performance indicators.
- Improve the training of supervisors, operators and works managers.
- Increase customer satisfaction indices, reducing complaints due

to problems in execution and incidents.

- Comply with delivery periods, adjusting to quality expectations.
- Increase the number and capacity of internal quality auditors.

Production certified under ISO 9001

	2015	2016
Construction*	51.4%	41.7%
Industrial Services	90.7%	99.1%
Services	96.0%	96.0%
Total ACS Group	61.5%	54.6%

Other management indicators

	2015	2016
Number of quality audits**	1,365	1,481
Number of quality audits per million euros of turnover	0.06	0.08
Investment in measures to promote and improve quality**	3.8	3.9
Intensity of investment in measures to promote and improve quality (€ of investment/millions of euros for turnover)	180.43	203.47

* In 2015 and 2016 these indicators reached a coverage of 57.07% and 46.89% of sales, respectively.

** In 2015 and 2016 these indicators reached a scope of approximately 57% and 52% of the Group's sales, respectively, and these ratios were therefore calculated based on this billing.



6.6.2 CUSTOMER RELATIONS

89.4%
**PERCENTAGE OF CUSTOMER
 RESPONSES OF "SATISFIED" OR "VERY
 SATISFIED"***

Given the nature of the ACS Group's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of customers with which the company relates is very limited or they are large corporations or public institutions from around the world.

The ACS Group's commitment focuses on maintaining a high degree of customer loyalty and offering services with high added value over time. The strategy of customer relations is built on the following main principles:

- Focus on problem solving
- Customer relationship feedback
- Information on the ACS Group's capabilities
- Identification of future needs and opportunities for collaboration

MONITORING AND COMMUNICATION

The ACS Group companies hold regular follow-up meetings with customers, through the managers of each project. In those particular projects where customers devote resources to controlling production, an even more ongoing relationship is maintained.

In addition, targets, follow-up systems and plans for reporting to the customer for each project are determined. These plans establish control points at the end of important phases in the production, certification meetings for payment in instalments of the construction work and partial follow-up points.

Similarly, computerised customer relationship management (CRM) systems are gradually being implemented to collect information relating to customers, in order to facilitate analysis and the carrying out of actions to improve satisfaction. In 2016 ACS Group companies representing 78.9% of sales have implemented a computerised CRM (Customer Relationship Management) system.

* Indicators reached a coverage of 27.74% of sales



CUSTOMER SATISFACTION

ACS's second key customer relationship management policy is measuring customer satisfaction and establishing plans for making improvements. Many Group companies have established individual channels and processes to enable customers to file their complaints and claims.

For those projects that pose a greater technological challenge, the ACS Group also establishes alliances with partners (normally detailed engineering companies), which contribute to offering end customers the best technical and economic solution.

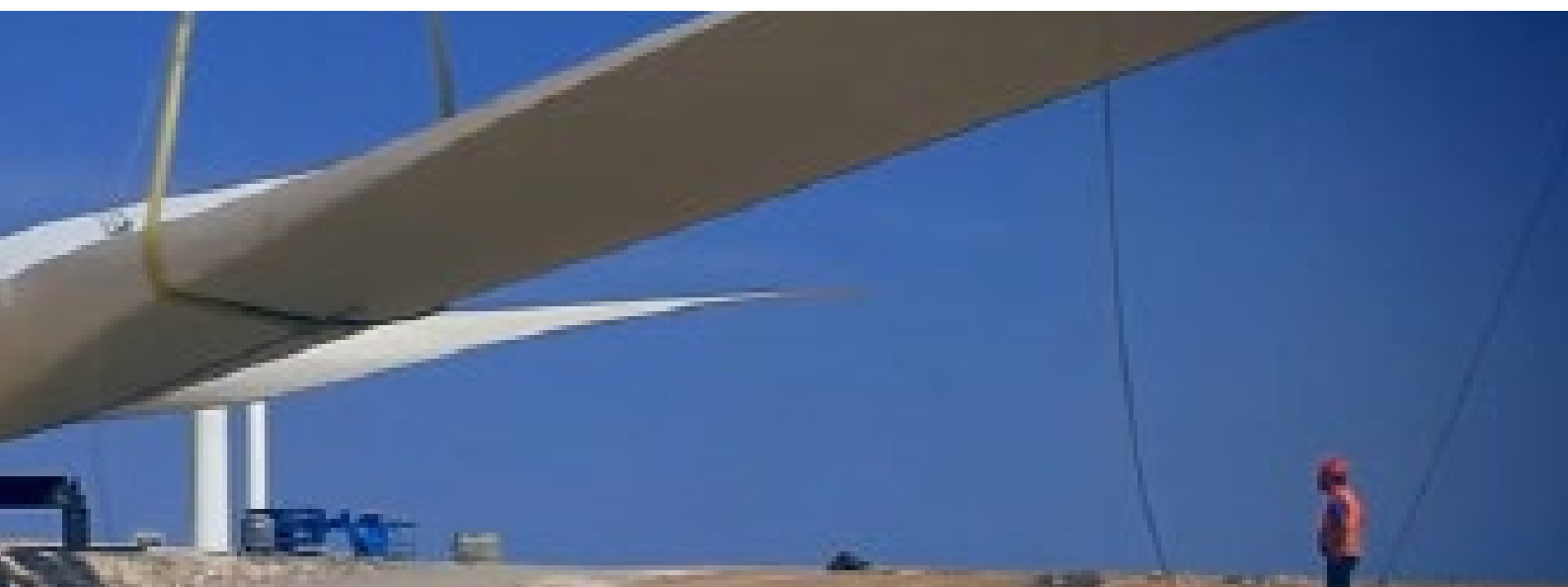
Another of the Group's values is confidentiality. ACS Group companies' contracting and customer relationship departments promote responsible use of information, therefore guaranteeing customer confidentiality.

