

Annual
Report of
ACS Group

2010



ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

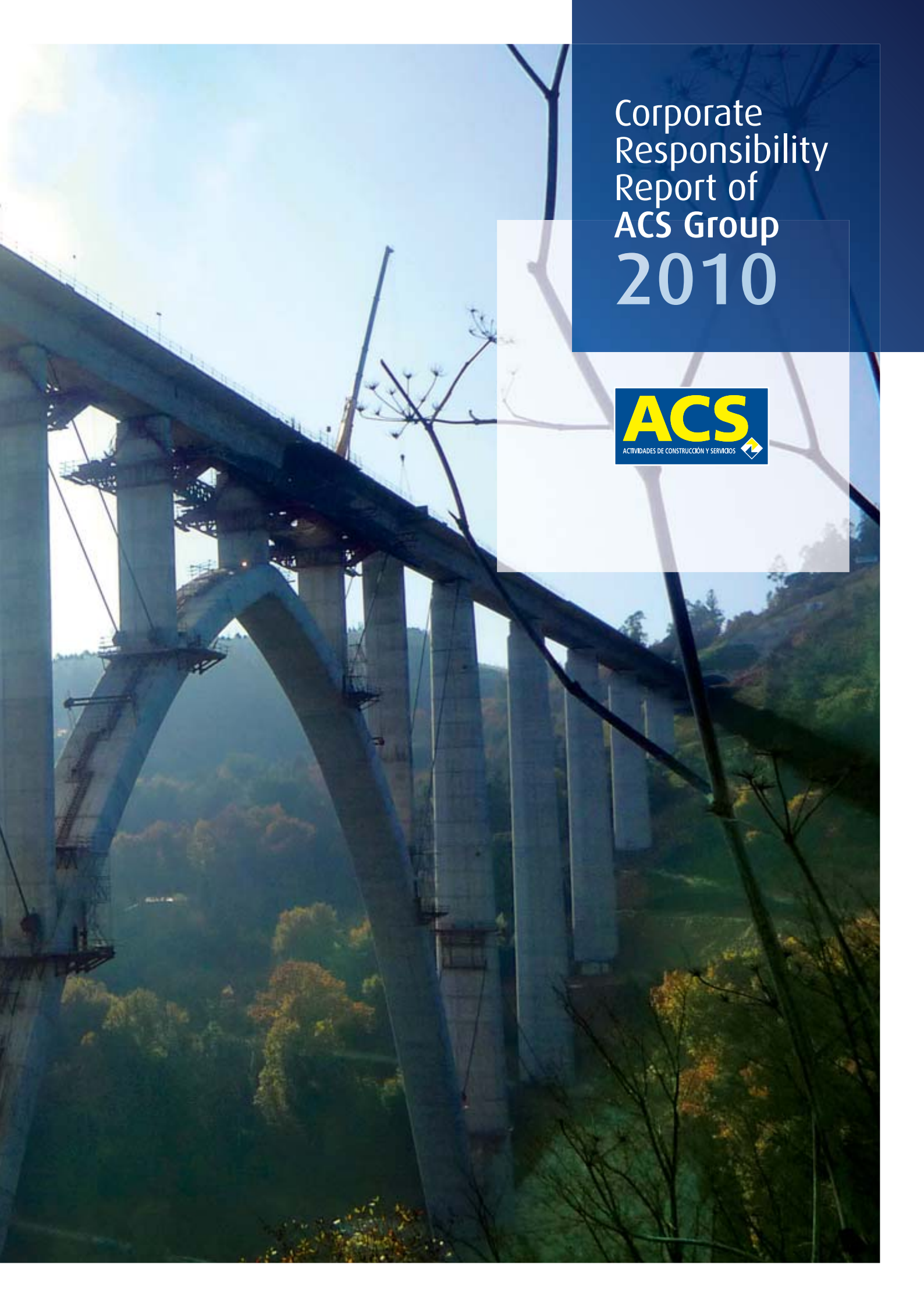




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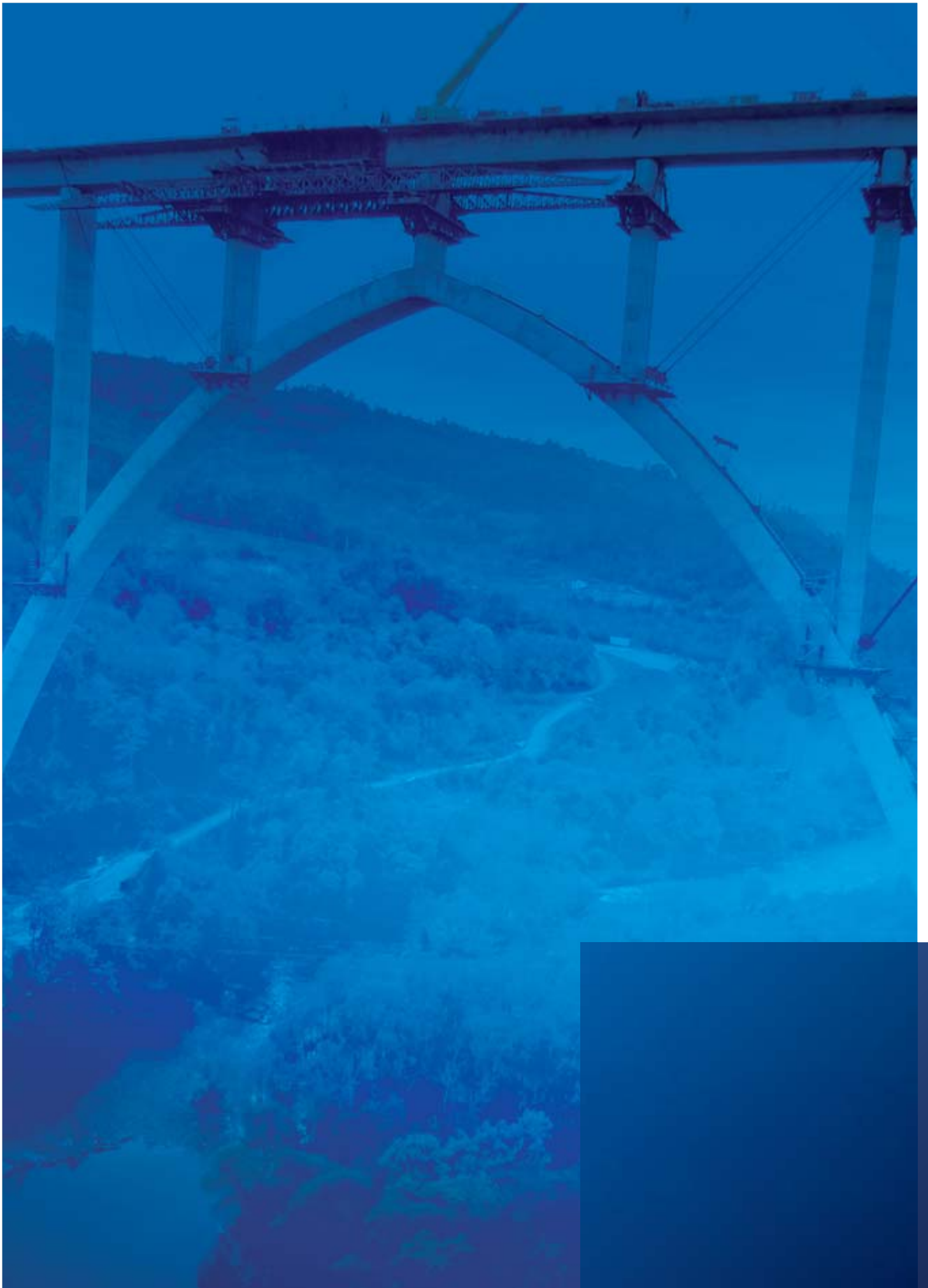
Cover photo: Viaduct over the Ulla River in the high-speed railway line between Orense and Santiago (Spain).

Corporate Responsibility Report of ACS Group 2010



























Corporate Responsibility Objectives of ACS Group for 2012

Corporate Responsibility Objectives	2009				2010				2012 Objective
	Construction	Environment	Industrial Services	ACS Group	Construction	Environment	Industrial Services	ACS Group	
Recurring earnings per share (%)	n.a.	n.a.	n.a.	2.69	n.a.	n.a.	n.a.	3.08	+10% annually (2012e=3.73)
Gross dividend per share (euros)	n.a.	n.a.	n.a.	2.05	n.a.	n.a.	n.a.	2.05	Maintain the per share figure (2012e=2.05)
% of clients satisfied or very satisfied	80.00	89.23	80.60	85.75	85.00	87.13	81.85	85.62	Maintain 85% (2012e≥ 85%)
Production certified under ISO 9001 (%)	100.00	75.10	84.40	89.47	100.00	77.70	89.50	91.55	+1 percentage point per year (2012e=93.5)
Production certified under ISO 14001 (%)	80.00	68.69	76.42	69.86	80.00	71.05	81.81	71.69	+1 percentage point per year (2012e=73)
Contribution to the company (million euros)	n.a.	n.a.	n.a.	14,405	n.a.	n.a.	n.a.	17,542	+5% per year (2012e=19,300)
Investment in training (euros/employee)	175.06	28.55	171.63	84.58	175.88	25.65	184.42	87.66	+5% per year (2012e=96.6)
Rate of construction and demolition waste recovery (%)	58.50	n.a.	n.a.	58.50	65.10	n.a.	n.a.	65.10	+3 percentage points per year (2012e=71%)
Investment in R+D+i/ recurring net profit (%)	n.a.	n.a.	n.a.	5.18	n.a.	n.a.	n.a.	5.07	Maintain 5% (2012e=5%)
CO ₂ emissions (t)/Production (million euros)	10.83	733.52	11.74	127.00	10.29	708.73	17.54	130.00	Reduction of 2 points per year (2012e=126)
Water Consumption/Production (m ³ /million euros)	331.91	1,625.12	45.64	422.70	455.77	1,429.16	40.39	440.34	Hold ratio below 420
Frequency Rate	23.37	57.88	51.55	51.25	20.16	57.20	44.16	49.05	Reduce by 1 point per year (2012e=47)
Investment in social initiatives/ recurring net profit (%)	n.a.	n.a.	n.a.	0,40	n.a.	n.a.	n.a.	0.39	Hold the figure above 0.4% (2012e>0.4%)



Corporate Responsibility Milestones in 2010

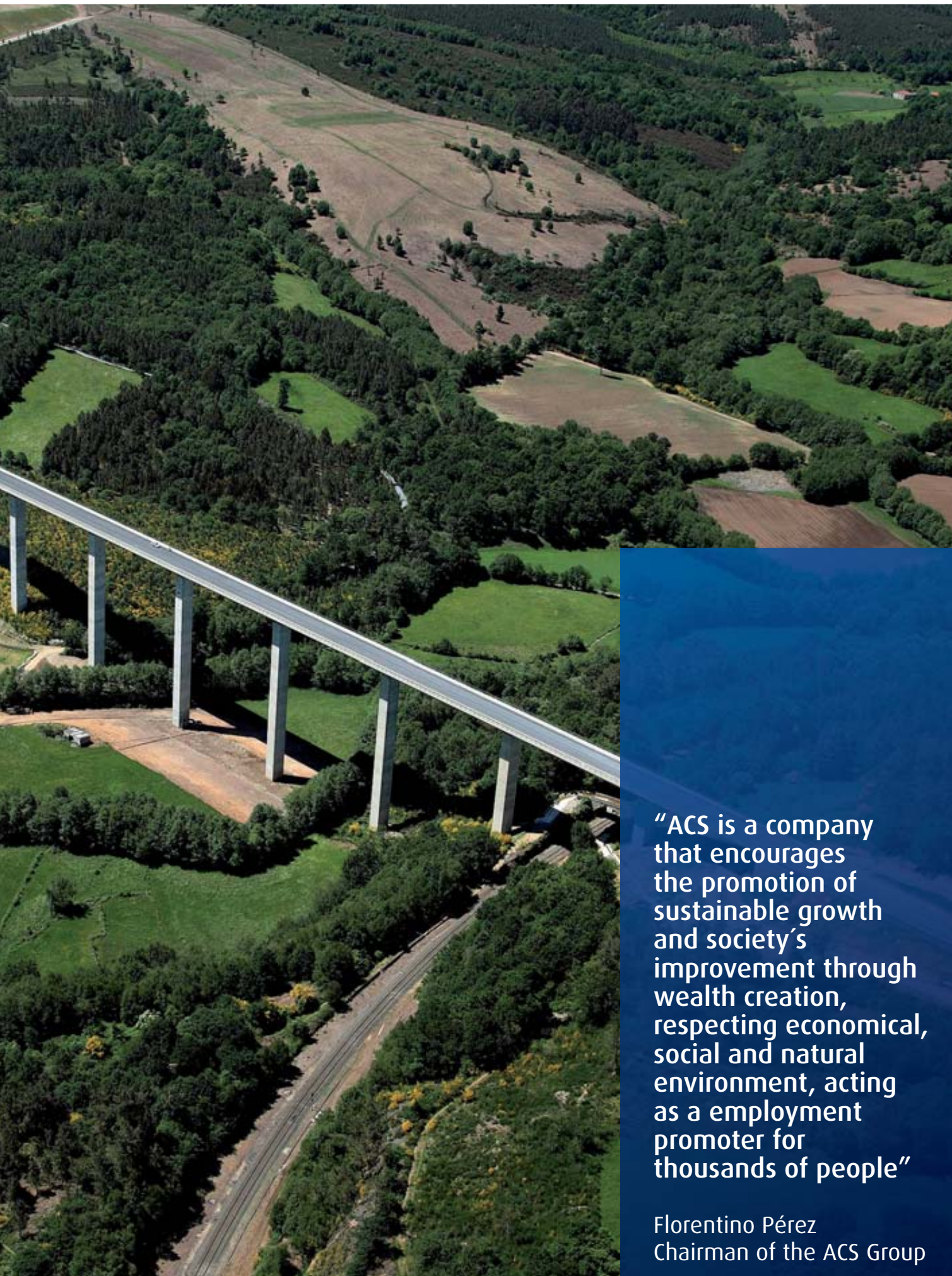
		Clients	Quality	Suppliers
Construction		90.1% of clients say they are satisfied or very satisfied.	Improvement actions in 94% of works as a consequence of quality management plans.	New purchasing standard, including a section on the assessment of suppliers on risk prevention, quality and environment, including training for those responsible for purchasing.
		90.1% of clients say they are satisfied or very satisfied.	Certification under the ISO 9001 standard for 99.4% of activity.	Use of 5% certified wood.
		90.1% of clients say they are satisfied or very satisfied.		Inclusion of the ACS Group's corporate ethics clause in the works purchasing standard.
		90.1% of clients say they are satisfied or very satisfied.	Implementation of the FPS Quality System in 100% of works, using the PAC computer application.	Inclusion of the ACS Group's corporate ethics clause in all contracts.
		90.1% of clients say they are satisfied or very satisfied.	Adaptation of the Quality System for partial integration with the newly-implemented R+D+i Management System.	Inclusion of social, environmental and ethical clauses in all purchasing contracts.
		90.1% of clients say they are satisfied or very satisfied.	Implementation of a computer program for recording quality non-conformities in all offices.	Implementation of "Internal Regulations for Works Purchasing MNI-11", including clauses on business ethics.
		90.1% of clients say they are satisfied or very satisfied.	Development of a computer tool for management through internal bid system processes.	Increase in people with disabilities hired for provision of services.
		Focusing of strategy on rapid response and project monitoring.	Implementation of a quality programme adapted to federal, local and state regulations.	Centralisation of Purchasing Management Systems for all areas.
		Consolidation of the Dragados brand in the Polish roads market.		Development of comparisons for implementation of improvements in the supplier management system.
			Updating of the "Design and Engineering" quality manual.	Contracting of an expert in supplier management.
		Increase in the number of bids accepted and reduction in bids rejected.	Ending the financial year with 9 ISO 9001, ISO 3834 and AQAP 2120 certificates for the Quality Management System.	Creation of a base of suppliers and subcontractors to reduce project execution time and increase Group profits.
		Achievement of the "Zero complaints" target.	Implementation of a Quality Management Programme in the project design phase.	Inclusion in contracts of a clause on equality of opportunities.
	Concessions		Improved client satisfaction assessment with respect to 2009.	Passing of the second monitoring audit of Iridium's quality system.
		Implementation of a contracting department aimed exclusively at private clients.	ISO 9001 certification for auxiliary social services.	Development of a Purchasing Transformation Project (implementation of systems and setting of objectives).
Environment		Improvement to the quality management system agreed with clients.	New ISO 9001 certifications in Industrial Waste Management in Retraoil and Dramar Andalucía.	Creation of an application for integral management of all the Urbaser Group's mobile machinery (GIM).
		Reduction of execution times in allocated works.	Certification of Tedagua's Quality System for the operation and maintenance activity for potable water collection, desalination, storage and distribution.	Standardisation of General Terms and Conditions for contracting and purchasing for all services, equipment and materials contracted in the Castor Project.
Industrial Services		Definition and implementation in all work centres of a CRM for collecting information related to clients.	Implementation of the MANTIS computer tool for the handling of incidents in projects.	Coordination of suppliers by unifying agreements on prices and payment periods.
		New method for continuous assessment of client opinions and satisfaction.	ISO 9001 certification for the "disassembly and disposal works for materials containing asbestos" activity.	Integration of the Purchasing Management Process in the NAVISION computer system.
		New annual online satisfaction survey.	Expansion and reactivation of channels for communication with clients.	Assessment of human rights risks from the supply chain according to the Spanish Network for the Global Compact.
		Annual report on client satisfaction.	Implementation of the Quality Management System in Waste Water Purification Station activities.	Execution of joint projects with key suppliers.
				
		Continual increase in the client satisfaction index.	ISO 9001 certification of CYMI's Portugal subsidiary.	
		New contracts with recurring clients.		Inclusion in all orders of an electronic invoicing clause.
		Client satisfaction surveys and direct interviews.	ISO 9001 certification for all MASA's activities in Mexico.	
			ISO 9001 certification of Intecsa Industrial's international offices in Saudi Arabia and Abu Dhabi.	Integration of the joint Intecsa-Initec Construction Department to drive synergies.
		Increased focus on work with the client.	Adaptation of the Integrated Quality, Environment and Health and Safety Management System manual and procedures to the new Document Management tools.	Study and assessment of the market potential of available suppliers in Uzbekistan for combined cycle supply.
		Design, installation and consolidation of a document management tool for subcontractor management.	Certification of new activities under the ISO 9001, ISO 14001 and OHSAS 18001 standards.	Introduction of fair trade products in 4 Group centres.
	Optimisation of the use of resources in the bids department.	ISO 9001 certification in the Cameroon Fishing School project.		

R+D+i	Environment	People	Safety
Member of the European Construction Technology Platform (ECTP) Executive Committee.	Application of an Energy Efficiency Plan in central offices.	Implementation of the Equality Plan in the company, in addition to a protocol against workplace harassment and a code of action.	49% reduction in subcontractors' fatal accidents on works.
Over 40% increase in R+D+i investment.	Development of a system for measurement of greenhouse gases in suppliers and subcontractors.		Development of a project on a Management and Control System for access to works by means of radiofrequency identification.
Global Water Intelligence award to the Barcelona Seawater Desalination Plant as the year's best desalination plant.	System of KPIs as regards sustainability for the Shanganagh waste water purification station.		Reduction of total accidents by 55%.
Certification of the R+D+i Management System according to the UNE-166002 Standard.	Implementation of the FPS Environmental Management System in 100% of works, using the PAC computer application.		Reduction of accidents by 22.5% more than the target set.
Development, implementation and certification of the R+D+i Management System according to the UNE 166002 Standard.	Implementation of a procedure to obtain environmental indicators for works.		No serious accidents by own and subcontracted personnel in work and assembly centres.
Increase in the number of international patents.	Implementation of a computer application for monitoring the Management Plan related to the Environment.		Recycling of risk prevention training in 20% of the workforce.
Systematisation of R+D+i project management.	Use of paper with sustainable forest certification.		Reduction of the Severity Index by 30%.
	Obtaining of the environmental license for the construction of an asphalt mixing plant.		Implementation of the Risk Prevention Management System and training programme for employees.
	Implementation of actions for recycling of paper, plastic and glass.		No occupational diseases in 2010.
Implementation in TECO of a CIPP hardening technology to achieve improved parameters in products.	Implementation of improvements in waste management thanks to intensification of internal audits.		Reduction of workplace accidents by 9% .
	Training and certification of own personnel for the prevention of environmental impact.		Reduction in the rate of days lost by 23%.
			Achievement of targets as regards the incident index and days lost.
Execution of the FOTsis (European Field Operational Test on Safe, Intelligent and Sustainable Road Operation) Project.	Development of an Energy Efficiency tool in the Serrano Park concession.		
Obtaining of the UNE 16001:2010 certificate.	Implementation and certification of the central office as regards Energy Efficiency.	New management by competencies model (Performance Assessment for Service Managers).	Reduction of the incidence of professional diseases by 75%.
Development of the Technology Watch Platform.	Use of biodiesel, from used domestic oil, as a fuel in the waste collection activity.	Setting up of a special employment centre (70% of the workforce with some degree of disability).	Full execution of the internal auditing programme.
Development of a new model for studying new configurations for thermal electric solar power plants.	Implementation of the Environmental Emergency Plan for own personnel and subcontractors.	Extension of the internal Human Resources Information System (People Net).	Achievement of frequency index and severity index targets in 88.3% of locations.
Start up of the PLANET project for deployment and management of wireless sensor networks in environmental applications.	Expansion of 16.62% in production certified under the Environmental Management System.	Collaboration with the ONCE Foundation for inclusion of people with disability in the labour market.	26% reduction in work accidents occurring in the organisation with respect to 2009.
Development of the company's first high temperature cable laying.	Certification for the "disassembly and disposal works for materials containing asbestos" activity under the ISO 14001 Standard.	Signing of agreements with Vocational Schools for occupational training to include young people at risk of social exclusion in practices.	Certification of the occupational risk prevention management system under the OHSAS 18001 Standard.
	Reduction in CO2 from fuel consumption in the Group's vehicles by 36%.	New personnel competence and training model.	Certification of the subsidiary TESCA, in Ecuador, with the OHSAS 18001 Standard.
Integration in CIAC (Andalusian Research Centre for Sustainable Construction).	Implementation of an Environmental Management System in Waste Water Purification Stations.	Inclusion of disabled people (2% of the workforce in many Group companies).	Reduction of the Incidence Index by 10.2%.
Sponsorship of the Advanced Technological Centre for Renewable Energy in Andalusia.	Monitoring of the impact on bird life in wind farms.		
	Use of paper with environmental accreditations (EMAS, FSC Mixed Sources, EU flower, Nordic Swan, TCF Certification).	Performance and Potential Assessment of Technical-Administrative Personnel domestically and internationally.	42% reduction in annual lost days.
Viability study for the design, construction and installation of offshore wind farms.	Environmental training for workshop workers.	Development and approval of the Equality Plan.	Creation and implementation of a computerised system for monitoring and closure of actions due to safety non-conformities.
	5% reduction in fuel consumption for each production unit.	Implementation of a Labour Relations Manual for application in Spain in HR.	Certification of the Risk Prevention Management System in MASA Mexico under the OHSAS 18001 Standard.
Development of systems and methods to improve quality, effectiveness and efficiency of works.	ISO 14001 certification of Intecsa's international offices in Saudi Arabia and Abu Dhabi.	Increase in contracts with reduced working day to promote reconciliation of work and family life.	Zero accidents in projects classified as medium to high risk.
Contracting of a specialised consultancy company to give advice on R+D+i projects .	Reduction in energy consumption by means of facility modernisation and raising of personnel awareness.	Implementation of an assessment system for objective calculation of variable remuneration.	Creation of a system for compliance and comparison between works by means of formalisation of inspection and auditing reports.
Approval of the ADILUX project for research into the use of LED technology for adaptive regulation in Lighting Systems.	Certification of new activities under the ISO 9001, ISO 14001 and OHSAS 18001 standards.	Implementation of the Equal Opportunities Plan.	Reduction of lost days due to sick leave from workplace accidents by 58%
Project for the design and production of prefabricated housing as a solution in cases of emergency and for social housing.	Reduction of energy consumption in offices.		Achievement of the target set as regards frequency index and severity index.



