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Annual Report
ACS Group



3.

2006 Report on Corporate Responsibility

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3.1 The ACS Group and Corporate Responsibility

The ACS Group began operating as such in 1997. However, its previous background is much more extensive considering that many of its companies have over 80 years of experience in several sectors.

Over these years, the ACS Group has become a worldwide reference in the development of both civil engineering and industrial infrastructures. ACS's success rests on three basic pillars:

Values

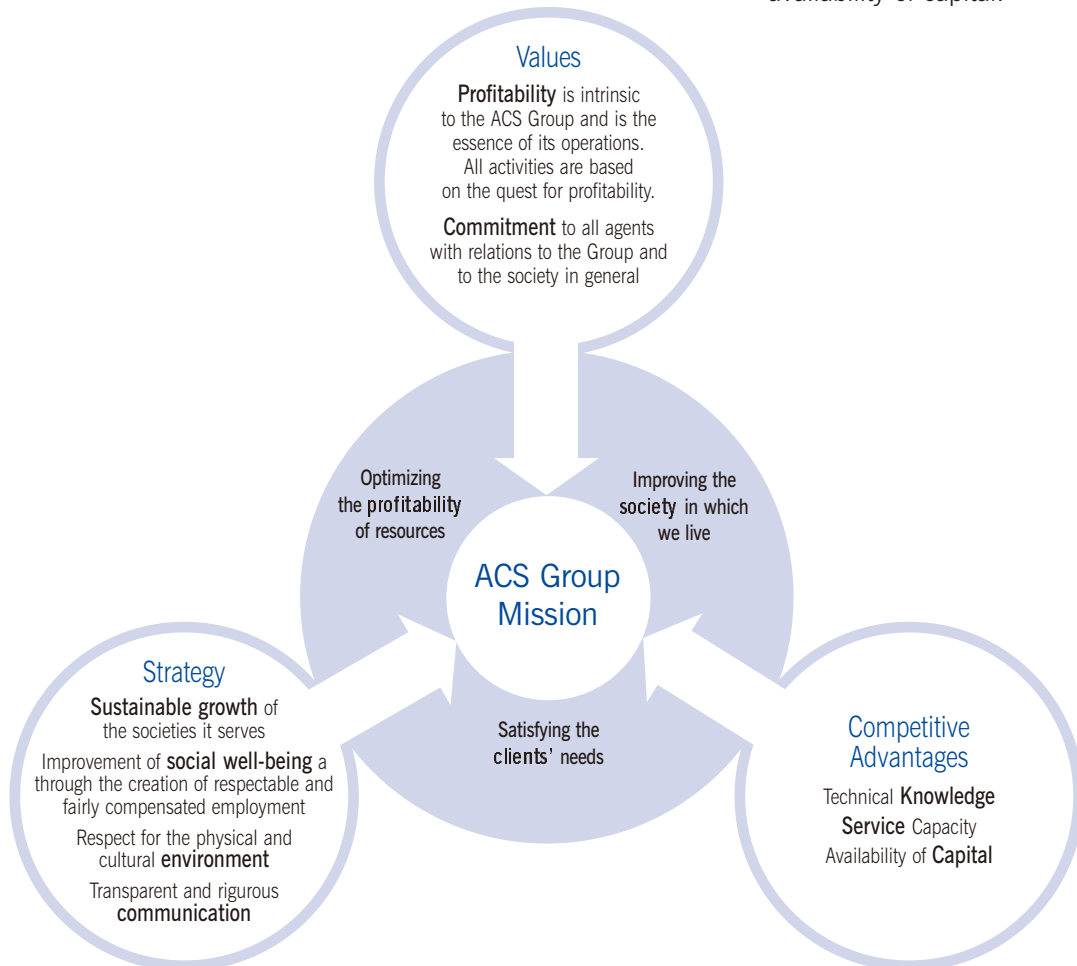
Values impregnating the entire organization, such as the quest for profitability and the capacity to meet commitments.

Strategy

A **Strategy** of sustainable growth, which improves social well-being, respects the environment and is based on a policy of transparency.

Competitive Advantages

Competitive Advantages acquired through experience in the execution of a countless number of projects: in-depth technical knowledge, a proven track record of service capacity and sustainable availability of capital.



These are the pillars to the ACS Group's mission, which is none other than to **satisfy the needs of its clients, optimizing the profitability of the resources managed for this purpose, while improving the society in which we live.**

Therefore, the ACS Group provides its services and carries on its activities by means of:

n The development of infrastructures, civil works, industrial facilities, energy plants, telecommunications systems and waste treatment and purification plants.

n The provision of services in the fields of integral management of urban, logistic and industrial infrastructures.

n Active participation in sectors essential to the economic and social development of any developed country such as infrastructures and energy.

Corporate responsibility is part of the ACS Group's vision and strategy; the sustained growth and responsible development of not only the Group but also the society of which it forms part is an intrinsic part of each of the activities it promotes and develops.

The "ACS' Commitment to Corporate Responsibility" is the initiative by means of which the Group seeks to achieve its aim of becoming the reference construction and services company in this area, by fostering and developing initiatives which meet the expectations of our stakeholders.



3.1 The ACS Group and Corporate Responsibility



ACS Commitment to Corporate Responsibility

Corporate Responsibility forms part of the ACS Group's vision, mission and values, and is based on its undertaking to aid in the development of the societies in which it is present by pursuing improved wellbeing and the sustainable growth of these societies.

At the ACS Group, our commitment to Corporate Responsibility forms an integral part of our corporate culture. We recognize the importance of operating business in a manner which creates economic and social value for our employees and the company as a whole, by means of respect, the promotion and full development of professionals and the environment in which they operate, and the fulfilment of the expectations of all our stakeholders.

Corporate Responsibility is understood to be a view of business which integrates a commitment to the following in the company's management:

1. Principles and ethical values
2. Clients
3. Employees
4. Suppliers and contractors
5. Society
6. Innovation and the natural environment
7. Information transparency

Commitment to principles and ethical values

The ACS Group is an organisation committed to the highest standards of integrity, whose ultimate aim is to be a good corporate citizen. We believe that the only acceptable manner in which to do business is to adopt and assume a group of ethical values enabling the company to establish relationships of trust with its stakeholders.

Commitment to clients

Our commitment to providing the highest quality service to our customers is based on an in-depth understanding of their needs. The main priority of all ACS Group companies is customer service.

Commitment to employees

The ACS Group respects the right to equal opportunities and equity in labour relations, guarantees a healthy and safe working environment and promotes the reconciliation of family life and employment. It also guarantees employees the required and appropriate training to carry out their tasks and provides fairly compensated and stable employment. Any type of discrimination or abuse on the basis of ideology, sex, race, or religion is completely avoided.

Commitment to suppliers and contractors

The ACS Group positively values suppliers and contractors holding quality, environmental management and labour risk prevention certifications, guaranteeing equal treatment.

The company also requires the conduct of its suppliers and contractors to be in accordance with the United Nations Global Compact, and takes the measures deemed necessary in the event that their conduct is not appropriate.



ACS Commitment to Corporate Responsibility

Commitment to society

The ACS Group's objective and commitment is to improve the well-being of the societies in which it operates. For this purpose, different initiatives are undertaken whose ultimate aim is the improvement of integration, cultural promotion and knowledge generation.

This is accomplished by promoting solidarity, responsibility and social participation among the Group's employees, who support and collaborate in the company's social action programs.

Commitment to the environment

ACS Group activities have an impact on the environment resulting from the use of materials and energy or the generation of wastes. Therefore, the company has a firm commitment to innovation and the development of new ideas that lead to the minimization of the environmental impact of its activities, while improving the quality of its service, which leads to a positive effect on income.

Commitment to information transparency

The ACS Group has established a information transparency policy whose aim is to assure that its activity is as open as possible, and that the interest of all its stakeholders is respected. The company is committed to total rigour in the information transmitted.

Our challenge is to become the reference construction and services company in the area of Corporate Responsibility, by fostering and developing initiatives which meet the expectations of our stakeholders

3.1 The ACS Group and Corporate Responsibility

This commitment to Corporate Responsibility was approved by the ACS Group's Board of Directors, and the supervision of its fulfilment is the responsibility of the Board of Directors' Audit and Control Committee.

The different activities of ACS are in line with this performance policy, which is integrated into its processes, activities and plans.

Since being founded, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the Group or its employees. This commitment is based on the ethical principles guiding the ACS Group's operations and forming part of its corporate culture.

In 2007, the Board of Directors approved the implementation of a Code of Conduct for all the Group's employees.

The ACS Group's Code of Conduct summarises these basic principles and serves as a guide for all the Group's employees and management with respect to their professional performance in relation to daily work, the resources used and the business environment in which this work is carried out, as well as for all affiliated companies in which the ACS Group has management control.

The basic performance principles of this Code of Conduct are as follows:

n Integrity: Among its employees the ACS Group promotes acknowledgement of conduct in accordance with the ethical principles of loyalty and good faith.

n Professionalism: ACS Group's employees and management should be recognised by their high professionalism based on proactive and efficient performance focused on excellence, quality and willingness to provide service.

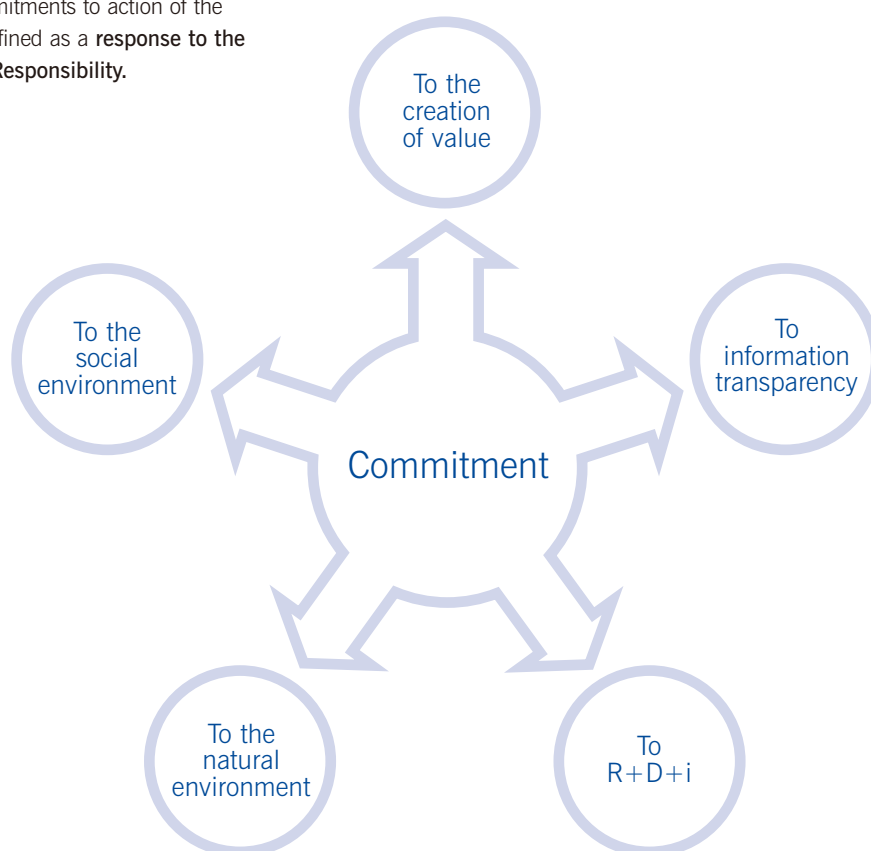
n Respect for Others and Environment: The ACS Group undertakes the commitment to always act in accordance with the United Nations Global Compact, to which it has adhered since its foundation, and whose objective is the adoption of universal principles in the areas of human and labour rights, and the protection of the environment.

 **For further information, see the webpage www.grupoacs.com**



Five Commitments of the ACS Group

To articulate this relationship with the environment, society, and the agents and stakeholders with which it has relations, five commitments to action of the ACS Group have been defined as a **response to the challenge of Corporate Responsibility**.



- 1. Commitment to the creation of value,** distributing the wealth created among its shareholders, clients, suppliers and among the society as a whole.
- 2. Commitment to the information transparency,** so that those who have a relationship with the Company have accurate, reliable and accessible information available to them and are able to form an exact opinion of the ACS Group.
- 3. Commitment to research, development and innovation** with a view to the future, profitable growth and the quality of its products and services.
- 4. Commitment to the natural environment,** implementing programs and procedures which contribute to minimizing the impact of the ACS Group's activities.
- 5. Commitment to individuals and the social environment,** through the creation of employment, wealth and the contribution to the wellbeing and prosperity of the societies in which it operates.

3.2 Commitment to the Creation of Value

As part of its commitment to sustainable growth, the ACS Group must assure the profitability of its investments while guaranteeing high quality operations and financial soundness and efficiency.

This quest for profitability is part of the Group's values and the main focus of the mission it has undertaken. Simultaneously, this quest for profitability implies a commitment to the agents and entities which have relations with ACS, a commitment to providing information and a clear focus on transparency.

Distribution of wealth

Shareholder profitability is the main objective of ACS, and all of its activities are aimed in this direction.

Maximizing shareholder profitability is tied to the creation of wealth and value for all stakeholders or agents that are involved in the production process and that interact with the Company. One of the features which gives the Group competitive advantages is its ability to gain the trust of these groups so that its profitability and growth is sustained over time.

The objective of distributing these funds is to increase the Group's profitability, by meeting the needs of its shareholders, and guaranteeing the present and future fulfilment of the commitments it has undertaken with the different stakeholders of ACS.

Dividends from associates

232 million euros

Divestments

1,030 million euros

Other income

515 million euros

Change in net working capital

457 million euros

Increase in net borrowings

4,482 million euros

Revenues

14,067 million euros

Funds managed by the ACS Group in 2006
20,785 million euros

Financial Institutions provide ACS with a portion of the capital required to operate. They received 1.1% relating to finance costs arising on the borrowings, for a total of 227 million euros.

Shareholders' financing is rewarded with dividends and the increase in the Company's market value. In 2006 they received 212 million euros, 1% of the funds generated.

The ACS Group contributes to **Public Administrations** through the payment of taxes. These subsequently take on the form of public services. 1,156 million euros was allocated to this item, 5.6% of the funds managed by the Group.

Employees contribute to the Company's success with their effort and dedication. In consideration they receive the opportunity to improve their skills and develop a professional career. In 2006, 11.9% of the funds generated, 2,471 million euros, was allocated to professional, personal and human development, and employees were thus acknowledged as being one of the Group's main assets.

Suppliers and Subcontractors form part of the ACS Group's value chain. Their relationship with the company enables them to generate wealth. They received 10,282 million euros, 49.5% of the funds in 2006.

Investments represent the Company's commitment to the future. In 2006, 6,437 million euros was invested, equal to 31% of the funds generated.

Value for clients

In view of the nature of its customers, ACS is required to continuously strive for excellence in order to reach a high quality level and to guarantee their satisfaction.

ACS maintains ongoing contact with its clients during the period in which it provides services so as to be aware of their opinion and perception of the work carried out and to detect problems and share possible improvements. Consequently, special emphasis is placed on the quality of processes and resources are dedicated to the development of activities which allow for the application of the most adequate and advanced techniques in all areas.



3.2 Commitment to the Creation of Value



Quality

Investing in innovation, process efficiency and the improvement of work systems, and prioritising the adaptation of the entire organisation to its clients is the means that has been adopted by the ACS Group since its creation. In striving for quality, its main goal has always been to be the leading company in the sectors in which it operates.

Two factors which are key in the quest for high quality standards are the **professional team** and **technology which provides for the most advanced techniques**. Both form part of the tools that the Group uses to confront the quality challenge, implemented through the following protocols of action:

- Achieving a thorough understanding of clients in order to better identify their needs.
- Fostering the development of the professional capacities of the organisation.
- Stimulating innovation
- Relying on external collaborators that are wholly in line with the Group's objectives.
- Responding to incidents quickly and efficiently.

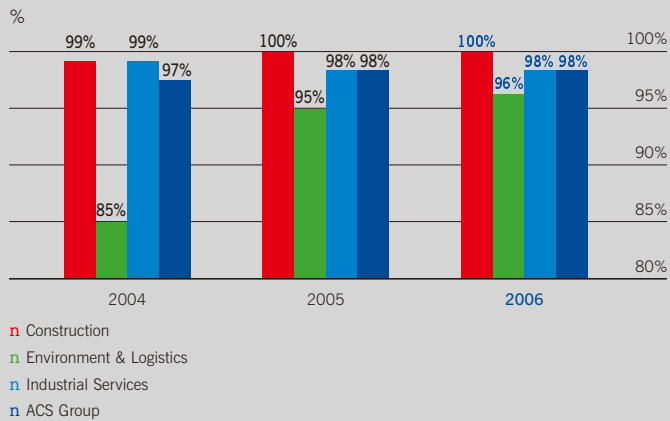
Improvement processes may be implemented on each of ACS activities, and each activity has its own management system which allows for independence and self-control, and which in terms of quality, also fosters the Group's policy of decentralization and specialization. These management systems assure that the products are developed in accordance with contractual terms, legal requirements or regulations, and the company's standards in order to guarantee client satisfaction.