As a result of this good relationship, proximity, transparency and customer satisfaction regarding quality expectations on the services provided, the level or recurrence of ACS Group customers is very high.

Main Management Indicators - Customers

	2015	2016
Number of customer satisfaction surveys received	793	987
Percentage of customer responses of "satisfied" or "very satisfied" out of the total number of surveys received (%)	85.2%	89.4%

* In 2015 and 2016 these indicators reached a coverage of 30.68% and 27.74% of sales, respectively.



6.7 MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

[102-42],[102-43]

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives or that may be affected by its activities. The ACS Group's basic principles for action in relation to its stakeholders and the environment

are based on complying with the Spanish and international legislation in force, and fulfilling the corporate social responsibility commitments voluntarily subscribed to by the ACS Group.

The graph below identifies the main stakeholders with which the company has a relationship:

Likewise, in order to generate confidence and maintain a good relationship with its stakeholders, for several years the ACS Group and its various companies have had various channels and departments specifically in charge of maintaining an honest, two-way and transparent dialogue with these parties:

[102-40]



CIVIL SOCIETY

Local community
NGOs
MediaSectorial associations

PUBLIC ORGANISMS

Supranational organizations
National administrations
Local administrations
Customers

FINANCIAL COMMUNITY

Investors and shareholders
Financial entities
Analysts and rating agencies

HUMAN RESOURCES

Employees
Sucontractors

BUSINESS COMMUNITY

Suppliers
Partners
Contractors and suppliers
customers

[102-40],[102-42],[102-43]

Stakeholders	Relevant areas for stakeholders	Relationship mechanisms and bodies
Customers	<ul style="list-style-type: none"> • Quality and innovation of products and services offered • Risk management 	<ul style="list-style-type: none"> • Contracting department • Customer satisfaction survey • Channels for submitting complaints/claims • Ethics channel
Employees	<ul style="list-style-type: none"> • People • Healthy and safety management • Transparency, ethics and integrity • Giving back to society 	<ul style="list-style-type: none"> • HR departments of the companies • Employee satisfaction surveys • Performance evaluation • Ethics channel • Prevention committee
Shareholders	<ul style="list-style-type: none"> • Economic/financial results • Risk management • Transparency, ethics and integrity • Corporate Governance 	<ul style="list-style-type: none"> • Investor relations department • General Shareholders' Meeting • Electronic forum and shareholder offices • Section on shareholders and investors on the website
Investors, analysts and rating agencies	<ul style="list-style-type: none"> • Economic/financial results • Risk management • Transparency, ethics and integrity • Corporate Governance 	<ul style="list-style-type: none"> • Investor relations department • Section on shareholders and investors on the website
Financial institutions	<ul style="list-style-type: none"> • Financial soundness 	<ul style="list-style-type: none"> • Finance managers
Partners	<ul style="list-style-type: none"> • Contracting with the ACS Group • Healthy and safety management • Transparency, ethics and integrity 	<ul style="list-style-type: none"> • At Group level, Chairman of the ACS Group • At the local level, the managers of the companies and specific projects
Suppliers and contractors	<ul style="list-style-type: none"> • Contracting with the ACS Group • Ability to pay • Healthy and safety management • Transparency, ethics and integrity 	<ul style="list-style-type: none"> • Purchasing departments of the companies • Supplier approval and management process • Ethics channel
Supranational bodies, public authorities and regulators ¹⁵	<ul style="list-style-type: none"> • Giving back to society • People • Healthy and safety management • Transparency, ethics and integrity • Environmental management • Economic/financial results 	<ul style="list-style-type: none"> • At Group level, Chairman of the ACS Group • At the local level, the managers of the companies and specific projects
Local community, society and ONGs	<ul style="list-style-type: none"> • Giving back to society • Transparency, ethics and integrity • People • Healthy and safety management • Environmental management 	<ul style="list-style-type: none"> • Regular meetings of the ACS Foundation with organisations of civil society • Environmental impact assessments
Sector associations	<ul style="list-style-type: none"> • All aspects mentioned above 	<ul style="list-style-type: none"> • Participation in associations, work groups and discussion forums¹⁶
Media	<ul style="list-style-type: none"> • All aspects mentioned above 	<ul style="list-style-type: none"> • Communications departments of the companies and the ACS Group