Corporate Responsibility Report of ACS Group

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“ACS is a company that encourages the promotion of sustainable growth and society’s improvement through wealth creation, respecting economical, social and natural environment, acting as a employment promoter for thousands of people”

Florentino Pérez
Chairman of the ACS Group

Letter from the Chairman



We present our Annual Corporate Responsibility Report for another financial year. This document serves as a compendium of all our actions related to sustainability and includes a summary of our best practices in this field.

Firstly, I want to restate my conviction that this document is essential to be able to understand why ACS is a world leader in the development of infrastructures and why sustainability is part of our mission. We are a company which takes the promotion of sustainable growth and the improvement of society through generation of wealth very much to heart, respecting the economic, social and natural environment and acting as a platform for the employment of tens of thousands of people.

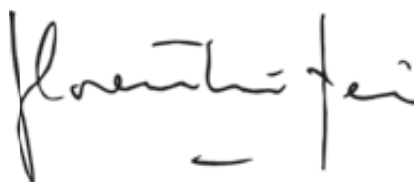
The ACS Group is changing profoundly. In a short time we have become one of the most important construction companies in the world, as regards both activity and geographical presence and also, undoubtedly, due to our technical and human capability. This position of leadership is accompanied by very significant responsibility: we have greater influence on society each year. This is the case, of course, through the projects we carry out or the services we provide, but also as a catalyst for wealth and wellbeing, as a creator of technical and technological knowledge and as a player committed to respect for the environment. This is a responsibility we accept with pleasure and we are ready to take on with guarantees.

For this reason, we made great efforts in 2010 to move to a more solid model for sustainability and for relation with our environment, appropriate to our business significance in the world infrastructure development industry. This sustainability model is based on our commitments to excellent performance: to promote the creation of value and integrity in carrying out our work, to progress in technological development and innovation and to respect the natural and social environment in which we move.

So, in 2010 we initiated a global plan to drive sustainability in the Group, focused on three main aspects. Firstly, the expansion and universal use of our code of conduct, to adapt it to our most international and multicultural reality; secondly, the implementation of a systematic analysis of risks to the Group's reputation; and thirdly, the definition and implementation of a broad, but detailed, policy to aid in the fight against climate change, to promote energy efficiency and water saving in our activities and respect for biodiversity.

This integral plan has received the support and effort of the whole organisation, with the participation of over one hundred function managers from the Group's main companies, who laid the foundations for our future leadership with their dedication. We have set ourselves ambitious, but achievable, objectives for the year 2012, which are to improve our management indicators and implement improvements in those areas where we have detected that they are necessary. These next two years will undoubtedly be the most exciting and interesting from the business point of view in ACS and, of course, also in the field of sustainability. By then, ACS will be a more global, bigger, more profitable and, of course, more sustainable Group.

I am convinced that the ACS Group makes sustainability a reality in carrying out its daily activity, so I hope you find the contents of the report you have in your hands interesting, as the efforts of the almost 140,000 people who work in the ACS Group every day with enthusiasm and full commitment are condensed in it.



Florentino Pérez
Chairman of the ACS Group

The ACS Group



Group's Profile Corporate Strategy



The ACS Group is positioned as a world leader in the infrastructure development industry, with a clear and defined mission:

To pursue global leadership, optimising the profitability of the resources employed and promoting sustainable development



Profitability and integrity, together with commitment to stakeholders, especially commitment to clients and operational excellence, are the ACS Group's identifying marks

The concept of sustainable development, specifically, is basic to understanding the ACS Group's Corporate Responsibility document. The improvement of society, generating wealth to guarantee the wellbeing of the citizens it serves, in the final analysis, is a primordial part of the ACS Group's mission.

The ACS Group's commitment to society is summarised in three fields of action:

- 1. Respect for the social, economic and environmental setting**
- 2. Promotion of innovation and research in its application to infrastructure development**
- 3. Creation of employment and wellbeing, as an economic motor for its stakeholders**

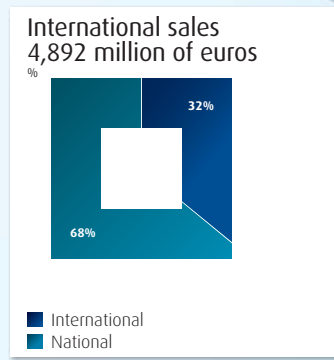
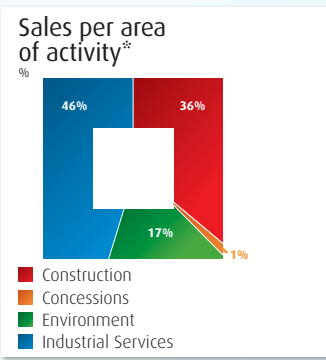
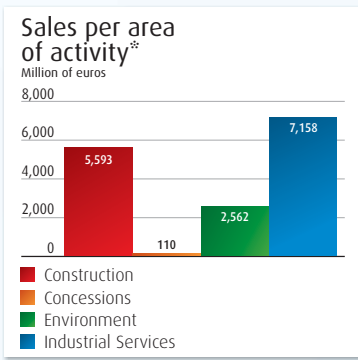
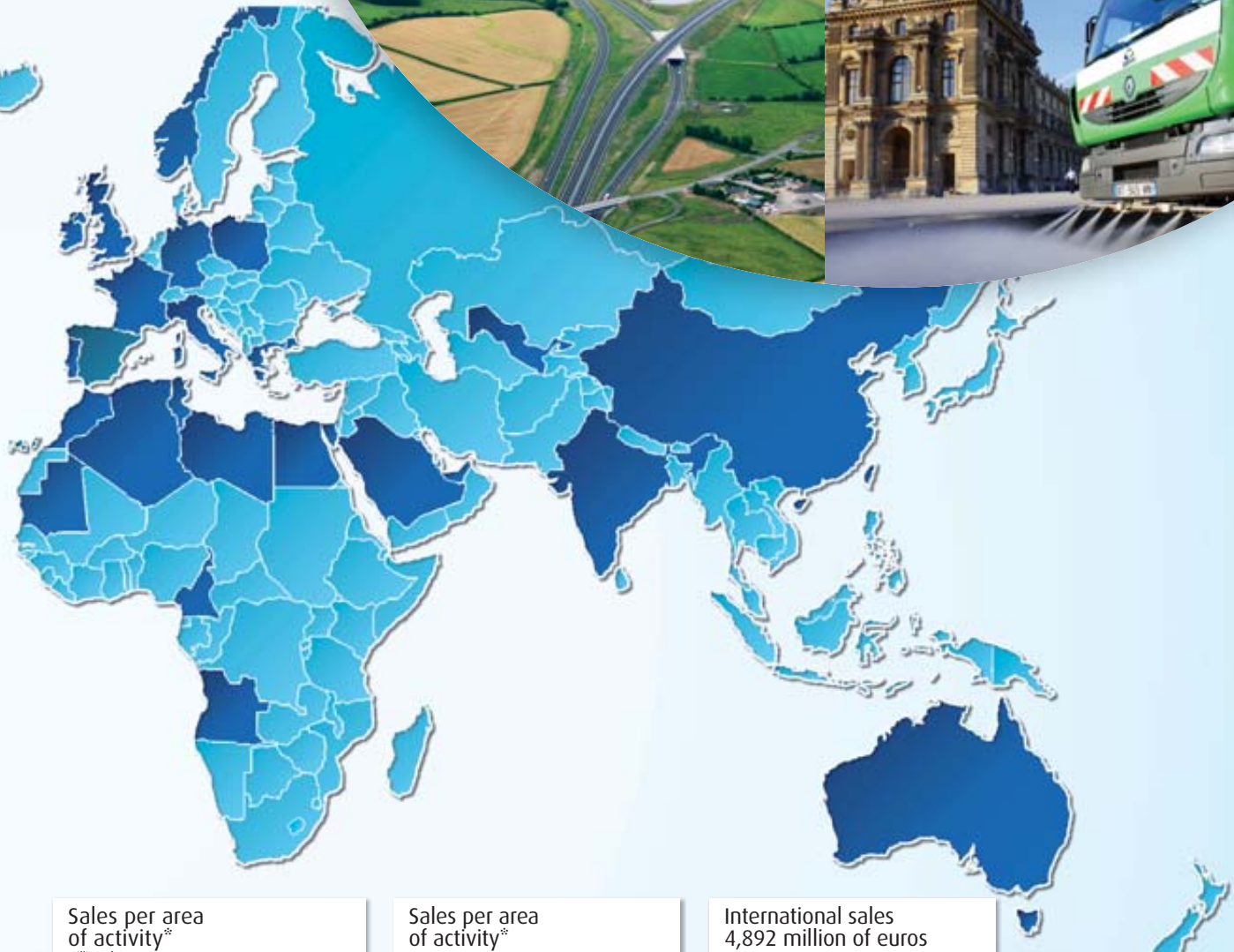
This performance and all the Group's activities are impregnated with the corporate values that ACS has developed over its nearly 30 years of history and form the basis of the actions of all the Group's employees:



The ACS Group

ACS Group is present in 41 countries
developing its activities





* Note: Not represented in the graphs, ACS has accounted 43 million euros as holding adjustments.

Total sales in 2010: 15,380 million of euros
Net profit 2010: 1,313 million of euros

The ACS Group



The ACS Group is a worldwide leader in the infrastructure development industry. The company operates in more than 40 countries, employs 107,382 employees in Spain and another 31,160 abroad, giving a total of 138,542. ACS is one of the companies with the largest number of employees in Spain.

In 2010, ACS had turnover of 15.38 billion euros, a sales figure which makes the company the fourth largest listed company in the world by revenue in the construction and infrastructure sector. It recorded net profit of 1,313 million euros, recurring net profit of 923 million euros and ended the year with an order book of 28,777 million euros, equivalent to nearly two years of activity.

In the Construction area, ACS mainly carries out civil works projects, as well as residential and non-residential building. The ACS Group's construction activity is based on the provision of services to third parties, both private and public clients, in countries where ACS has a consolidated local presence or where it carries out infrastructure concession

**ACS Group
employs in Spain
107,382 people,
being one of the
companies with
most employees.
Abroad employs
31,160 people,
up to a total of
138,542**



projects. The Construction area had turnover of 5,593 million euros in 2010 and employed 17,628 people, 12.72% of the total workforce.

The Concessions area carries out development and management activities for transport and social healthcare infrastructure concessions, such as hospitals, health centres and other public concessions, such as prisons, police stations and transport interchanges. Concessions had a turnover of 110 million euros in 2010, with a team of 346 employees, 0.25% of the total workforce.¹

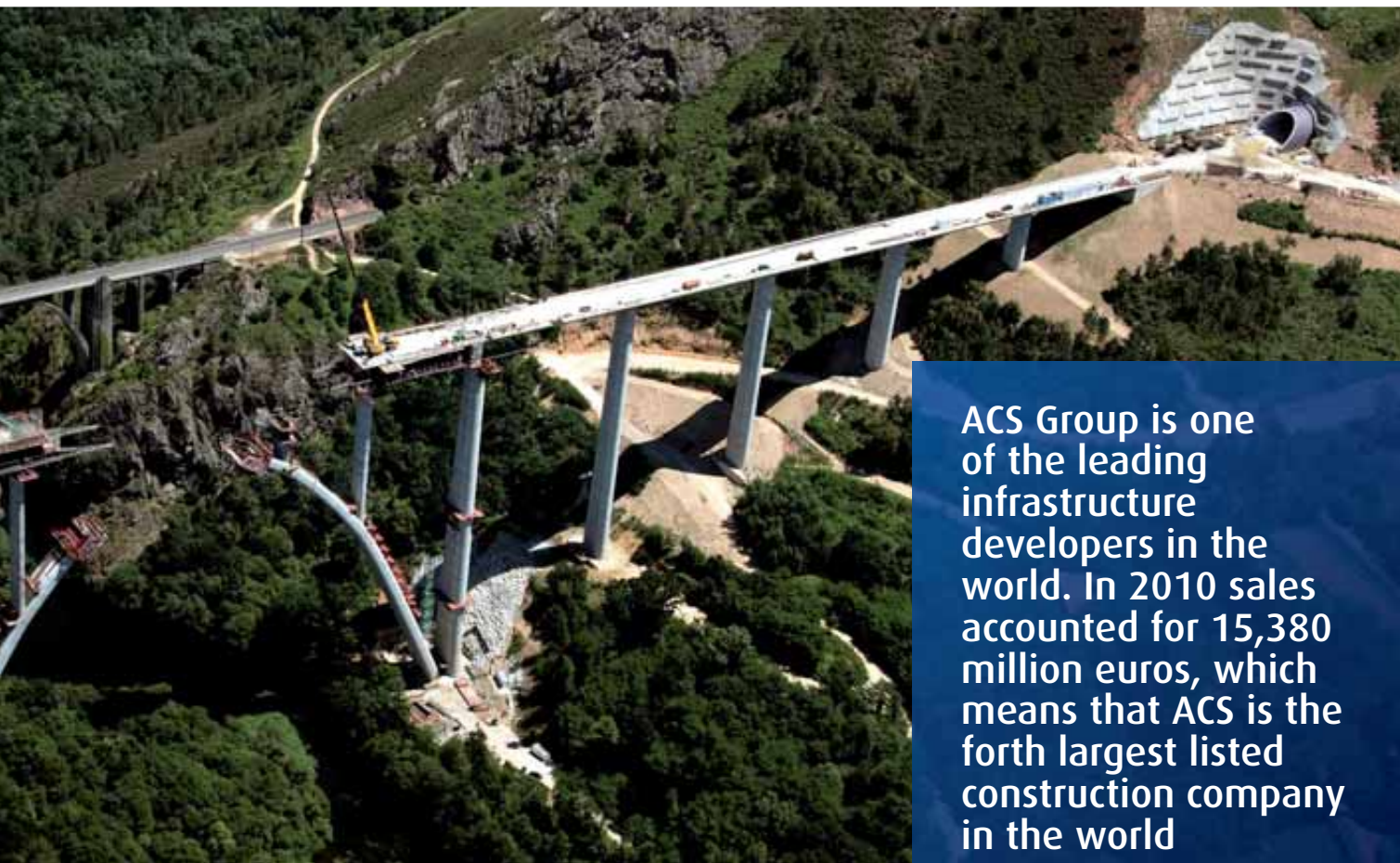
In turn, the Industrial Services area provides maintenance and support services to industrial clients, electricity, oil, gas and telecommunications companies. In addition, it carries out turnkey energy and industrial projects for its clients worldwide. This area had turnover of 7,158 million euros in 2010 and employed 39,988 people, 29% of the total employees.

The Environment area focuses its activity on the carrying out of solid urban waste collection, cleaning

and gardening services, as well as the management of large infrastructures for waste treatment and recycling, incinerating and biometanisation plants and also dumps. Additionally, it offers facility management services for buildings and infrastructures. Net sales totalled 2,562 million euros in 2010. A total of 80,524 employees participated in its activities, 58.12% of the Group total.

Lastly, the ACS Group invests in listed companies which carry out their activity in industrial fields related to the ACS Group's areas. It currently holds stakes in Abertis, Iberdrola and Hochtief, where ACS holds 10.3%, 20.2% and 36.2% of the share capital respectively, with the objective of contributing its experience and industrial nature as a reference shareholder.

¹ The ACS Group recognised 43 million euros of consolidation adjustments at the revenue level.



ACS Group is one of the leading infrastructure developers in the world. In 2010 sales accounted for 15,380 million euros, which means that ACS is the fourth largest listed construction company in the world

The ACS Group



ACS's Business Sustainability

The ACS Group has a decentralised structure based around its four areas of activity,

Construction,
Concessions,
Environment and
Industrial Services,

and carries out its activities through dozens of different companies. This multi-brand organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients.



Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies.

This organisation encourages:

- *Decentralisation.*
- *Reduced bureaucracy.*
- *Entrepreneurship.*
- *Competitiveness.*
- *Flexibility and ability to adapt.*
- *Diversity.*

Although all the ACS Group companies share the Group's values and culture, each operates in a standalone manner, contributing individually more than twenty valid and profitable management formulas thanks to the multiple factors involved in their decision making and which generate know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective. Their special features are ACS's angular stone of business success and their Corporate Responsibility policy.

To face the immense challenge involved in coordinating the ACS Group's sustainability policy, the company's Corporate Responsibility area organises a series of annual conferences in the field of CSR.

To this effect, exhaustive information collection takes place, to which over 100 function managers contribute from the key areas in corporate responsibility: Environment, Human Resources, Quality, R+D+i, Clients, Suppliers and Health and Safety.

This process is supported by independent external consultants who incorporate improvements periodically, both at the functional and procedural levels. Furthermore, the ACS Group's Corporate Responsibility Report is prepared according to the GRI's A+ standard and is verified annually.



Each company of ACS operates autonomously maintaining the values and culture of the Group

Corporate Governance in the ACS Group

Ownership Structure

The ACS Group's share capital, at 31 December 2010, totalled 157,332,297 euros, represented by 314,664,594 fully subscribed and paid up shares, all of a single class and with the same rights.

The main shareholders in the ACS Group, considering as such those whose stake in the share capital exceeds 5% of the total, are those who, as at 31 December 2010, are shown in the following table:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares at December 2010
Corporación Financiera Alba, S.A.	73,339,232	23.31%
Corporación Financiera Alcor, S.A.	43,613,139	13.86%
Inversiones Vesán, S.A.	39,397,625	12.52%
Southeastern Asset Management, Inc	20,357,056	6.47%
Fluxá Rosselló, Miguel	17,741,012	5.64%

Company Administration

It is laid down in the Company Bylaws and the Rules of the Board of Directors that the ACS Group will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21).

As the ACS Group's decision-making body, it falls to the Shareholders' Meeting, at the proposal of the Board of Directors, both to set the exact number of members of the Board, within these limits, and to name the people to occupy these posts.

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2010, the ACS Group's Board of Directors was made up of 19 Board Members: 4 executive members, 9 members representing major shareholders, 5 independent members and 1 external member. The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors.

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

In particular, the Board of Directors fully reserves the authority to approve the following general policies and strategies:

- The investment and financing policy.
- Definition of the corporate group structure.
- Corporate governance policy.
- Policy for Corporate Responsibility.
- The strategic or business plan, as well as management targets and annual budgets.
- Senior executive management assessment and remuneration policies.
- The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
- The policy on dividends as well as on treasury stock and its limits.
- Related-party transactions, except in those cases anticipated by the Regulations.

For greater efficiency in its functions, a series of Commissions are constituted within the Board of Directors, the task of which consists of the control and monitoring of those areas of greatest importance for the good governance of the company. The Board of Directors is currently made up of three commissions: the Executive Commission, the Audit Committee and the Appointment and Remuneration Committee.

Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report.

Furthermore, substantial improvements were introduced in 2010 aimed at reinforcing the transparency and independence of the corporate governance system, making the necessary modifications to the Rules of the Board of Directors to adapt its procedures to practically all of the recommendations of the Unified Code of Good Governance.

Shareholders Rights and the Shareholders' Meeting

The operation of the Shareholders' Meeting and the rights of the shareholders are regulated in the ACS Group's Company Bylaws and in the Rules of the Shareholders' Meeting. According to Article 1 of the latter, the Shareholders' Meeting is the supreme body for the expression of the will of the company and its decision making.

As such, according to these Rules, the Group's shareholders represented in the General Shareholders' Meeting will decide all matters within the Meeting's powers by majority. This meeting will be made up of those holders of at least one hundred shares present or represented, such that holders of less than one hundred shares can group together to reach this number.

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all, and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly laid down in Article 26 of the Company Bylaws. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely by internet or fax. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

Attendance at Shareholders' Meetings	2009 Ordinary	2010 Ordinary	2010 Extraordinary
Shareholders Present	208	213	115
Quorum Shareholders Present	7.66%	19.44%	19.93%
Shareholders Represented	2,763	2,776	2,183
Quorum Shareholders Represented	70.88%	58.22%	57.11%
Quorum Total	78.54%	77.66%	77.04%

The ACS Group



Likewise, the shareholders' and investors' right to information is detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all the necessary information is made available to the shareholders prior to holding each Meeting, such that, in addition to the standard information provided by the company in the annual, half-yearly or quarterly reports, the Group maintains a website with all the fundamental data on it. Periodic meetings are also held with analysts for this information to reach both shareholders and the general market in the fairest, most symmetrical and efficient way possible.

The ACS Group not only sets up permanent communications channels with its shareholders and investors, but also ensures that all the information made available to them is truthful and rigorous. The Audit Commission reviews this information before it is transmitted to confirm that it is prepared in accordance with the professional principles, criteria and practices with which the accounts are prepared.

The ACS Group's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure that knowledge of relevant facts is restricted, until made public, to the minimum number of identified people.

Risk Control Systems

The ACS Group's risk control system is based on a range of strategic and operational actions which seek to mitigate risks in addition to fulfilling the objectives set by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities involve a great variety of risks and the Corporation is responsible for defining the basic guidelines to homogenise operating criteria in each of the divisions and so guarantee an appropriate level of internal control. The companies and divisions of which ACS is made up are responsible for developing the necessary internal regulations so as to implement appropriate internal control according to the particular nature of their activity.

In order to be able to respond in the face of global and homogeneous risk, the Corporation has established a risk management model which includes the identification, assessment, classification, valuation, management and monitoring of risks at the Group and operating Division levels. Once risks have been located, a risk map is prepared which is systematically updated periodically.

In accordance with that explained above, the following risks have been identified:

- Operational risks, stemming from the Group's different businesses and which vary depending on the area of activity, but which, in short, are related to entering into contracts, planning and control of the execution of the works and projects, quality-related risks, environmental impact and risks related to international activities.
- Non-operational risks, which also stem from the different businesses the Group carries out, but which in this case relate to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage.

As indicated previously, the Group's risk control systems are common to all the Group's areas of activity, but organised according to a decentralised model, which enables each business unit to exercise its risk control and assessment policies in accordance with certain basic principles. These basic principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with its

characteristics and its profitability expectations and which are implemented at the time contracts are entered into.

- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- Coordination and communication to ensure that each business area's risk policies are consistent with the Group's overall risk strategy.