Each of the Group companies furnishes information to the Quality Committee, which is responsible for assessing and improving the whole of the Group's quality systems. The Committee is also required to detect existing needs in order to complement the individual procedures applied by each company in its relationship with its clients

Each and every one of the Group's employees contributes his experience and dedication to improving the quality of the services provided to clients. Given the Group's commitment to excellence, employees assume this responsibility which is part of ACS' idiosyncrasy. The investment made by the Group to this end exceeds 30 million euros a year, and is managed by a team of over 500 staff members responsible for planning appropriate procedures whose purpose is to improve the quality of all products and services, supervising and correcting the initiatives required to meet these objectives, and training staff in accordance with present and future needs.



Percentage of Production Certified in accordance with ISO 9001 standards



98 % of the production of the ACS Group in 2006 took place under quality systems based on ISO 9001 standards and certified by acknowledged external organizations.

Since its foundation in 1991, the ACS Group has been a member of the Club de Gestión de la Calidad (Quality Management Association), which exclusively represents in Spain the European Foundation for Quality Management (EFQM), evidencing the ACS Group's commitment to quality.



3.2 Commitment to the Creation of Value

Value for shareholders

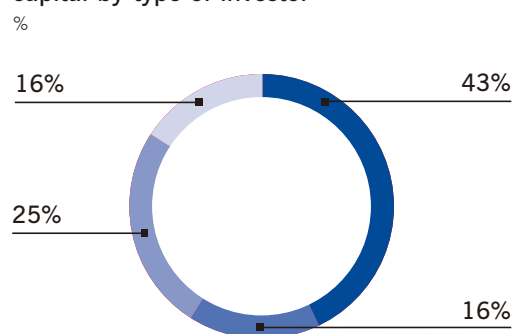
At December 31, 2006, the share capital of the ACS Group amounted to €176,436,567, represented by 352,873,134 ordinary shares with a par value of €0.50 each, all of the same class and series. ACS' shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

The ACS Stock	2001	2002	2003	2004	2005	2006
Closing price	9.13 €	10.22 €	12.90 €	16.80 €	27.21 €	42.71 €
Revaluation of the ACS Stock	9.16%	11.86%	26.26%	30.23%	61.96%	56.96%
Revaluation of the Ibex 35	-7.82%	-28.11%	28.27%	17.37%	18.20%	31.79%
Maximum in the period	11.15 €	12.33 €	13.13 €	17.03 €	27.23 €	43.62 €
Minimum in the period	7.08 €	8.86 €	9.88 €	12.68 €	16.98 €	26.96 €
Average in the period	9.64 €	10.20 €	11.80 €	14.16 €	22.22 €	34.21 €
Total volume of shares (thousands)	155,171	190,174	238,933	312,483	401,440	279,966
Average daily volume of shares (thousands)	621	761	956	1,245	1,568	1,098
Total effective traded (€ millions)	1,496	1,949	2,847	4,563	8,989	9,386
Daily average effective (€ millions)	5.99	7.80	11.39	18.18	35.11	36.81
Number of shares (millions)	192.18	192.18	355.58	352.87	352.87	352.87
Stock market capitalization at period end (€ mn)	1,755	1,963	4,587	5,928	9,602	15,071

In 2006, the ACS Group stock was revalued by 57%, greatly exceeding the average market revaluation, which based on the IBEX35, rose by 31.8%.

Since the ACS Group's stock is in the form of bearer shares, there is no register of company shareholders. According to the most recent data available, there were 65,536 ACS shareholders in May 2006. The average investment per shareholder was 5,384 shares, which based on the 2006 year-end share price, represents an average of €229,951. Free-float capital amounts to 56.8%.

Breakdown of the ownership of share capital by type of investor



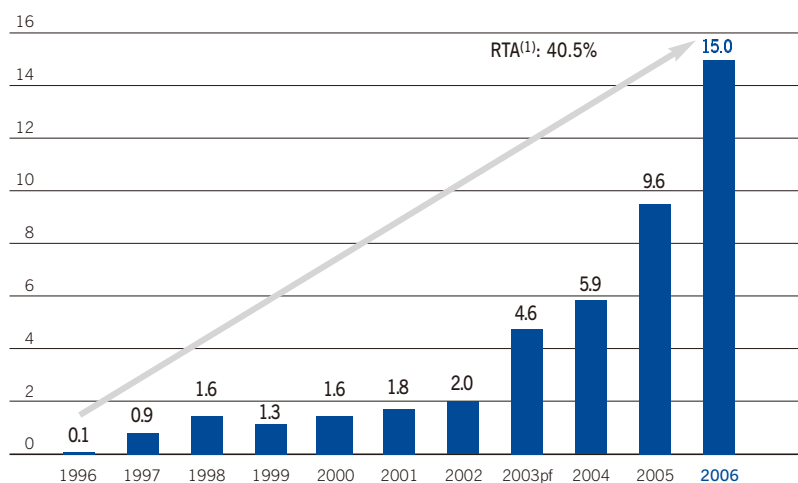
- n Board of Directors
- n Domestic Institutional Investors
- n International Institutional Investors
- n Minority Shareholders

Name of Investee	% Direct Ownership	Number of Shares Directly Owned	% Indirect Ownership	Number of Shares Indirectly Owned	% Total	Number of Controlled Shares
Corporación Financiera Alba, S.A.	0.00%	0	20.01%	70,599,328	20.01%	70,599,328
Corporación Financiera Alcor, S.A.	0.26%	931,585	11.74%	41,413,191	12.00%	42,344,776
Inversiones Vesán, S.A.	10.03%	35,386,118	0.00%	0	10.03%	35,386,118
Rest of the Board of Directors	0.45%	1,573,814	0.69%	2,424,238	1.13%	3,998,053
Total Board of Directors	10.74%	37,891,517	32.43%	114,436,757	43.17%	152,328,274
Floating Capital					56.83%	200,544,860
Total					100.00%	352,873,134

The value of the ACS Group's shares has multiplied 23 times in the last ten years, which amounts to an annual increase of 37% and a shareholder rate of return of 40.5%. In the same period, the average revaluation of the IBEX35 was 10.6%. According to the study on value creation conducted by Instituto de Empresa (IE), it is one of the five Spanish companies which has created most value for its shareholders in the last ten years.

Market Capitalization

Millions of Euros



(1) TRS (total return to shareholders) calculated as the internal rate of return including the change in the price of shares and the payment of dividends.



3.2 Commitment to the Creation of Value

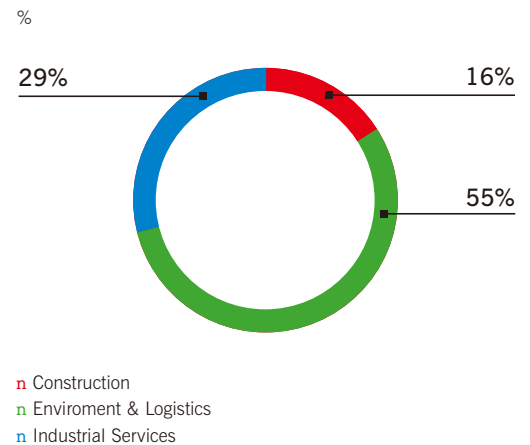
Value for employees

The ACS Group's employees are the company's authentic asset, and accordingly, it is necessary to continuously and efficiently invest in training, professional development support and principally, labour risk prevention policies.

At December 31, 2006, the ACS Group had 123,652 employees. Of these employees, 17% provided services in the international area, and the other 83% represented 0.5% of the working population of Spain. Personnel expenses totalled €2,471 million. ACS also provides its employees with the highest level of training. The Annual Training Plan comprises over half a million hours of study in courses and studies relating to all its activities.

In 2006, the ACS Group created over 10,000 net jobs.

Breakdown of employees by activity area



Career development policies

Hiring, training and development policies favour professional loyalty. In this respect, the ACS Group and companies it comprises have implemented measures aimed at retaining and motivating their employees, especially those displaying high potential.

One of the most significant employee motivation and satisfaction initiatives is the possibility of promotion. The turnover of the ACS Group and the



continuous development of the company generate a significant number of annual promotions among the employees that, due to their efforts and efficiency, are nominated for positions of greater responsibility.

All the Group companies prefer internal promotion to external hiring, and only tap the job market when they are unable to find a professional with the desired characteristics within the organization. Periodic performance evaluations guide employees' career development and offer opportunities of promotion.

All the above leads to high staff stability as evidenced by the low voluntary turnover rates. For example, DRAGADOS had an annual rate of approximately 7.5%.

Value for suppliers

The experience acquired by the ACS Group in its activity areas reveals a constant in all service activities, namely, the importance of a sound and efficient supply chain. Forming relationships with suppliers is part of the Group's activity, and assuring that these are stable and long-lasting is key to the success of a company like ACS.

As a result of its effort to continually improve its relationship with its suppliers and subcontractors, the ACS Group is acknowledged as one of the most reliable and professional organizations in the sector. This distinction is the Group's ability to quickly and efficiently arrange and organize all internal and external resources needed to take on any type of project.

One of the characteristics of the ACS Group is its high level of decentralization, which is evidenced in all the activity areas in which it competes. This structure allows for a lower level of control and degree of supervision only affecting decisions which are truly of significance. The relationship of trust built over years of experience with suppliers enables the ACS Group to take advantage of this competitive edge in order to increase efficiency and profitability.

Of the funds managed by the ACS Group, in 2006 almost 50%, €10,282 million have been allocated to its suppliers and subcontractors.



3.3 Commitment to Information Transparency

One of the key elements of the ACS Group's strategy to fulfil its mission to satisfy its clients and to generate profitability for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to assure 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 media.

The value of information transparency

This general objective of transparency is achieved following these guidelines:

- n Transmitting the Companies' overall corporate strategies externally as well as those specific to each of the Companies' business areas.

Projecting the Group's business reality and assuring that the Group is recognized as being sound and well managed inside and outside of Spain.

- n Contributing to the makeup of a positive umbrella corporate image which aids in the achievement of business objectives and commercial activity.

- n Maintaining a fluent relationship with external agents, and particularly with media representatives.

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 maintains a close relationship with the media representatives who habitually follow the recent developments of the sector. It also maintains several channels of communication for the fluent reporting of the Company's corporate information, both through the department's daily contact with journalists and press releases, and through press conferences held by the Chairman of the ACS Group with journalists in 2006.

In 2007 a number of press conferences were held with journalists and media professionals by the Group's Communication Management as well as the Chairman and other Management Committee members.



The new ACS Website: More information, more quickly.

The website www.grupoacs.com is the Group's pledge for communication and transparency. In 2006, clearly beneficial was the complete remodelling of the portal to increase its clarity, accessibility, the information included and its technical features.

ACS website is visited by a daily average of 974 users, with over 15,260 pages viewed.

The Group's website fulfils a series of objectives:

- n Opening a window to society through which the company may be analyzed with greater transparency and ease.
- n Maintaining a permanent channel of communication with the Group's priority collectives and with any individual or company seeking any type of information on the Group.
- n Openly offering all economic and financial information on the Group, its systems of governance and management, and its activities.
- n Allowing the search for historical information on the Group for more thorough analysis of its evolution and performance.
- n Maintaining up-to-date information on the performance of the Group and the criteria behind its management.

	Total 2005	Total 2006	Daily average 2006
Visits to www.grupoacs.com webpage	262,699	355,543	974
Viewed pages	5,396,472	5,569,879	15,260



3.3 Commitment to Information Transparency

Information transparency, the pillar of the ACS Group's excellent reputation

The measures aimed at promoting information transparency affect the Company's reputation, the extension of its corporate values and technical capacities and the broadcasting of its business success. In 2006, this has been reflected in the numerous citations and acknowledgements of the ACS Group in different forms of domestic and international media, of which most noteworthy were the following:

n One of the ten leading contractors worldwide, according to the survey of **Top Global Contractors 2006** conducted by the prestigious US engineering and construction magazine, **Engineering News-Record (ENR)**.

n One of the top 500 companies worldwide and leader in the construction and services sector in Spain, according to a survey published by the US financial magazine **Forbes**.

n One of the 25 highest valued companies on the **Standard & Poor's Europe 350** index.

n One of the top eight Spanish companies in terms of turnover, according to the last annual survey of the top 5,000 companies published by the magazine **Actualidad Económica**.

n European leader and number two worldwide in the promotion of transport infrastructure projects by number of concessions, according to a survey of the specialized US publication **Public Works Financing (PWF)**.

n The finance project of Madrid Calle 30, an investee of DRAGADOS, was chosen by the magazine **Infraestructure Journal** and by **Euromoney Project Finance** as the best financing operation of the year given its innovative financing structure.

n One of the 20 leading port operators worldwide through its subsidiary Dragados SPL, according to the last annual report published in September 2006 by the firm **Drewry**, a consultant specializing in port-logistics.

n One of the two companies in Spain with the highest annual returns between 1993 and 2006, according to the 2006 Spanish Company Profitability and Value Creation report published by **IESE and Bloomberg**.

n One of the fifteen listed companies in Spain with the best investor relations, according to a study conducted by the British consulting firm **Institutional Investor Research Group (IIRG)**.



Communication and transparency of information reported to markets

Shareholders' right to information is detailed in several parts of the Shareholders' General Meeting By-laws. Hence, in order for the shareholders' meeting to properly serve the function for which it was designed, the Board of Directors of the Group makes available to all shareholders, prior to each Shareholders' Meeting, all information which is legally required to be provided to them, in addition to information, that is not legally required to be provided but that reasonably should be made available given the interests of the company and of the shareholders and their desire to develop criteria.

In this sense, the Group makes every effort to duly respond to the requests formulated by shareholders for the purpose of the General Shareholders' Meeting, regardless of whether said requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardized.

The ACS Group uses different channels to meet its commitment to communication and transparency, in order to foster the flexibility and equality of the information published in an immediate manner and with a higher reach.

Information reported to the market

The ACS Group uses the Spanish Stock Market Commission as the main channel by which to communicate and announce its performance and principal undertakings.

Throughout 2006, 34 Communications were made, of which 29 were "Relevant facts" and the rest were "Other Communications".

Additionally, in 2006, the Group made seven corporate presentations at specialized events held in Europe and the USA, and held over 250 meetings with institutional investors.

Financial information

The ACS Group makes annual and quarterly standardized financial reports and reports on the Group's performance available and also responds to request for information by holding meetings with other market agents. These meetings are meant to complement the Group's reporting efforts and the objective thereof is to clarify information already published in accordance with investors' and shareholders' needs.



3.4 Commitment to Research, Development and Innovation

The ACS Group is a company which evolves each year and adapts to the needs of its clients. The diversification process undergone by the ACS Group over the years has led it to undertake a wide range of activities, each of which has its own features and approaches innovation and development in a different but decided manner. This commitment to innovation is the ACS Group's response to the growing demand for process improvements, technological advances and service quality by clients and the society which the Group serves.

Each year, the investment and effort made in research, development and innovation is increased, resulting in tangible improvements in productivity, quality, customer satisfaction, and work safety; the obtainment of new and better materials and products; and the design of more efficient production processes and systems.

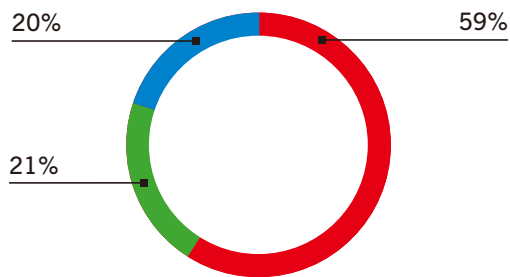
Main areas of investment in R+D+i by the ACS Group

Construction	Environment & Logistics	Industrial Services
<ul style="list-style-type: none"> ▫ Structural behaviour and durability and safety of construction projects. ▫ New construction materials. ▫ New construction processes and improvement in the control of facilities. ▫ New project design processes and software development. ▫ Environmental development and quality of life to improve services for citizens. ▫ New emerging technologies and Bioconstruction. ▫ Development and management of transport. 	<ul style="list-style-type: none"> ▫ Obtainment of AENOR R+D+i Management System Certificate for the development of waste and watertechnology in accordance with UNE 166.002/2006 standards. ▫ Implementation of an Integral Management System in the handling of maritime good containers. ▫ Optimization of the use of mechanical means at Port Terminals. 	<ul style="list-style-type: none"> ▫ New technologies in the area of support services to heavy and energy industries. ▫ Renewable energies. ▫ Improvement of the technology supplier relationship management processes. ▫ New control software design and development processes. ▫ Efficiency in response processes and methods under situations requiring a rapid response.

The ACS Group leads its sector in terms of R+Di efforts. For each area of activity, the Group has assigned a Technological Development Committee, whose function is to promote and analyse the Group's technological development and innovation initiatives in the field of technology, machinery and equipment, and in the improvement of procedures within the company's different activities.

In 2006, the ACS Group invested over 23 million euros in projects relating to research, development and innovation.

Investment in R+D+i by business area
%



- Construction
- Environment & Logistics
- Industrial Services



3.4 Commitment to Research, Development and Innovation

Construction

In 2006, research, development and innovation were focused on areas relating to the structural behaviour of the constructions, with new construction and design processes, and with the application of new emerging technologies.