¹⁵ The ACS Group made no financial or in kind contributions to political parties in 2016. The subsidies received by the ACS Group in 2015, as shown in the Group's consolidated balance sheet, included in the economic financial report published together with this report, totalled €3.97 million.

¹⁶ The main sector associations in which ACS participates are as follows: CNC, AESPLA, SEOPAN, PESI, IEF, Workplace Inspection, ENCORD, Australian Constructors Association, Safety Institute of Australia, National Safety Council of Australia, Federal Safety Commission Accreditation, Associated General Contractors, Infrastructure Health & Safety Association, among others.

Commitment to information transparency

An essential requirement for the ACS Group to be able to fulfil its mission of generating return for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its customers and the company's other stakeholders are respected.

The ACS Group is committed to total rigour in the information transmitted, especially with respect to the media.

- This general objective of transparency is stated by means of the following guidelines:
- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.

- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.
- Contributing to the make-up of a positive corporate image which helps to achieve business objectives and commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.
- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group manages its commitment to transparency to its stakeholders through three main channels:

- The ACS Group's Communications Department.
- The ACS Group website.
- Shareholder and investor information activities.

Transparency indicators

	2015	2016
Website		
Website visits	447,606	412,119
Pages viewed	511,516	1,432,829
% New visitors	4%	4%
Shareholder and investors		
Meetings organised by the Investor Relations Department	257	271
Shareholder calls/emails handled	399	473



It should be noted that within the framework of the definition of material aspects of this report, at the beginning of 2017 the ACS Group consulted its stakeholders to identify those areas of the company's management considered to be most significant. The results of the survey are provided in point 9.2. Identification of material aspects.

6.8 INNOVATION

The ACS Group is a continuously evolving organisation that responds to the growing demand for improvements in processes, technological advances and quality of service from its customers and from society.

The company's commitment to innovation is clear from its increased investment and the R&D efforts made by the ACS Group year after year. The result of this effort leads to, among others, improvements in productivity, quality, customer satisfaction, occupational safety, the use of new materials and products, and the design of more efficient production processes and systems.

Management of innovation at Group companies normally has the following characteristics:

- The function is assumed by technology management, usually the Technological Development Committee.
- R&D is managed through recognised management systems, customarily the UNE 166002:2006 standard. Usually, standard UNE 166002:2006.
- Compliance with reference standards is reviewed through independent audits.

Compliance with the requirements of the systems usually involves the development of individual strategic lines of research, collaboration with external organisations, investment that seeks to promote research and regular generation of new patents and operating techniques.

The ACS Group's capabilities were strengthened and complemented through the alliances with technological centres, research institutes and universities, as well as other institutions related to R&D in order to successfully complete the innovation processes.



THE ACS GROUP INVESTED MORE THAN €39.4 MILLION IN RESEARCH, DEVELOPMENT AND INNOVATION IN 2016¹⁷.

IN 2016, THE ACS GROUP HAD 161 PROJECTS IN PROCESS AND HAD REGISTERED 4 PATENTS. OVER THE LAST 10 YEARS, GROUP COMPANIES HAVE REGISTERED A TOTAL OF 57 PATENTS.

¹⁷ This indicator reached a scope of 48.22% of sales in 2016.

6.8.1 CONSTRUCTION

The management of research, development and innovation in construction activities is coordinated by the Dragados departments and by Hochtief companies.

In accordance with the targets established by the head companies, at the end of 2016 the ACS Group's construction companies had a total of 111 projects in progress. A total of €22,0 million was invested in 2016 to carry out its R&D activities.