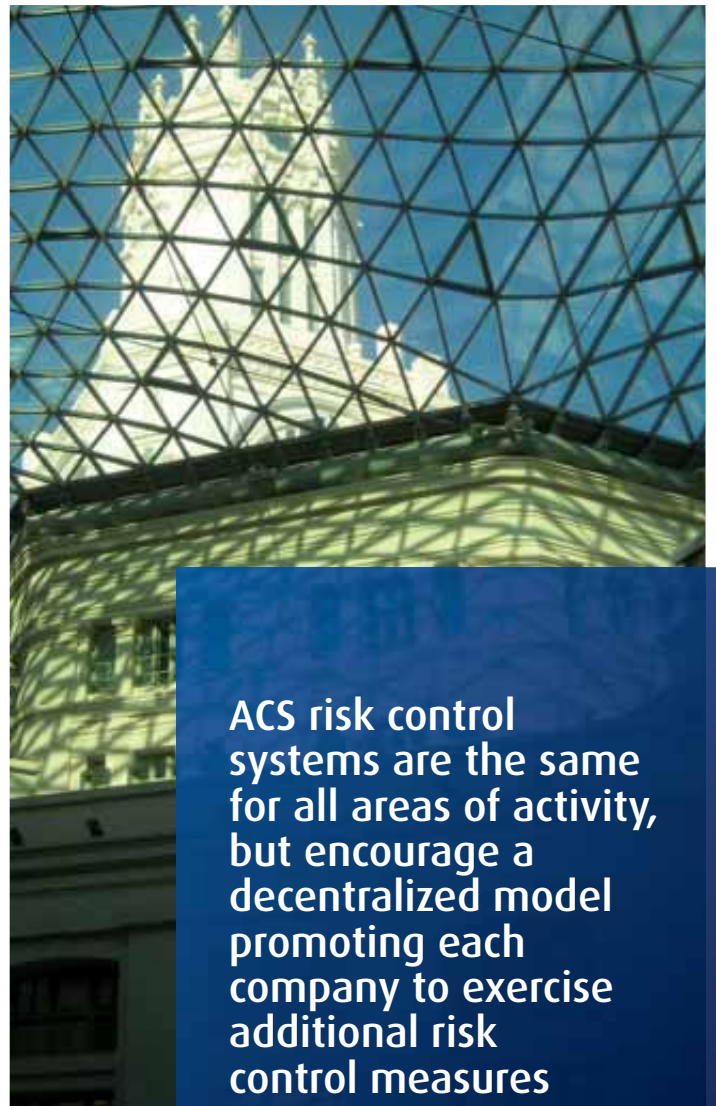
The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management reports for decision making with monitoring of the appropriate indicators.

The control systems developed in each business area may be classified into the following categories:

- Management systems for entering into contracts and bidding processes for works and projects.
- Management systems for planning and execution of works and projects.
- Quality management systems.
- Environmental management systems.
 - Incorporation of the most advanced technologies as regards environmental matters, such as:
 - Conservation of energy and raw materials.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and treatment respectful of the environment.
 - Promoting the reforestation and landscaping of works.
 - Carrying out specific actions for activities that require them, depending on the effect of the impact and the setting.
 - Informing the client continuously on the environmental risks and possible preventive measures.
- Human resources management systems.
- Financial risk control systems.

- Other systems: For risks of a legal or fiscal type, ACS has appropriate departments in each company, division or at a corporate level and with prestigious external support in each specific field of action. Additionally, the signing of contracts is supervised by each company's legal adviser and, depending on its relevance, by the legal counsel of the different divisions or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of various insurance policies for any coverable risks. The characteristics of these policies are reviewed periodically to adapt them to the current and specific status of the risk covered.



ACS risk control systems are the same for all areas of activity, but encourage a decentralized model promoting each company to exercise additional risk control measures

Corporate Responsibility and the ACS Group



Objectives in Corporate Responsibility

	2009	2010	2012 Objective
Recurring earnings per share (%)	2.69	3.08	+10% annually (2012e=3.73)
Gross dividend per share (euros)	2.05	2.05	Maintain the per share figure (2012e=2.05)
% of clients satisfied or very satisfied	85.75	85.62	Maintain 85% (2012e≥ 85%)
Production certified under ISO 9001 (%)	89.47	91.55	+1 percentage point per year (2012e=93.5)
Production certified under ISO 14001 (%)	69.86	71.69	+1 percentage point per year (2012e=73)
Contribution to the company (billion euros)	14.405	17.542	+5% per year (2012e=19,300)
Investment in training (euros/employee)	84.58	87.66	+5% per year (2012e=96.6)
Rate of construction and demolition waste recovery (%)	58.50	65.10	+3 percentage points per year (2012e=71%)
Investment in R+D+i/ recurring net profit (%)	5.18	5.07	Maintain 5% (2012e=5%)
CO ₂ emissions (t)/ Production (million euros)	127	130	Reduction of 2 points per year (2012e=133)
Water Consumption/Production (m ³ /million euros)	423	440	Hold ratio below 420
Frequency Rate	51.25	49.05	Reduce by 1 point per year (2012e=47)
Investment in social initiatives/ recurring net profit (%)	0.40	0.39	Hold the figure above 0.4% (2012e>0.4%)



The ACS Group's Five Commitments



The ACS Group sets the context for its Corporate Responsibility activities according to its commitment to sustainability which, in turn, is summarised in five commitments the company makes voluntarily and responsibly.

Commitment to the Creation of Value



The Value of our Businesses

To provide
growing and
sustained
profitability
is one of the
company's
main
objectives

ACS is committed to the creation of value for all its stakeholders. To this effect, it understands that their help and cooperation are essential to achieve the business objectives included in the company strategy.

Main indicators	2009	2010
Net revenue (million euros)	15,387	15,380
Gross operating profit. EBITDA (million euros)	1,429	1,505
Total investments (million euros)	4,578	5,112
Recurring net profit (million euros)	837	923
Net profit (million euros)	1,946	1,313
Dividend (million euros)	653	618
Order book (million euros)	28,581	28,777



Shareholders

At 31 December 2010, the share capital of the ACS Group amounted to 157,332,297 euros, made up of 314,664,594 ordinary shares with a face value of 0.50 euros each, all of the same class and series. ACS's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and in the Spanish Stock Market Interconnection System.

2010 Milestones

Start-up of the Shareholder Services Web Forum

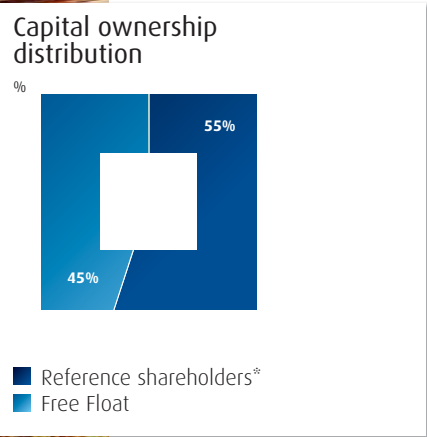
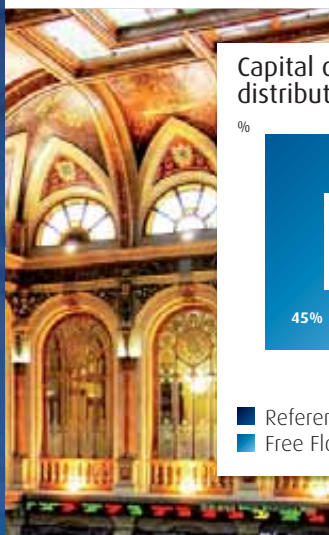
Increase Recurring Net Profit to 923 million euros, 10.3% up on that recorded in 2009.

Actions anticipated for 2011

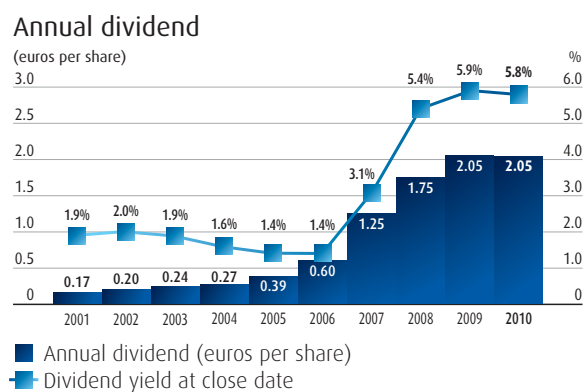
Development and start-up of the shareholder services management system. Objective: 90% shareholder satisfaction.

ACS Share	2004	2005	2006	2007	2008	2009	2010
Closing price	16.80 €	27.21 €	42.71 €	40.65 €	32.65 €	34.81 €	35.08 €
Revaluation of ACS shares	30.23%	61.96%	56.96%	-4.82%	-19.68%	6.62%	0.76%
Revaluation of the IBEX 35	17.37%	18.20%	31.79%	7.32%	-39.43%	29.84%	-17.43%
Maximum closing price	17.03 €	27.23 €	43.62 €	50.95 €	40.99 €	38.75 €	38.38 €
Minimum closing price	12.68 €	16.98 €	26.96 €	32.10 €	24.03 €	27.67 €	28.90 €
Average in the period	14.16 €	22.22 €	34.21 €	43.08 €	32.66 €	34.61 €	34.15 €
Total volume of shares (thousands)	312,483	401,440	279,966	417,896	382,506	196,115	194,506
Average daily volume of shares (thousands)	1,245	1,568	1,098	1,652	1,506	769	757
Total effective traded (million euros)	4,563	8,989	9,386	18,003	12,492	6,759	6,533
Daily average effective (million euros)	18.18	35.11	36.81	71.16	49.18	26.50	25.42
Number of shares (millions)	352.87	352.87	352.87	352.87	335.39	314.66	314.66
Stock market capitalisation at period end (million euros)	5,928	9,602	15,071	14,344	10,950	10,953	11,037

Commitment to the Creation of Value



* Shareholding of over 5% and representation on the board.



The value of ACS Group shares rose 0.76% in 2010 to 35.08 euros per share.

Since the ACS Group's stock is in the form of bearer shares, there is no register of company shareholders. The data available closest to year end indicates that there were 51,420 ACS shareholders at the time of the Extraordinary Shareholders' Meeting held in November 2010. There were 47,245 resident non-controlling shareholders who held 43.6 million shares between them. There were 4,175 non-resident shareholders and domestic institutional shareholders with a stake of 47.3 million shares.

ACS as a company is highly committed to shareholder returns and dedicates a significant amount of funds to the annual payment of dividends.

Likewise, considering the concept of total return for shareholders, an investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 19.9% at the end of 2010. Investing 100 euros on that day would have given 615.25 euros at the end of 2010, meaning the investment had risen by 6.15 times. The total shareholder return includes the re-rating of the share and the dividends paid by the ACS Group.

Communications Channels

The Group's commitment to the markets, shareholders and investors is upheld in its information transparency. As such, and in order to offer them the best service, the company has specific communications procedures. The following are worthy of note among these:

- **Relationship with investors.** More than 160 meetings held in different places worldwide. These meetings enable it to pass information on the Group's prospects and on relevant events which may affect the company or its sector. Specific events are also held regularly, of which 10 took place in 2010.
- **Communications with financial analysts and institutional investors.** Regular sending of information of interest to those analysts and investors who follow the Group most closely.
- **Participation in conferences and seminars of interest.**
- **Corporate website.** Start-up of the Shareholder Services Web Forum.

Clients

2010 Milestones

DRAGADOS

Client satisfaction index of 90.1% measured from surveys carried out at the completion of contracts.



Implementation of a computer-based management system (AXAPTA) for the collection of information relating to clients which helps in the analysis and execution of actions to improve client satisfaction.

Challenges for 2011



Implementation of a new computer tool for monitoring and statistical handling of client satisfaction surveys.



“Experience-sharing” of good practices, both in developed countries such as the United States and emerging economies, such as Brazil and India.

Strategic Priorities

The commitment to clients is one of the ACS Group's most important corporate values. Not for nothing is there a high level of trust between the client and the Group, thanks to the high added value services the company offers, throughout time, promoting this close relationship.

The element which links the systems of all the companies which make up ACS is the concept of providing solutions. For the Group's businesses, feeding back to the relationship with the client is fundamental. For example, meetings are held periodically to keep the client up-to-date on the ACS Group's capabilities and future needs and opportunities for collaboration are identified at the same time.

A crucial element in the ACS Group's client relationship management is the search for appropriate partners, particularly in technological matters of importance. This leads to the search for collaboration with detail engineering companies, specialised in the specific field required for each project. Better adapted alliances are created for each case in this way and, as such, the final client can be offered the best technical and economic solution.

Another important value for the Group's businesses is confidentiality. The ACS Group company's contracting and client relationship department carries out periodic initiatives to promote responsible use of information, so guaranteeing client confidentiality.



Commitment to the Creation of Value



Management Principles

Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited.

The ACS Group has a sophisticated client relationship management system, controlled by each company's contracting department, through which specific aspects are presented depending on the activity it carries out. The management aspects common to the whole ACS Group are as follows:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.

Monitoring and Communication

Formally, those responsible for each project carry out monitoring of project progress periodically, even daily or continuously if, as occurs in exceptional projects, the client dedicates resources to production control.

This is how objectives, monitoring systems and client information plans are defined for each

In 2010 ACS performed 1,211 client satisfaction surveys, being favourable

85.62%



project and in line with the specific aspects of each company. Control points for important phases of production are established in these plans, along with certification meetings to manage the partial payments for the work and partial monitoring points which may come to mean daily contact between the supervisor and the client in order to reinforce the latter's confidence.

Similarly, computerised CRM systems are being implemented to collect information relating to clients, in order to facilitate analysis and the carrying out of actions to improve satisfaction.

Client Satisfaction

ACS's second key client relationship management policy is the measurement of their satisfaction. These processes, within the framework of quality management systems, vary according to the characteristics of the services provided by each company, but share common elements:

- They identify the best and worst rated aspects of the service provided.
- They trigger measures and plans to improve client satisfaction.

- They include a system to manage complaints and penalties in contracts.
- They generate assessment reports prepared by the commercial area.

In 2010, 1,211 client satisfaction surveys were carried out in the ACS Group, of which 85.62% produced a positive assessment (the client was satisfied or highly satisfied). The 2009 percentage was 85.75% from 1,104 surveys carried out.

On the other hand, a total of 1,491 complaints were received from clients, of which 88.33% were attended to and 75.65% were resolved satisfactorily. In 2009, 1,824 complaints were received, of which 91.78% were attended to and 76.86% resolved.

The best indicator of client service quality is seen in the limited number of penalties due to breach of regulations which the ACS Group received in 2010, above all in relation to the provision of services. In 2010 these totalled 530,561 euros.



Common aspects in the management of all ACS Group are the satisfaction of clients needs and periodical measurement of its satisfaction

Commitment to the Creation of Value

Quality

2010 Milestones

Significant increase in the certification of activities to the ISO 9001 standard in international activity.

TECSA

Development of a comprehensive training plan in quality for Quality and Environmental Specialists.

DRAGADOS

Implementation of quality management plans in all works: 94% of these undertake improvement actions aimed at eliminating or minimising possible causes leading to incidents.

Challenges for 2011



Updating of the Integrated Management System with the development of the Energy Management Standard, 16001:2010.



Acquisition of IBM software for carrying out surveys by e-mail and statistical treatment of the data. Also valid for compliance systems.



The Implementation and Certification to ISO 9001 and ISO 17025 of the Calibration and Testing Laboratory will be promoted.



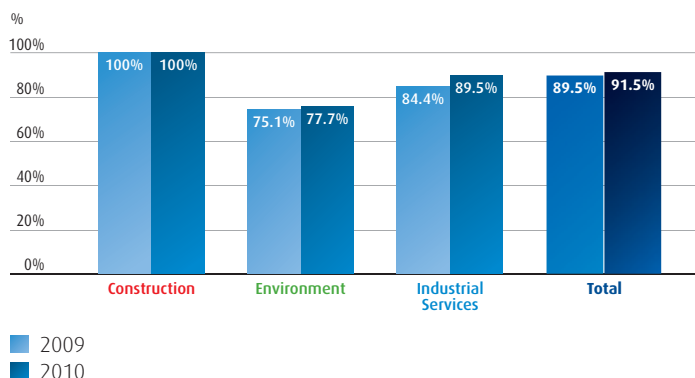
Measurement, analysis and improvement of costs due to Less than 100% Quality in production (Engineering + Purchasing + Construction).

Strategic Priorities

Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the highly sophisticated infrastructure and services industry.

The Quality Department in the Group's different companies is the entity responsible for implementing the Quality Management Systems. ACS invested a total of 15.58 million euros in 2010 in promoting quality.

% Production certified to ISO 9001



These quality systems are audited periodically in order to certify the Group's activities to the ISO 9001 standard. A total of 929 quality audits were carried out in 2010. Of the production by Group's companies, 91.5% is certified to the ISO 9001 standard.

Each company in the group adapts its needs to the specific characteristics of its type of production, but they all share a series of lines of action within their Quality Management System:

- **Objectives** are set periodically as regards quality and their fulfilment is assessed.
- **Initiatives and actions** are carried out aimed at improving the quality of the services provided.
- Specific actions are carried out in **collaboration with suppliers and subcontractors to improve quality.**
- Systems are implemented for analysis of **Product and Service Life Cycle** when necessary.

Objectives

The Quality Department for the ACS Group's various companies head into the Quality and Environment Committee which sets the general quality objectives annually for the next financial year.

According to its characteristics, each project or work adopts the general objectives applicable to it and which focus, normally, on the obtaining, renewal or expansion of quality certifications, especially when a Group company develops a new technique or expands its activity into a new geographical area.

At the same time, another common aspiration is to minimise incidents through quantifiable improvement activities, as well as to obtain information relating to clients.

The objectives of the ACS Group's companies can be summarised in the following global framework:

- Obtaining and expanding the scope of certifications.
- Implementation of tools to improve quality.
- Improvement of specific performance indicators.

The concern with quality in all the group's companies reflects not only the effort to achieve the objectives set, but also the specific actions by the companies. For example, in 2010 up to 8 different objectives were defined as priorities for the improvement of quality in its processes and activities, affecting 77% of its production.

In turn, Urbaser continued to work to achieve two quality objectives:

- For the years 2011-12 it plans to obtain certification as a producer of compost.
- To improve the level of client satisfaction by means of meetings and regular communications (United Kingdom).



Commitment to the Creation of Value



Improvement initiatives and actions

Each company in the Group carries out quality improvement actions. Noteworthy among these are the adoption of the Quality Management Systems such as the ISO 9001: 2008 standard, the organising of training workshops and quality awareness activities, as well as actions to improve and optimise the specific performance indicators.

It needs to be highlighted that the environment is an aspect integrated into the quality objectives of many of the Group's companies. For example, the implementation of systems for demand management for energy saving are being promoted in various engineering companies, outstanding among which is the ETRA Group.

Another aspect to be highlighted in quality improvement is the application of computer tools for the treatment of incidents, checking of products, implementation of improvement actions and support for training activities.

The ACS Group's commitment to technology has a bearing, among others, on the control and analysis by the Quality and Environment and Prevention Departments of all corrective actions initiated from the various offices.

Among these applications, the implementation in the ETRA Group of the MANTIS computer tool for handling incidents; the AXAPTA system to obtain Reports to assist in the analysis and application of improvement actions are worthy of note, as well as the Test Link and Master Test Plan tools for the verification of product development.

Collaboration with contractors and suppliers

The ACS Group carries out a large part of its activity by means of the use of services from suppliers and subcontractors who collaborate to a significant degree in the execution of the projects. In order to guarantee an appropriate level of quality in the provision of services from suppliers and contractors, ACS includes clauses in the contracts demanding a guarantee of a minimum level of quality, which generally depends on the supplier or subcontractor having certification to ISO 9001. Likewise, systematic checks are made in order to detect possible defects and improvements, at the same time as various environmental criteria are starting to be taken into account in these contracts.

In Group companies where collaboration with third parties is relevant, joint procedures are promoted between the quality department and its equivalent in the suppliers and the purchasing department



and those of the suppliers to identify projects for collaboration to improve quality. During 2010, these joint improvement processes have been carried out by integrating processes for optimisation and improvement, inspections and various collaborations with companies and universities.

Furthermore, as will be seen later in the section on suppliers, the purchasing and supplier contracting departments, together with the quality departments, carry out monitoring and audits of performance in terms of supplier performance once the works or contracts for service provision are complete. This permits the proposal of corrective measures if areas for improvement are found or may even lead to cessation of collaboration with the supplier or subcontractor in future projects.

Life Cycle Analysis

Life cycle analysis is an innovative tool which permits improvement opportunities to be identified in industrial processes, in harmony with the reduction in the impact of the services on the environment and on health and safety. Various Group companies are progressing in adopting this approach.

The ACS Group fulfils its commitment to innovation and technology in this way in companies such as

DRACE Medio Ambiente, which includes among its activities design, construction and operation and maintenance for water treatment, air quality and renewable energy installations. The inclusion of life cycle analysis in the sphere of its activities has enabled a feedback process to be established, through which it implements the knowledge acquired in the design and construction phases for new installations.

To this effect, the practices developed in Tecsa are also worthy of note, where plans are being applied which enable improvements in energy consumption, energy efficiency and the reduction in emissions of pollutants to the atmosphere.

Likewise, in INTECSA INDUSTRIAL (Design, Purchasing and Construction of turnkey industrial plants), two critical phases of the product life cycle (Design and Construction) are analysed and assessed in order to improve the efficiency of the industrial plants developed (reducing consumption, emissions, dumping and generation of wastes) and to maximise the health and safety protection of the client's operators and the neighbouring population. Thus, before starting construction, a constructability study is carried out with the objective of optimising all the variables affecting the success of the construction: safety, quality, cost and timescale.

CICLOPE Project: minimising the impact of products and services



Dragados participates in a Spanish Government backed Exceptional and Strategic R+D+i Project entitled "Analysis of the environmental impact of buildings throughout their life cycle in quantifiable terms of energy consumption and associated GHG emissions" under the acronym of the "CICLOPE Project", together with 30 companies, organisations and associations from various sectors and construction agents and also leads one of the four sub-projects.

The purpose of the project is to develop a methodology for analysing and evaluating environmental and economic impacts for buildings which considers their **complete life cycle**, from the extraction of the raw materials for the manufacture of the constituent materials for the building's components and installations to its deconstruction once its useful life has ended.

This methodology will focus mainly on the quantitative evaluation of the energy cost of buildings and their equivalent greenhouse gas (GHG)

emissions from the start of the project to the end of its life cycle, considering:

- Extraction of materials, transformation, processing and manufacture of materials, products, elements and construction systems, as well as installations.
- Transport, distribution and receipt on site.
- Execution, assembly and placement in situ; execution of the building project.
- Maintenance, use and exploitation of the building, including energy consumption and its origin (energy mix).
- Partial/total restoration and associated deconstruction operations which make use of possibilities for reuse, recycling and recovery (RRR).
- Final stage and end of useful life of the building; comprehensive deconstruction and closure of life cycle with analysis of the possibilities for reuse, recycling and recovery.

Practical example: Expansion of Madrid's Atocha station - new arrivals terminal

This is a very demanding work due to the particular nature of the setting, which requires the works to be carried out without affecting the functionality of Spain's most important Railway Station.

Other factors, such as the need to minimise the effects on the suburban train services due to the numerous power cuts and the lack of available space for storage and workshops, the importance of carrying out the work safely and without disturbing the operation of the AVE high-speed train service, as well as the tight timetable for executing the work, made it necessary to establish a unique construction strategy to be able to carry out the expansion.

Dragados and Tecsa, the companies awarded the work, rose to the challenge that execution of this project presented in the timescale planned and without needing to bring the start date forward to do so.