Investments in this connection in the construction area surpassed €13.6 million.

Research and Development

38 projects relating to the development of new construction techniques and work methodologies directly applicable to the improvement of efficiency and quality were developed. Most of these projects have received some type of acknowledgement and external backing from either European programs (VI Framework Program, iberoeika), or by the Central or Regional Governments (PROFIT, IMADE, CDTI, etc.)

The main R&D projects undertaken in 2006 were as follows:

- n Dynamic three-dimensional measurement techniques applied to infrastructures.
- n Vibration absorption system for slender structures.
- n Virtual safety simulator for the prevention of risks at work sites
- n Multidimensional City
- n Reuse of wastes in underground work with tunnel boring machines.
- n Optimization of the building of residential units (sustainability and efficiency).
- n Intelligent management of construction processes (FUTURESPACIO).
- n Recycling of sludge in underground works.
- n TUNCONSTRUCT (Technological Innovation in Underground Constructions).
- n I3CON (Industrialised, Intelligent and Integrated Construction).
- n MANUBUILD (Industrialised and Integrated Construction).
- n INVISO (Industrialisation of sustainable housing).
- n ARFRISOL (Bioclimatic architecture and solar cooling).



Innovation

In 2006, various actions aimed at the obtainment of **new** and technologically improved production products and processes were executed. Noteworthy are the following:

1. Excavation system in argillite.
2. Development of a ventilation model in the presence of methane gas.
3. Innovative measures in the assembly of curtain walls.
4. Innovative system for land permeability tests.
5. Use of GPS methodology in the monitoring of the launching of planks.
6. Development of a levelling system at great depths.

In addition to its traditional in-house undertakings, an active presence has been maintained in several of the most innovative domestic and international research, scientific and technical forums, where technicians from the different Group companies have had an ongoing and active role as demonstrated by its initiatives, undertakings, and collaborations in:

n European and Spanish Construction Technology Platforms. The Permanent Commission of the European Platform being chaired by DRAGADOS, which leads the strategic line of Spanish Construction Platform Underground Works.

n Highly technological and innovative associations, such as the European Network of Construction Companies for Research and Development (ENCORD) which has been chaired by DRAGADOS for the past six years.

n The SEOPAN Technology Commission, where DRAGADOS is actively involved in works relating to R+D+i assessment criteria in public work bids.

n COTEC Foundation for Innovation, in which ACS takes part as sponsor and member of several commissions.

n AENOR standardization committees and the Groups that develop the European standards or Eurocodes.

n R+D+i Commission of the School of Civil Engineering.

n Public research bodies, Universities, Technological Centres and City Councils, both in Spain and other EU countries, working jointly in the development of projects which improve the life of European citizens. These include:

- Centre for Public Works Studies and Experimentation (CEDEX).
- University Carlos III of Madrid.
- University of Cantabria.
- Industrial Engineering School of the University of Valladolid.
- Schools of Civil Engineering of Madrid, Santander, Valencia, Barcelona, La Coruña, Ciudad Real and Granada.
- Schools of Architecture of the Universities of Madrid and Seville.
- Instituto Eduardo Torroja of CSIC, where DRAGADOS has taken part in conferences and courses, and has collaborated in different research projects.
- Joan Almera Institute and the Industrial Automation Institute of CSIC.
- Centre of Automation, Robotics and Information and Manufacturing Technologies of the University of Valladolid.
- Spanish Standardization Agency (AENOR).
- Several European and Spanish seminars on advanced technological issues in which the Group's technicians were invited to actively participate.

Continuing to be leaders in R+D+i and a reference in the sector is a guarantee for the future of the ACS Group.

3.4 Commitment to Research, Development and Innovation



European Integrated Research Project I3CON; Industrialised, Intelligent and Integrated Construction

In 2006, the European Research Project I3CON (Industrialised, Intelligent and Integrated Construction) commenced. This is an integrated project which is to last four years, co-financed by the European Union's VI Research Framework Programme. It is the only European Integrated Construction Research Project led by a Spanish company, in this case DRAGADOS, which takes part in this project as the main coordinator, together with an additional 25 companies in the construction sector, industry, universities, technological centres and public bodies from 14 different EU and neighbouring countries.

Our company's strategic interest in this project lies in the integration of construction processes to reduce the consumption of resources applied throughout the life cycle of our constructions, and particularly during operation and maintenance periods, as a result of intelligent and industrialised processes. The results of this project will make our proposals in the field of building and infrastructure

management much more competitive especially throughout concession periods.

The fundamental objective of I3CON is to transform European construction into a sustainable industry through the use of integrated industrial processes and intelligent building and installation systems based on distributed control systems with embedded sensors, wireless connections, autonomous controllers and ambient user interfaces. The foundations of this project are to be value based business models with highly specialised SMEs working in supply chains to deliver high performance spaces, smart business services and solutions covering the full life cycle of constructed buildings.

I3CON consists in a new approach for industrialised production of building components with integrated services and intelligence. The components will be sustainable, multifunctional, efficient, reusable, interoperable, and user friendly. The underlying business model will shift current work practices, which in certain cases of maintenance are almost craft made processes, towards a new technology transfer generation, which will convert these into highly industrial and efficient processes.

The new business processes will create value for investors and managers throughout the building's lifecycle, to the benefit of its users.

It is estimated that it will be possible to construct certain new types of ultra high performance



buildings which will be delivered 50% faster than the current average, with reductions in costs that could reach 25% throughout the building's life cycle as a result of a savings in repair and maintenance in excess of 70%.

Another feature of these new buildings constructed according to the specifications and standards developed in the project will be their enhanced comfort and security.

The breakthrough innovation contributed by I3CON, which is aimed at industrial production, integrated services and intelligent building systems, is based on the following:

- n Performance based, value-adding business models and processes, through creation of a customer- and value-driven business model, and branding of components and systems.
- n Integrated building operation systems and services, through fully integrated smart systems and cross-system functionality and integration, and reconfigurable, flexible and adaptable building space.
- n Industrial production of components and systems.
- n Lifecycle optimised building services and controls, thorough self-optimisation of lifecycle services with integrated control systems and intelligent sensor

technologies, and step reduction in energy consumption and waste production.

- n A virtual building model which contributes to building engineering and the learning and taking of decisions throughout the lifecycle by means of the comparison of experimental data with the behaviour of the systems in the virtual model.

The project deliverables will be evidenced in buildings newly constructed by DRAGADOS and the construction work relating to both new and refurbished housing performed by the Municipal Housing and Land Enterprise of Madrid (EMVS), which is also a partner of the project.



3.4 Commitment to Research, Development and Innovation

Environment & Logistics

Research and development efforts in this area focus on the **management of urban solid wastes (USW)**, aimed at minimum dumping and maximum use, and the reduction of CO₂ emissions.

The total investment in this regard exceeded **€4.5 million** in 2006.

Research and Development

In 2006, **two projects** were developed in the areas of urban solid waste and the reduction of CO₂ emissions. These projects were as follows:

n Improvement and development of the design of vertical digesters made of concrete for USW organic fraction dry methanization plant processes including control of operating functions.

n Advances have been made in the validation of three CDM Projects (Clean Development Mechanism) in Columbia and Chile, and an additional three projects were commenced in Mexico. A total reduction of around 4 million equivalent tons of CO₂ will be achieved by the

abatement of methane gas from 2008 to 2012, and will be transformed into credits which reduce the greenhouse effect.

Innovation

Additionally, in 2006, research projects from previous years and the effort of the Environment & Logistics area gave birth to **two initiatives**:

n Demonstration plant (semi-industrial) for a process used to clean siloxanes contained in landfill biogas.

n Design and construction of a USW collection vehicle of a reduced size and the use of clean fuels.

Technological and innovative effort is the launching point for one of the best companies in the world in terms of environmental and urban services. This company competes for the management of waste in large cities of the developed world where the technological factor is key to the success of its activities.





3.4 Commitment to Research, Development and Innovation



Technological Observatory for the Management of Urban Solid Waste for Maximum Use and Minimum Dumping, OTERSU±

URBASER holds a R+D+i Management System Certificate in accordance with AENOR IDI 0030/2006 standards since July 2006, and is the first services sector company to hold this certificate.

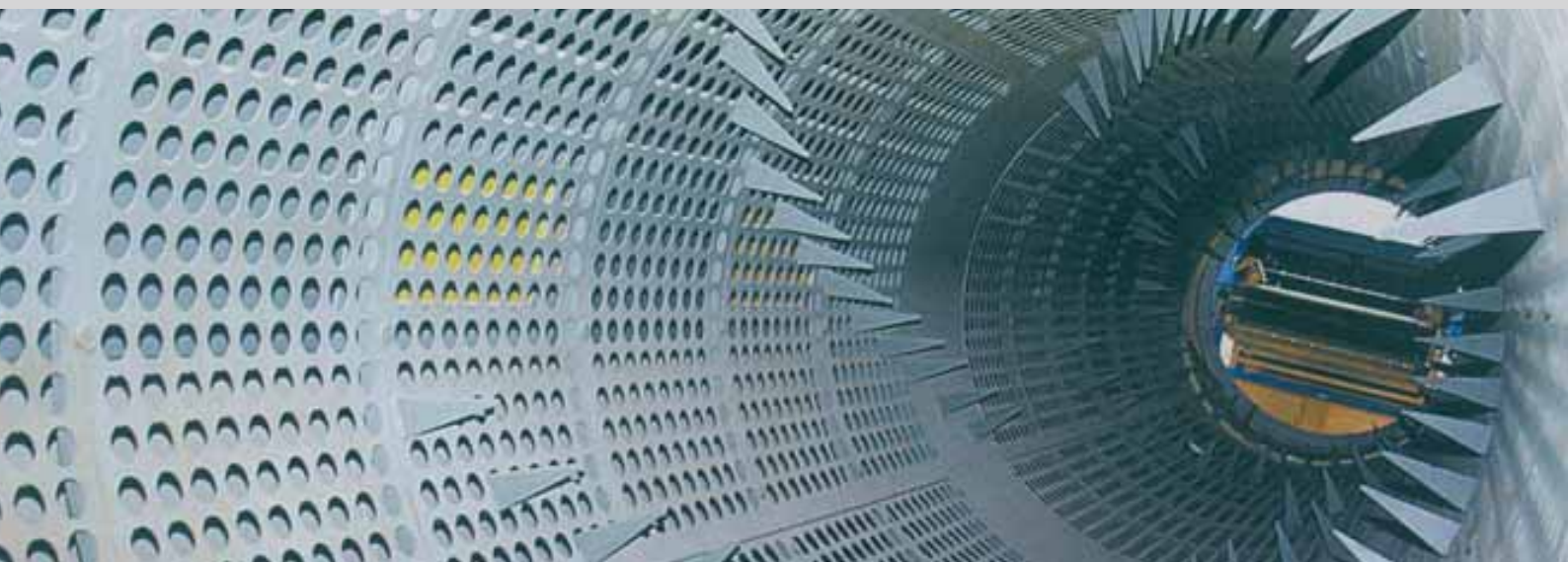
The R+D+i policy of URBASER is aimed at providing solutions to the company and its clients, and is applied to the development and improvement of the processes and equipments used in all its activities. For URBASER, innovation is a basic principle in the integral management of its activities and processes aimed at the management, recovery, reuse and valuation of waste.

URBASER actively takes part in projects and activities aimed at research and scientific progress by leading research and development projects which foster collaboration with its suppliers, public research bodies and technological centres.

One of these projects is included within the initiative "Technological Observatory for the Management of Solid Urban Waste for Maximum Use and Minimum Dumping, OTERSU±", a business initiative worthy of forming part of 16 projects approved on a national level, in the first call of the CENIT program, through the Technical and Industrial Development Centre (CDTI).

The total budget for the execution of this project from 2006-2009 amounts to 20.16 million euros, of which CDTI has granted a non-returnable 9.38 million euros. Almost, half of the 9.03 million is contributed by URBASER, and 11.13 million euros was contributed by the other partners.

In order to carry out this project, a large consortium was created with nine highly capable participants, including four large companies, four small companies, and a non-profit entity.



The objective of this project is to generate knowledge based on the current state, for the conceptual design of USW treatment plants integrated in sustainable environmental development, where all emissions by pollutant secondary products is eliminated. As a first stage (four years), the amount sent to dumpsites is to be reduced to 25% of the weight entering the plant, consolidating bases to obtain so called zero-waste in the near future. This objective is to be achieved by highly innovative means, capable of leading to a scientific and technological breakthrough justifying heavy public support.

To meet this goal, among other measures, research and development on currently existing processes is necessary to optimize the management of waste and obtain much lower rejection rates (dumped waste).

The lines of research to be developed at the current USW management plants taken into account in the project are as follows:

n **Pretreatment:** Increase the effectiveness of mechanical separation to better adapt waste, which will increase the performance of subsequent valuation processes.

n **Biomethanization:** Obtainment of improved performance in the production of gas for electricity using organic waste by means of anaerobic digestion.

n **Gasification:** Obtainment of improved performance in the production of gas for electricity using non-organic waste by means of a high temperature thermal process.

n **Composting:** Increase the percentage of compost or other subproducts obtained in this process.

n **Incineration:** Research on thermal plasma technologies for the vitrification of fly ash.

n **Environmental Control:** Reduction of lixiviates, emissions, and odours produced at plants.

n **Automatic process control system.**



3.4 Commitment to Research, Development and Innovation

Industrial Services

Within the Industrial Services area, investments in R+D+i focused on **technological improvements** in the electricity area, the technological evolution of offshore platforms and urban control systems.

The total investment in R+D+i by the Industrial Services area exceeded **€4.5 million** in 2006.

Research and Development

In 2006, noteworthy was the research capacity of DRAGADOS Industrial, which undertook a large number of initiatives in the areas of energy, offshore platforms, and large industrial projects, including the following:

- n Optimization of the design and integration of sulphur removal systems at coal boilers.
- n Technological development for the design and construction of a multipurpose vessel for the sinking, production, storage and unloading of crude oil in submarine deposits.
- n Development of a system for the creation of a self-supporting modular traction system.
- n Study of the viability of wind at sea data acquisition methods
- n Theoretical and practical study on the increase in the performance of generation processes using biomass when combining these with diesel motor generation.
- n Planning and development of micro-activities, especially work orders.
- n Development of a model for the conversion of a power plant with gas turbines to a combined cycle plant.



Lastly, also significant was the ACS Group companies efforts with respect to urban control systems, taking into consideration that in 2006, numerous development and innovation projects were undertaken, most distinguishable of which were the following:

n Development of a traffic control system for 2 of the 3 areas in the city of Madrid, with centralised control of over 1,000 crossroads.

n Grafo Project, aimed at the calculation of optimal source-destination routes on any type of network. This is a group of libraries providing functions to obtain the shortest path (or the quick path, or that of least consumption) from a source point to a destination point.

n Development of public lighting controller equipment, initially used for the control of the artistic Christmas lighting in Madrid.

n Development of a private license plate recognition system (Automat).

All of these control system activities are in addition to those encompassed in four projects subsidized by the Technical Research Promotion Program (PROFIT) of the Ministry of Industry, Commerce and Tourism (Grafo, Egnobus, Atenea and Carlink Projects).

Innovation

The Group's Industrial Services area is not only a source of innovation from a theoretical standpoint. Its developments and projects are often made a reality and serve as production process tools for many companies in this area. Noteworthy, in 2006, were the following initiatives:

n Project for the creation of an electric substation of the size of a container to be used in underground line works.

n Design of a new cooling water transportation system for combined cycle plants through the use of a U-bend pipe tunnel.

n Development of a new sinking system for long pipes of a large diameter.

n Development of a new complex industrial project management system, which concurrently carries out engineering, supply and construction in several parts of the world.



3.4 Commitment to Research, Development and Innovation



Development of a new modular system for electric traction power supply substations

The company Control y Montajes Industriales, CYMI, started operating in 1962, and since its foundation, it has extended its activities to cover a wide range of sectors relating to Electrical Installations and Assembly and Instrumentation, until eventually becoming the current market leader.

CYMI is a company concerned with always being up-to-date technologically and trying to apply the most modern technological products manufactured.

One of the systems developed by CYMI is the traction supply substation, with which CYMI has proven experience, causing it to be aware of market needs.

This new type of installation may become internationally renowned, considering that many countries use the underground, tram, or trolley bus as a means by which to decrease traffic congestions in large cities.

The objective of this project is to develop a new model electric substation which is highly portable to supply power to underground, tram and trolley bus lines. This substation may be located in a container, is manufactured in-plant and can be transported to the location in which it is to be used as a single unit.

The company's aim is to create a substation model allowing for portability which did not formerly exist, in order to achieve the following:

- Facilitate the change in location of electric substations for suburban transportation for operating purposes.
- Allow for the adaptation of the substations located in containers to the urban environment, regardless of its architectural design.
- Replace "on-site" civil works with in-plant assembly of the components.



n Decrease assembly and start-up times for electric traction power supply substations using new manufacturing and installation processes. In this manner, the substation will be fully manufactured at the plant, and it will only be necessary to place the container in its final location and make external connections.

n Improve the logistics of installing electric substations since materials and tools are made available more readily and with higher flexibility given that the most complex work is carried out in-plant.