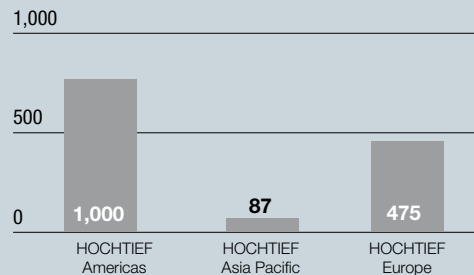
Noteworthy example of an innovative project by HOCHTIEF

BIM capacity expansion: building information modelling (BIM) is the digital tool of the future for executing projects. Customers from various countries are now demanding that BIM be used in the design and construction of projects. The methodology is based on actively connecting all people that participate in a project using 3D computer models that can be detailed with additional information, such as deadlines, costs and use. It helps reduce construction costs and CO₂ emissions.

HOCHTIEF quickly recognised the potential of BIM, and at the beginning of 2003 launched its innovative virtual construction approach with the creation of a company specialised in virtual construction, HOCHTIEF ViCon GmbH, HOCHTIEF is considered a pioneering company in this field. HOCHTIEF ViCon is currently the Group's BIM centre and works on the future of virtual construction at a global level.

In 2016 our BIM activities were intensified as a strategic priority in all of the Group's divisions and the BIM segment continues to be a research focus. This means that we are able to meet customers' needs, offer sustainable products and services and, therefore, improve our position in the market.

Number of employees provided with BIM or similar training in 2016



Noteworthy example of a Dragados innovative project

VÍAS y Construcciones, through the LIFE HUELLAS project and the obtainment of the first Environmental Product Declaration for road maintenance at a global level, came to the forefront of the railway infrastructure sector with regard to its reduced environmental impact and carbon footprint in construction processes.

The LIFE HUELLAS project, financed under the LIFE+ programme of the European Commission, in collaboration with the CARTIF Foundation, IK Ingeniería and the University of Granada, has enabled VIAS to develop a new tool for analysing and supporting decision making focused on planning railway construction work. This tool is able to optimise each project, and takes into consideration, in addition to the cost and deadline, the environmental impact. The impact on the planning of multiple variables (selection of execution methods and alternatives, location of sources of materials, number and type of equipment to be used, compensation for land during the excavation phase, sequencing of the work, etc.) is therefore automatically analysed and a broad spectrum of possible solutions is simulated. Each of these solutions or alternative plans for the work is evaluated in terms of their environmental impact (measured using various indicators, including the carbon and water footprints), social impact, cost and execution time.

In order to develop this tool, the impact generated by the various materials and equipment used in each of the possible alternatives for carrying out the work had to be analysed. Similarly, the works units were characterised taking into consideration the basis of the decomposed prices of the Spanish railway administrator (ADIF) as well as the prices and return obtained on the projects currently being carried out by VIAS. This characterisation determined the mathematical formulas that allowed

each of the indicators considered relevant to be calculated.

The calculation engine that generates the various planning alternatives to be subsequently evaluated is based on the use of evolutionary genetic algorithms. These types of algorithms enable a set of near-optimal solutions with a reasonable calculation time to be found. As this is a problem with multiple objectives (cost, deadline, environmental impact, etc.), the solutions are presented in a Pareto frontier to make it easier for the user to select the most suitable solution. All solutions analysed may be subsequently represented through different diagrams (Gantt and space-time diagrams), and exported to a format that is compatible with the most common planning programmes.

The application was validated in the project for assembling the track of the Bobadilla-Granada high-speed train line (Antequera - Loja section), where a pilot test of the application was carried out.

Lastly, along the line taken with the introducing of life cycle assessment tools in railway projects initiated with LIFE HUELLAS, VIAS obtained the first Product Environmental Declaration (EPD®) at a global level, ISO 14025 & EN 15804, for its maintenance services on the high-speed train line, according to the certification programme The International EPD System®. This certification verifies the environmental behaviour of the service for maintaining the 1 km of track of the Madrid Chamartín-Valladolid Campo Grande high-speed train line.



For more information, the environmental declaration is available at <http://www.environdec.com/en/Detail/epd837>



Interface for entering data in the HUELLAS tool

6.8.2 INDUSTRIAL SERVICES

The ACS Group's Industrial Services area carries out significant work in promoting research, development and innovation through the various R&D departments in several of the companies in this line of business.

The R&D strategy is based on an external approach, aimed at its stakeholders, and an internal approach, aimed at process modernisation and improvement.

The end of 2016, the industrial services companies of the ACS Group had a total of 48 projects in progress. A total investment of €16.7 million was allocated to executing the projects.