An innovative system was installed by means of the construction of provisional tunnels in steel plate, which made it viable to demolish the previous low canopies and execute the deep and shallow foundations in the platforms while the track was in service.

On the other hand, the lack of available spaces for workshops and stores prompted industrialisation and factory pre-assembly of the elements to be constructed. This approach was particularly important for the metal structures for the high and low canopies and the arrivals hall.



Commitment to the Creation of Value



Suppliers

2010 Milestones



Implementation of sealed envelope tendering with opening of bids, guaranteeing the safeguarding of the principles of transparency and concurrence both for the company and the suppliers.



Carrying out of the Risk Assessment for the supply chain as regards Human Resources in accordance with the working methods of the Spanish Network for the United Nations Global Compact.



Development and implementation of the new MNI-11 purchasing standard. This includes a section dedicated to the assessment of suppliers as regards occupational safety, quality and the environment.

Challenges for 2011

Dissemination of the Spanish Association of Purchasing and Stock Managers' code of ethics, in turn based on the ethical principles of the International Federation of Purchasing and Supply Management.

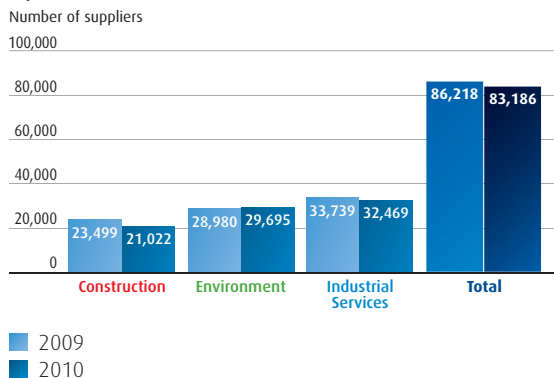


The inclusion in all contracts of the clause demanding that Suppliers and Subcontractors comply with the Ten Principles of the Global Compact, especially those linked to Human Rights, in their sphere of action.



Dissemination of the company's Responsible Purchasing Policy and promoting adherence to it and compliance with it.

Number of suppliers by line of business



Strategic Priorities

In Group companies, the purchasing department manages the relationship with suppliers and contractors by means of specific systems for managing, classifying and approving them.

In carrying out this activity, ACS manages three types of suppliers:

1. Suppliers of materials and/or services defined by the client.
2. Suppliers of services or subcontractors contracted by the ACS Group.
3. Suppliers of materials contracted by the ACS Group.

In the first case, in which the ACS Group carries out a project in which the client defines the type of suppliers contractually, as well as the quantity and characteristics of the materials to be used, the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing departments and suppliers have a control procedure established to verify the efficiency of the supplier designated by the client.

This contracting format, in which ACS has very little capability for managing the suppliers, is not watertight as, as mentioned in the section on clients in this report, the Company carries out feedback actions with the client. This means that, in cases in which the suppliers defined by the client have given problems or presented areas for improvement, the client will be notified of these and corrective measures will be promoted.

It is worth highlighting that, once the special features of the different markets in which the ACS Group is present have been considered, specific purchasing procedures are developed when

necessary to increase competitiveness. For example, specific criteria have been developed for Oil and Gas in Industrial Services' activities.

For the suppliers of services and materials which the ACS Group contracts, detailed management and control processes are defined. These have the following points in common in all the Group's companies:

- There are specific standards and a system for management, classification and selection of suppliers and subcontractors.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers is encouraged.
- Transparency is promoted in contractual relationships.

Responsibility in the supply chain. New principles for action

The ACS Group, with the collaboration of its various companies' purchasing and contracting departments, has established new principles which are intended to guide the behaviour of all the Company's suppliers.

The broadest approach to sustainable management of the ACS Group's supply chain includes three basic principles, which each company develops depending on its strategic priorities and the non-financial risks it faces:

- Supplier risk map (definition of categories of risk suppliers in sustainability).
- Systems for evaluation of suppliers' performance in sustainability (adapted to the risks which each company faces).
- Model for decision making.

These approaches are developed from the respect for each company's management autonomy and with a spirit of collaboration with all suppliers, to facilitate their effective implementation of each of their standards, procedures and practices.

Commitment to the Creation of Value

Standards and Systems

ACS Group companies' supplier selection processes classify these as critical (or essential) or circumstantial, according to the following concepts:

- Experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Proximity of the work centre, giving preference to local suppliers (63.01% of suppliers were from the local area in 2010).
- Additional financial criteria, labour, health and safety and environmental matters.

With respect to this last criterion, suppliers are assessed on their performance as regards the following parameters:

- Obligatory compliance with the law in social and occupational terms. Suppliers which develop initiatives additional to those demanded by law are assessed positively.
- Obligatory compliance with the law in health and safety at work terms. Those suppliers which go beyond the demands of the law and which present an OHSAS certificate or similar are positively assessed.
- Obligatory compliance with the law in environmental terms. Suppliers' additional initiatives, such as obtaining ISO 14001 certification or similar are assessed satisfactorily.
- Those suppliers which undertake initiatives to guarantee excellent standards of quality in the execution of their activity, by means of ISO 9001 or similar certification, are also assessed positively.

The commitment of various of the companies to non-financial matters translates into the inclusion of contractual clauses bound to the quality of the work, social and labour obligations, as well as requirements regarding the prevention of occupational risks, environmental risks and as regards business ethics. For example, the company Clece includes a clause related to the fulfilment of specific requirements from Standard SA 8000 on Corporate Social Responsibility.

The clauses adopted by construction companies, such as SEIS, demand the establishment of preventive measures as regards safety and a provision on business ethics with three fundamental ideas: business loyalty, compliance with the law and management integrity. In environmental matters, all the company's suppliers and contractors must behave in the same way as the company itself in projects.

With the objective of aligning purchasing process with sustainable requirements, various Group companies have developed Framework Agreements with suppliers to promote incorporation of minority and underprivileged groups. For example, Cobra has set up a Framework Agreement for Security with the Vinsa Group, a company belonging to the Spanish national organisation for the blind, the ONCE Group, and its Foundation.

Likewise, GEOCISA has signed a contract with the collaborating company Manpower, which is made up mainly of people with disabilities. In the US, Picone, another Group company, promotes purchasing from suppliers with DBE (Disadvantaged Business Enterprise), MBE (Minority Business Enterprise) or WBE (Women's Business Enterprise) certification.

Compliance

The compliance system of the Group's companies is fundamentally based on regular audits, both internal and independent. The intention with these processes is to update and optimise the supplier selection systems. The corrective measures taken in the cases of poor performance are adapted taking the following circumstances into account:

- If it is a critical supplier for the company, the reasons for the negative assessment are analysed and initiatives proposed to strengthen the identified areas for improvement including, among others, training activities.
- If the company is not critical for the company, it is deleted from the database.

Additionally, clauses terminating the relationship between ACS and the supplier in the case of breach of ethical principles, according to the ACS Group's Code of Conduct, are included in many contracts.

Furthermore, activities are continually carried out with people who intervene in the purchasing process for works and projects, with the objective of involving the suppliers and subcontractors in all its facets, both financial and non-financial.

Likewise, it is a common practice, in Group companies which have adopted commitments of the ethical, social and environmental type, to promote their disclosure to all their suppliers.

Collaboration

The main activities for collaboration are based on training which, generally, is made up of courses in various subjects such as quality, the environment, safety and the execution of works. For example, the companies CYMI and MASA organise courses for subcontractors and provide all attendees with the "Environmental Guide for Subcontractors". SEMI, in turn, provides training for suppliers and subcontractors in order to ensure appropriate environmental awareness for them to carry out their work.

Another line of action consists of involving contractors in the companies' management systems by, for example, the sending of the most important environmental practices, such as in the case of the ETRA Group.



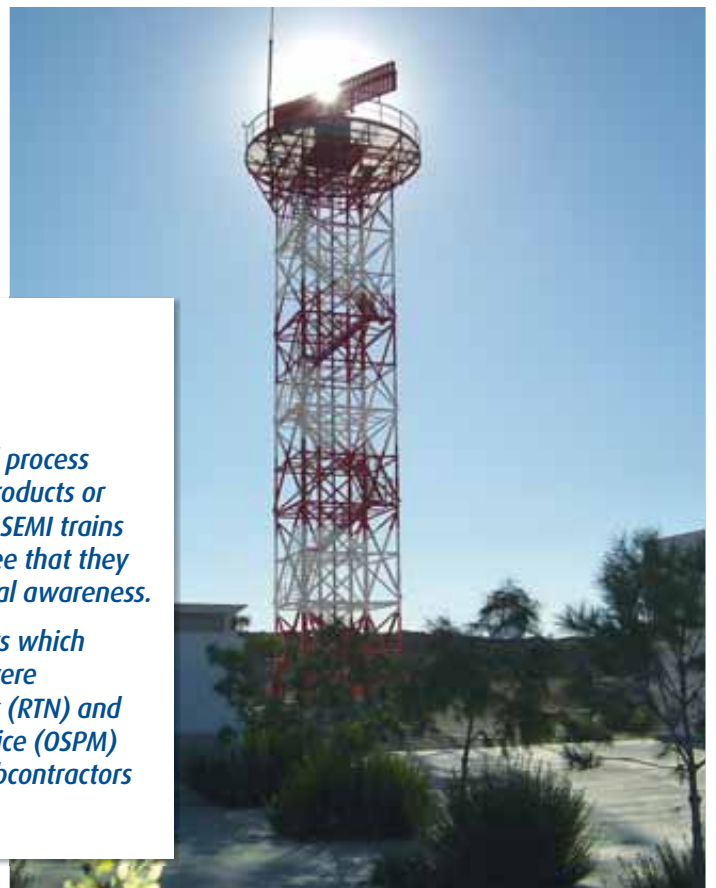
As part of the environmental assessment and approval process for suppliers and subcontractors, in the case that the products or services contracted have environmental repercussions, SEMI trains and informs its collaborators on this aspect to guarantee that they carry out their work with the appropriate environmental awareness.

The company also carries out training for subcontractors which require special instruction and qualification. Sessions were organised during 2010 on the installation of Radio Link (RTN) and BTS equipment for the Outside Plant Maintenance Service (OSPM) project for Spain for the client HUAWEI, in which the subcontractors taking part in the initiative participated.

Transparency

Another central aspect in the management of the Group's suppliers is transparency. Along these lines, various Group companies are standardising general contracting and purchasing terms and conditions for all the services, equipment and materials contracted. These are used in all processes, hence the same high standards and determining factors are maintained for all the company's suppliers and also within each tendering process.

A selection of tools is used to optimise the purchasing process. For example, Urbaser has a Web Portal which enables it to manage purchasing from suppliers in an agile and efficient manner. In this, the suppliers are able to manage the pricing offers the company requests from them, as well as participate in the negotiation of commercial agreements and see the purchase orders placed and the status of each one. Meanwhile, in other Group companies, computer systems are being implemented for the management of all orders issued, facilitating their accounting and management as well as resource planning.



Ethics, Integrity and Transparency in the ACS Group



Code of Conduct

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

ACS's Code of Conduct constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

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

- Integrity: the ACS Group promotes recognition of behaviour in accordance with loyalty and good faith among its employees.

- Professionalism: the ACS Group's employees and management should be recognised for their high professionalism based on proactive and efficient performance focused on excellence, quality and willingness to provide service.
- Respect for Others and the Environment: ACS undertakes the commitment to always act in accordance with the United Nations Global Compact, to which it has adhered since its foundation, the objective of which is the adoption of universal principles in the areas of human and labour rights and the protection of the environment.

The Code of Conduct was approved by the ACS Group's Board of Directors on its meeting in March 15th, 2007, and its regular supervision is one of the responsibilities of the Board's Audit Committee.

On the other hand, the ACS Group intends to standardise the procedures and to give the status of rules to a whole series of uses and customs which had no formal institutional support until recent years.



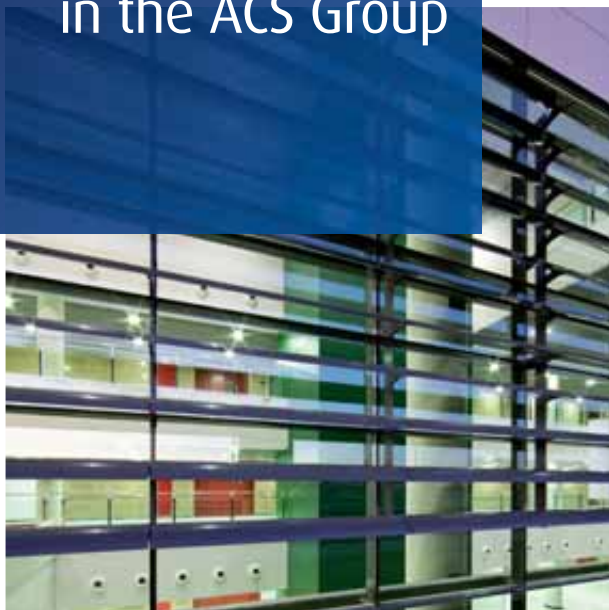
Due Diligence in Ethics and Integrity

As regards ethics and integrity, the ACS Group adopts the due diligence principle, aimed at minimising the risk of infringing the principles of ethics and integrity included in its Code of Conduct. ACS understands due diligence in this field to refer to the following elements:

- The analysis of the main risks as regards ethics and integrity.
- Establishing commitments which make clear the behaviour expected of the people who make up the company.
- The allocation of responsibilities as regards supervision of the company's performance in this field.
- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity.
- The supervision and monitoring of practices.
- Establishing procedures which enable the prevention, detection and eradication of bad practices in this field.

Progress in practices as regards ethics and integrity draws special interest in Spain as a result of the reform of the Penal Code which recently came into effect. The reform establishes penal responsibility for legal entities and, therefore, makes the need clear for companies to reinforce their internal controls too in matters related to ethics and integrity, through measures which enable them to prevent, detect and eradicate bad practices

Ethics, Integrity and Transparency in the ACS Group



The final aim of ACS's actions with regards to ethics and integrity is the establishment of a framework for action which stimulates everyone to execute their responsibilities in an upright, responsible and transparent manner.

The ultimate responsibility for transmitting and overseeing the Group's commitment to integrity falls to its governing bodies, which are charged with driving the development of rules and procedures and the implementation of good practices.

The Ethical Code and the procedures laid down for disseminating and safeguarding it are basic elements in the Group's integrity framework. In this respect, the company has established several lines of work for 2011, the fundamental objective of which is to ensure the extension of the Code of Conduct throughout the whole organisation:

- Reviewing the risks and principles of conduct included in the code.
- Reviewing the procedures for notification and consultation laid down, so that employees can advise of inappropriate practices.
- Training and disseminating actions aimed at the company's employees.
- Activities to extend the code to suppliers, both in Spain and internationally.

Commitment to Information Transparency

An essential requirement for the ACS Group to be able to fulfil its mission of generating profitability for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its clients and other stakeholders are respected. The ACS Group is committed to total rigour in the information transmitted, especially with respect to the media.

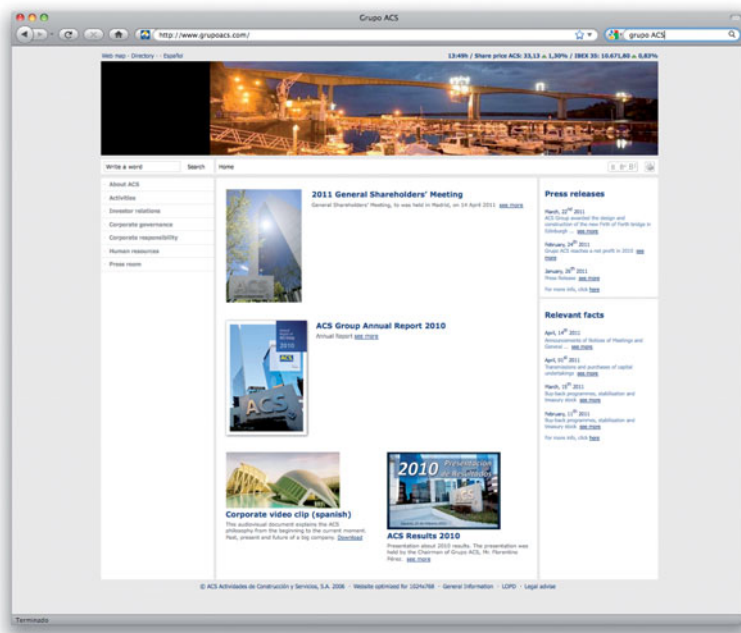
The Value of Information Transparency

This general objective of transparency is stated by means of the following guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed inside and outside of Spain.
- Contributing to the makeup of a positive corporate image which aids in the achievement of business objectives and in commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.
- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group manages its commitment to transparency towards its stakeholders by three main means:

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



www.grupoacs.com	2008	2009	2010	Daily average 2010	Increase 2010/2009
Visits to www.grupoacs.com	901,375	890,441	1,028,874	2,812	15.55%
Pages seen	9,694,451	8,677,863	10,598,226	28,953	22.13%

The ACS Group's relationship with all forms of **media** is fluently and transparently led by the Group's Communications Department and translates to interviews, press releases and contacts on the corporate website, as well as meetings with journalists.

Numerous contacts were made with journalists in 2010: 19 press releases were published, several press conferences were held and many individual interviews were given by the Chairman and Corporate General Manager.

The **www.grupoacs.com** website is a commitment from the Group to clarity, accessibility and information. Its objectives are specified below:

- To open a "window" to society through which the company may be analysed with greater transparency and ease.
- To maintain a permanently open communication channel both with the Group's priority stakeholders and with any individual or company needing any type of information on the Group.
- To offer, completely transparently, the company's economic and financial information, information on its systems of governance and management and the activities it undertakes.

- To enable searches for historical information on the company for more thorough analysis of trends and performance.
- To maintain up-to-date information on the performance of the company and the criteria behind its management at all times.

The ACS Group's website is visited by an average of 2,812 users daily, with 28,953 pages viewed, which represents a significant increase over the figures for 2009.

A specific web site was also created in 2010 to include all the information relating to the ACS Group's Public Tender Offer for Hochtief AG, as well as presentations, publications, press releases and official communications.

Similarly, to aid in their commercial and informational activity, the ACS Group's lead companies and large subsidiaries own and promote a large number of complementary web sites and information portals, intranets, online tools and remote reporting and training systems.

Ethics, Integrity and Transparency in the ACS Group

On the other hand, the **shareholders' right to information** is detailed in several rules in the regulations of the Shareholders' Meeting. Hence, in order for the Company Shareholders' Meeting to properly serve the function for which it was designed, the Board of Directors makes available to all shareholders, prior to each Shareholders' Meeting, all the 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, for them to form their opinion. In this regard, the Group makes every effort to respond duly to requests formulated by shareholders for the purpose of the General Shareholders' Meeting, regardless of whether these requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardised.

The ACS Group uses various channels to fulfil this commitment to communication and transparency. Its objective is to promote flexibility, fairness and immediacy and to achieve greater reach with the published information by means of:

1. The Group's website;
2. The shareholder service office (+34 91 343 9200);
3. The shareholder information e-mail address (ir@grupoacs.com);
4. The shareholder service web forum;
5. Fluid communication with the Spanish Stock Market Commission (CNMV);
6. The information offered by the Investor Relations Department.

A process for analysis of the most relevant matters dealt with for shareholders has been operating since January 2011 and we have started to measure their satisfaction, in a general manner, after having received assistance with the aim of permanently improving the service.

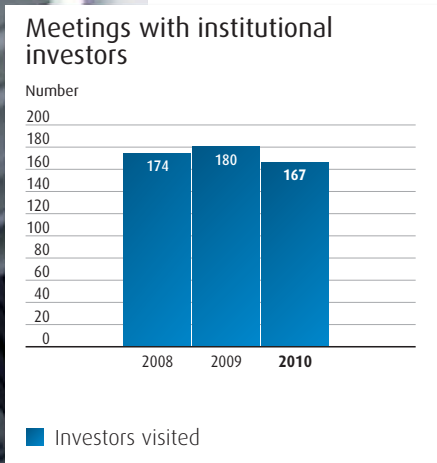
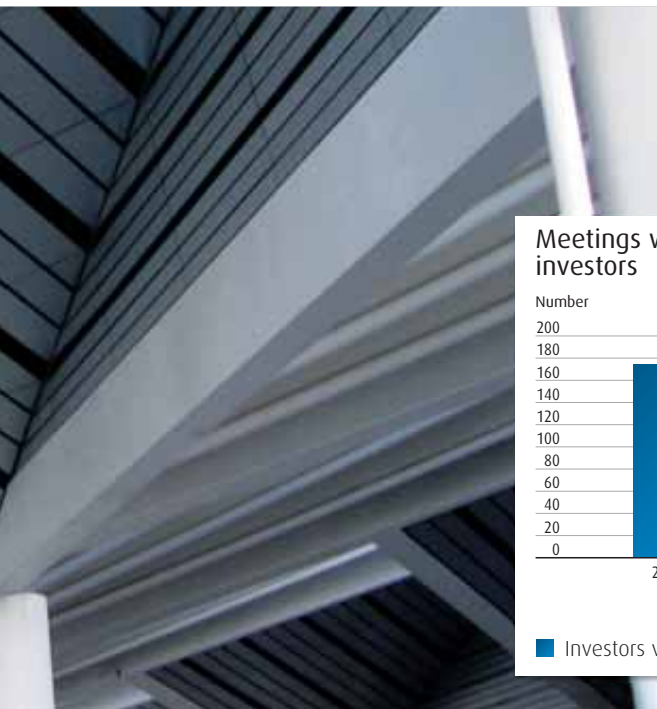
The number of requests for information will be counted every six months, ad-hoc information will be published on the website on the most frequently requested matters and measures to improve the quality of service will be studied if shareholder satisfaction (the number of calls resolving shareholder needs for information divided by the total number of calls) falls below 90%.

Furthermore, a Shareholder Service Web Forum was initiated in October 2010 to attend to requests for information resulting from the Extraordinary General Shareholders' Meeting held on 19 November 2010. This tool will act as a support in each period leading up to the General Shareholders' Meeting and will be available to all the Group's shareholders.

In addition, the Spanish Stock Market Commission (CNMV) is the main means through which the ACS Group communicates and announces its development and its main actions. Fifty-one "Relevant Facts" were communicated through the Commission during 2010.

The ACS Group publishes standardised financial information and information on the development of its businesses annually and quarterly. Similarly, the company attends to requests for information from other market agents through meetings. These meetings are intended to complement the Group's reporting efforts and the objective thereof is to clarify information already published in accordance with investors' and shareholders' needs.

During 2010, the Group gave 6 corporate presentations, held 2 General Shareholders' Meetings, attended 8 seminars and events in specialised forums



in Europe and the US and organised 167 meetings with institutional investors.

The measures aimed at promoting information transparency affect the Company's reputation and the dissemination of its corporate values, its technical capacities and its business success. These actions have been reflected during 2010 by numerous references to and acknowledgements of the ACS Group in various domestic and international media, of which several examples are included in this report.

Transparency in Institutional Relationships

The ACS Group is an organisation with a very significant impact in social, labour, economic and political fields in those countries in which it operates. This impact is managed directly by ACS's Chairman, Florentino Pérez, and his team. In this respect, it is important to highlight the influence that ACS has on the decision making or behaviour of those levels and clients with whom it habitually relates.