The main lines of development in this project are as follows:

n Study of the DC system to be used to supply the catenaries and its control. This is the most important part of the system, together with the development of the concept of portability.

n Definition, availability configuration and interconnection of equipment and components to be installed within the casing-container.

n Improvement of the casing manufacturing process through the development of new forms and components based on the tests performed.

n Researching of a electric power insulation system appropriate for this type of installation.

n Development of a input-output connection system allowing for quicker connections between field and equipment.

n Standardization of this new electric substation model, including small replacement parts.

n Manufacture and testing of a prototype.



3.5 Commitment to the Natural Environment

ACS Group activities have a significant impact on the environment. The development of infrastructures leads to changes in the environment resulting from the use of materials, of energy (both at the time of construction and over the life of the different infrastructures) or from the generation of waste. It may also give rise to visual effects and effects on the landscape, and all of these effects may be either positive or negative.

Many of the activities included in this report in the area of innovation and research reflect the efforts of ACS to minimize negative effects on both the physical and social environment, while simultaneously striving for excellence and the improvement of products and services, which will have a long-term positive effect on income.

Given the commitment of ACS to the natural environment, it undertakes specific measures in relation to each of the Group's activities in order to improve overall results, decrease risks and preserve, reuse and reduce the resources used.

“The whole world has the right to enjoy an environment appropriate for the development of a person, and the duty to preserve it”

Environmental Management System

The aforementioned axiom is the point of departure for ACS Group activities. To monitor these activities, an environmental policy has been established whose criteria are well known, shared and put into practice by **all the Group companies**.

One of the objectives of each work centre is to draft and implement an Environmental Plan in each of its activity areas.

During the annual review of the environmental management system performed by the management, each Group company establishes its environmental objectives in accordance with ACS Environmental Policy. These objectives are determined by taking into account, inter alia, the most significant impacts of its activities and the changes in the law in force.

At the different work centres, these objectives are set forth in the Environmental Management Program which includes the goals to be met, the measures required, the means necessary, the responsible parties and the deadlines. Currently, 90% of the Group's production takes place in companies that are environmentally certified in accordance with ISO 14001 standards.





ACS Commitment to the Environment

Evaluate the environmental impact of the activity of each area and establish measures to prevent or minimize these impacts.

Propose alternatives to clients which favour the environment.

Communicate, train and make staff and each of the project collaborators aware of environmental matters.

Use natural resources in an efficient manner.

Adequately manage waste, reducing its production, increasing its reuse and fostering the recycling thereof.

The whole world has the right to enjoy an environment appropriate for the development of a person, and the duty to preserve it

3.5 Commitment to the Natural Environment

ISO 14001 CERTIFICATION

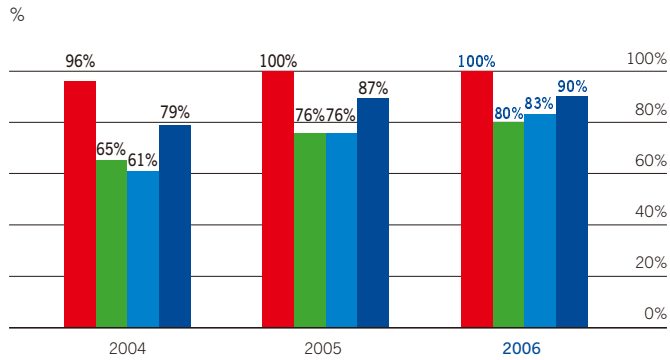
Construction area	2004	2005	2006
DRAGADOS	n	n	n
GEOCISA	n	n	n
TECSA	n	n	n
DRACE	n	n	n
VÍAS Y CONSTRUCCIONES	n	n	n
DRAVO	n	n	n

Environment & Logistics area	2004	2005	2006
URBASER	n	n	n
VERTRESA	n	n	n
ORTO PARQUES Y JARDINES	n	n	n
SOCAMEX	n	n	n
CETRANSA	n	n	n
CONSEUR	n	n	n
TRACEMAR	n	n	n
URBASER INTERNACIONAL	n	n	n
GESTIÓN DE PROTECCIÓN AMBIENTAL	n	n	n
VALENCIANA DE PROTECCIÓN AMBIENTAL	n	n	n
CLECE	n	n	n
MULTISERVICIOS AEROPORTUARIOS	n	n	n
TALHER	n	n	n
PUBLIMEDIA SISTEMAS PUBLICITARIOS	n	n	n
SINTAX LOGISTICA	n	n	n

Industrial Services area	2004	2005	2006
COBRA	n	n	n
MONCOBRA	n	n	n
ATIL COBRA	n	n	n
CME	n	n	n
EYRA	n	n	n
GRUPO ETRA	n	n	n
SEMI	n	n	n
MAESSA	n	n	n
API	n	n	n
IMES	n	n	n
DRAGADOS INDUSTRIAL	n	n	n
CYMI	n	n	n
MAKIBER	n	n	n
INTECSA-UHDE	n	n	n
INITEC	n	n	n
MASA	n	n	n
DRAGADOS OFFSHORE	n	n	n

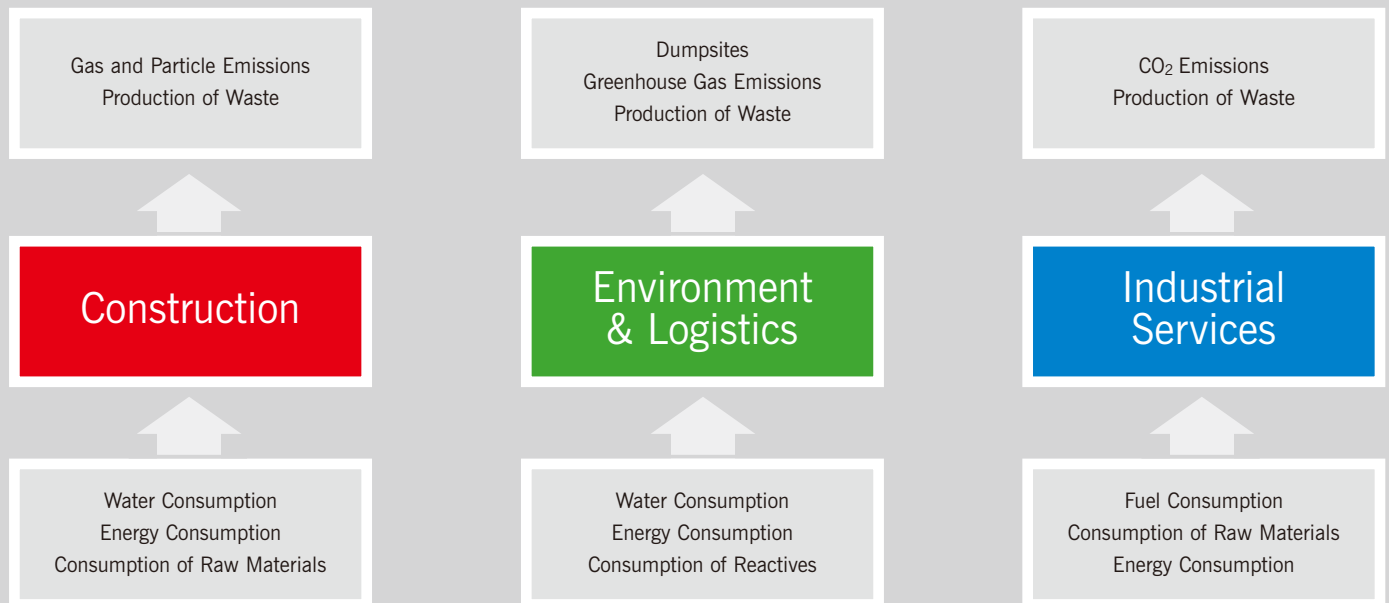
n Fully Certified
 n Partially Certified
 n In Process
 n Under Study

Percentage of production environmentally certified in accordance with ISO 14001 standards



- Construction
- Environment & Logistics
- Industrial Services
- ACS Group

Main impacts of ACS Group activities



3.5 Commitment to the Natural Environment

Construction

Inconveniences caused by construction work

Another especially significant environmental impact is the effect of construction work on people giving incidences relating to their daily lives, such as inter alia, the occupation of urban spaces (pavements, roads, etc.) causing interferences in relation to habitual pedestrian traffic or vehicle traffic, or a temporary increase in noise and vibrations.

To reduce these impacts as much as possible, a number of preventive measures are adopted to eliminate or minimize repercussions on people playing different roles such as citizens. Passer-bys or vehicle drivers. These measure include the appropriate signalling of construction areas, the establishment of alternative routes, planning and the performance of the most bothersome activities at hours when the least number of people are affected, the cleaning of traffic areas (roads and pavements), the correct protection of construction work areas to prevent projections, etc.

Additionally, other preventive measures are planned and implemented to minimize other possible environmental impacts resulting from carrying out works. These measures are aimed at preventing water pollution, soil contamination and affects on natural species including both flora and fauna.



Main environmental performance indicators

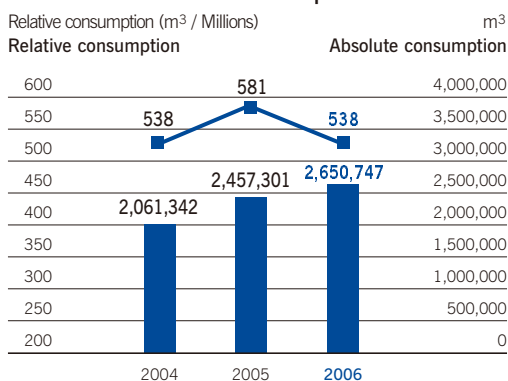
Water consumption

In the case of water, and to analyse its evolution, relative consumption was obtained based on total annual production.

In the current year, natural resource consumption indicators, and particularly water and energy indicators have begun to be developed, taking into consideration the various sources (electricity, hydrocarbons, gas, etc.). The following data corresponds to all of the work centres (work sites, parks and offices).

Relative consumption is within the range of 500 to 600 m³/millions of euros.

Evolution of water consumption



■ Absolute consumption (m³)
 — Relative consumption (m³/millions)

	2004	2005	2006
Water (m ³)	2,061,342	2,457,301	2,650,747
Relative consumption (m ³ /millions of euros)	538	581	538



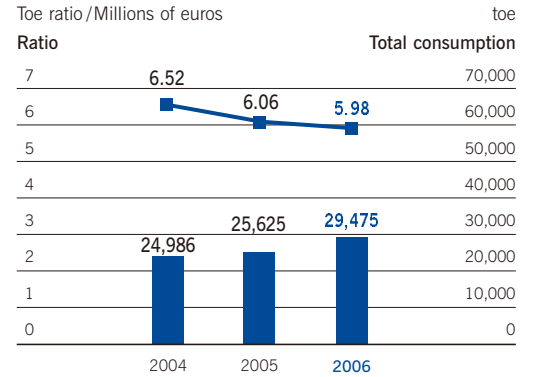
3.5 Commitment to the Natural Environment

Energy Consumption

To analyse energy consumption, the amount of different energy sources consumed, and particularly electricity and gas, have been converted into a common unit so that it is possible to compare their evolution based on total annual production.

In accordance with International Energy Agency criteria, the common unit used is the ton oil equivalent (toe). The conversion factors used are those normally used by both national and regional public authorities in energy plans.

Evolution of energy consumption



■ Total consumption
 ■ Toe ratio/Millions of euros

	2004	2005	2006
Total (toe)	24,986	25,625	29,475
Toe ratio/Millions of euros	6.52	6.06	5.98

As can be observed, although total consumption has risen due to the increase in production, the ratio has dropped, evidencing that this resource is being used more efficiently.



Management of the waste generated

The rise in construction activity in Spain has led to a large increase in the generation of waste, both from the construction of infrastructures and buildings and from the demolition of old buildings. The wastes generated, which are estimated to amount to over 1,000 kg/person/year, greatly exceeds the urban waste generated.

These wastes, traditionally known as “debris”, currently consist of **construction and demolition waste**.

The environmental problems relating to these wastes are not only a result of the large volume generated, but also their management, considering that the current treatment of these wastes is unsatisfactory in most cases.

Therefore, the appropriate management of construction and demolition waste has been defined as a strategic line in our works, and relevant initiatives have been established aimed at:

n reducing the waste generated,

n reuse of excavated soil, which is mainly applicable in the civil works sectors,

n recycling, which is applicable in building works, of the different fractions of construction and demolition wastes generated: ceramic, petrous, wood, metal, plastic and cardboard waste, and also the demolition of pavement and structures in the case of civil works.

The latter two being stages of a valuation, recovery or use of this waste.

All of the above is performed on a global level to achieve two significant goals aimed at the sustainable development of the sector:

n Reducing the amounts of waste eliminated through its deposit at dumpsites.

n Reducing the consumption of natural resources by taking advantage of the valuable resources contained.

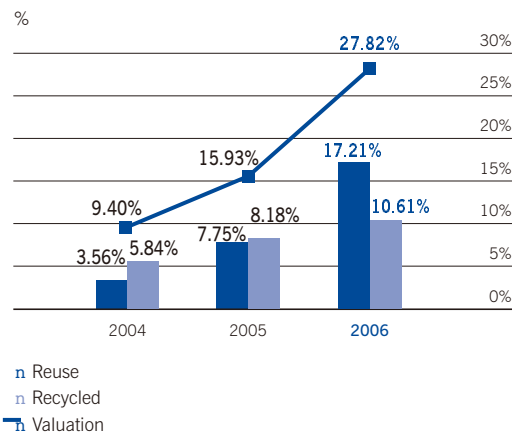


3.5 Commitment to the Natural Environment

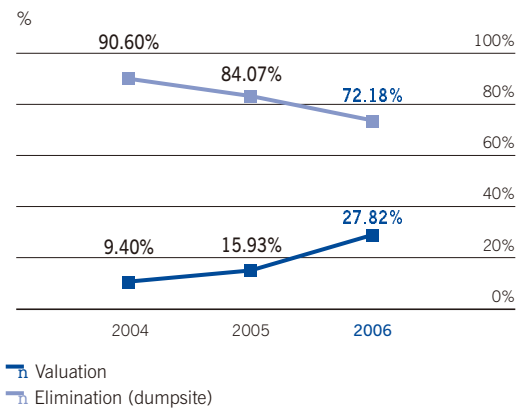
Excavated Soil	2004	2005	2006
Reduction of projected amounts	5.65%	5.78%	3.62%
Reuse to total produced	79.55%	71.95%	68.56%
at own site	91.51%	86.34%	63.82%
at other sites	2.50%	7.82%	12.33%
restoration of degraded	6.00%	5.85%	23.85%
Deposit at dumpsite	20.45%	28.40%	31.44%

Construction and demolition waste	2004	2005	2006
Reuse to total produced	3.56%	7.75%	17.21%
Recycling to total produced	5.84%	8.18%	10.61%
Deposit at dumpsite	90.60%	84.07%	72.18%

Evolution of construction and demolition waste valuation



Evolution of the final management of construction and demolition waste



As can be observed, the evolution of the management of construction and demolition waste has been very positive, and the amount of construction and demolition waste dumped has been reduced by approximately 30%.

Pursuant to applicable environmental law, the management of wastes is completed with the separation, storage and treatment by an authorised manager or Integrated Waste Management System of the remaining hazardous or specifically regulated wastes produced at the various work centres. In 2006, the amount of hazardous wastes managed amounted to 9,735 tons.

Noteworthy Initiatives in 2006

In addition to continuing with the measures aimed at the recycling of construction and demolition waste, and the reuse of excavated soil, a process has been initiated to analyse and determine the indicators reflecting both the energy efficiency and the repercussions in relation to emissions into the atmosphere of the energy sources used. The two main areas are:

n Analysis of **eco-efficiency indicators** relating to the consumption of water as a natural resource, as well as the consumption of energy sources (electricity, natural gas, fuels derived from oil and liquid petroleum gas). Energy sources have been unified in toe (ton oil equivalent).

n Study of **CO₂ emission indicators**, such as indicators of greenhouse gas emissions. This is the result of the conversion of the different energy sources used to CO₂ emissions.

Additionally, DRAGADOS is working on a number of environmental R+D+i projects encompassed within the following initiatives:

PROFIT

The following six projects are included:

n LODOS: R+D on new materials and the reuse of waste in works where tunnel boring machines are used.

n Multidimensional City.

n INVISIO: Optimization of the production of housing units (industrialization, efficiency and sustainability).

n DOMÓTICA: Platform for the control and automation of housing and the creation of intelligent environments.

n ARFRISOL: Bioclimatic architecture and solar cooling.

n HABITAT 2030: Building materials and parts.

IMADE

Focused on the LODOS project for the recycling of all sludge for its use in underground works.

The Group is also participating in the European project ENABLE: Raising European Awareness of a Sustainable Built Environment.

Objectives for 2007

n Increase in the **recycling** of construction and demolition waste in order to reach **20 percent** recycling of total waste in 2008.

n Environmental **awareness** campaign for **operatives**.

n Completion of the application on **intranet** for the **gathering of the data** required to calculate environmental indicators (waste).