Noteworthy example of an innovative project by Dragados MS LOOP

The Cobra Group participates in the MSLOOP project that began in November 2016 and is co-financed by the European Commission through the Fast Track to Innovation pilot.

The main objective of the MSLOOP project is to go one step further in the development of CCP¹⁸ solar thermal technology with ternary salts as the heat transfer fluid. This new boost will validate the technology and bring it to the marketing phase, therefore positioning COBRA as a world benchmark in CCP solar thermal plants, as it will be able to offer a technology with a lower cost per energy unit €/MWh (LCOE¹⁹) compared to the current CCP technology using oil as the HTF²⁰.

COBRA, from its Technology and Innovation area (COBRA T&I), leads the MSLOOP project and coordinates a pioneering consortium that includes the main steps of the supply chain and that will facilitate the arrival of this technology to the market. This consortium includes the suppliers of key equipment (pipes, mirrors, collectors) and research centres and engineering companies that, together with COBRA's experience in the construction, operation and maintenance of solar thermal plants, will guarantee the profitability of the technology, not only on the scale of the prototype loop, but also for future commercial CCP plants with salts as the HTF.

The main competitive advantage in using the MSLOOP technology lies in the fact that the molten salts are able to reach 565°C without any degradation problems, which allows for greater thermodynamic efficiency to be obtained than the current cycles with oil (currently limited to 393°C) and also entails a savings since the number of equipment and thermal exchanges between different fluids (salts-oil) are reduced. At the same time the MSLOOP technology will provide a 100% renewable and more environmentally-friendly solution for generating electricity as it eliminates the thermal oil, which is toxic and explosive, from the process and as it facilitates the use of dry cooling systems (without using water for the cooling process) since it has a steam cycle with better thermodynamic efficiency.

In November 2016 the engineering and equipment optimisation phase of the MSLOOP project began in order to undertake, with complete assurance, the operating and certification tests to be carried out in 2017 in the innovation cluster that COBRA has at the Manchasol solar thermal plant (Ciudad Real).

¹⁸. CCP: Colectores Cilindro Parabólicos

¹⁹. LCOE: Levelized Costs Of Energy

²⁰. HTF: Heat Transfer Fluid



For further information:
<http://www.msloopproject.eu/>

Noteworthy example of an innovative project by Dragados Industrial SICE

Over the last three years SICE, a subsidiary of Dragados, has actively participated in the MoveUs project, an ICT cloud-based platform and mobility services available, universal and safe for all users. (MoveUS.- ICT cloud-based platform and mobility services available, universal and safe for all users)

MoveUs, is a project co-financed by the European Commission under the Seventh Framework Programme (FP7), which aims to radically change mobility habits in European cities through the provision of smart and personalised mobility information services, encouraging users to decide on the best transportation option, while providing significant information about the savings in terms of energy efficiency.

The main objectives are:

- Integrated mobility data coming from various sources and disseminate it to users in a coherent and useful way;