ACS incorporates responsibility into its whole organisation and its daily practices, sharing knowledge, information and experience. It also carries out projects in collaboration, promotes fair practices, builds alliances with organisations, associations and other sector members, working in a responsible manner and open to dialogue and attending to all calls from Government and from the industrial institutions representing its sector, as occurred throughout 2010.

In short, through its businesses, ACS intervenes in its environment with the intention of contributing voluntarily and actively to social improvement, compliance with the law and additionally developing

policies and initiatives which boost the excellence and quality of its activities. The ACS Group Chairman is the leading exponent of this policy.

The nature of ACS's political and institutional relationships is augmented by the presence of its Chairman in the most important political and business meetings, as well as in various public functions, always guided by the ethical principles of social responsibility and the intention to improve competitiveness and general and added value.

Stakeholders

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives. To generate trust with these groups, a priority is to keep channels open for honest, plural and transparent dialogue in the ACS Group's various companies, as well as in its fields of action and functional areas.

The ACS Group understands that management of the potential risks to reputation which affect its companies is the basis for building its stakeholder map.

Work is being carried out in the ACS Group corporation to create a framework for action which enables the company to be aware of the challenges set by its main stakeholders and, at the same time, to design a homogeneous response strategy for the Group as a whole. This strategy will be applied in the relevant settings with the priority aim of providing the company with a reference model for dialogue with the stakeholders.

Commitment to Technological Development



R+D+i in the ACS Group

2010 Milestones

Development, implementation and certification of an R+D+i Management System to UNE 166002 by various ACS Group companies.



International recognition for innovation with the awarding to the Barcelona Seawater Desalination Plant of the Best Desalination Plant world prize by Global Water Intelligence.



Designation of the Alzheimer Centre for the Reina Sofía Foundation, currently managed by Clece, for research into the use of robototherapy in this disease.



Principe Felipe Award for Business Excellence in Energy Efficiency and Renewable Energies.

Challenges for 2011



Double the number of patents for the 2011-2013 period.



Start proceedings to obtain patents relating to a new generation biological process for the elimination of nutrients in the field of urban waste water treatment.



Drive the collaboration with IT sector companies to develop management and control tools suited to the market and Group's specific needs.



Execution of a project for foundations for offshore wind turbines using caissons in a floating breakwater.



Strategic decisions for the development of R+D prospects look for the maximum positive impact in the technical advance of ACS

Strategic Priorities

The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and the demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development in a different but determined manner. Through this commitment to innovation, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

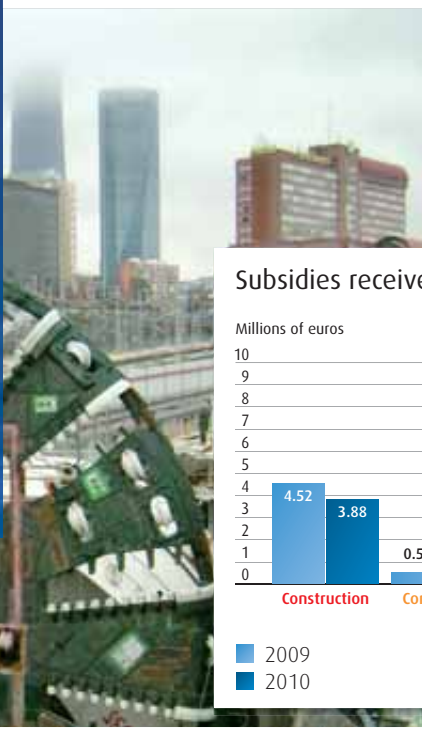
Its involvement in research, development and innovation are clear in its increased investment and the R+D+i efforts that the ACS Group makes year after year. This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems.

The ACS Group's largest companies have management of technology, which is usually the Technological Development Committee, which leads the development of research activities in each company.

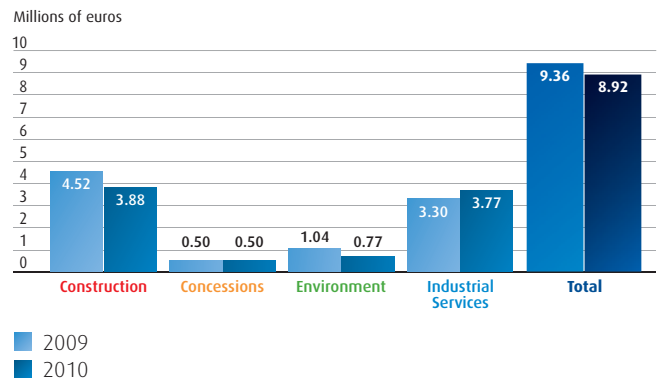
R&D management takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002: 2006 standard and is audited by independent specialists. This management system serves the general research strategy of each of the companies which, whatever their specific features, share the following lines of action:

1. Strategic research line.
2. Strategic collaboration with external organisations.
3. Growing and responsible investment in order to promote research and generate patents and operational techniques constantly and efficiently.

Commitment to Technological Development



Subsidies received for R+D+i



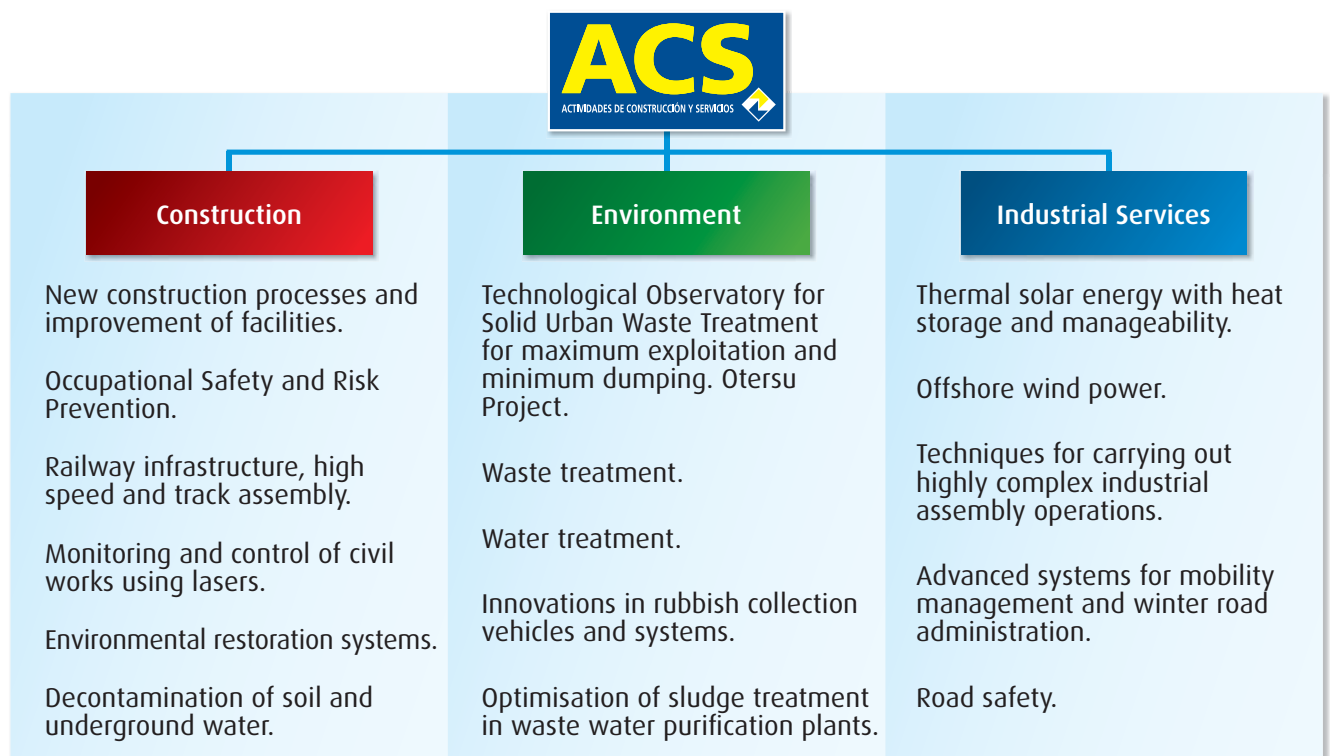
Each Group company's strategic decisions on the execution of R&D projects seek to maximise the positive impact of ACS's technical and technological progress. The companies have analysis and discrimination procedures to decide which projects to undertake. The ACS Group's activities as regards R+D+i also represent substantial support to the promotion of sustainability. The large number of projects which have the aim of increasing efficiency in the use of resources, minimising the impact of the services provided to clients and carrying out eco-design activities needs to be highlighted.

In 2010, the ACS Group collaborated in 172 projects with 59 research centres, 96 universities and 42 technological centres. These prestigious research institutions, both domestic and international, complement the ACS Group's own research capabilities.

The ACS Group invested a total of 46.77 million euros in research, development and innovation in 2010, which represents an increase of around 8% relative to 2009. Its efforts were aimed at various lines of research.

Likewise, collaboration with external organisations is crucial to the success of the projects undertaken.

The Group received nearly 9 million euros in subsidies for R+D+i in 2010.



Construction

The ACS Group's construction activity is managed under the UNE 166002:2006 standard. The great majority of the ACS Group's construction companies have this management system. SEIS, Dragados, FPS and GEOCISA have already obtained this certification from an independent body.

To meet the objectives set by the ACS Group and to carry out the 69 projects managed by the various R+D+i departments, the company invested 21.6 million euros in its construction business, nearly 5% more than that allocated in 2009.

In their R+D+i activities, the Group's construction companies collaborated with a total of 77 research institutions, including 18 research centres, 39 universities, 15 technological centres and 20 institutions promoting innovation or research of differing natures. Noteworthy among these are: CEDEX (the Spanish Centre for Public Works Studies and Experimentation), the Universidad Politécnica de Madrid and Loughborough University in the United Kingdom.

The strategic lines of the ACS Group's construction companies cover the following areas: maritime works, hydraulic works, building, materials and processes and the environment. Equally, the Group seeks to be a leader at the international level through the strengthening of the technological content of its projects and services, as well as greater cooperation between Group companies.

In particular, the Group is very active in research for environmental protection and energy efficiency. This is also the case for priorities such as restoration, energy saving and efficiency, clean energies, sustainable mobility and reduction of emissions.

Lastly, the development of social solutions should be highlighted. The PATRAC project merits a special mention in this section. This project was carried out in 2010 to promote accessible heritage (R+D+i for a no-barriers culture). This is an Exceptional and Strategic Project for the Spanish Ministry of Education and Science (MEC), which arose from the need to provide access, viewing and capture of contents for Spanish Cultural Heritage in a non-discriminatory form, compatible with the demands of the monument. As well as being research and technological development work, the social aspects were of primordial importance, as well as the dissemination and exploitation of the results.

In general, in the ACS Group Construction R+D+i area, the main projects by line of action worked on in 2010 were:

Transport Infrastructure

EXPLOTUN (CDTI): Geotechnical exploration and improvement of the terrain in front of the tunnel boring machine.
 CLEAM (Cenit): Sustainable infrastructures for transport.
 OASIS (Cenit): Optimisation of motorway use.
 Joint elimination (MF): Elimination of expansion joints in existing bridges (MF).
 REHABCAR (Innpacto): Restoration of roads and motorways (layout, road surfaces and bridges).
 Machine for positioning and squaring of railway sleepers.

Building

I3Con (EU): Industrialised, Integrated and Intelligent construction.
 Arfrisol (Exceptional & Strategic Project): Bioclimatic architecture.
 Inviso (Exceptional & Strategic Project): Industrialisation of sustainable buildings.
 CICLOPE (Exceptional & Strategic Project): Analysis of the environmental impact of buildings throughout their life cycle.
 FAMAX: New photocatalytic, self-cleaning materials for the construction of GRC façades with maximum environmental sustainability.
 RIMAC: Application of High Production Industrial Wastes for the development of new materials for civil works and building.

Marine Works

DYNAPORT (MF): Durability of concrete in maritime works.
 DILAPE (MF): Pendulum caisson for dissipation of energy and exploitation of wave power.
 CLIOMAR (CDTI): Influence of meteo-oceanographic climate on the life cycle of maritime works.

Hydraulic Works

ALIVESCA: Hydraulic design of stepped spillways without side walls in roll compacted concrete dams.

Materials and Processes

ALOE (Avanza): Monitoring with 3D laser: Building and civil works.
 SICURA: Augmented reality applied to building and the maintenance of tunnel boring machines.
 MAPLA (Avanza): Interactive platform for management of heavy machinery maintenance.
 HORMIFORMA (Innpacto): Optimisation of planning and construction of visible concrete structures with complex shapes.
 TAILORCRETE (EU): New industrial technologies for developing custom structures in cement and concrete.

Environment

UPSOL: Technologies for decontamination by chemical oxidation and reduction.
 PROMARES: Environmental protection of the coast and marine habitat.
 CLAY DIFFUSION: Diffusion of pollutants in urban waste dump barriers and their evolution with time.
 Establishment of selection criteria for plant species for stabilisation of slopes and the development of new nursery and planting techniques.

Other

PATRAC: Accessible heritage. A no-barriers culture.
 GIBICMED: Integral management of real property of cultural interest by means of digital structural monitoring.
 CIBIC: Conservation of infrastructures based on computational intelligence.

Construction system for modular façades for the I3CON and INVISO projects

Two R+D+i projects led by Dragados concluded in 2010 after several years of work: INVISO (Industrialisation of Sustainable Housing), a domestic Exceptional and Strategic Project co-financed by the Ministry of Science and Innovation and I3CON (Industrialised, Integrated and Intelligent Construction), integrated into the 6th Framework Programme, co-financed by the European Commission.

The main aim of I3CON was to develop industrial products, integrated processes and intelligent systems for building with prefabricated construction components and control systems using sensors, wireless connections and user-friendly interfaces. INVISO had a dual objective: to boost the

industrialisation of housing production and the design and development of new bioclimatic strategies to improve their energy efficiency.

One of the outstanding results from both projects was the development of a modular system for façade panels, permitting great versatility in external finishes and the inclusion of energy-generating elements and even elements pre-sown with plants. This type of façade panel, called GRC Sandwich-Framex, starts from a GRC sandwich panel to which metal profiles are integrated on the outside as a frame on which to anchor the various light façade solutions (wood, photovoltaic, plant, etc panels). This is currently in process of being patented.

Laser applications in Civil Works and Building: ALOE

Through the ALOE (from the Spanish for Laser Applications in Civil Works and Building) project, a mobile system has been developed for measurement and land surveying for roads and their surroundings. The mobile system is made up of a vehicle fitted with an infrared laser scanner, differential GPS, odometers, inertial and theodolite system, computer and communications systems. The system makes it possible to travel along the road at the speed of the existing traffic and obtain precise information on the position of millions of surface

points: cants, slopes, layouts, bank inclinations, ditch dimensions, etc.

In road restoration works, this system represents a great advance with respect to classical land surveying and enables considerable savings to be made over traditional methods. A static version of the system is used to make drawings of buildings being restored or exceptional elements, as well as to check the progress of the work or precise detection of collapses, flatness of façades, etc.



INNODRAVAL: Innovation in environmental restoration of coastal zones

The INNODRAVAL project proposes to develop a "Pilot System for Environmental Restoration of Polluted Coastal Zones" with the dual aim of reducing pollution and, at the same time, converting waste into a by-product for the market. The idea is to design, develop, apply, validate and optimise mechanical, technical and methodological processes for characterisation, dredging, treatment and reuse of marine muds and sediments in coastal zones and ports affected by polluting industrial activities.

INNODRAVAL is financed in the framework of the INNPACTO Programme (through the Spanish Ministry of Science and Innovation) and has five participating entities: two companies (GEOCISA and FPS); and three public bodies (Fundación Instituto de Hidráulica Ambiental de Cantabria, Centro Tecnológico del Mar - CETMAR and the Universidad de Vigo). The project runs from 2010 to 2013.

RIMAC Project: Application of Industrial Wastes in the Development of New Materials for Building and Linear Works

The RIMAC project, started in 2010, is intended to incorporate two types of industrial waste, with little opportunity for reuse or recycling, into new production processes for construction. The two types of waste used are:

- Polymeric foams, mainly from the automotive sector, which will be recycled to produce concretes and mortars and will partially replace the addition of natural aggregate.
- White slag from steelworks, reused currently only in the production of cement and which will be applied when converting marginal and inadequate soils into useful terraces for works zones.

Dragados carries out activities related to efficiency in the use of resources, minimisation of the impact of products and services and eco-design:

The company is an active member of European R&D organisations such as E2BA (Energy Efficient Buildings Association), the objective of which is to reduce the impact of the building sector in the consumption of energy and emission of GHGs. It also belongs to ENCORD (European Network of Construction Companies for Research and Development), where there is a specific work area on sustainability and CO₂.

As regards R&D projects, the objective of efficiency appears in almost all of them, whether for energy, emissions or the use of material or other resources. Worthy of special note is the CICLOPE Extraordinary and Strategic Project, which seeks to reduce the environmental impact as far as possible in the built setting, based on Product Environmental Declarations.

Commitment to Technological Development



Environment

In the ACS Group's Environmental activities, innovation constitutes a basic principle both in management and in processes for recovery, reuse and reclamation of wastes or in the provision of integral maintenance services.

Twenty-seven research and development projects were started in this area in 2010, in which 6.8 million euros was invested, 17% more than in 2009.

In the area of R+D+i, the Group's Environment companies collaborated with a total of 20 research institutions, including 5 research centres, 10 universities, 2 technological centres and 3 institutions promoting innovation or research of other types. Among these, the Universidad de Zaragoza, the INASMET technological centre and the company E-Intelligent are worthy of note.

Urbaser

Investment in R+D+i focused on making maximum use of the energy which can be extracted from wastes, minimising dumping and reducing atmospheric emissions and smells. All of Urbaser's R+D+i activities are declared in accordance with the IDI-0030/06 Management System, implemented since July 2006.

This management system is based on a strategic R+D+i plan which has improving the services offered to citizens as a priority and which is guided by the following lines of action:

- Design and start-up of a centre for innovation in waste treatment processes.
- Research into obtaining energy efficiently from waste from Urbaser's installations.
- Increasing the organisation's knowledge management by means of, among other tools, the technology watch system.
- Innovation for the implementation of less polluting machinery in urban services.
- The application of information and communications technologies to obtain updated information on the economic, social and environmental impacts produced in its activities.

Urbaser also researches the use of equipment which produces less noise and uses alternative fuels, as well as working in asset management projects in line with the Smart City concept. Additionally, the Ministry of Science and Innovation has approved two new Urbaser R+D+i lines: gasification and optimisation of biogas.

All these activities have been carried out thanks to the staunch support of the company's management, which has increased the human, material and economic resources for the R+D+i Department over recent years.

The main projects worked on by Urbaser in 2010 were:

- The OTERSU project, which has improved knowledge for Solid Urban Waste projects, minimising their impact and improving their exploitation.
- The microalgae project to optimise the biogas production process in Solid Urban Waste plants.
- The inclusion in its fleet of 50 electric vehicles in the waste collection and street cleaning contract for the city of Barcelona.
- The Technology Watch project.
- The implementation of the Energy Management System based on the UNE 16001: 2010 standard, which drives actions aimed at improving energy consumption and production.

Among all these projects, the following stand out due to their depth, level of investment or importance:



Integrated system for electrical urban mobility

Urbaser has included 50 electric vehicles in its fleet for the waste collection and street cleaning contract for the city of Barcelona. This integrated system of electrical mobility has demonstrated that the possibilities with these units are similar to those with vehicles which use fossil-based fuels.

The company, in a public-private partnership with other organisations, has started up an intelligent charging system which enables this operation to be controlled simply, obtaining quantitative data which

will be of use as an instrument for improvement and progress.

In addition to all these characteristics, which are necessary to ensure the service, the system which Urbaser has implemented in its three Barcelona work centres enables electricity demand from the line to be analysed without ever exceeding the required power and does not cause external interference thanks to the harmonic filters installed.

Technology Watch

Outstanding as a tool within R+D+i management is Technology Watch.

Understood as Technology Watch (TW) is the organised, selective and continuous process of capturing information from outside of and within the organisation itself on science and technology and selecting, analysing, disseminating and communicating it to convert it into knowledge which enables decision making with lower risk and also permits changes to be anticipated.

The objectives of the Technology Watch project are:

- To systematise the processes of recovery and storage of information.

- To facilitate the analysis process, which used to be carried out manually.
- To promote new correlations between data from companies, institutions, publications, researchers, etc.
- To store the information comprehensively in a great knowledge base.
- To carry out actions for the dissemination and exploitation of the information recovered.
- To use the information in the company's decision making.

Microalgae project

The project is intended to optimise the biogas production process in solid urban waste plants, improving the quality of the biogas obtained by means of modern technologies with microalgae. A microalgae bioreactor has been incorporated through which the biogas obtained from the anaerobic bioreactor is passed. This achieves the following:

- It fixes the carbon dioxide, converting into algal biomass which, subsequently, can be returned to the anaerobic bioreactor to produce biogas.
- It produces hydrogen in the process by means of the biophotolysis of water.
- It retains oxides of sulphur and nitrogen in the process.



Commitment to Technological Development



Clece

Clece's strategy in the field of R+D+i is subdivided into three large areas based on the company's production and management needs:

- To promote collaboration with the various tool and consumable supply companies to improve profitability, efficiency and possibilities for the use of its products in the current market. In line with this initiative, the aim is to promote the comparative study within production of the different existing technologies to determine their real validity in service.
- To adapt the control and management tools for the various services to the needs and particular features in reality of the wide range of services and situations the company faces. The objective is to obtain durable solutions which provide competitive advantages in the current market.
- To continue investing in the best use of the energy resources used in the organisation.

The main projects worked on by Clece in 2010 were:

- The development of the remote management system for trolleys at Madrid's Barajas Airport.
- Development of equipment management software for the open prison monitoring contract.
- Integrating online presence control technologies for home help services.
- Improving cleaning processes and techniques in hospitals.

Among these projects, the following stand out due to their depth, level of investment or importance:



Remote management system for trolleys at Madrid's Barajas Airport

Clece has patented the remote management system for trolleys at Madrid airport. The aim of this system is to guarantee the availability of trolleys, so reducing investment costs.

A traditional problem in airports with large areas and large numbers of travellers is to guarantee the availability of the necessary number of trolleys when the passengers arrive. To overcome this problem Clece, as a supplier of these logistics services, has developed a system in collaboration with various suppliers, which is based on RFID technology. This reports the number of trolleys available at each airport collection point. The system is completed by online management software, enabling alarms to be configured to generate two warnings: the first when a number of trolleys is reached which is considered to be a risk and the second when the level considered critical is passed.

Integration of online presence control technologies for home help services

Clece is integrating online presence control technologies into its home help services.

Although home help services are managed by a commercial tool, which handles users, incidents and visit planning, there is a problem in terms of guaranteeing that the worker really attended at users' homes at the planned time.

To solve this problem, the homes have been identified with a QR code (ISO/IEC 18004) which the worker approaches with their mobile phone. The phone's software interprets this code and sends a signal to the central server, where the traditional management tool is installed. Once the service is complete, the code is read again, ending the service.

The innovation consists of the integration of the technology into an application, with the remote reading of QR codes by mobile phone for registration in the system.



Commitment to Technological Development



Industrial Services

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

Total investment of 17.13 million euros was allocated to the execution of the more than 72 projects managed by the different departments, practically the same figure as in 2009.