3.5 Commitment to the Natural Environment



Decrease of the impacts on the project Madrid Calle 30 By-Pass Sur

The south junction is the most congested area of the M-30, with the highest volumes of traffic of all sections of this road. The traffic volume on the section from the Valencia highway A-3 to the Toledo highway A-42 amounts to 250,000 vehicles in eight lanes, four in each direction.

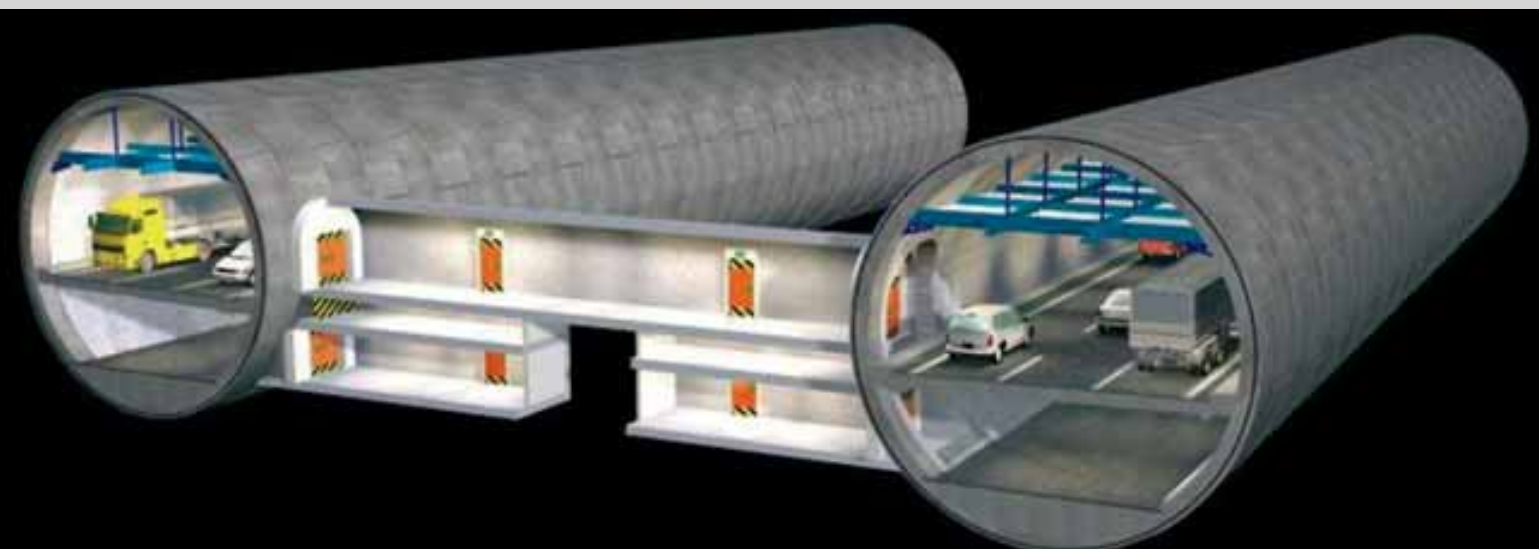
The construction of a tunnel in the section between the A-3 and Puente de Praga is a priority for eliminating the traffic jams in the south junction and reducing the high number of accidents.

The By-Pass Sur of the M-30 is meant to be an alternative route for east-west travel in the south section of road, which cuts the distance travelled by 1.5 kilometres and increases safety.

Project characteristics:

The priorities of the project for urban transformation and improvement of the M-30 are as follows:

1. Increase road safety, in order to greatly increase the accident rate on this road.
2. Improve the functionality of this road by preventing the current congestion and making its use by citizens more comfortable and safer.
3. Shape the M-30 as a ring of protection around the centre of Madrid, so that it is used for the highest amount possible of medium distance vehicle traffic in the city.
4. Create new green spaces in the city and recover other areas which are currently deteriorated or inaccessible due to the road infrastructure for the use of citizens.
5. Eliminate the barrier and separation effect of the M-30 between different areas of the city.



This tunnel was constructed using a state-of-the-art EPB tunnel boring machine. This mechanized digging system with a minimum open front surface and balanced pressure at the front, simultaneously lines the tunnel while digging with prefabricated tunnel sections, allowing the tunnel to be constructed under maximum safety conditions and with only a minimum effect on the urban environment in which it is located.

This tunnel is to be one of the safest in the world since it has a gallery for service and emergency vehicles along the entire course of the tunnel, 13 connection pedestrian galleries at every 200 metres, and 5 galleries for the evacuation of vehicles at every 600 metres, as well as seven emergency exits connecting directly with the outside of the tunnel. It has 464 television cameras, 18 kilometres of fire detection cable, 472 hydrants, 15,710 lights and 112 variable message signs.

Another advantage of the improved traffic flows which will result from the opening of the South By-Pass is the environmental benefit, since vehicles will be able to travel at around 80 km per hour, an average speed considered optimal from a fuel consumption standpoint. Fuel consumption will be reduced to half of the 13 litres currently consumed during traffic jams, with the resulting drop in the emission of pollutants along the entire south section of the M-30.

The emissions produced by these vehicles will no longer enter the atmosphere without control as up to the current date. Instead, they will pass through the by-pass's high technology fan and filtering system, which is capable of retaining 80% of the particles, and significantly absorbing the pollutant gases from vehicles travelling through the tunnel. Taking the above into account, this underground tunnel will become a worldwide reference in the application of effective systems for improving the quality of air.

Noise pollution will also decrease considering that 80,000 vehicles which formally travelled on the surface will now choose the underground tunnel route each day.

Main Aggregates

Tunnel made with the tunnel boring machine	3,336 m
Mine digging	7,900 m ³
Tunnel digging	968,000 m ³
Reinforced concrete	190,000 m ³
Steel	30,000 t
Prefabricated slabs	94,100 m ²
Landscaped area	49,000 m ²

The Tizona tunnel boring machine has a diameter of 15.01 metres and 14,300 kw of power, is 148 metres long and weighs 4,200 tons, and is the largest and most powerful machine of this type in the world.



3.5 Commitment to the Natural Environment

Prescriptions		Affected contract work	Protective and corrective measures adopted
Physical	Edaphic	Alteration of the natural structure of land	<p>Conservation and recovery of land by means of the following measures:</p> <ul style="list-style-type: none"> – Delimitation of the work site area. – Creation of slopes to assure stability and balance under any weather conditions. – Removal and piling in optimal conditions to prevent the compacting of vegetal soil, including the sowing and fertilization thereof.
	Atmospheric	Risk of the emission of dust into the atmosphere	<p>Reduction of the emission of dust into the atmosphere for the maintenance of an adequate quality of air through the performance of the following activities:</p> <ul style="list-style-type: none"> – Determination of roads and areas where dust may be emitted. – Maintenance of internal roads in optimal conditions. – During the performance of the contract work, the falling of material from great heights will not be permitted. – Limit on the speed of the vehicles on the worksite. – Watering system to decrease the emission of dust into the atmosphere. – Vehicles transporting materials off the worksite will be required to be covered. – Fitting of areas for the washing of wheels at the worksite exit. – Sediment control in three areas (access shaft, ventilation shaft and exit shaft-A-3), by means of three sensors per area. <p>Control of the emission of pollutants into the atmosphere by means of the following measures:</p> <ul style="list-style-type: none"> – Installation of two integral housing units to control the presence in the air of the main atmospheric pollutants produced by hydrocarbon fuels. These units are to be located in the access shaft and ventilation shaft. – Installation of an anemometer in the ventilation shaft.
	Hydrology	Risk of an effect on water quality of the terrestrial hydric network	<p>Minimize possible dumping into the hydric network through measures such as:</p> <ul style="list-style-type: none"> – Rule out dumping into the network without the express authorization of the competent authorities. – Installation of runoff basin, prior to dumping into the sewage network. – Control and analytical monitoring of water. – In rainy periods, covering of the stocks of fine material to prevent the entering of solids in suspension. <p>Minimize the consumption of water through the reuse of access chamber filtration waters to feed the tunnel cooling system.</p>
	Habitat - Noises and Vibrations	Risk of an effect on the town	<p>Performance of noise emission controls in the areas close to the sites where there is housing: Access chamber, ventilation chamber and collector area.</p> <p>Monitoring of the vibrations from the construction of the tunnel on the most sensitive buildings closest to the tunnel (Dance School, Municipal Government and Health Centre).</p>



Prescriptions		Affected contract work	Protective and corrective measures adopted
Biological	Flora	Risk of an effect on vegetable formations during the performance of the work tasks	<p>Reduction of the effects on existing vegetation by taking the following measures:</p> <ul style="list-style-type: none"> - Staking and protection of trees. - Correct transplanting and maintenance of affected trees. - Re-vegetation of bare areas arising from the contract work, paying special attention to aspects such as: <ul style="list-style-type: none"> - Analysis of land - Selection of herbaceous and bush species - Selection of sowing method <p>Coordination of re-vegetation with Calle 30 restoration projects:</p> <ul style="list-style-type: none"> - Access chamber: River Project and Parque del Matadero. - Ventilation chamber: Parque de Tierno Galván. - Exit chamber - A-3: Parque Tejar de la Pastora.
	Fauna	Risk of an effect on towns located in the worksite's area of influence	<p>Maximize the protection of the different species with measures such as:</p> <ul style="list-style-type: none"> - Previous gathering of vertebrates with limited mobility in areas affected by the contract work by combing the area. - Transfer of these animals to neighbouring areas. - Deposit in closed containers of the organic waste to prevent the attraction of species.
	Landscape Integration	Effect of the performance of contract work on the landscape of the environment.	<p>Adaptation of facilities and structures to the environment through:</p> <ul style="list-style-type: none"> - Maintenance and cleaning of office areas, work shacks, machinery parks, roads, shoulders and ditches. - Appropriate location of material stocks and of the waste generated, and quick management thereof. - Auxiliary structures as the entrances will be integrated with the environment to the extent possible.
Human	Cultural Heritage	Affect on heritage	<p>Archaeological and Palaeontological Control:</p> <ul style="list-style-type: none"> - Archaeological study of the excavation areas (access chamber, ventilation chamber and exit chamber - A-3). - Palaeontological study of the soil excavated from the tunnel studio.
	Social and Economic Environment	Negative effect on the towns near to the area of influence of the worksites	<p>Minimize the effects on nearby populated areas with measures such as:</p> <ul style="list-style-type: none"> - The assignment of employees with training adequate for the performance of their tasks. - Appropriate location of the vehicles and machinery to minimize interference with other vehicles and passer-bys. - Prevent traffic problems and jams through the study of alternative routes. - Conducting of informational campaigns
	Habitat - Noises and Vibrations	Risk of an effect on the town	<p>Performance of noise emission controls in the areas close to the sites where there is housing: Access chamber, ventilation chamber and collector area.</p> <p>Monitoring of the vibrations from the construction of the tunnel on the most sensitive buildings closest to the tunnel (Dance School, Municipal Government and Health Centre).</p>

3.5 Commitment to the Natural Environment

Environment & Logistics

Main environmental performance indicators

The main impacts of this activity are related to the **emission of greenhouse** effect gases produced by the fleet of vehicles used for different services,

as well as their fuel consumption, to the **emission of methane** from dumps and to **waste generation**.

The Environment and Logistics area is working hard to reduce the consumption of fuel by company and subcontracted fleets of vehicles in the collection of urban solid waste, street cleaning, the transport of passengers and integral logistic services. These graphs include all data excluding information on the transport of passengers.

	Number of Vehicles Managed			Diesel Fuel Consumed (millions of litres)		
	2004	2005	2006	2004	2005	2006
Environment	3,600	4,300	4,656	24.0	24.5	26.6
Logistics	1,670	1,766	1,853	61.5	66.6	69.9
Total	5,270	6,066	6,509	85.5	91.1	96.5

tn of CO ₂	CO ₂ Emissions		
	2004	2005	2006
Environment	65,899	67,271	73,038
Logistics	168,865	182,951	191,883
Total	234,763	250,222	264,920



To reduce these impacts, policies have been implemented in all areas, from the reduction of fuel consumption and the use of bio diesel fuel in transport, as well as the reduction of emissions by treating urban solid waste instead of dumping it. On the other hand, it aims to treat the waste generated safely, both for the environment and for individuals.

The ACS Group, through its company Urbaser, S.A., is the leader in the management of **solid urban waste treatment** plants in Spain, and has undertaken significant actions abroad. In Spain it currently manages:

n 19 recycling and composting plants with a treatment capacity of 2,345,000 tons per year.

n 7 packaging plants with a treatment capacity of 237,500 tons per year.

n 12 biomethanization plants with a treatment capacity of 2,050,000 tons per year

n 4 energy recovery plants with a treatment capacity of 1,400,000 tons per year.

n An additional five plants are in different phases of construction with a treatment capacity of 1,780,000 tons per year.

Consumption and residues generated in the treatment of waste	2004	2005	2006	Var.
Absolute Consumption				
Electricity (GWh)	109	127	130	2.4%
Water (Mn. m ³)	1.03	1.17	1.21	3.4%
Diesel fuel (Mn. litros)	7.44	8.51	8.65	1.6%
Natural gas (Mill. m ³)	11.63	13.47	14.20	5.4%
Generation of waste (Mn. Tn)	0.56	0.59	0.61	3.4%
Emission of CO₂ (Mn. Tn)	7.9	8.2	8.2	0.0%
Savings in the emission of CO₂ (Mn. Tn)	3.0	3.6	3.6	0.0%
Relative Consumption				
Consumption of electricity per treated ton (kWh/Tn)	19.1	17.4	16.9	-2.6%
Consumption of water per treated ton (l/Tn)	180.3	159.9	157.6	-1.4%
Consumption of diesel fuel per treated ton (l/Tn)	1.30	1.16	1.13	-2.4%
Consumption of natural gas per treated ton (m ³ /Tn)	2.04	1.84	1.81	-1.6%
Tons of emission of CO₂ per ton of treated waste	1.38	1.13	1.13	0.0%
Savings in the emission of CO₂ upon treatment of USW rather than dumping (%)	27.3	30.6	31.5	3.0%
Generation of waste per treated ton (Tn)	0.10	0.08	0.08	-0.5%
Total Renewable Power Installed (MW)		177	179	1.1%



3.5 Commitment to the Natural Environment

The whole of these plants gives rise to equivalent CO₂ emission savings with respect to the baseline solution: Dumping of around 2.1 million tons per year.

The total installed power in the Madrid, Majorca and Cantabria biomethanization plants amounts to 58 MW, and these plants generated 443.6 GWh in 2006.

To this power, it is necessary to add the 96 MW of installed power processed by the biogas obtained from dumpsites and biomethanization plants, which generate around 550 GWh per year.

In 2006, special attention was also placed on the **integral management of water** as a scarce resource. The ACS Group is responsible for the supply of drinking water to over three million people in Spain, Latin America and Morocco and its treatment, and focuses on maximum efficiency and savings in the use of this extremely valuable resource, which amounts to 286 million cubic metres per year. For the ACS Group, the sustainable management of water is a key resource in its commitment to the environment and to sustainability.

Management Type	Habitants		Volume Managed Annually (m ³ /year)	
	2005	2006	2005	2006
Distribution of drinking water	2,904,206	2,935,182	267,634,970	269,434,970
Treatment/Supply of drinking water	2,841,628	2,872,604	260,492,050	262,292,050
Sanitary control of drinking water	2,974,206	3,005,182	274,209,350	276,009,350
Maintenance and cleaning of the sewage network	3,254,206	3,285,182	267,634,970	269,434,970
Purification of waste water	2,619,665	2,650,641	232,446,111	234,246,111
Management of subscribers	3,086,475	3,117,451	284,753,470	286,553,470



Noteworthy Initiatives in 2006

n Although all vehicles acquired in 2007 already comply with the European EURO4 fuel emission standards, in 2006 **35 new vehicles using cleaner fuel** already started being used.

n **Savings in CO₂ emissions of over 3.6 million tons** owing to the management of 63 waste treatment and recycling plants.

n **Clean development mechanisms at dumps.**

n Participation in the project, construction and operation of a **biodiesel plant**, with a capacity of 25,000 tons per year, which will come into operation in 2007.

n Increase in the quantity of **mineral oil collected from automobiles and ships** (Marpol Convention), to 100,000 tons of oil waste recovered per year and 70,000 tons of waste from ports in Spain, in accordance with the Marpol Convention.

n Performance of **training and informational activities** to reduce the environmental impact of activities carried on by Continental Auto and reach appropriate environmental performance standards.

n Effective **integration** of former **quality, environmental and labour hazard** prevention management systems into a single Integrated Management System.

Objectives for 2007

n Increase in the **savings of CO₂ emissions** by 5%.

n **Decrease of 3%** in the generation of **in-house waste**.

n Implementation of Urbaser's Research, Development and Innovation Management System to comply with the requirements of the UNE 16600 - 2: 2002 EX standard.

n Implementation of the four-year CENIT project on "**Technology for the Maximum Recovery and Minimum Dumping of Urban Solid Waste**", in connection with specialized companies and official and technological centres.

n Increase in the **generation of energy from renewable sources**.