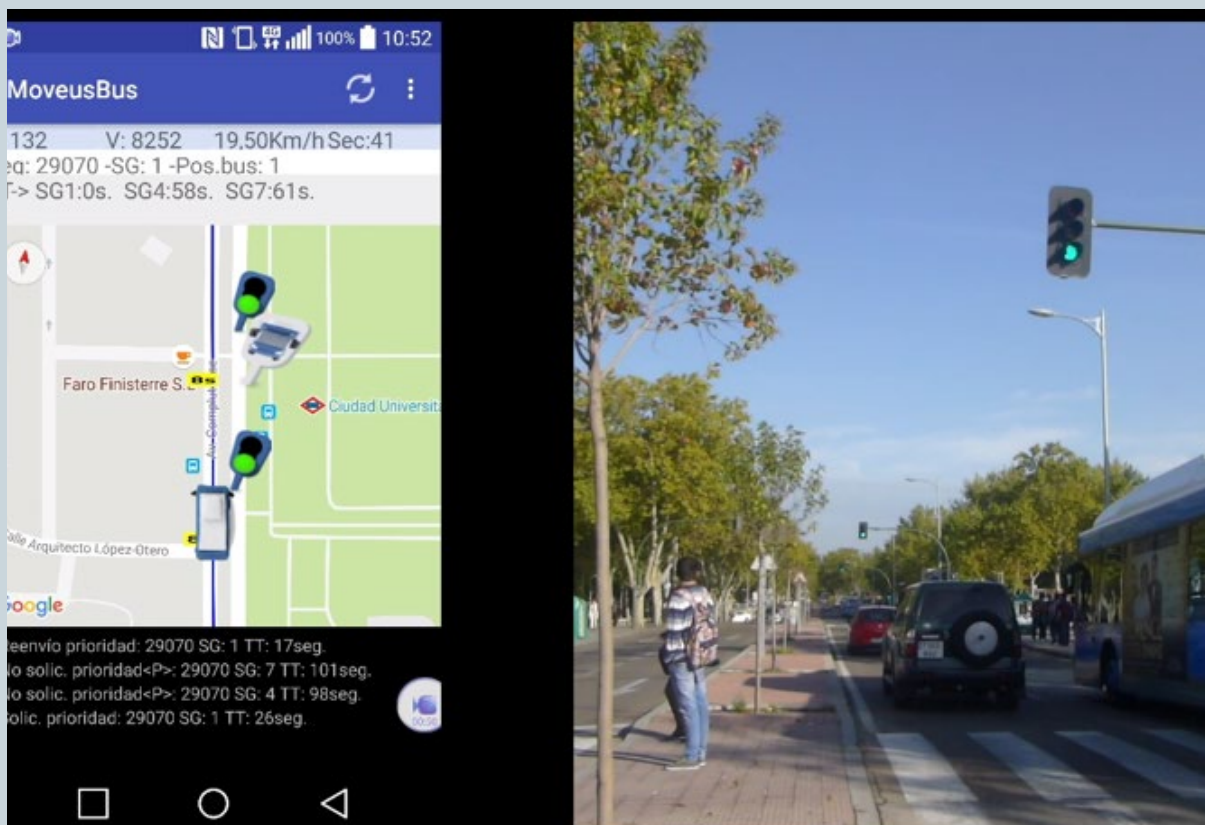
- Provide eco-efficient, multi-modal, personalised, sustainable, safe and private, reliable and extensible mobility services;
- Support business models and recommendations for encouraging smart mobility services in urban environments;

A cloud-based technological platform has therefore been developed that incorporates a series of functionalities necessary to provide services that promote more sustainable mobility in cities.



For further information:

<http://www.moveus-project.eu/content/concept>



Operational scenario and App of the priority service deployed at Avenida Complutense, Madrid

6.8.3 SERVICES

To carry out this function, Clece has its own specific R&D department and a formal management system certified under the UNE 166002:2006 standard, which is audited by an independent third party.


At 31 December 2016, €0.6 million had been invested in two ongoing research and development projects.



6.9 GIVING BACK TO SOCIETY

A commitment to the development of society is part of the ACS Group's mission. The company therefore seeks to generate shared value for society through its own business strategy and the most appropriate way to coordinate its social actions and maintain them over the long term.

The Group contributes to social improvement from two perspectives: from carrying out its business activities and from its social actions.

 **Contribution of ACS' activities in complying with the SDGs.**
3.4 And it contributes with its activities in complying with the the global objectives, pg. XX-XX

SOCIAL ACTION

In order to fulfil this commitment, the ACS Group has defined a Social Action Policy with the following main objectives:

- To drive forward the business and its sustainability
- To improve the Company's prestige and reputation
- To increase employee and partner satisfaction
- To help improve the society in which the ACS Group operates

This policy is based around an Action Plan, which sets out the procedures for application in its various business areas. It has been

drawn up in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG), includes the experience accumulated over the years by the ACS Foundation and addresses social initiatives of ACS Group companies.

The policy determines the responsibilities assigned to social action, the action categories and areas that form the framework of the projects, the types of contributions that may be made, the geographical areas of action, the model for monitoring the initiatives and communication of the results obtained:

 **The ACS Group's Social Action Policy**

THE ACS GROUP'S SOCIAL ACTION POLICY

RESPONSIBLE	GROUP'S COMPANIES		ACS FOUNDATION
REASONS FOR CONTRIBUTION	COMMUNITY INVESTMENTS	COMMERCIAL INITIATIVES	PHILANTHROPY DONATIONS
METHOD OF CONTRIBUTION	IN KIND		CASH
MAIN AREAS OF INVOLVEMENT	<ul style="list-style-type: none"> • Corporate volunteers • Public Awareness • Environmental conscience • Energy efficiency • Road safety – Labor Health and Safety • NGOs and other community associations support 	<ul style="list-style-type: none"> • Elimination of barriers in favor of people with disabilities • Historic heritage refurbishment • Scientific and technical R+D • Support of other foundations and NGO • Cultural activities promotion • Sport activities promotion • Cooperation for development 	
GEOGRAPHICAL AREAS	IN ALL THE COUNTRIES WHERE ACS DEVELOPS ACTIVITY		
MONITORING	INTERNAL MONITORING, MONITORING COMMITTEE, ACHIEVEMENT AND IMPACT ASSESSMENT		
REPORTING	CSR REPORT OF ACS GROUP	ACS FOUNDATION ANNUAL REPORT	