The R+D+i areas in the various companies collaborated with a total of 100 research institutions, of which 33 were research centres, 40 universities, 21 technological centres and 8 of other types of institution promoting innovation and research. Noteworthy among these are: the Universidad de Valladolid, the Catalanian Institute for Energy Research and Tekniker, which specialises in mechatronics, manufacturing technologies and microtechnologies.

The R+D+i strategy of many of the companies in this area is based on an external focus, aimed at its stakeholders, and an internal focus, aimed at process modernisation and improvement.

The main projects worked on in 2010 were:

- Development of a new model for studying new configurations for thermal electric solar power plants. (Cobra)

- Development of a pilot loop with new heat transfer fluids for solar thermal applications. (Cobra)
- ECOVE – Development of a management system for recharging electric vehicles. (ETRA Group)
- Design and development of a new electrical power supply process for high technology aerospace installations. (Cobra)
- Viability study for the design, construction and installation of offshore wind farms. Phase II. (Dossa)
- Analysis and optimisation of the processes involved in the life cycle of projects, as well as their organisation and integration by implementing PLM (Product Lifecycle Management): Phase II. (Dossa)
- Signing of a collaboration agreement with the Castile-La Mancha Energy Agency for the study of a system for energy storage by means of concrete. (Eyra)
- Multi-year R&D project for the design and production of prefabricated housing as a solution in cases of emergency and for social housing. (Makiber)
- Research into and development of prediction algorithms for adaptive regulation of interurban lighting systems. (Sice)

Among these projects, the following stand out due to their depth, level of investment or importance:



CENIT VERDE project

The objective of this CENIT (Spanish abbreviation for Strategic National Consortia in Technical Research) project is the analysis and design of new electronic and drive architectures for PHEV (Plug-in Hybrid Electric Vehicle) and EV (Electric Vehicle) vehicles by means of simulation models, permitting research on power and energy balances and performance by different drive modes.



Design and development of a new electrical power supply process for high-technology aerospace installations

The main technological objective presented by this project is to raise the possibility of connecting electricity users to the grid which operate at frequencies different to this electricity network (50 Hz). Normally, for a user to be able to connect to electricity supply networks, an essential requirement is for the installation to work at the grid frequency (50 Hz). It has been confirmed by means of this project that, by means of the installation of electronic converters, it is possible to connect users and installations with any type of electrical characteristics (operating voltage and frequency) different to the conventional electrical installations.



ECOVE - Electric vehicle recharging management system

The management system for electric vehicle recharging is a platform which enables monitoring and management of recharging points located on public roads. The management system has been conceived not only for the management of a small group of charging stations, but to permit management of a large system, covering all the recharging points in a city.



Viability study for the design, construction and installation of offshore wind farms

The main objective of this project is to carry out a viability study to analyse the design, construction, transport, installation and start-up of an Offshore Wind Farm. With Dragados Offshore's recognised offshore experience, what is intended is to study the viability of this new business line, considering the Project for a Wind Farm in the sea in its entirety, i.e. from conception to start-up. The project started with a first phase in 2009, continuing with a second phase in 2010.



Analysis and optimisation of project life cycle processes

The main objective of the project is the analysis and optimisation of processes from the point of view of Project life cycle management. In this, it takes the existing Standard (ISO 15288) as a reference, establishing the definition of a process architecture which is intuitive and easily applied to Dragados Offshore's activity. Furthermore, this project seeks to implement an Integrated Technical Information System based on PLM (Product Lifecycle Management), which organises and integrates the different processes in its production process, from design to installation and start-up. This Project was carried out in two phases; a first phase to diagnose the current situation and define the model, which was carried out in 2009; and a second PLM implementation phase, executed throughout 2010.

The main objective of this project is the development of a system of adaptive regulation of public lighting by means of the use of LED light fittings, based on the regulation of lighting intensity taking the environmental conditions into account.

Commitment to the Natural Environment



The Protection of the Environment in the ACS Group

2010 Milestones

DRAGADOS

Improvement of sustainable management of wastes from construction and demolition, maintaining the increase in fractions of debris with its final destination as recovery, reuse or recycling. A total of 65.1% of the construction and demolition waste was recovered in 2010, meeting the target of 60% set for the year.



Optimisation of the process for energy recovery and reduction of wastes sent to dump by means of the recovery of the combustible fraction after sorting, for incineration of urban waste.



Implementation of the Environmental Emergency Plan for own personnel and subcontractors.

Challenges for 2011

DRAGADOS

Implementation in works of a Technical Instruction on Dumping, the objective of which is to establish a methodology for monitoring and control of waste water dumping.



Reduction of CO₂ emissions generated in urban services installations by means of the implementation of cogeneration systems and photovoltaic panels on roofs as well as by installing low consumption lamps.

Development of a project to reinforce the details and measurement of Urbaser's greenhouse gas emissions.



Implementing and certifying the Environmental Management System in 90% of Cobra Instalaciones y Servicios' activities.



Strategic Priorities

The ACS Group combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

- Commitment to complying with the legislation.
- Commitment to preventing pollution.
- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

To be able articulate and deploy a policy on these environmental commitments, the environmental priorities for each business are identified in accordance with each company's management system. For each of these ACS Group priorities, objectives are set and improvement programmes established.

The ACS Group's environmental policy, including its strategy to combat climate change, is based on a process which is under ongoing definition, that is a minimum commitment and will be developed as a whole in 2011.

Environmental priorities are identified in each company and according to them, environmental policies are established to make them happen

Information system aligned with strategic priorities

The ACS Group has developed tools to manage sustainability and its integration into businesses more simply. In particular, it has launched a new management system with the dual objective of collecting and consolidating quantitative and qualitative information on sustainability, as well as aligning the management of all companies to the ACS Group's strategic priorities.

The contents of this tool adapt to GRI requirements, to the information requested by the selective sustainability stock market indices and by institutional investors and ratings agencies which

consider matters related to sustainability. An ambitious process involving awareness raising, training and debate with all the heads of each of the areas in all the Group's companies has been started to improve and disseminate the tool, which is implemented in 100% of the ACS Group's companies. This initiative involved over 100 people in more than 10 working groups. This enabled the scope of the environmental information to be increased to exceed 90% of ACS Group.

Management Model

The ACS Group's environmental management model in each company takes the ISO 14001 standard as a reference. The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. They develop the policies and action plans according to the environmental priorities established. In general, all the ACS Group's companies share a series of characteristics in the management of environmental impacts.

- Of the ACS Group's turnover in 2010, 71.69% was certified under the ISO 14001 standard.
- A total of 798 environmental audits were carried out in 2010, 3.8% more than in 2009. A total of 1,219 environmental incidents occurred in 2010, which involved the origination of a total of 32 sanctioning administrative proceedings. These figures are appreciably lower than those for 2009.

- Environmental planning is carried out in the framework of each company's policy and environmental priorities. Plans and programmes taking in targets and goals are established annually, quantified by the ACS Group's units and companies.
- Environmental planning goes beyond the environmental legislation, in particular in those countries where the legislation is not very restrictive. These are generally developing countries, where internationally-recognised good practices are implemented proactively.

The main environmental measures revolve around four key areas, on which the ACS Group positions itself explicitly: **the fight against climate change, promotion of eco-efficiency, water saving and respect for biodiversity.**

Main Environmental Indicators	2009	2010
Water consumption (m ³)	6,504,133.14	6,772,369.99
Production certified under ISO 14001 (%)	69.86	71.69
Direct emissions (Scope 1) (tCO _{2eq})	1,958,109.13	1,998,929.38
Indirect emissions (Scope 2) (tCO _{2eq})	108,612.92	108,948.84
Indirect emissions due to employee travel (Scope 3) (tCO _{2eq})	4,570.39	5,063.25
Non-hazardous waste sent to management (t)	1,115,301	824,735
Hazardous waste sent to management (t)	174,241	200,949

Climate Change

The ACS Group shares with society the growing concern over climate change, hence it has an active policy for reducing its greenhouse gas emissions.

The main challenge is to understand and quantify all the ACS Group's emissions. Each company is responsible for maintaining an inventory of emissions, in which the main sources of these is identified. This permits custom action plans to be developed for each company.

To this effect, progress is being made in defining a methodology to calculate the carbon footprint for the company's activities. Emissions inventories will not be limited solely to the ACS Group's operational scope, but will also cover the activities associated with the life cycle of its services and products. The first pilot project started in 2010 in the company Urbaser. The aim is to expand these types of methodologies to other activities relevant for the Group.

The ACS Group's strategy in the fight against climate change is based on proper management of fossil fuels, on renewable energies, on energy efficiency and saving and on sustainable movement. The main lines of action for this commitment are as follows:

- Reduction of direct emissions with the implementation of new production processes.
- Reduction of indirect emissions by moderating fuel consumption and promoting energy efficiency.
- Implementation of an Energy Management System (and where appropriate in accordance with UNE-EN ISO 16001 certification).
- Training of employees, raising client awareness and monitoring of suppliers.



Commitment to the Natural Environment

Promotion of Less Polluting Energies and of Best Technologies

The use of renewable energy or sources less intensive in carbon, as well as the use of the best technologies in the combustion of fossil fuels are two fundamental aspects to reduce CO₂ emissions.

The ACS Group has extensive experience in the development of and participation in renewable energy projects. At the end of 2010, the ACS Group participated in the operation of wind farms with a total installed power of 1,183 MW and which produced 2,432 GWh of electricity during the year.

Likewise, the ACS Group is a pioneer in the development of solar thermal power plants, which use solar energy as their source for generating electricity. ACS currently has over 250 MW in operation, which generated 377 GWh in 2010.

Direct GHG emissions (tCO ₂ eq)	2009	2010
Construction	65,848.53	57,547.68
Industrial Services	80,439.34	125,577.98
Environment*	1,811,806.73	1,815,753.78
Concessions (Iridium)	14.53	49.94
Group Total	1,958,109.13	1,998,929.38

* For the preparation, Urbaser decided to adopt a different method for calculating emissions, which is more up-to-date and more widely recognised than that used to date.

The emission factors were obtained from calculations made by Urbaser's personnel based on pre-established mass balances and the emission factors and formulas which appear in the E-PRTR (European Pollutant Release and Transfer Register) methodology and in the 3rd Edition of Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks, edited by the US EPA.

For 2009, information was received for a total of 5,779,705 tonnes of solid urban waste which, multiplied by the aforementioned coefficients, gave total emissions of 8,002,123 t(CO₂).

The weight of solid urban waste considered in 2010, when making the calculation, was 5,796,422 tonnes. If, at this volume of waste, the new calculation method is applied, the result is a total of 1,700,145 t(CO₂) in 2010. In 2009, according to the new coefficients, it would be 1,695,242 t(CO₂).

If the old calculation method is applied for the same number of tonnes, a total of 7,771,392 t(CO₂) would be obtained, comparable to the emissions calculated in 2009.

The data on landfill dumping are referred to the CO₂ equivalent emissions that the waste deposited will generate in a period of 26 years

Indirect GHG emissions Group Total (tCO ₂ eq)	2009	2010
Emissions derived from electricity consumption (Scope 2)	108,612.92	108,948.84
Emissions derived from employees' travel (Scope 3)	4,570.39	5,063.25

Eco-Efficiency

The ACS Group accords efficiency in resource consumption top priority, as an effective strategy in this area implies benefits from two angles. On the one hand, it reduces the environmental impact on the setting and, on the other, it cuts the costs needed for their purchase.

To this effect, the ACS Group strategy is based on three fundamental aspects.

- Definition of priority areas for improvement.
- Research and application of the most novel technologies permitting the minimisation of resource consumption.
- Measurement of the environmental impact of the activities carried out by the Group.

According to this strategy, the ACS Group will have reliable and balanced information on which to make effective plans for reducing resource consumption.

Management and Reduction of Wastes

The ACS Group segregates, stores and appropriately manages its wastes. Its management is always aimed at minimising the wastes generated, both in terms of quantity and of their hazards, on giving priority to recycling and reuse above other management options and in energy recovery as the preferred choice as against dumping.

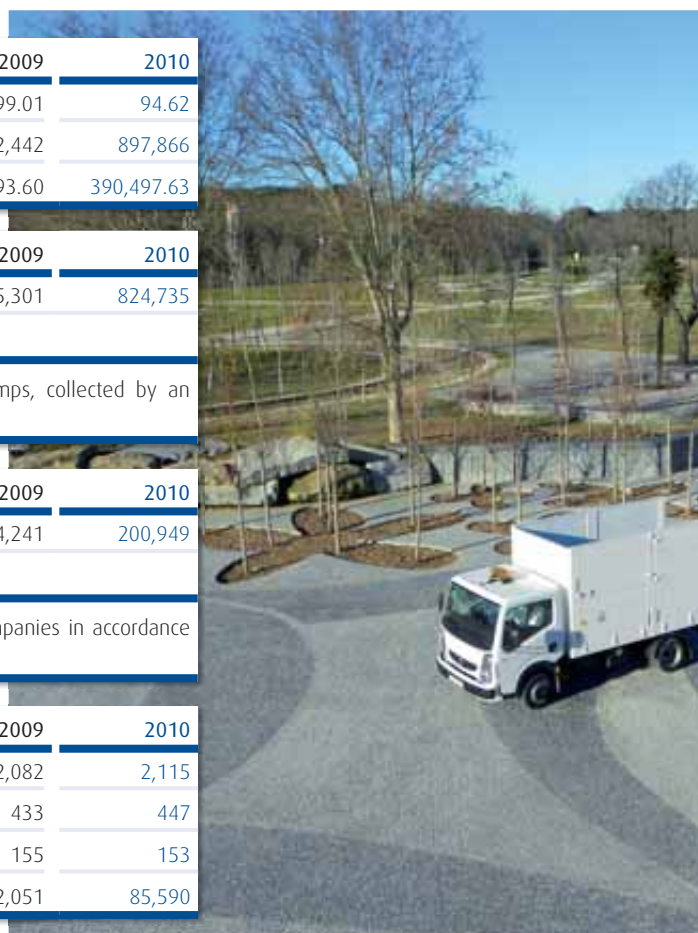
Waste is managed in accordance with the regulations in force in each country. All facilities have the corresponding authorisations for producers of hazardous waste, which allow for their recording, inventory taking, storage and management. The ACS Group also generates other hazardous wastes or wastes with specific regulation which need to be treated specifically by an authorised handling company or Integrated Waste Management System.

Rationalisation of Energy and Material Resource Consumption

All the natural resources consumed by the ACS Group are used efficiently. To achieve this, the best available technologies are used as regards efficiency and reduction of material and energy resource consumption.

Furthermore, the ACS Group has lines of research related to improving the rational use of materials and energy resources. It is worth highlighting that part of the wood purchased by the ACS Group is certified in accordance with standards for sustainable management of forest cover. Specifically, 39.69% of the 14,387 m³ of wood purchased in 2010 was certified.

Direct and indirect energy consumption, by source	2009	2010
Petrol + diesel consumed (million litres)	99.01	94.62
Natural gas consumption (m ³)	3,032,442	897,866
Electricity consumption (MWh)	389,293.60	390,497.63
Non-hazardous waste sent to management (tonnes)		
Total non-hazardous waste sent to management (t)	1,115,301	824,735
Treatment method		
The non-hazardous wastes generated or managed are sent to dumps, collected by an authorised handling company, reused, recycled or recovered.		
Hazardous waste sent to management (tonnes)		
Total non-hazardous waste sent to management (t)	174,241	200,949
Treatment method		
Hazardous waste is, in general, delivered to authorised handling companies in accordance with the legislation in force.		
SOx y NOx emissions Group Total (t)		
Emissions of oxides of nitrogen (NOx)	2,082	2,115
Emissions of dioxides of sulphur (SOx)	433	447
Emissions of solid particles	155	153
Other gases	82,051	85,590



Commitment to the Natural Environment

Water collection by source (m³)

Water consumption (m ³)	2009	2010
Obtained from the public mains	2,975,775.64	2,744,035.06
Obtained from other sources	3,528,357.50	4,028,325.93
Total	6,504,133.14	6,772,360.99

Total waste water dumped (m ³)	2009	2010
To the public network	1,490,209.48	1,498,100.80
Drainage to the sea or rivers/lakes	6,524,886.76	6,640,831.00
Total	8,015,096.24	8,138,931.80

Accidental spills	2009	2010
Total (m ³)	5,485	1,064.81
Total (no.)	4	5



Water

The activities carried out by the ACS Group involve considerable water consumption, especially in the construction field. As such, the company is very concerned with the need to reduce consumption of this natural resource, especially in zones where there is water stress. As far as possible, and whenever the projects' characteristics so permit, recycled water which is unfit for human use is employed.

The keys to the ACS Group's strategy for reduction of water consumption are summarised in three points:

- Implementing appropriate measurement systems (at project, company and corporate level), permitting detailed knowledge of the main sources for consumption.
- Carrying out actions which promote reduction of water consumption or which encourage the consumption of recycled water.
- Driving the development of operational policies for water management and desalination.

The ACS Group has numerous measures aimed at reducing water consumption, such as raising employee awareness, or others common to all the Group's businesses, such as the use of regenerated water for irrigation on garden maintenance contracts, installation of aerators in taps, etc.

In the framework of its new Environmental Policy, the ACS Group will set targets associated with improved water management, with particular attention to those works located in geographical zones with water stress. It should be said that some ACS Group companies already have specific targets for reducing water consumption. As such, ACS has been making efforts for many years in the south-east part of the Iberian Peninsula and on the Canary Islands, these being locations which have frequent water deficits. The Environmental Management System considers water stress as an additional variable in the evaluation criteria for the "water consumption" parameters, which leads to the initiation of preventive measures to optimise water consumption and the monitoring of the effectiveness of these measures.

Lastly, it is worth emphasising that the ACS Group carries out exhaustive monitoring of the quality of water drained to the natural environment. In this regard, all monitoring carried out meets legal demands, such that significant effects do not occur in the natural environment.

Within the Construction area, 122 environmental incidents related to spills to the soil occurred in Dragados, of which only two could be considered significant, given that they involve a repair cost of over 1,000 euros. In no case was it necessary to put the emergency plans into effect.

Biodiversity

The ACS Group's activities generate impacts on the natural environment where the works are executed. The implementation of measures to conserve the flora and fauna is one of the environmental principles applied in planning operations. These measures are based on physical protection, transplanting or transfer, as well as on respect for the life cycles of the plant and animal species affected.

The ACS Group tries to minimise the environmental effect of its activities, especially when these take place in areas of high ecological value. Projects are planned with the objective of minimising their environmental impact and, as far as possible, are carried out under the methodology which causes least damage in the setting. The ACS Group includes the commitment to conservation of biodiversity in its environmental management systems.

The objectives of the ACS Group's Environmental Management System are as follows:

- To assess the impacts of the activities on the environment.
- To research, develop and offer its clients innovations which improve environmental conditions.
- To raise awareness in its own personnel and those who work under the name of the ACS Group.
- To manage waste correctly and to foster its reuse and recycling.

Integration into the Environment and its Restoration. Environmental Impact Studies

The ACS Group prepares environmental impact studies, which attempt to minimise the possible adverse effects of the projects on the natural environment. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out. The company also has supervision plans which guarantee the fulfilment of the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.

Sanctions as a Consequence of Breach of Environmental Regulations

The ACS Group was sanctioned on 32 occasions in 2010 due to incidents related to breaches of environmental regulations.

Sanctions due to breaches of environmental regulations	2009	2010
Number of environmental incidents	1,408	1,219
Number of environmental incidents with sanctioning administrative proceedings	40	32
Cost of fines due to sanctioning administrative proceedings (euros)	114,232.02	196,469.67



Biodiversity: Study on the impact on bonelli's eagle (*Hieraaetus fasciatus*), dipper (*Cinclus cinclus*) and european otter (*Lutra lutra*) populations

The ACS Group has carried out projects in places of natural interest (Sites of Community Importance (SCI) and Areas Important for Birds (IBI) that required studies of the impact on local fauna which could be significantly affected by the execution of the activity.

These natural spaces are populated by threatened species such as Bonelli's Eagle (*Hieraaetus fasciatus*), the golden eagle (*Aquila chrysaetos*), the European otter (*Lutra lutra*), the short-toed snake eagle (*Circaetus gallicus*), the booted eagle (*Hieraaetus pennatus*) and the Eurasian eagle-owl (*Bubo bubo*).

In compliance with its legal obligations, ACS carried out the corresponding Environmental Impact Study (EIS), from which it subsequently prepared the Environmental Impact Declaration (EID) that conditions the execution of the project with a series of requirements. As such, the main objectives of the EIS were, on the one hand, to propose preventive and corrective measures and, on the other, to prepare a supervision plan for the species subject

to study, which would permit the works to be executed outside the time limitations opposed by the EID.

The EID stated that the works needed to be executed outside the nesting and rearing period, i.e. between the months of January and June, both inclusive.

To understand the real impact of executing the works, a field study was carried out throughout all the years when the works took place, locating active zones of presence and nesting for the threatened species. Once these had been identified and confirmed, the corresponding preventive and corrective measures were applied to guarantee that the threatened species were not affected.

The effectiveness of these proposed measures, both preventive and corrective, was overseen by an exclusive supervision plan for each of the species potentially affected.



Construction

The construction activity carried out by the ACS Group can, on occasions, have a significant impact on the environment. Although this effect is usually temporary, the ACS Group's construction companies attempt to identify this in the initial project phase in order to minimise or completely avoid their impact on the environment.

The main environmental impacts of construction projects are related to water consumption, waste generation, movement of surplus soils from excavation and the visual effect. The ACS Group has active management systems to reduce these impacts during execution of the works.

In order to save water, all employees of Dragados, the reference company in the ACS Group's construction division, have access to good environmental practices documents for production processes and for services activities, among which are those related to efficient use of water. In addition, in order to involve collaborating companies, Dragados instructs its operators with delivery of a manual of good environmental practices to be implemented in the work, which also includes recommendations for rational water use.

Furthermore, there are other companies in ACS's construction area with their own plans for the minimisation of environmental impact or efficient use of resources. GEOCISA has a system for reusing water from soil cleaning and VIAS has developed an automatic irrigation system by means of which large quantities of water can be saved.