3.5 Commitment to the Natural Environment

Industrial Services

Main environmental performance indicators

The two main areas in relation to which Industrial Service activities have a negative impact on the environment are the **efficient use of natural resources** and improvements in the **management of waste generated**. These are precisely the areas in relation to which the greatest efforts are made. In this respect, managers are not only concerned with the reduction of waste, but also the appropriate treatment and recycling of the waste inevitably produced by the environmental management departments of each of the Group companies.

Industrial Services makes a significant effort to continue being certified in accordance with the environmental ISO 14001:2004 standards at all companies.

Dragados Offshore has an Environmental Management System forming part of an Integrated Quality, Labour Risk Prevention and Environmental Management System. This system is certified by Lloyd's Register in accordance with the standards ISO 9001:2000 (Quality), OHSAS 18001:1999 (Labour Risk Prevention) and ISO 14001: 2004 (Environment). In order to assure total compliance with these standards, the Integrated Management System is audited twice a year by this entity.

The Environmental Management System of Dragados Offshore assures that environmental aspects are systematically identified and permanently monitored, strictly complying with all local, domestic and European legislation in force.

Dragados Offshore has designed an Environmental Management System which provides mechanisms by which to respond to any change in environmental conditions and in legal and contractual requirements. It also provides mechanisms for reporting on environmental management by means of the analysis of key indicators. This system involves the entire staff and our clients in strengthening an environmental culture focused on ongoing improvement.

The environmental policy of Dragados Offshore is completely approved by the company and signed by the General Manager, evidencing the full commitment of the company's management to environmental matters.



As a result of the manufacturing and assembly activities carried on by Dragados Offshore, various types of waste are generated: solid waste similar to urban waste (plastics, boxes, organic waste, etc.), inert waste (wood, tires, etc.) and hazardous waste (paint, aerosols, oil filters, batteries, fluorescent tubes, etc.)

In accordance with the Recycling and Recovery Policy implemented by Dragados Offshore, waste similar to urban waste is segregated at source and managed differently based on its nature. For this purposes, within their facilities, there is a network of containers and tanks distributed among all the work areas, which are transferred to dumpsites by authorised waste management companies.

With respect to inert waste, different stocking areas are defined for this waste, such as wood stock piles in assembly areas, and scrap and gas cutting remains. This waste is a sub-product of manufacturing activities, and is sent to recycling plants for its subsequent reuse. Each type of waste has its own network of containers.

Hazardous waste is temporarily stored in a warehouse fitted for the storage of toxic and hazardous waste, and periodically transferred to a dumpsite by Waste Managers authorised by the Spanish Environmental Council. The storage and waste collection system conditions within the plant comply with the law in force, as shown by the results of the external audits carried out in accordance with the ISO 14001:2004 standard.

Waste management is the responsibility of both Dragados Offshore and our subcontractors. Subcontractors are responsible for hazardous waste generated as a direct result of certain activities (paint, metal grains, etc.). Dragados Offshore is responsible for verifying that their waste management methods meet the requirements of the legislation in force and are in line with plant work procedures and instructions. This is verified during inspections and audits carried out by Dragados Offshore.

The following tables show the evolution of both the resources consumed and the amounts of waste managed in 2005 and 2006.

Consumption	Gases						Electricity (KWh)	Drinking water (m ³)	Diesel (L)	Oil (Kg)
	Acetylene (Kg)	Argon (Kg)	Nitrogen (m ³)	Oxigen (m ³)	Propane (Kg)	Protar (m ³)				
DOSSA 2005	0	260,660	12,795	168,030	58,124	148,766	11,170,807	53,993	687,301	4,440
DOSSA 2006	21	6,615	56	108,501	18,992	54,928	3,832,980	38,970	171,789	2,312

Waste Managed	Hazardous waste		Non hazardous waste		Total waste	
	2005	2006	2005	2006	2005	2006
Tm						
DOSSA	160.3	43.6	1,757.6	761.9	1,917.9	805.5
Subcontractors	66.5	7.3	3,042.5	63.5	3,109.0	70.8

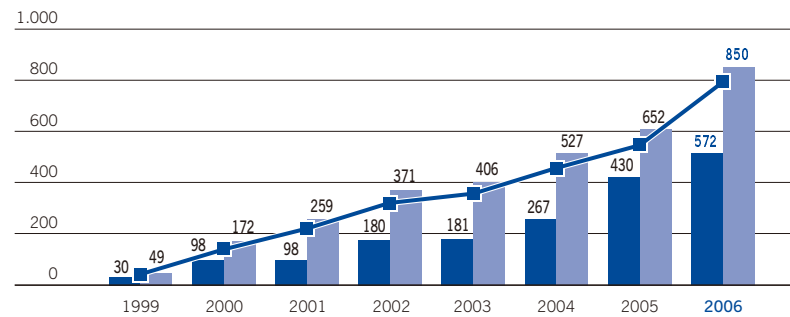
Vertidos	Waste water (collector)		Rain water (sea)	
	2005	2006	2005	2006
m ³				
DOSSA	53,993	38,970	98,228	62,360

3.5 Commitment to the Natural Environment

Wind power, main figures

EYRA is the Group company specializing in wind power. It takes part in the operation of 18 wind farms with total installed power of 572 MW that generated over 850 GWh in 2006 from this renewable energy source. If this electricity had been produced by a coal boiler (e.g. lignite), 797,000 tons of CO₂ would have been emitted as a result of the combustion of this mineral.

Wind power, figures



- Power Installed (MW)
- Electricity produced (GWh/year)
- Reduction in emissions of CO₂ (Tn 000 CO₂ per year), considering the CO₂ that would be emitted by a lignite thermal plant to produce the same amount of electricity



Noteworthy Initiatives in 2006

n The **paper and energy used** at several Group company's head offices was reduced and **recycling was increased**, all of which gave rise to savings exceeding 5%.

n The effect of the use of solvent-based paint continued to be decreased with the implementation of a **water-based painting** process. The use of solvent-based paint in manufacturing has been reduced by 50%.

n INITEC Energía has standardized the "Libro de Formación Básica en Obra" (Basic Construction Work Training) on **preventive measures, awareness and good environmental practices**. This course was translated to English, given the international nature of the development of works. This course was given to over 11,000 employees between 2004, 2005 and 2006, and is required prior to an employee's inclusion at the construction work site.

n Numerous **hazardous waste storage** facility improvements projects were carried out, as well as processes for the handling and recycling of such waste, at all Industrial Service area companies managing waste.

n Several **environmental certifications** were obtained in accordance with the ISO 14001 standard.

Objectives for 2007

n Savings in the consumption of materials at all Industrial Services companies. Noteworthy were the objectives of CYMI to **recycle 40% of rope coils and to reduce the amount of wood used in the production process by 35%**, the reduction at Dragados Offshore of the consumption of water and energy or the reduction of the use of paper at INTECSA and MAKIBER.

n Compliance with environmental provisions issued by the Environmental Authorities in Mexico (SEMARNAT, Secretary of the Environment and Natural Resources), based on **Environmental Impact Studies** conducted for the projects being executed in DRAGADOS Proyectos Industriales Mexico.

n Reconditioning of **hazardous waste storage** at Dragados Offshore.

n Continuance with **environmental awareness** campaigns.



3.6 Commitment to Individuals and the Social Environment

ACS competitive advantages are based on the professionals working in the Group. The success of an organization like ACS depends on the skills and quality of its professionals.

From this standpoint, and based on the conviction that the Group's role is decisive, worthwhile is a detailed analysis of the role that the Company plays in the professional and personal development of its employees, and its collaboration in social initiatives that improve integration, cultural promotion and the generation of knowledge.

ACS Employees

These are the individuals with knowledge and technical experience who manage resources, serve clients, innovate and perform research. They represent the Company's talent, and therefore, are the factor which most conditions the ACS Group's ongoing future growth. Accordingly, the ACS Group maintains its commitment to continually improve their skills, capacities, commitment and motivation, always with the highest attention to work and safety conditions.

ACS tries to mould and adapt the talent of its individuals, aiming it towards technical training, commitment, innovation, specialization and customer service capacity.

Principles in relation to its employees

- n Attracting, preserving and motivating talented individuals.
- n Promoting teamwork and quality control as tools to reinforce the concept of excellence through work well done.
- n Acting quickly, promoting the assumption of responsibilities and minimizing bureaucracy.
- n Supporting and increasing training and learning.
- n Innovating with ideas that allow for the improvement of processes, products and services.

The ACS Group applies the most modern human resource management techniques to retain the best professionals and promote work safety.

The ACS Group is one of the construction and services sector companies that has best adapted labour relations to the life of the company. It works toward fostering social justice and internationally proclaimed human and labour rights, respecting and protecting the forming of labour unions and employees' rights to freedom of association; and granting equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion, etc., or any other social or individual circumstance or condition.

Additionally, it provides assistance in the training and recycling of employees' knowledge, it has an employment policy generating wealth in the areas where it is established and produces links giving rise to positive synergies for the environment. Furthermore, it shows special interest in assuring decent working conditions, and promoting job safety and health.

ACS understands that respect towards individuals is one of the values intrinsic in excellent companies.

Respectful and polite treatment and the highest consideration of employees are essential to obtaining the required commitment to the corporate project.

The ACS Group has a firm commitment to underprivileged collectives and particularly the disabled, and aids in the fulfilment of the actions

undertaken by the ONCE Foundation in its Employment and Flexibility Plan, actively collaborating in its initiatives.

Above and beyond the legal framework established for this purpose, and in an additional manner, DRAGADOS also collaborates with the Integra foundation in the job placement of excluded collectives, employing marginalized individuals with skills but a lack of opportunities.

Recruitment policies

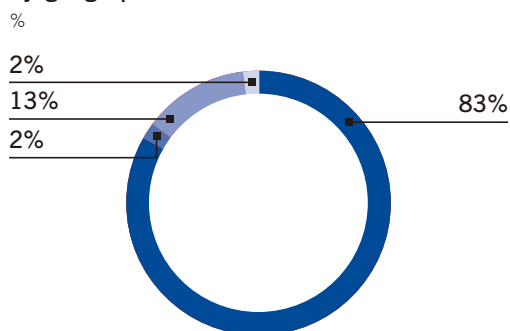
Of the 123,652 employees of the ACS Group at the end of 2006, 10,824 were management or professionals with degrees, 12,279 were technical and clerical staff and 100,549 were specialists and operatives.

There are three main features to the ACS Group's hiring policy.

Firstly, ACS endeavours to provide staff with a context and prospects in which professionals can develop their talent and reap the rewards of their work as something valuable and desirable. A fundamental part of this strategy is the attraction of young technicians that are able to progress and develop an enriching professional career at the Company.

Secondly, for years the ACS Group has applied a recruitment program based on a rigorous hiring process that allows it to benefit from the best professionals from each sector.

Employee breakdown by geographical area



- n Spain
- n Rest of Europe
- n America
- n Rest of the World



3.6 Commitment to Individuals and the Social Environment



Case Study Scholarships offered by DRAGADOS, the quest for excellence

The Group has historically provided a scholarship program for students in the last years of their degree program at Spain's main universities, and has also collaborated with other educational institutions such as Fundación Universidad Empresa.

This form of access is aimed at students in technical degree programs (three and five year degrees) seeking their first contact with the professional world, and enables such students to decide what type of position best adapts to their professional expectations in order to begin planning their future professional career.

Scholarships are offered in two differentiated periods:

- Summer: from July 1 to August 31, for seven hours daily (as long as the agreement with the university does not set forth any limitation)
- Winter: from January 15 to May 30, for three hours daily.

In order to provide this type of internship, **close collaboration with universities offering degrees directly or indirectly related to the Group's activity is required.** This collaboration is arranged by entering into a Collaboration agreement between the University and the ACS Group, and specifically certain of its companies such as DRAGADOS. This agreement sets forth reciprocal rights and obligations and regulates the relationship between both parties. For example, DRAGADOS currently has

Once the internship has concluded and interns have completed their studies, most decide to continue at DRAGADOS and obtain their first working experience, demonstrating that the company's staff loyalty and integration policy is successful.

In the summer of 2006, the ACS Group through DRAGADOS had a total of 140 interns at their work centres, including students studying Civil Engineering, Aeronautic Engineering, Agricultural Engineering, and Technical Civil Work Engineering. Of these students, over 38% were women.



Agreements in force with the following educational centres:

Convenios con centros educativos

Universidad Politécnica de Madrid.
Universidad Politécnica de Cataluña.
Universidad de Cantabria.
Universidad Politécnica de Valencia.
Universidad Autónoma de Madrid.
Universidad de Granada.
Universidad de Las Palmas de Gran Canaria.
Universidad de A Coruña.
Universidad de Burgos.
Universidad de Castilla-La Mancha.
Universidad Politécnica de la Almunia de Doña Godina (Zaragoza).
Universidad Complutense de Madrid.
Fundación Antonio Nebrija.
Universidad de Alicante.
Universidad San Pablo C.E.U.
Universidad de La Laguna (Tenerife).
Universidad Alfonso X El Sabio (Madrid).
Colegio Universitario de Estudios Financieros (CUNEF) (Madrid).
Fundación Universidad Oviedo.
Centros de Formación Profesional.
Escola Superior de Disseny Elisava.



3.6 Commitment to Individuals and the Social Environment

Lastly, but no less important, is the **promotion of diversity**: At the end of 2006, **33% of the staff of the ACS Group were female**, and this figure rises year after year, given the increase in the hiring of women at companies with mostly male employees.

At DRAGADOS, 28% of the employees hired in 2006 were female, increasing the percentage of woman to total employees in the Construction area to 14%, two percentage points higher than the ratio for 2005.

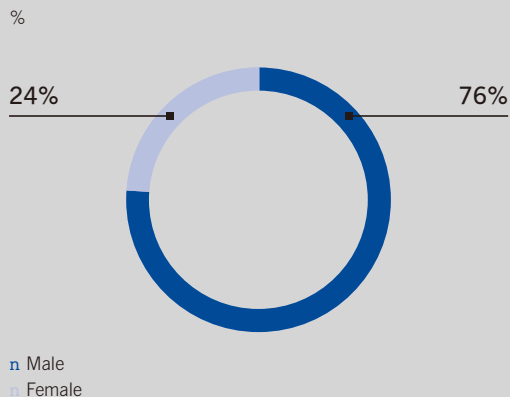


The ACS Group follows an equal-opportunities policy that prohibits all types of discrimination of individuals in hiring or assuming of positions. One of the objectives of this equal-opportunities policy is to break down the traditional barriers on the entrance of females in a sector which is traditionally male and to promote their access to positions of responsibility by taking measures to reconcile professional and personal life. Equal opportunities for access to positions of responsibility is achieved through specific promotion and motivation measures at each of the companies where the proportion of female employees is less than 50%.

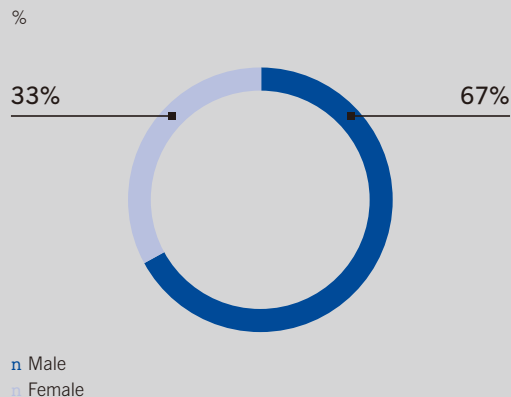
For the reconciliation of personal and professional life, noteworthy are the initiatives relating to day care services at work centres, the hiring of doctors specializing in work medicine and paediatrics, and the adoption of measures to increase working flexibility.

Over 40,000 women currently work in the ACS Group. At ACS, 1,375 females occupy an increasingly higher number of positions of control and operating responsibility, concretely 24% of ACS management and professionals with degrees are female, which is increasingly closer to the group average of 33%. Of these, 11 hold executive positions in the Group.

Breakdown of management and professionals with degrees by gender



Breakdown of management and professionals with graduates by gender



From left to right

Standing

- Ms. Esperanza Gómez**
Quality, Prevention and Environment Manager of Urbaser, S.A.
- Ms. Concha Machín**
General Manager of Canal Metro Madrid, S.A.
- Ms. Araceli Gallego**
Legal Advising Manager of Vías y Construcciones, S.A.
- Ms. María Jesús Ramírez**
General Manager of Tirmadrid, S.A.

- Ms. María Cruz Gómez del Río Sanz**
Treasury Manager of ACS Group
- Ms. Purificación González**
Human Resource Manager of Clece, S.A.
- Ms. Marta Fernández**
CFO of Vías y Construcciones, S.A.
- Ms. Cristina Aldámiz-Echevarría**
Director of Investments and Management Control of ACS Group

Seated

- Ms. Olga García Hormigo**
Prevention Manager of Dragados, S.A.
- Ms. Elena Montero**
CFO of Dragados, S.A.
- Ms. Ángeles Monterde**
Manager of Cobra Servicios Auxiliares, S.A.
(absent in the photograph)

3.6 Commitment to Individuals and the Social Environment

Retaining Policies

Although the Group's hiring policies already favour professional loyalty, **specific measures have been implemented at all the Group companies to retain and motivate their employees**, especially those displaying high potential.