6.9.1 SOCIAL ACTION OF ACS GROUP COMPANIES

6.8
CASH FUNDS USED
FOR SOCIAL INITIATIVES
(MILLIONS OF EUROS)

5,035
NUMBER OF VOLUNTEERS
(EMPLOYEES)

383
NUMBER OF FOUNDATIONS
OR NGOs WHO RECEIVED
GRANTS/SUPPORT DURING
THE YEAR

8,298
HOURS THE EMPLOYEES
HAVE SPENT AS
VOLUNTEERS DURING THEIR
WORKING DAY

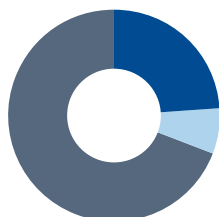
Each Group company is free to select its own social action activities as long as they are connected to the experience that it has acquired in its line of business and help meet the objectives

of this policy. Subsequently, the company's' employees will have the chance to take part in such activities as corporate volunteers.

Main Social Action Indicators - Group companies

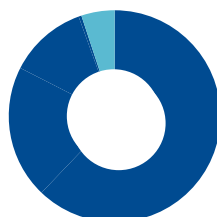
	2015	2016
Cash funds used for social initiatives (millions of euros)	5.0	6.8
Monetary estimate of payments in kind used for social initiatives (millions of euros)	0.1	0.3
Estimated number of persons benefiting from social initiatives	47,370	112,584
Number of courses or raising of awareness activities carried out (road safety, environment, efficiency, social integration, etc.)	544	422
Number of volunteers (employees) who have taken part in these awareness raising activities	6,069	5,035
Number of foundations or NGOs who received grants/support during the year	382	383
Number of events (conferences, exhibitions, sporting events, etc.) sponsored during the year.	74	98
Time that the employees have spent this year acting as volunteers during their working day (h)	3,251	8,298

By type of action



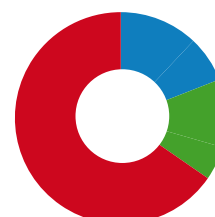
Investments in the community	24%
Commercial initiatives	7%
Philanthropic donations	69%

By type of contribution



Cash funds	96%
In-kind	4%

By business area



Construction	73%
Industrial Services	15%
Services	12%

Representative example of investment in the community

The main purpose of our sponsorship in Bridges to Prosperity (B2P), in collaboration with the non-governmental organisation of the same name, is to create and maintain habitable spaces. In 2010 the US company Flatiron build our first pedestrian bridge under this programme. Two years later, we built our initial bridge with workers from our European subsidiaries. The Group's Australian subsidiary, CIMIC, participated in the programme for the first time in 2016, contributing two workers. CIMIC plans to build an initial bridge in the Asia Pacific region in 2017.

The HOCHTIEF Group has now built a total of 20 pedestrian bridges in different remote areas of the world to provide local populations with better and safer access to trade, education and healthcare. Depending on the case, the challenge posed by the land is a river, the flow of which increases during rainy seasons and divides and separates the settlements. The residents that need to bypass the river to go to school, the doctor or the market have to go several kilometres out of their way or put themselves in danger, which frequently leads to accidents. Our bridges get rid of this obstacle and create safe access.

Given that infrastructure construction is one of our main business activities, we provide extensive knowledge to these regions as well as economic

assistance. These projects also promote teamwork and the creation of networking within the Group, since employees from different units, including the administration departments, help in the construction of the bridge. Ten members from the personnel department work in each project and their active participation helps develop a closer relationship with our company. This experience also has a positive long-term impact, generally in the form of greater commitment to daily work activities. The intercultural experience also strengthens the social skills of the participants.

A total of 212 employees from all areas of the Group have already participated in B2P projects.

This not only benefits HOCHTIEF employees, but also local suppliers and, in particular, the local population. With their help in building the bridges, for which they receive a fair salary, local residents learn to repair and maintain the infrastructure for the future. B2P estimates that with each new bridge 12% more children have safe access to education, 24% of the population obtain better access to medical services, the number of female workers increases by 18% and local businesses grow by 15%.



Educate to transform, IHSA

Iberoamericana de Hidrocarburos, S.A. (IHSA), is a consortium formed by Cobra and Monclova Pirineos Gas, the winning bidder to develop the Nejo block in the Mexican state of Tamaulipas. While working in the area, the social action programme “Committed to San Fernando” was implemented to promote local development.