Water collection by source (m³)	2009	2010
Obtained from the public mains	1,342,148.80	1,088,140.29
Obtained from other sources	675,179.71	1,461,022.96
Total	2,017,328.51	2,549,163.25

Surplus soil from excavation (t)	2009	2010
Surplus soil from excavation	39,708,190.41	35,383,578.81

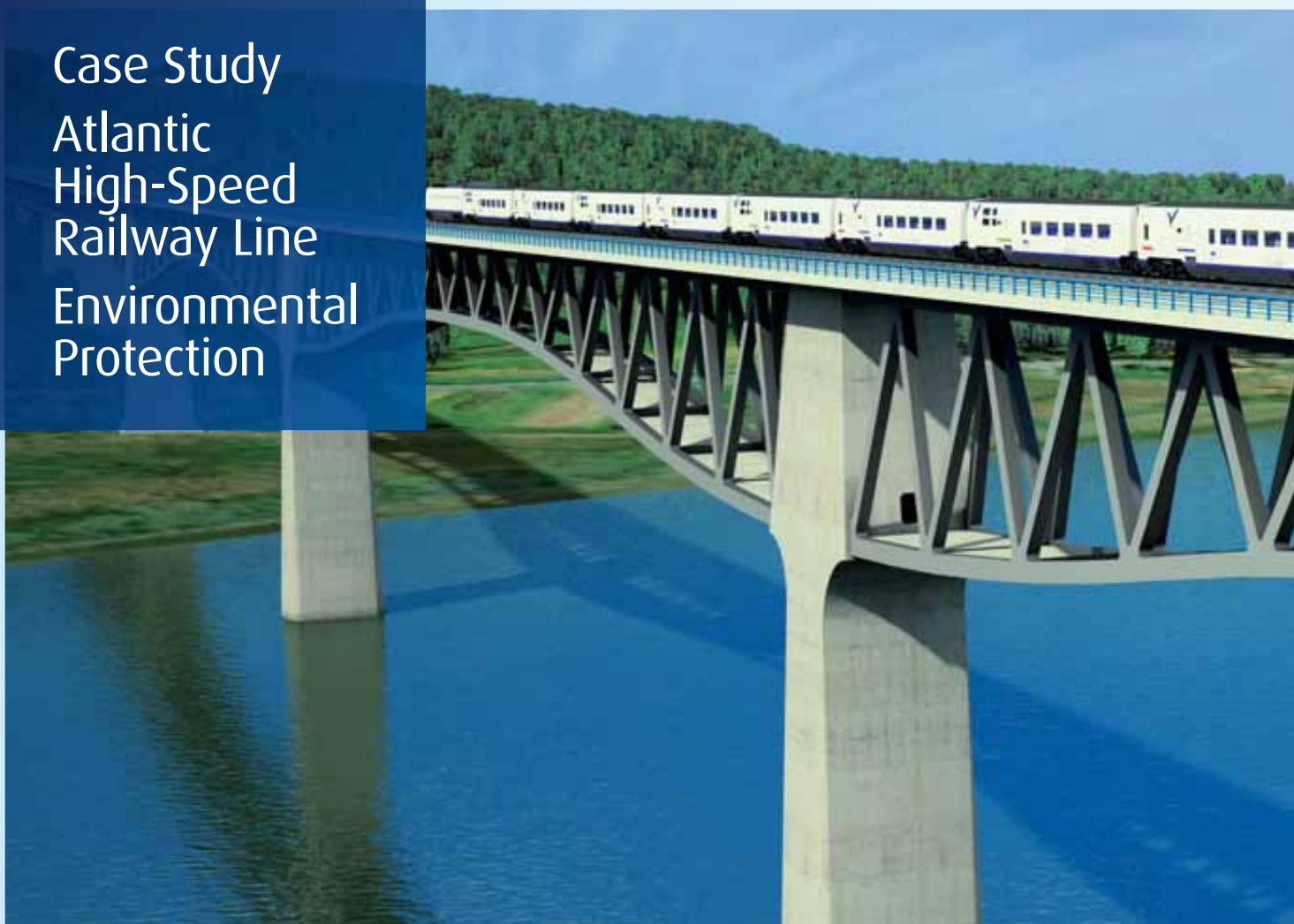
Rate of construction and demolition waste recovery (%)	2009	2010
Recovery (reuse + recycling)	58.5	65.1
Reuse relative to total produced	20.2	6.0
Recycling relative to total produced	38.3	59.1
Deposited at dump site	41.5	34.9

NOTE: Data with reference to Dragados' construction and demolition waste. Surplus soil from excavation is usually reused, reaching values of 73% for recovery and 17% for elimination.

Case Study

Atlantic High-Speed Railway Line

Environmental Protection



Project characteristics

The route crosses the Catoira (Pontevedra) and Rianxo (La Coruña) municipal areas and runs practically in its entirety on the Ulla Viaduct, as of its 1,690 m in length, 1,620 m are on the viaduct over the river Ulla which, downstream, harbours one of the most productive shellfishing zones in the Arousa estuary.

This is a viaduct of a metal truss structural type with double composite action, with a spandrel design on two central concrete piers for the main central span.

It has a total of twelve spans, the distribution of which is: 50 - 80 - 3 x 120 - 225 - 240 - 225 - 3 x 120 - 80 m; amply spanning the channel of the river Ulla and avoiding the need for support on the small island of Tellería and the zone of mud flats.

In addition, the considerable spans adopted enable the number of piers to be reduced, so reducing the impact on the landscape of the whole structure, as well as the need to carry out works in the riverbed,

with the consequent minimising effect on the impact of the works on the ecosystems and resources linked to the Ulla estuary.

Most relevant Project Environmental Aspects

These refer, basically to the protected natural space integrated into the Galician Protected Natural Spaces Network and the Natura 2000 European Network as the "Ulla - Deza River System" SCI.

This space has an area of 1,633 hectares, covering the combined Ulla and Deza river systems as they pass through the Catoira, A Estrada, Pontecesures, Silleda, Valga, Vila de Cruces, Boqueixón, Dodro, Padrón, Rianxo, Touro, Teo, Vedra, Brión, Rois and Ames municipal areas and corresponds to a scope focused on the aforementioned river system and **shelters significant fish populations, outstanding among which are the Atlantic salmon and the lamprey.**



The space shelters the following habitats:

- Estuaries.
- Spartin swards (*Spartinion maritimae*).
- European dry heaths.
- Endemic ortho-Mediterranean heaths with gorse.
- Siliceous crags with pioneer vegetation in the form of sedo *Scleranthion* or *Sedo albi-Veronicion dillenii*.
- Alluvial woods of *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*).
- Galician/Portuguese oak woods with *Quercus robur* and *Quercus pyrenaica*.

The Atlantic High-Speed Line will be the railway corridor to run parallel to Spain's Atlantic coast, from Ferrol to the Portuguese border near Tui. Outstanding on the route, as an exceptional and large work, is the Ulla Viaduct, over the Arousa estuary. Leading the project is the RÍO ULLA Joint Venture, made up of the ACS Group companies, Dragados and TECSA

Case Study

Atlantic High-Speed Railway Line Environmental Protection

The most noteworthy species of flora is the *Narcissus cyclamineus*;

Meanwhile the **species of fauna worthy of note** are: *Galemys pyrenaicus*, *Lutra lutra*, *Alcedo atthis*, *Cinclus cinclus*, *Alosa alosa*, *Alosa fallax*, *Petromyzon marinus*, *Salmo salar*, *Chioglossa lusitanica* and *Margaritifera margaritifera*.

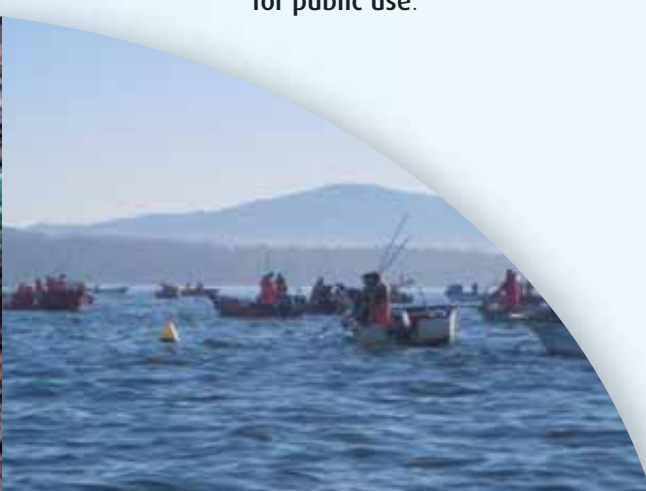
On the other hand and also linked to the scope of the Ulla estuary, there is also the need to consider within this framework the cases referring to exploitation of **fishing and shellfishing** resources carried out in the area, highlighting, first of all, the

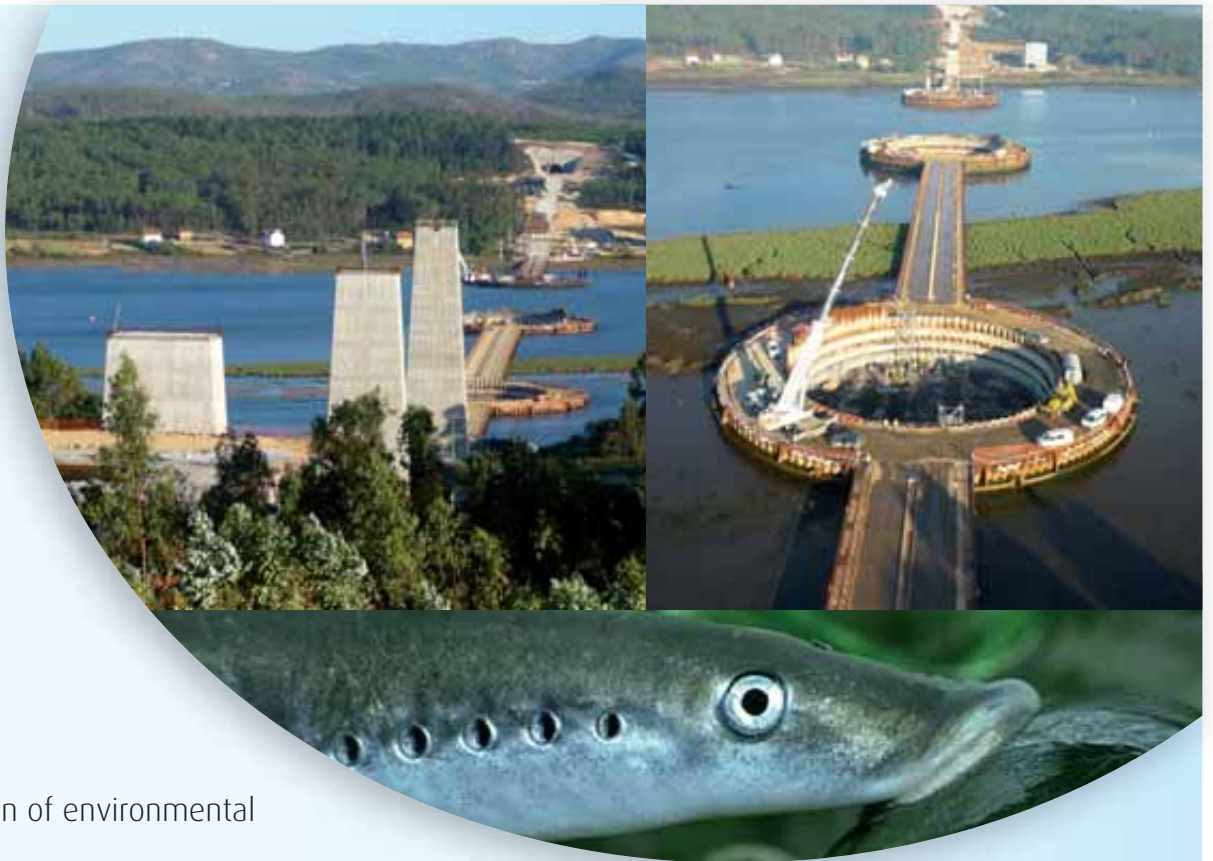
“Os Lombos do Ulla” shellfish bed, which is rich in bivalves such as clams and cockles and over which the eleven (11) Arousa estuary associations (O Grove, A Illa de Arousa, Cambados, Vilanova de Arousa, Vilaxóan, Carril, Rianxo, Cabo de Cruz, A Pobra, Palmeira, Riveira and Carreira - Aguiño) have exploitation rights.

The period of exploitation of “Os Lombos do Ulla” runs from October to March, while the period for reproduction and larval settlement covers the rest of the year.

Secondly, and although of lesser socioeconomic importance, the group known as the **“valeiros”** needs to be considered. These are eel and lamprey fishermen in the area where the work is carried out and, in this case, they have an exploitation period of March to December.

Lastly, although it is a secondary aspect with respect to those above, it is worth mentioning the neighbouring presence, although unaffected by the route, of the **Pedras Miudas Lake**. This results from old mine workings and the application of landscaping measures to its surroundings is being considered as a project with the idea of **exploiting it as a recreational space and for public use**.





Description of environmental actions

Great efforts are being made related to environmental actions in the execution of the Viaduct over the Ulla estuary. These are focused on two different aspects:

Firstly and in accordance with the environmental provisions attached to the project (Environmental Impact Declaration, Resolution of 29/08/2007), a **construction process** has been adopted which was conceived to minimise, as far as possible, the impacts on the aforementioned protected natural space ("Ulla - Deza River System" SCI) and, therefore, on the exploitation of the shellfishing and fishing resources associated with the Ulla estuary.

As such, the following actions have been carried out:

- **A construction process for the central piers** based on the creation of artificial islands (sealed enclosures in sheet piling) which are accessed **by means of wharfs permeable to the current**, given their arrangement on piles.

This is a construction procedure which reduces needs for occupation of the riverbed and the risk of dissolution, transport and deposit of soil on the Ulla riverbed around the works, implying a substantial reduction in the risk of impacts on the water and the bed of the river Ulla, in support of the key environmental aspects mentioned before.

Arrangement of a wharf at each bank, so as to leave the central channel of the Ulla free, minimising the impact on currents and the natural regime of flows and tides.

- Fitting **light-permeable** Tramex sections to the access wharfs for the central piers, so as not to interfere with the riverbed flora.
- Fitting both wharfs with sides and edges to collect soil, dust and polluted water, which are transferred for treatment to effluent treatment systems located on each bank.
- Installation of **effluent treatment systems** (one on each bank) permitting treatment in devices fitted with automatic control for the main physical/chemical parameters (pH, solids in suspension, oils and hydrocarbons).
- Effluent management in accordance with the authorisations and conditions stated by the competent authorities.
- Additionally, the whole surface of the works on the ground is surrounded by a system of perimeter ditches to collect runoff water and transfer it to the effluent management system.
- Subjecting of both effluent treatment systems to weekly controls with respect to their operation and effectiveness by means of automatic multi-parameter systems for real time data collection.

Case Study

Atlantic High-Speed Railway Line Environmental Protection

Implementation of **two monitoring systems** for the impact of water quality, each based on **multi-parameter devices**, with real time value determination, continuous operation and covering **near and medium distance** locations with respect to the works.

The near location is monitored by means of portable devices which are arranged in the most sensitive zone at each time. Meanwhile, the medium and distant locations are monitored by means of three,

continuously operating buoys, arranged around the works, two at a medium distance upstream and downstream respectively and a third located at a greater distance downstream and just above the upper edge of the shellfish beds associated with the Ulla estuary.

Continuous and daily monitoring of the impact on the river medium and the shellfish beds by means of the system of buoys, enabling early detection of possible incidents and the implementation of appropriate corrective actions.

Preventive and corrective measures

Secondly, a broad range of **preventive and corrective measures** have been carried out, in accordance with the conclusions of the project's Environmental Impact Study and the requirements of the Environmental Supervision Plan and in the Environmental Impact Declaration.





As such, aspects related to the following have been tackled:

Protection of physical variables

- Edaphic. Alteration of the natural structure of the soil. Conservation and recovery of land by means of the following measures:
 - Delimitation of the work site area.
 - Creation of slopes to assure stability and balance under any weather conditions.
 - Removal and piling under optimal conditions to prevent the compacting of vegetal soil, including its sowing and fertilisation.
- Atmospheric. Risk of the emission of dust into the atmosphere. Reduction of dust emission into the atmosphere to maintain adequate air quality by carrying out the following activities:
 - Determination of roads and areas where dust may be emitted.
 - Maintenance of internal roads in optimal conditions.
 - Limit on the speed of the vehicles on the work site.
 - Permanent provision on site of a watering system to reduce the emission of dust into the atmosphere.
 - Provision of an area for the washing of wheels at the work site exit.

- Hydrology. Risk of impairing the quality and circulation of the waters of the river Ulla. Minimisation of the impact on the river water by applying the aforementioned actions for the case of the construction procedure.

Protection of biological variables

- Flora and community interest habitats. Impacts associated with occupation. Minimisation of impacts by means of the following actions:
 - Carrying out detailed underwater surveys to determine the locations of the communities of interest in the scope of the works.
 - Replanting of surfaces altered by the works, paying special attention to appropriate species selection according to the climatic and edaphic conditions and the surface to be treated and their integration into the landscape of the works.
 - Minimisation of the impact on the river water and riverbed of the Ulla estuary by applying the aforementioned actions for the case of the construction procedure.

Case Study

Atlantic High-Speed Railway Line

Environmental Protection

- Fauna and biocoenose. Impact associated with occupation and alterations to the river medium. Minimisation of impacts by means of the following actions:
 - Carrying out of biocoenotic surveying campaigns with respect to the communities associated with the bed of the river Ulla, both at the level of the works zone and its neighbouring area.
 - Provision of the ground recovered from the sea (around pier 4) with systems for managing swept material and runoff based on the use of geotextiles surrounding a core, accompanied by the provision of straw bales, with both elements being subject to continual maintenance and renovation.

- Minimisation of the impact on the river water and riverbed of the Ulla estuary by applying the aforementioned actions for the case of the construction procedure.
- Integration into the landscape. Impact of the work on the surrounding landscape. Minimisation of impacts by means of the following actions:
 - Maintenance and cleaning of office areas, work cabins, machinery depots, roads, shoulders, ditches and wharfs.
 - Appropriate location of storage areas for materials and the waste generated.
 - Dismantling of elements auxiliary to the works at the completion of the latter and integration of the spaces occupied by these elements.
 - Treatment by means of seeding, hydroseeding and planting of land areas affected by the works.
- Protected natural spaces. Impact on the "Ulla - Deza River System". Minimisation of impacts by means of the following actions:
 - Application of specific measures described for the cases of "Hydrology", "Flora and habitats", "Fauna and biocoenosis" and "Shellfish resources (economic activities)".





Protection of socioeconomic human variables

- Cultural heritage. Impact on environmental assets. Minimisation of impacts by means of the following actions:
 - Carrying out of underwater archaeological surveys to seek possible evidence for heritage assets present in the viaduct's area of occupation.
 - Carrying out of land archaeological surveys to seek possible evidence for heritage assets present in the area occupied by the works on land. Preparation of the Archaeological Control and Monitoring Project, authorised by the Directorate General for Heritage, which considers rescue actions managed by archaeological specialists to conserve remains which may be found during the course of the works. Regular presence of an archaeological specialist on site and study for the recovery of items which may be damaged by the works.
- Impact on towns and economic activities. Minimisation of impacts by means of the following actions:
 - Continuous monitoring of the impact of the works on the Ulla estuary's shellfish beds by means of the aforementioned system of buoys, which places two buoys between the works and the upstream edge of the beds, enabling possible incidents to be detected early and appropriate corrective measures to be implemented.
 - Appropriate placement of vehicles and machinery to interfere minimally with local traffic. Appropriate signing on the road network from which access is gained, complemented by full-time allocation of specific personnel. Adaptation of the construction process by means of the launching of the span to prevent interference with road and railway traffic.
- Noise levels. Impact on surrounding populations. Minimisation of impacts by means of the following actions:
 - Carrying out of the works during the day.
- Public use spaces. Minimisation of impacts by means of the following actions:
 - Application of measures for landscaping, with a view to exploitation as a recreational and public use space, of the surroundings and the "Pedras Miuda" lake.

Commitment to the Natural Environment



Environment

The main impacts on the environment, generated by the companies in the ACS Group's Environmental Services area, are related to emissions of greenhouse gases produced by waste transport vehicles and the gases generated in the company's dumps and treatment plants themselves.

Other significant impacts on the environment result from the lixiviates produced in the dumps and from the management of the wastes generated.

Urbaser, the lead company in the ACS Group's Environmental Services area, applies strict environmental criteria and sets both corporate objectives and objectives by contract or project. Included among these objectives are:

- Optimisation of corrective measures for smells in urban waste treatment plants.
- Improvement of the process for energy recovery and reduction of wastes sent to dump by means of the recovery of the combustible fraction after sorting in urban waste incinerators.
- Reduction of natural gas consumption.
- Reduction of CO₂ emissions.
- Rationalisation of electricity and water consumption.

Total waste water dumped (m ³)	2009	2010
To the public network	1,186,005	1,063,835
Drainage to the sea or rivers/lakes	6,453,624	6,605,013
Total	7,639,629	7,668,848

NOTE: In 2009 Urbaser has included on its accounting the volume of water discharged by its water treatment plants. This explains the differences versus the figures reports in 2009.

Industrial Services

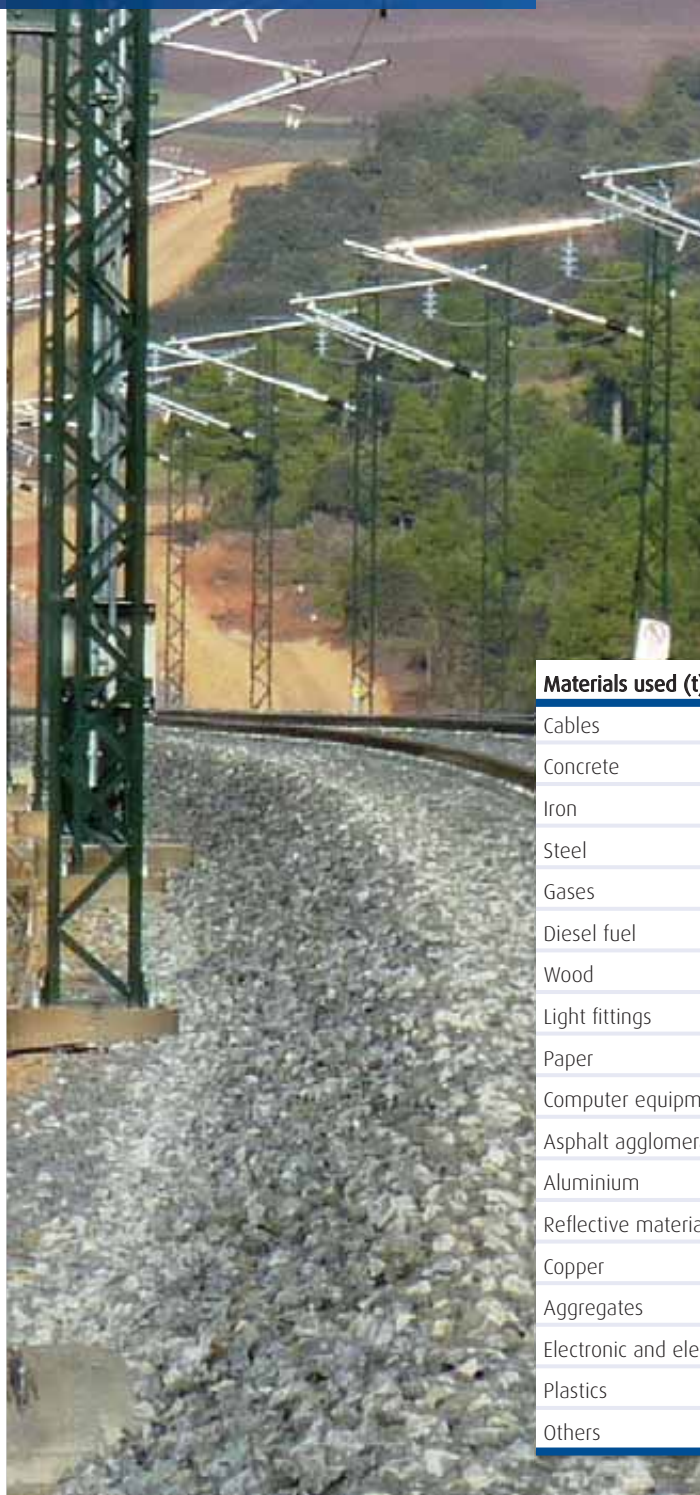
The Industrial Services activity mainly affects the environment through CO₂ emissions and the generation of wastes. In this respect, the concern of managers in the environmental management departments of each of the ACS Group companies is not only focused on reducing waste, but also the appropriate treatment and recycling of that inevitably produced.