There are three keys to these measures aside from training which is detailed in this document under the section "Training and Career Development Policies":

One: Salary Policy

The ACS Group considers a correct combination of compensation and benefits to be of importance. Remuneration values the responsibility and the performance of each job. Salaries must also favour organizational objectives, and should be fair from an internal standpoint as well as competitive in the area.

This policy is implemented by combining an appropriate fixed salary with significant performance based variable pay. As an example, all the employees of the Construction area, including on-site staff, receive payment that surpasses the minimum

established by provincial collective agreements. 20% of these employees also receive variable pay. For the whole of the Group, 17% of total staff received this type of complementary payment linked to the achievement of objectives in 2006.

Salaries of recent University graduates are considered singularly, so as to exclude young employees from the variations and considerations of the general salary policy in order to benefit them and assure that they receive attractive pay which is competitive with respect to the rest of the sector.

For this purpose, the Personnel Management monitors the personal performance of each recent University graduate during the first six months of employment at DRAGADOS, in the case of Technicians in Training, and for the first four years in the case of University Graduates in Training, evaluating each employee in order to adjust his pay level to his performance. Accordingly, all employees begin with the same salary for the same category. However, beginning the second year, these employees' salary will be within the salary range defined for their experience level taking into consideration the tasks they carry out and their performance evaluation, in order to retain talented professionals by valuing those who contribute most.



Two: Professional Career

Another form of incentive offered to employees is the **possibility of promotion**. The turnover of the ACS Group and the continuous development of the company generate a significant number of annual promotions among the employees that, due to their efforts and efficiency, are nominated for positions of greater responsibility.

The ACS Group prefers internal promotion to external hiring, and only taps the job market when it is not able to find a professional with the desired characteristics within the organization. Periodic performance evaluations guide employees' career development and offer opportunities of promotion.

An example of this policy is the career plan applied at DRAGADOS, where, in view of the variety of subsectors within the construction sector, those who join the company may base their professional career on their needs.

Three: International Dimension

The focus on new markets and being present in the same areas as the most competitive companies, whose operating reference is excellence and quality, has led several areas of the ACS Group to be included among the sector companies most firmly committed to consolidating a stable and long-lasting international presence.

The human resources effort required by the Group to be present internationally is significant.

It combines:

n A policy of transferring internal personnel to countries in which ACS operates, which from the standpoint of maintaining the reconciliation of family life, is seen positively and understood to be a form of promotion and personal enrichment;

n With hiring local staff allowing for the improved development of the project and higher involvement with the territory.



3.6 Commitment to Individuals and the Social Environment

Training and career development policies

The technical excellence of the ACS Group, one of its competitive advantages, is not only based on the skills of the employees hired by the Group in view of their experience and background. Subsequent **training and development are also of importance**, and not only in line with the Group's culture but also the project needs that ACS professionals confront in their professional career.

The objective is to make full use of and integrate the personal and professional diversity of its work groups in order to improve its capacity of response to the growing needs of its customers. The Group seeks to continuously involve its entire staff in corporate objectives and philosophy, allowing employees to simultaneously develop their professional potential and skills.

The Group's strategy involves an overall approach of ongoing training in the workplace, in classes or by distance. The Group's annual training plan sets forth **over 650,000 hours of study** in courses and seminars throughout the range of activities of the Group and, specifically, in areas associated with:

- n Training of management.
- n Technological specialization in management and production systems.
- n Knowledge of products and services developed.
- n Policies on quality and the environment.
- n Job safety.

In terms of time, dedication and resources, the **most effort is placed on labour risk prevention and job safety training**. This enables the ACS Group to obtain rates of job-related accidents that are much lower than the sector average.

Training procedures are internally and externally audited every year, thus guaranteeing an optimum level and an ongoing process of improvement of programs.



Training initiatives in 2006	Study Hours	Number of Courses	Participants	Investment (mn €)
Construction	180,427	1,228	40,300	3.4
Environment & Logistics	264,396	1,335	10,350	1.3
Industrial Services	204,824	1,687	11,387	1.4

Training initiatives by type of content in 2006	Production	Safety	Environment
Construction	589	381	258
Environment & Logistics	518	723	84
Industrial Services	639	765	94
Total	1,746	1,869	436

In accordance with the objectives set for 2006, a campaign for the training and awareness of middle-level management, heads and supervisors and technicians, was undertaken. In 2006, the specific training aimed at this group was provided, covering all branches and contract work in progress:

	Middle-level management, heads and supervisors	Technicians
No. of courses	33	16
No. of employees attending	570	360
Training hours	2,280	2,880



3.6 Commitment to Individuals and the Social Environment

Safety and risk prevention policies

The **prevention of labour risks** is one of the areas of most importance to the ACS Group and its efforts have led to results which are more than satisfactory according to the data on accidents that occurred during the year. They represent one more step in the ongoing interest to continue being one of the companies in the sector who pays the most attention to safety.

The ACS Group is guided by its prevention policy, which is based on the following **principles**:

- n **Compliance** with current legislation on labour risks prevention and other requirements voluntarily observed.
- n **Integration** of labour risk prevention in **all initiatives at all levels**, implemented through correct planning and practices.
- n Adoption of any measures necessary to **ensure** the protection and well-being of staff.

n Development of human potential through appropriate **training and information** regarding labour risk prevention, by fostering initiatives and participation in order to achieve ongoing improvement of the system.

n Ensuring the correct **control** and quality of the **monitoring** of the staff's health.

n Qualification of staff and application of technological **innovations**.

As a complement to the labour risk prevention management systems in each activity area in 2006, numerous labour risk prevention campaigns have been conducted, the purpose of which is to make the employees aware of these risks, reduce accidents and improve working conditions.

The ACS Group perform external reviews of its safety and health systems, in addition to those legally required. Teams of internal specialists also check these systems. For example, DRAGADOS has 300 technicians dedicated exclusively to prevention tasks, the largest such team in all of Spain.

Adaptation of Continental Auto's Integrated Management System to comply with the specifications of the OHSAS 18001/1999 standard.



IURBASER's behaviour in relation to safety and hygiene is 100% certified at a national level in accordance with the OSHAS standard. Management is committed to progressively increasing the number of centres certified in accordance with this standard.

DRAGADOS SPL has entered into a contract with a third party for the monitoring of safety and hygiene. Additionally, there is a safety coordinator in charge of assuring that these third parties perform their functions.

At CONTINENTAL AUTO compliance with safety and hygiene standards is verified by the German company TÜV.

Research relating to safety and health is one of the basic pillars of the ACS Group's R+D+i, and numerous projects have been undertaken in this connection, such as a project to install an alarm system in works at ports to prevent accidents relating to swells.

The prevention of labour risks is key in the ACS Group culture. In order to foster a "preventive culture", 1,869 general and specific prevention courses were offered to 37,000 on-site workers in 2006.

The ACS Group actively participates in the most important conferences, symposiums and organized events in general on labour risks prevention taking place in Spain and abroad, contributing its experience in this area.

The training and labour risk prevention campaign conducted by the ACS Group, as well as all safety initiatives and protocols implemented have contributed to reducing the accidents suffered in the construction area by 9% in 2006.



3.6 Commitment to Individuals and the Social Environment



DRAGADOS 2006-2007 all of us contribute to prevention

A computer application has been developed to monitor and identify all in-house employees and collaborators at the work sites of DRAGADOS.

When an employee enters a DRAGADOS worksite and following verification of the data corresponding to his working status, knowledge regarding prevention in relation to the work to be performed, physical fitness for the job and qualifications with respect to the handling of machinery, etc., he is given a personal identification card which he is required to carry while at the worksite.

This identification allows for verification of all employees at the worksite, by means of the use of portable card readers managed by the work teams.

Additionally, this system allows for improved control of the contractual relations between subcontractor companies taking part in the works, and is fully adapted to the new Spanish Law 32/2006 regulating subcontracting in the

construction sector, which was published in October 2006 and enters into force on April 19, 2007. DRAGADOS has once again prepared in advance for the new scenario in the sector following the enactment of the aforementioned law.

In 2006, the aforementioned system was developed and implemented in pilot works. It is currently fully adapted to the needs of the different types of work, and is to be distributed and implemented at all company centres in 2007.



As a result of these initiatives, the Group continues to obtain job-related accident rates that are significantly lower than the sector average, as seen in the following chart.

Evolution of Prevention Rates	Construction			Environment & Logistics			Industrial Services			ACS Group		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Frequency Rate ⁽¹⁾	36	36	36	62	50	51	40	41	26	50	45	41
Severity Rate ⁽²⁾	1,04	0,95	0,97	1,12	0,94	1,17	0,81	1,00	0,49	1,00	0,96	0,94
Incidence Rate ⁽³⁾	62	66	69	112	76	91	72	74	47	89	74	73

⁽¹⁾ Represents the number of accidents that have occurred during the working day per one million hours worked.

⁽²⁾ Represents the number of working days lost due to accidents per 1,000 hours worked.

⁽³⁾ Represents the number of accidents in relation to which sick leave was requested per 1,000 employees.

Initiatives for the reconciliation of family life and employment

One of the ACS Group's firmest commitments in the Human Resources area is to **adopt effective policies for the reconciliation of family life and employment**. Although contracts are awarded throughout Spain and the rest of the world, and consequently, transfers and travel of staff are inevitable, the Group makes every effort to form work teams for jobs and projects with employees that live relatively nearby, in order to avoid the displacement of families.

Trade Union Representation

All ACS Group's employees are protected under collective labour agreements applicable in the sectors in which they perform their work, and in any case, by the Spanish General Workers Statute, in addition to the labour regulations commonly applicable in all countries in which they carry out their work.

The ACS Group considers social dialogue to be very important and holds periodic meetings with the trade union representatives of each of its companies. Over 90% of ACS Group's employees are members of or are represented by trade unions both in Spain and other countries.



3.6 Commitment to Individuals and the Social Environment

ACS Group clients

Given the specific nature of ACS business and the reduced number of clients to which it provides services, customer satisfaction is measured on the basis of an organizational management model in which a very close relationship with the client prevails. Close contact is maintained with clients, and feedback is obtained regarding their opinion of the quality of the work carried out and possible areas of improvement.

DRAGADOS conducts customer satisfaction surveys at the end of its works. There is a documented procedure for this process, which culminates with the completion of a "satisfaction card" by the client followed by the analysis of the information received. In 2006, 264 surveys were sent and 87 replies were received.

The conclusions of the satisfaction study conducted in 2006 show that 71% of the customers were satisfied or very satisfied, 10% were unsatisfied, and 50% value DRAGADOS higher than competing companies.

The procedures adopted by the company for the integration of customer feedback are based on closeness and the continued management of relations. In view of the characteristics of the customers and of the business in which ACS operates, technological solutions such as databases are not the best system for managing relations with clients.

DRAGADOS has a Contract Manager whose mission is manage relations with clients. Due to the special type of clients to which DRAGADOS provides services, there is a Contract Manager for each type of client, allowing for individualised management of each one. In the case of smaller clients, relations are managed by each of the Managers of the 45 offices of DRAGADOS.

	2004	2005	2006		
			Total	Civil Works	Building Construction
No. of works completed	225 / 299	281	236	78	158
No. of surveys sent	142	122	264	95	169
No. of replies received	53	40	87	41	46
% replies	37.3%	32.8%	32.9%	43.1%	27.2%



DRAGADOS has a quality system to manage customer dissatisfaction. The client's complaints are recorded and valued, and each of the DRAGADOS offices is responsible for following up on and resolving the related problems. In the event that a complaint is open for a considerable period of time, it is followed up by the corporate headquarters.

Additionally, all regulations are respected to guarantee the confidentiality of the clients in all actions which are required.

ACS Group suppliers and contractors

Management of suppliers

The ACS Group relies on the systems introduced to appropriately manage its relationship with suppliers, in addition to centralized purchasing management systems developed for all areas, as well as the various procedures followed by each of the Group companies and included in its quality management system.

For example, URBASER requires all suppliers to meet a series of requirements relating to health and safety. The system implemented by this company allows for the possibility of auditing the documentation sent by the supplier. With

Furthermore, ACS Group clients can send their complaints to the e-mail indicated on the company website, www.grupoacs.com

respect to contractors, compliance with requirements is audited.

URBASER monitors supplier practices based on the procedures implemented. In the case of a breach by an international supplier, the purchasing department is informed so that it takes the measures deemed appropriate. In the case of domestic suppliers, the commercial agent/delegate is responsible for taking appropriate measures.

All agreements entered into by DRAGADOS with suppliers have a fixed section including general specifications, and a variable section detailing the certifications required from suppliers. In accordance with DRAGADOS purchasing rules, the supervisor is responsible for evaluating each agreement, taking into account both environmental and prevention criteria.



3.6 Commitment to Individuals and the Social Environment

Commitment to Society

Each year the ACS Group dedicates notable effort to the collaboration for the development of initiatives of community interest. These are focused on the undertaking of measures which improve integration, cultural promotion and the generation of knowledge. The ACS Group considers that these activities serve to demonstrate the social commitment of one of the most important companies worldwide to the society.

In 2002, the ACS Group became one of the Spanish Companies adhering to the **United Nations Global Compact**. Its commitment is to include the principles of the Global Compact in the company's strategy and operations.



Additionally, ACS Group operations are based on the provisions contained in the **OECD Guidelines for Multinational Enterprises**. The ACS Group has committed to implementing measures aimed at integrating these principles of conduct in the whole of its operations.

Social initiatives

The ACS Group and Foundation monitor the philanthropic initiatives in which the group collaborates with third parties, and the impact these might have on the reputation of the ACS Group.

There are systems to measure the effectiveness and results of each educational project developed with third parties such as the International University Menéndez Pelayo.

To maximize the effectiveness of its philanthropic and corporate citizen initiatives, the ACS Group attempts to transfer its technical knowledge to the area of philanthropic actions. Noteworthy in this respect is that the ACS Foundation is sponsored by the ACS Group Board of Directors. For example, the General Secretary and Board Member of the ACS Group is also the Secretary of the ACS Foundation.

Worthy of mention is the formation of the ACS Foundation, whose objective is to integrate, coordinate and manage all ACS Group efforts relating to patronage of the arts and cultural, institutional, sport or environmental sponsorship as well as the granting of awards and scholarships, training and research, charity and all similar activities on a domestic and international level.



The Foundation's aims include inter alia, transferring the ACS Group's technical knowledge in areas such as the following to maximize the impact of the resources allocated:

- n Accessibility
- n Environment
- n Cultural and Educational Promotion
- n The spreading and renovating of spanish's historical heritage.
- n It sponsors Foundations and Institutions.

With respect to accessibility, the ACS Foundation works with architects on different projects to advance on principles of universal design. It also works with municipal town planning departments to train its heads in matters relating to accessibility. To date, the ACS Foundation has trained over 18,000 people. Also with respect to accessibility, the ACS Foundation consults with non-profit organisations to assess the impact of its actions and disclose possible areas of incidence.

In relation to the environment, the ACS Foundation has sponsored and organized conferences, seminars, courses and forums with over 8,500 attendees and participants.

	Number of Projects	Number of Beneficiaries/ Participants	Investment (Thousands of Euros)
Accessibility	26	18.000	620
Environment	19	8.500	210
Cultural and Educational Promotion	38	> 600.000	430
Spreading and Renovating of Spanish's Historical Heritage	5	> 150.000	300
Sponsorship of Foundations and Institutions	n.a.	20 institutions and/or foundations	870
Total	88	> 750,000	2,430



3.6 Commitment to Individuals and the Social Environment

In the area of cultural and educational promotion, its sponsorship of Madrid's Royal Theatre has enabled over 400,000 people to attend opera performances, and its sponsorship efforts has also enabled over 200,000 people to view other musical and artistic shows.

As part of five projects the ACS Foundation has undertaken relating to the renovation of Spain's cultural heritage, it has given courses to over 400 specialists and has sponsored the transfer of the Dama de Elche to Madrid, an exhibition visited by over 150,000 people.

Lastly, 20 foundations and institutions receive funds from the ACS Foundation each year to carry out their own initiatives.

Additionally, in 2002, the ACS Group became a sponsor of the Integra Foundation, whose objective is to seek stable employment for individuals whose special circumstances make it difficult for them to find a place in society. This is impossible unless such people are able to attain employment and become integrated in a normal process whereby they become economically self sufficient, and consequently improve their personal, social and labour self esteem.

The recovery of their lost dignity through employment is worthy of an effort by all social forces to provide valid solutions adapted to the current circumstances. Accordingly, the

integration of individuals with high risk of social degradation, where still recoverable, is one of the great challenges of developed societies, a challenge the ACS Group has tackled since becoming a member of the Integra Foundation.

Accessibility

Each year the ACS Foundation actively works together with associations and non-profit organizations to improve the mobility and integration of physically or mentally challenged individuals. With this objective, and as part of this activity, in 2006, the Reina Sofía Awards of Universal Accessibility to Municipalities, were created together with the Real Patronato sobre Discapacidad (Royal Board on Disability).