This programme focused on the students in the area and their families, with actions taken regarding education, healthcare and values. The initiative that completes this programme is the Educate to transform project, which was launched in 2012 and focuses on selecting the most promising students of the municipality and those with limited resources, providing them with support for their professional studies and offering them employment opportunities at the company.

IHSA therefore periodically opens a period for communication and receiving applications, a selection process and a counselling phase.

The students selected chose their degree and studied at the university of their choice, whereby IHSA’s support consisted of paying all education expenses, from beginning to end of their studies, including the degree and certificate, as well as a monthly amount for room and board throughout their studies.

The initiative currently has 22 active students and 7 graduates (with average final grades of between 9 and 10), of which 3 students joined IHSA’s workforce in the areas of HSE, human resources, and operations and maintenance.



Representative example of commercial initiatives or philanthropic donations

Within the framework of raising awareness regarding Clece's Social Project, a second edition of the "One Life without Violence, One Life with Respect" campaign was carried out, which mobilized over 45,000 people. Employees, customers and collaborators of Clece joined together in this initiative through various actions aimed at showing their support for the victims and a complete rejection of gender-based violence.

The campaign was carried out throughout Spain, reaching municipal councils, schools, residences, hospitals and all manner of entities and institutions that brought together various commemorative offences that coincided with 25 November, the International Day for the Elimination of Violence against Women.

The Valencia General Hospital also participated in this campaign, holding an awareness-raising seminar to contribute to improving the detection of cases of gender-based violence in healthcare services. At the end of the seminar, it was announced that a collaboration agreement had been entered into between the Hospital's Research Foundation and Clece to hold the first edition of the Awards for Research applied to the detection of gender-based violence, with a prize of €3,000.

The Ministry of Health, Social Services and Equality recognised Clece for its work carried out in combating violence against women with its social project, through the awareness raising campaign and the socio-occupational integration of the victims of gender-based violence.



6.9.2 SOCIAL ACTION OF THE ACS FOUNDATION

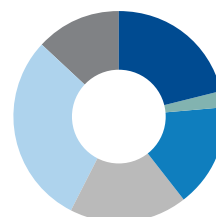
The activities of the ACS Foundation focus on improving citizens' quality of life in all aspects. Various programmes are therefore carried out focus on this objective:

- Improvement in the quality of life of people with physical or sensory disabilities, or in a situation of dependence.
- Defence of and support for good practices in relation to the environment.
- Support for entities that improve people's cultural level.
- Contribution to the dissemination, restoration and maintenance of buildings belonging to Spain's artistic heritage.

- Support for research, mainly medical research, including rare diseases.
- Cooperation for development and technical assistance, for the purpose of supporting the development objectives and respecting human rights, through collaboration with competent bodies.

A budget of €4.8 million has been approved for 2016. In 2016, the ACS Foundation spent €4,434 million, equivalent to 99.6% of its budget. Monetary assistance to entities increased by 3.2% with regard to 2015.

Foundation budget breakdown by category (€ Mn)



Elimination of barriers (disability)	0.948
Environment	0.118
Research	0.704
Promotion of cultural activities	0.894
Aid to other foundations and institutions	1.303
Others	0.467



For further information:
[Webpage the ACS Foundation](#)



Representative example of a social action project of the ACS Foundation: Accessibility to the Jesuit Missions of Paraguay Mission of Jesus of Tavarangué and the Mission of the Holy Trinity of Paraná

The accessible development of the Mission of Jesus of Tavarangué and the Mission of the Holy Trinity of Paraná respond to the Plan of Accessible Tourism to the Jesuit Missions of Paraguay, promoted by the National Tourism Secretary (SENATUR) with the support of the Spanish Cooperation and the ACS Foundation, within the framework of a public-private partnership between the Spanish Agency of International Cooperation for Development (AECID) and the ACS Foundation.

The programme of phases and actions that arise from this plan responds to the criteria of maximum respect for heritage assets, reversibility of actions, easy maintenance, rejection of false histories, universal accessibility, safety of people and compliance with current legislation.

The process for improving accessibility began with the Mission of Jesus of Tavarangué and the Mission of the Holy Trinity of Paraná, which form part of the first phase of launching the Plan of Accessible Tourism to the Jesuit Missions of Paraguay, not only to improve accessibility for persons with limited mobility, but also to improve the comfort and safety of all visitors. This process will continue to gradually adjust deadlines and resources so that all visitors, regardless of their capabilities, can enjoy under equal terms this location declared a World Heritage site by UNESCO.