This initiative awards **“Improved municipal government solutions for the elimination of physical and architectural barriers for the physically or mentally challenged”**, and attempts to encourage municipalities to pay attention to the elimination of barriers in relation to transport, building and local town planning.



In 2006 the different categories of these awards were given to:

n In the category of municipalities of less than 10,000 inhabitants, the FONTANAR town council (Guadalajara) and the RIBADESELLA town council (Asturias), were both honoured. **The Fontanar Town Council** for its participation in the Regional Accessibility Plan guaranteeing full access to public buildings, schools, residences, sports centres and social services. It has also developed external programs for disabled individuals located in a senior citizen's home and has improved the quality of life of this group. Lastly, noteworthy was its involvement in the PRICAM program, which supports several beneficiaries who are 18 years or older with intellectual handicaps, providing them with habits and skills required for their normalization.

The Ribadesella Town Council for its numerous initiatives in the field of accessibility (adaptations in the Museo del Carmen; acoustic traffic lights; accessible connections between certain neighbourhoods and the beach, accessibility in the esplanade area and beach paths, adaptation of the Parque del Malecón and tourism routes). Also noteworthy is the accessible expansion of the Tourism Office and the provision of a Braille menu in hotel establishments. With respect labour integration, the Town Council responds to the demand of elderly individual with some type of handicap in a employment workshop it manages.

n In the category of municipalities of between 10,000 and 100,000 inhabitants, **the Lugo Town Council** was awarded for its noteworthy contribution in the area of universal accessibility as well as access to parks, natural environments, and cultural and artistic heritage. It has also carried out initiatives aimed at communication and information accessibility (accessible municipal website), as well as accessibility to transport, the urban environment and public services. Its social awareness is evidenced by its backing of several conferences on disability, associations, publications in Braille on spaces reserved for disabled individuals and participation in programs such as Proyecto Avanza and "Lugo Social", as part of the Community initiative Equal to promote the inclusion of disabled persons in the labour market.

n For cities of over 100,000 inhabitants, the **Santiago de Compostela Town Council** (A Coruña) was awarded for having adopted an integral accessibility concept: in the area of the elimination of architectural barriers of a town planning nature, in 70% of this historical city, where architectural barriers were eliminated in both historical and recently constructed buildings, in transport, in which case not only buses but also the station was adapted, taking all types of physical and sensorial handicaps into consideration. Furthermore, the drafting and public of an "Accessible Guide" comprising all of the measures taken in the aforementioned areas in a city with an extensive and rich artistic and cultural heritage.



3.6 Commitment to Individuals and the Social Environment

As part of the work of the ACS Foundation in collaboration with associations and non-profit organizations, it is important to highlight specific initiatives and agreements developed in 2006:

- 1. Agreement with the State Representative Platform of the Physically Challenged (PREDIF)** for the publication of the "Guide to Accessible Meetings for Everyone" and the re-publication of "How to Make Hotels Accessible for Individuals with Reduced Mobility".
- 2. Agreement with the Federation of Associations of the Physically and Organically Disabled of the Community of Madrid (FAMMA COCEMFE MADRID)**, for the social integration of disabled individuals and the improvement of their quality of life.
- 3. Framework Collaboration Agreement between the Royal Board on Disability, the Construction Labour Foundation and the ACS Foundation**, to provide training aimed at making technicians and operatives in the construction sector aware of all matters relating to safe accessibility by disabled individuals.

This agreement will allow for the introduction of a module on accessibility in all training courses provided by the Construction Labour Foundation in Spain beginning in 2007. For this purpose didactic material appropriate for the preliminary training of trainers has been developed.
- 4. Framework Collaboration Agreement between the Royal Board on Disability, the Spanish Federation of Municipalities and Provinces and the ACS Foundation**, whose objective is to arrange the joint participation in the calling, organisation and development of different activities (conferences, seminars and courses) aimed at awareness and training in matters relating to universal accessibility in municipalities in relation to all areas of the life of its citizens including inter alia, mobility, transport, entertainment, culture, education, sports, information and communication technologies and citizen participation.
- 5. Sponsorship and participation in the II National Conference on Universal Accessibility, promoted by the Ministry of Labour and Social Affairs through the Royal Board on the Disabled, the Spanish Federation of Municipalities and Provinces and the ACS Foundation**, in collaboration with the Palencia town council, held in Palencia in November 2006 and especially aimed at municipalities. This conference was attended by mayors, council members and municipal technical teams. At this conference, mainly dealt with were matters relating to universal accessibility in relation to transport, road safety, public buildings and housing, town planning and historical cases, entertainment, tourism, culture and sports, legal regulations and techniques, and the application of new technologies to eliminate physical and communication barriers. This Conference was chaired by the Chairman of the Spanish Federation of Municipalities and Provinces.



At the conference, the Reina Sofia accessibility awards were announced and the conference was closed by the Secretary of State of Social Affairs and local authorities of the region.

6. Sponsorship of the promotion of the participation of disabled individuals in sports:

- Collaboration agreement with the Spanish Paralympics Committee, in order to collaborate in the project of Aid to Paralympic Sports “ADOP” and provide the means required by Paralympic athletes to prepare for the Paralympic games to be held in the four year period from 2005-2008, including the Torino 2006 Winter Paralympics Games and the Peking 2008 Summer Games.
- Cooperation Agreement with the Real Madrid foundation, the purpose of which is to foster the practicing of sports and its broadcasting and to procure that the practice of sports is united with the integral education of individuals.
- Sponsorship of the Foundation for the promotion of Equestrian Sports, for the start up a specific program in order to foster the inclusion of disabled individuals in equestrian activities.
- Agreement with the Alcobendas Sports Foundation (FUNDAL), especially aimed at the integration of the disable in sports.

7. **Completion of the development of an agreement with FUNDACIÓN ONCE**, the result of which was the development of two pilot accessibility plans in the National Park of Doñana and in the National Parl of Benasque - Monte Perdido.
8. **Participation in the course on Accessibility and Sponsorship organised by the Directorate General of Cultural Heritage under the Council of Culture and Tourism of the Regional Government of Castilla y León**, held in Segovia on November 27, 28 and 29.
9. **Sponsorship of the FIRST ACS FOUNDATION “ACCESSIBLE TOURISM” AWARD** with the University Antonio de Lebrija.
10. **Sponsorship for the publication of the “Manual for an Accessible Environment” through the Royal Board on the Disabled of the Ministry of Labour and Social Affairs**, which includes new knowledge and practically everything which needs to be known in relation to design and accessibility, thereby contributing to the aim of training and awareness of professionals directly involved in projects, works and technological development for the disabled.
11. **Agreement with the Universidad Autónoma de Madrid** to carry out research on the "Impact of New Technologies on Disabled University Students".
12. **Agreement with the Foundation Cuatro Cuerdas** for the inclusion of the disabled, and particularly children in music programs.



3.6 Commitment to Individuals and the Social Environment

Environment

In relation to Environmental Actions the ACS Foundation seeks to generate positive attitudes, especially in areas such as sustainable urban development, where the ACS Group is capable of certifying technical experience.

Generation and dissemination of knowledge on sustainable development

The ACS Foundation also carries on activities supporting the broadcast and awareness of sustainable development matters, and mainly the forums, courses and seminars listed below:

n Sponsorship of the Association Foro Soria 21 for Sustainable Development for the holding of the International Fair “Foro Mundial Soria 21 on Infrastructures and Sustainable Development”, held in Soria on February 13 and 14, 2006, which was closed by the Ambassador on Special Mission for the Environment and New Technologies of the Ministry of Foreign Affairs.

n Sponsorship of the Foundation CONAMA for the holding of the “VIII National Environmental Conference – Sustainable Development Summit”, a meeting place for all professionals, entrepreneurs, different public authority heads, researchers, professors and representatives of all types of social entities involved in one manner or another in the Environment. The different ACS Group areas (Construction, Industrial Services, Environment & Logistics) actively took part in the Conference, sending several speakers and communications thereto. They were Round Table members and present at almost all the Conference activities. The ACS Group Stand was visited by the Environmental Minister Cristina Narbona. A Dynamic Room entitled “Giving Life to the Future; Infrastructures and Municipal Services” was organised, in which the ACS Group, through its companies gave detailed explanations of specific projects carried out and of the Group’s capacity to resolve the problems of Town Councils. The following matters were

discussed: “ACS Group Capacities for Municipal Development”, “Industrial Services for Municipalities. Experiences”, “Environmental Services for Municipalities. Experiences” and “Building Tomorrow’s Cities”.

n Sponsorship of summer courses on “Architecture and Energy Efficiency” held at the Royal Glass Factory in Granja de San Ildefonso, with the University Foundation San Pablo CEU. Grant program.

n Sponsorship of the Master “Waste Management and Treatment”, organized by the Department of Agricultural Chemistry, Geology and Geochemistry of the Autonomous University of Madrid.

n Sponsorship of the course “Alternative Sustainable Energies: Technical Treatment” with the School of Environment and Technology at the Universidad Complutense de Madrid. Grant program.

n Sponsorship of the course “Energy and Climate Change”, with the School of Environment and Technology at the Universidad Complutense de Madrid. Grant program.

n Sponsorship of the course “Waste Management”, with the School of Environment and Technology at the Universidad Complutense de Madrid. Grant Program.

n Sponsorship of the summer course “Energy Needs and Sustainable Development: Challenges and Technological Responses”, with the University Foundation Rey Juan Carlos, held in Aranjuez and directed by the Professor D. Guillermo Calleja Pardo.

n IV “Sustainable Development” Award Antonio de Nebrija University. For the project presented by Ms. Norma Soraya Chacón “Problems in a Traditional Mexican Destination and Proposals for its reactivations as a Sustainable Tourism Destination: Caso La Paz, Baja California Sur, México”.

Cultural and Educational Promotion

Promotion, conservation and spreading of Spanish historical heritage

The ACS Group develops numerous projects aimed at contributing to the enrichment of cultural life.

These programs are mainly channelled through the ACS Foundation, whose objectives include the promotion, preservation and restoration of Spanish historical artistic heritage Assets, and collaborating in their spreading. Last year, the Group undertook the following initiatives:

n Sponsorship of the Bishopric of Cartagena (Murcia) for the performance of Phase XI works at the Palacio Episcopal in Murcia.

n Sponsorship of the Zamora Town Council for the holding of the First International Conference of the Romanesque "City of Zamora", held from July 4 to 7.

n Sponsorship of the Elche Town Council for the holding of the travelling exhibition "DE ILICI A ELCHE".

With respect to the spreading of Spanish historical heritage, the **Collection of Monographic Books** on restoration was continued with the publication of:

n Restoration of Palacio Montagud, Headquarters of the Antitrust Tribunal, located on calle Barquillo in Madrid, which is number 26 in the collection of monographic books on restoration.

In relation to the collection "**The Art of Restoring**" the following book was written:

n "The Art of Restoring II" in English, with 51 experiences relating to the restoration of heritage assets by the Foundation.

Art and Culture

The ACS Group maintains its support and patronage of the Spanish arts and culture, and collaborates in the development of cultural activities. 2006 was particularly prolific and a good example are the numerous sponsorships in which the ACS Foundation has participated:

n Sponsorship of the XXXIII Ciclo de Grandes Autores e Intérpretes de la Música (Cycle of Great Authors and Interpreters of Music) of the Universidad Autónoma of Madrid, and specifically the concert "Ánima Eterna" in homage to Professor Francisco Tomás y Valiente, held at the National Music Auditorium.

n Sponsorship of the 52nd Edition of the Classical Theatre Festival of Mérida, a cultural event of unequalled national and international prominence and importance.

n Sponsorship of the Festival Jardins de Cap Roig, promoted by the Caixa Foundation of Girona and held at Jardín Botánico in Calella de Palafrugell, from July to August.

n Sponsorship of the symphonic orchestra of Galicia. Backing of the Consortium for the Promotion of Music of the Town Council of La Coruña, a through the symphonic orchestra of Galicia, for dissemination and to facilitate citizen participation in cultural life.

n Sponsorship of the Asociación Bilbaína de Amigos de la Opera (Bilbaina Association of the Friends of the Opera) for the dissemination of art in general, and of the Opera in particular.

n Sponsorship of the Foundation Abadía de Montserrat 2005, for the maintenance, promotion and fostering of spiritual, social, cultural and ecological values in benefit of the people or entities who visit the Abadía.

n Sponsorship of Institut Alexandre Cirici, in order to foster European cooperation in economic, political, social and cultural fields.

n Sponsorship of the Cervantes Institute of Tel Aviv for the performance in Spanish of several cultural events in Israel during the year.

3.6 Commitment to Individuals and the Social Environment

n Sponsorship of the Foundation Privada Amics del Museo Nacional D'art de Catalunya (Private Friends of the National Museum of Art of Catalonia).

n Sponsorship of the Foundation “Españoles en el Mundo”(Spaniards in the World), for the performance of training and cultural activities.

n Sponsorship of the establishment and operation of the Chair of the University of Salamanca Andrés Bello.

Lastly, but without straying from cultural matters, following are the notable activities in which the ACS Foundation has taken part as sponsor or organizer:

n Sponsorship of the Eduardo Torroja Construction Sciences Institute of CSIC for the promotion and development of scientific and technical dissemination activities.

n Sponsorship of the course “ON-SITE – The New International Dimension of Spanish Architecture”, forming part of the El Escorial summer courses given by the Universidad Complutense of Madrid.

n Sponsorship of the seminar “Territorial Planning: The Government or the Citizen’s Decision?”, held at Palacio de la Magdalena in Santander, with the International University Menéndez Pelayo.

n Sponsorship of meeting “Attraction and Development of the Creative Class. A Regional Proposal”, directed by an Industry, Employment and Technological Development Council member of the Regional Government of Cantabria, held at Palacio de la Magdalena in Santander, with the International University Menéndez Pelayo.

n Sponsorship of the meeting “The Creation and Financing of New Technologically Based Companies”, held at Palacio de la Magdalena in Santander, with the International University Menéndez Pelayo.

n Sponsorship of the Economic Studies Institute to conduct a study on “Competency and Regulation of Road Transport in Spain”.

n Sponsorship of the Foundation Antonio de Camuñas, for the Master in Management of Building, Refurbishment and Technical Control. Grant program.

n Sponsorship of the Chair of Transport Infrastructure of the School of Civil Engineering at the Universidad Politécnica of Madrid.

n Sponsorship of the Research Project “Non-commercial Temporary Exhibition Spaces: Data and Statistics”.



n Sponsorship of the Association of Industrial Research and Cooperation of Andalucía”, for the presentation of the book “El Reto Energético” (The Energy Challenge).

n Sponsorship of the Foundation CIDOB for the organisation of the seminar “First Dialogue Forum between Spain and France”.

n Sponsorship of the New Economy Forum, for the holding of several conferences.

n Sponsorship of the Foundation Círculo de Economía of Cataluña.

n Sponsorship of the African Foundation for Medicine and Research - AMREF Flyng Doctors, to carry out activities and projects aimed at cooperation in the development of African continent, and particularly the promotion of sustainability by means of the creation of infrastructures to supply drinking water and sewage systems which are respectful to the environment, as well as the promotion of health through health education at different schools in Uganda.

n Sponsorship of the Foundation “Pro Rebus Academiae”, in order to promote the quality of engineering in Spain, by fostering the development of all initiative contributing to its promotion and dissemination, and particularly its application the business world and society in general.

n Sponsorship of the XXIII Conference on Neuromuscular Illnesses, held at the Universidad de Deusto. (ASEM – BENE)

n Sponsorship of the “I Conferences for Researching CMT (Charcot Marie Tooht)”.

In 2006 and through the ACS Foundations, sponsorship agreements have been entered into for the fulfilment of its foundational purposes with the following foundations and institutions:

- n Spanish Association of Foundations.
- n Centro Nacional de Arte Reina Sofía.
- n Amigos del Museo del Prado Foundation.
- n Carolina Foundation.
- n COTEC Foundation.
- n Príncipe de Asturias Foundation.
- n Teatro Real Foundation.
- n Universidad Autónoma of Madrid Foundation.
- n Universidad Rey Juan Carlos Foundation.
- n San Pablo - CEU University Foundation.
- n Terrorism Victims Foundation.
- n Universidad Antonio de Nebrija of Madrid.
- n Universidad Complutense of Madrid.
- n Universidad Politécnica of Madrid.
- n Universidad Internacional Menéndez Pelayo.
- n Hispania Nostra.
- n Royal Patronage on Disabled.
- n Pro Rebus Academiae Foundation.
- n Foundation for Analysis and Social Studies.
- n Españoles en el Mundo Foundation.



We would like to hear your opinion

As can be observed on the previous pages of this report, at the ACS Group, it is to our understanding that corporate responsibility is a commitment determining the Company's relationship with the environment and with each of its stakeholders. This Corporate Responsibility Report aims to include the main milestones and programs developed by the ACS Group leading to the improvement of relationships with its different stakeholders.

The ACS Group considers the assumption of corporate responsibility principles to be a continual improvement process, in which it is crucial to rely on the opinion of the different stakeholders. Therefore, we would appreciate your sending us your opinions on this report to:

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