Each company in the Industrial Services area develops its own plans to improve its energy efficiency and minimise its consumption of materials. In the case of INITEC Energía, the corresponding Environmental Management Plan is defined in accordance with the applicable regulations, fulfilling the requirements in the

Project Environmental Impact Declaration and developing the Environmental Supervision Programme. INITEC Energía's environmental commitment is embodied in its Integrated Quality, Environmental and Health and Safety Policy, applicable to all the company's activities, independently of their geographical scope. The same environmental principles apply in projects carried out in developing countries as in domestic projects.



Commitment to the Natural Environment



For its part, INTECSA sets environmental targets for 100% of the projects it carries out, as part of their environmental management plans. At the start of each year, the company's Quality and Internal Developments Committee, chaired by the Chief Executive Officer, analyses the environmental performance indicators for the previous financial year and sets and plans areas for improvement and objectives for those processes which so require. The Committee meets quarterly to examine, among other things, the monitoring and measurement of the fulfilment of the objectives and their effectiveness.

Another noteworthy initiative is the addition in IMESAPI in 2010 of 14 natural gas vehicles, which are further to the electric and natural gas vehicles acquired in previous years. The company expects to continue adding vehicles of this type in the coming years.

Materials used (t)	2009	2010
Cables	36,379	9,075
Concrete	120,831	143,109
Iron	3,205	2,614
Steel	36,883	34,713
Gases	319	279
Diesel fuel	10,102	10,601
Wood	349	601
Light fittings	714	601
Paper	206	182
Computer equipment	4	5
Asphalt agglomerate	4,445	3,984
Aluminium	664	1,115
Reflective materials	740	2,970
Copper	394	597
Aggregates	26,913	22,603
Electronic and electrical items	1,179	2,101
Plastics	63	121
Others	1,276	2,274

ROMULO Project. Electrical interconnection between the Iberian Peninsula and the Balearic Islands

Durante 2010, COBRA Instalaciones y Servicios inició During 2010, COBRA Instalaciones y Servicios started the Rómulo Project for electrical interconnection between the Iberian Peninsula and the Balearic Islands.

The Islands' electrical system is currently made up of two independent subsystems: Mallorca-Menorca and Ibiza-Formentera, which are not connected to the Spanish mainland system. With the objective of covering the increased demand on the islands and improving supply quality and reliability, the Spanish grid operator, Red Eléctrica, started the analysis and definition of the electrical interconnection in 2004, by means of detailed technological, electrical, environmental and economic studies. The technical solution selected in the end consists of joining the Balearic Islands' electrical system by making an electrical interconnection between the two current systems and the interconnection of this system to that on the Peninsula.

The electrical interconnection between the Iberian Peninsula and the Balearic Islands is fundamental to ensuring flexibility of electricity supply and promoting competition in electricity generation. Noteworthy among the advantages of the electrical link to the mainland are the increase in quality and the guarantee of electricity supply in the Balearic system, in the face of increased demand on the islands. In addition, the integration into the peninsular system permits connection to the "Iberian Electricity Market". This is currently impossible, given the singular nature of the Balearic Islands systems, which do not allow a competitive market for generation to be set up on the islands.

The proposed route of the undersea cables was planned based on a detailed study of the sea bed, determining the bathymetry and the physical characteristics of the subsoil in a 2-km-wide corridor along the analysed route. In the underground and coastal stretches, the selected route avoids the archaeological sites, fish farms and seagrass meadows in the Sagunto area. The environmental prevention measures adopted minimise impacts on the tourism and fishing

(A summary is included in this report of this practical case, which can be read in full on the ACS Group's website).

sectors, as well as on cetaceans and fan mussels (a type of mussel which inhabits Posidonia meadows, a type of seaweed) in the marine stretch, and spur-thighed tortoises in the Santa Ponsa land section.

The wastes generated at the site of the work are sorted depending on their nature, with the aim of reusing or recycling them externally, and are separated into the following types: urban, inert, rubble and hazardous waste.



Commitment to the Social Setting



The ACS Group's People

2010 Milestones



Implementation of a training plan for Occupational Risk Prevention specialists.



Setting up of a special employment centre with a total of 108 workers, of whom 76 have some level of disability.

DRAGADOS

Approval, signing and implementation of the Equality Plan for the company and the protocol for workplace harassment and code of action.



Implementation of an assessment system permitting objectivity in variable remuneration.

Challenges for 2011



Creation of a Professional Development Plan for key high-potential groups.



Implementation of a management tool for employees to permit performance assessment of unskilled personnel.

DRAGADOS

Implementation of a management, culture, training and development programme professionals with high potential.



Implementation of a competence map, plan for equality of opportunities and management of diversity and inclusion of disabled people. New model for attracting, selecting and retaining talent.



Talent retention and professional development is a strategic priority for ACS Group

Strategic Priorities

The ACS Group's business success comes from its team. Hence the company maintains its commitment to continuously improve their skills, capabilities and level of responsibility and motivation, at the same time as it attends to working and safety conditions with the greatest dedication.

The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals.

The fundamental principles governing the company's corporate human resource policies are based on the following actions:

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

The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects the forming of labour unions and employees' rights to freedom of association and guarantees equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion or any other social or individual circumstance or condition.

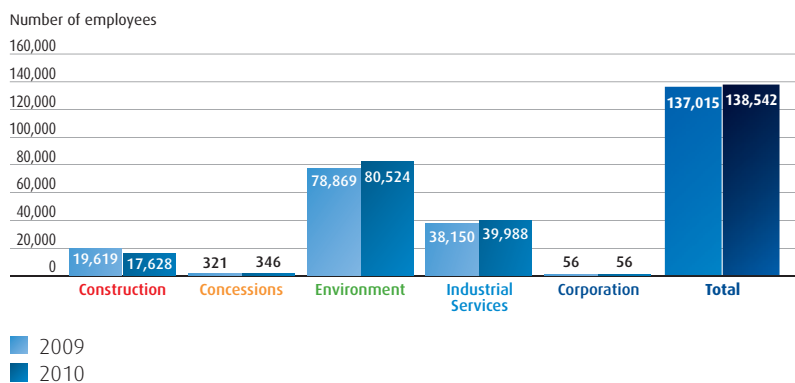
Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work.

The ACS Group employs 32,414 people of non Spanish nationality and carries out its activities in over 40 countries, in which it promotes the economic and social development of its workers.

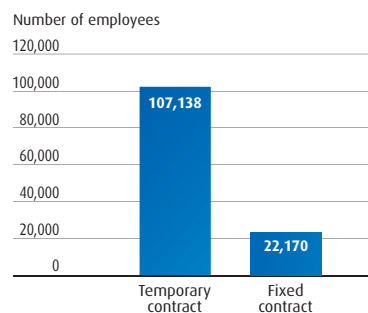
Also worthy of note is the social work carried out by the ACS Foundation, which every year presents initiatives, courses and activities to promote accessibility and facilitate the inclusion of people with disabilities.

Commitment to the Social Setting

Workforce by line of business

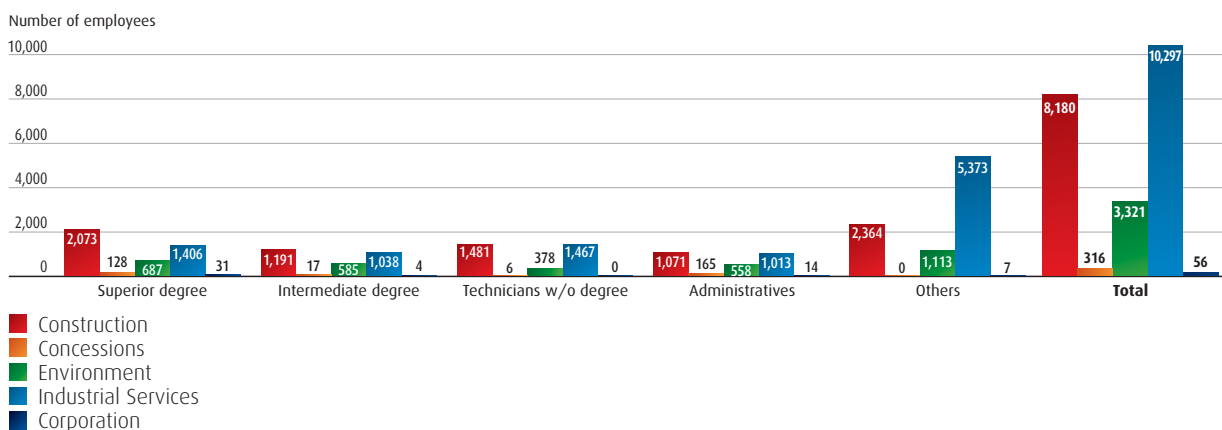


Types of contract



NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Permanent employees by professional category



Equality, Diversity and Integration

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

The ACS Group rejects any type of discrimination and, in particular, that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, various ACS Group companies have and Equality Plan and many others are in the

implementation phase. Those Equality Plans which have been put into effect have set ensuring the principle of equality of treatment and opportunity between women and men as a priority, to ensure the same opportunities for hiring and professional development at all levels. As such, specific actions have been adopted as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence.

ACS's commitment to the inclusion of women in the labour market is embodied in the strong feminine presence in its workforce. The total number of women employees in the ACS Group in 2010 was 53,521 professionals, 38.6% of the total workforce.

Within the Group, women in the ACS Group make up an ever greater weight, both in terms of numbers and the posts they occupy. Likewise, they are increasingly

represented on the boards of directors of its main divisions, on the boards of directors of the companies in which ACS has a holding, in the Group's senior management and in innumerable technical, financial, human resources and legal advice offices, among others.

In turn, ACS Group staff turnover was 11.47% in 2010, with male turnover higher than female, at 13.98% and 7.55% respectively².

The ACS Group also promotes the hiring of people with disabilities and offers them a working environment which enables them to develop under conditions of equality. To this effect, the number of people with disabilities in the Group went from 2,367 in 2009³ to 2,438 in 2010, reaching 1.86% of the total workforce. In addition, the company collaborates with Special Employment Centres for the inclusion of people with disabilities in its workforce.

Several of the ACS Group's companies also have programmes for collaboration with certain foundations to provide opportunities for entry to the labour market to socially excluded groups, such as ex-convicts, people dependent on drugs and young people with serious social problems. This is the case of companies such as Dragados, Urbaser and Clece, which work with the Integra Foundation and the Exit Foundation.

The ACS Group also understands the relevance having local roots and being sensitive to the particular nature of each place plays in the company's success. For that reason, it promotes direct hiring of local employees and managers⁴. The number of executives from the local community rose from 546 in 2009 to 566 in 2010.

No incidents related to discrimination were reported in 2010.

Services for Employees

The ACS Group's companies offer their employees various types of social benefits. Worthy of note within these services, going under various names, with differing content and scope of application, are the following:

- Life and accident insurance.
- Annual medical checkups.
- Assistance for those with children with disabilities.
- Help with schooling for children and workers taking courses in official centres.
- Economic assistance for food.
- Company bus service.

With regards to retirement plans, all the ACS Group's companies rely on public pension systems and, in addition, many of them promote partial retirement. For example, the ETRA Group provides its employees with the necessary legal advice to assist them in the retirement handling process.

Flexibility and Reconciliation

ACS hires employees located throughout Spain and also abroad. For this reason, the Group is aware of the need for a travel and transfer policy. To this effect and with the objective of promoting balance between family and work, ACS forms its work teams for projects, among other criteria, based on the employees who live closest to the work centres.

The following are noteworthy among the different initiatives applied by ACS Group companies to promote balance between family life and work:

- Flexible hours. The workforce can take up the offer of flexible working time schemes, with a margin of one hour, to accommodate their periods for entering or leaving work to their personal needs.
- Reduction of the working day. There are people in ACS who have a working day without a break or a reduced day.
- Accumulation of breast-feeding periods.
- Time off or part-time working for fathers and mothers after childbirth.
- Change of work centre due to change of residence.
- Management of shift changes between workers in services.

Again, the ETRA Group stands out due to its exceptional initiative. In this case this is the application of new technologies to reduce travel and avoid journeys. As such, there is the option of holding videoconferences, making remote desktop connections or using multi-way conferences. Platforms such as Doodle or SIMULCOM are used in the latter case.

² This data correspond to 98% of ACS Group total labor force.

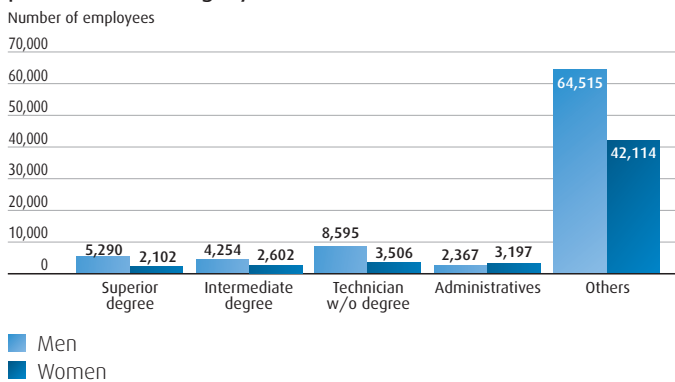
³ The reported data for 2009 is different than the figures reported last year, due to the development of the new information management tool, which feeds the report.

⁴ Local means people born of with a definitive living permit in the same geographical market than the activity of the company.

Commitment to the Social Setting

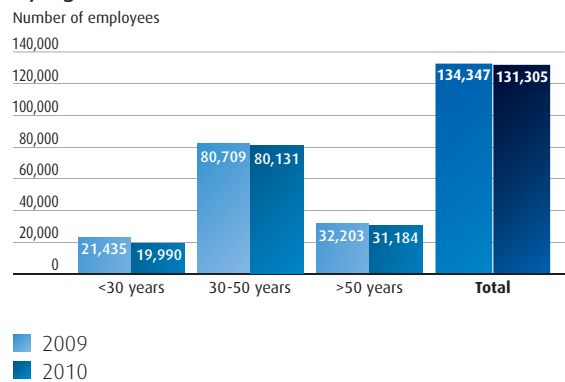


Breakdown of the workforce by professional category and sex



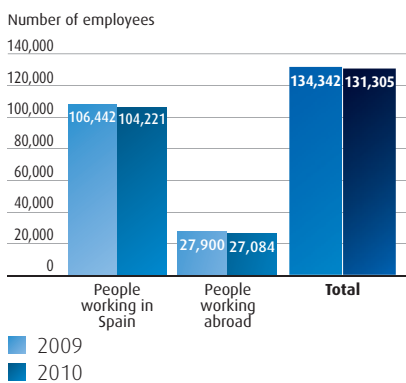
NOTE: The data shown in this chart correspond to 100% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Breakdown of the workforce by age band

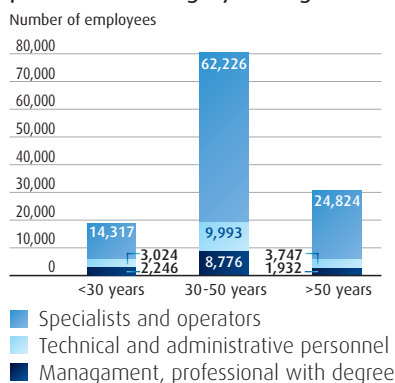


NOTE: The data shown in this chart correspond to 94.63% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

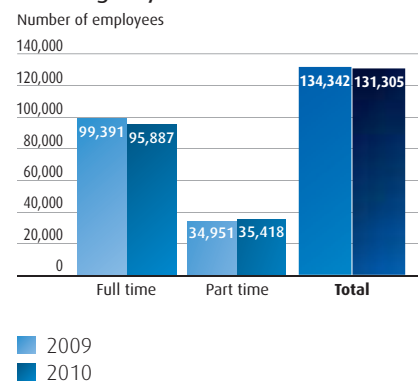
Geographical distribution of the workforce



Breakdown of the workforce by professional category and age band



Workforce by type of working day



NOTE: The data shown in this chart correspond to 94.63% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Labour Relations and Union Representation

All the ACS Group's employees, including expatriate Spanish workers, are subject to the collective agreements in force applicable to the sector in which they work, as well as the regulations relating to management personnel and, in all cases, to that laid down in the Spanish General Workers' Statute and the labour legislation in the countries where they work.

In the field of labour relations, the ACS Group considers dialogue as an essential element. For this reason, it holds regular meetings with union representatives for all its companies. Of Group employees, 13.24% are members of or represented by trade unions.

Professional Development

Competences

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. However, they all employ competence management models to improve personal knowledge and skills and use training as a tool to achieve ideal performance of the work.

Competence maps, prepared in ACS Group companies, are aligned with the strategy and particular features of each one. These maps, which are reviewed regularly, define the basic and specific competences of each work post which are essential for its effective performance.

In Dragados, for example, these competences are organised distinguishing between groups undergoing training and developing groups. Each work post has various levels of development and demands allocated for each competence. In turn, each competence is also divided into different levels, which establish the optimum range required for effective performance of the work post. In summary, the system aims to guarantee that the worker placed in a given post has the necessary levels of competence to ensure good performance.

Assessment and Development

The performance assessment models in ACS companies are based on the competences and parameters for each work post, as described in the management systems.

Although the companies manage the professional development of their workforces independently, they all share some common elements, namely:

- They allow the worker to talk about their job situation, express their interests and motivations, both personal and professional, their geographic flexibility, their training interests and their idea of their professional future in the company.
- They enable the company to show a receptive attitude to the information obtained from its workers, in order to be able to deal with their concerns, as far as possible, by implementing corrective actions.
- They allow decision making to be speeded up when selecting appropriate personnel for specific posts, as well as in determining professional promotion or increasing the employability of the workers.
- They enable fair and equitable metrics to be established for setting variable remuneration.

These methodologies are consolidated and functioning fully in various ACS Group companies, including Dragados and Urbaser, and being developed in others, such as Clece.

The number of employees involved in performance assessment processes was 21,755 in 2009⁵ and 24,758 in 2010, reaching 18.85% of the total workforce.

⁵ The reported data for 2009 is different than the figures reported last year, due to the development of the new information management tool, which feeds the report.

Urbaser's Performance Assessment System. Overall objective

The performance assessment system implemented in Urbaser has two dimensions:

- a) Assessment of newly employed University Graduate Personnel. This process covers the first two years linked to the hiring of the recent graduate. Assessment is carried out based on various competence factors (professional, social relations, attitude to work, planning and organisation, problem solving, responsibility). Equally, their potential for development is assessed, as well as analysing strengths and areas for improvement.
- b) Performance Assessment of Permanent Company Personnel. This type of assessment is articulated through two similar systems, but with distinctive nuances, based on two groups of professionals: Graduate Personnel and Technical-Administrative Personnel.



On the other hand, it should be emphasised that, throughout 2011, a new tool will be implemented progressively for employee management, which will enable the performance of unskilled personnel to be assessed. This system will help understand the performance of this group, in the various services they provide to the company. With the implementation of this tool, it is planned to be able to manage and assess the performance of 13,400 unskilled employees by the end of 2011.

One of the most significant employee motivation and satisfaction initiatives is the possibility of promotion. The ACS Group's turnover and its continued growth permit a significant number of annual promotions among employees who, due to their efforts and effectiveness, are nominated for positions of greater responsibility. A total of 1,309 employees were promoted in 2010, as against 909 in 2009.

Employee Satisfaction

Although no working climate surveys have been carried out to date to measure the satisfaction of the Group's employees, other types of tools have been used to assess this aspect:

- Exit interviews carried out when employees leave voluntarily. Frequent in many ACS companies, their aim is to go into the reasons for the worker leaving the company in greater depth and into those aspects they would highlight as negative and as positive.
- Regular interviews with the employee's direct manager. Enabling the employee's situation to be known.
- Suggestions box. Collecting the workers' ideas, initiatives and complaints.

Training Plans

The ACS Group has programmes for continuous training and skills development, aimed at covering the employees' training wants and needs as identified during the year and in line with the competences established in the management models. The aim of the training plans is to meet the employees' training needs for correct execution of their work and for their personal and professional development.

The case of Urbaser in the development of unskilled professionals is worthy of note. The company encourages internal training aimed at acquiring the necessary know-how and competences to compete for work posts with higher skills. The vacancies which occur in higher posts are covered by workers who have passed these courses and whose assessments have been excellent.

Likewise, considering the company's growing internationalisation, language courses for personnel have increased. For example, it was necessary in Dragados to analyse the language levels of a significant number of employees and subsequently, attendance or online language classes were opened, by case and need. With this initiative, the company ensures that language will not be an impediment in the workers' professional careers.

The training plans for the different companies are updated regularly to suit them to the needs of each business and, in the end, of each person. Indeed, tools are available which are adapted to the different

Training in the subject of Human Rights

The ACS Group made a significant effort in 2010 in training given to employees on Human Rights. The number of employees who received training in Human Rights* rose from 268 in 2009 to 686 in 2010, going from 0.2% to 0.5% of the workforce. Similarly, the number of hours' training given on Human Rights increased from 1,387 hours in 2009 to 4,257 in 2010.

In particular in Clece, specific training and awareness programmes have been developed on labour practices linked to Human Rights.

Ten courses were given in 2010, with 144 participants. The courses focused on the ACS Group's Code of Conduct, the protocols against sexual and workplace harassment, as well as corporate social responsibility, being mandatory for all employees. Possible measures to prevent child labour, forced labour, actions against



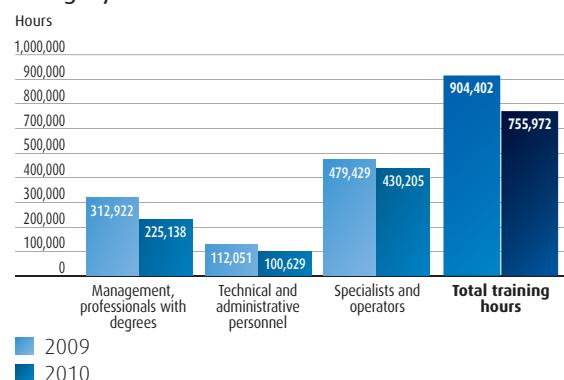
health and safety in the workplace, discrimination and freedom of association were analysed. Means of strengthening the right to collective bargaining, to appropriate working hours, remuneration policies, etc were also dealt with.

* The data shown in this paragraph correspond to 91.61% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

competence profiles to analyse training needs. Specifically, in ACS Group companies courses are given in areas related to:

- Management training.
- Technological specialisation in management and production systems.
- Knowledge of products and services provided.
- Policies on quality and the environment.
- Job safety.

Training given by professional category



NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Average number of training hours by professional category (*)

Professional Category	2009	2010
Management, professionals with degrees	25.03	17.38
Technical and administrative personnel	6.48	6.00
Specialists and operators	4.61	4.24

* Average number of training hours = (Total hours of training per professional category) / (Total employees per professional category)

Courses given and participants

Category	2009	2010
Number of courses given	11,172	12,297
Number of participants	72,575	72,152

Training by type of content

Content Type	2009	2010
No. of courses given with Production content	3,717	3,909
No. of courses given with Safety at work content	7,689	8,141
No. of courses given with Environmental content	240	247

Investment in training

Category	2009	2010
Investment in training (million euros)	11.4	11.5
Training per employee (euros/employee)	84.58	87.66

Commitment to the Social Setting



Safety in the Workplace in the ACS Group

2010 Milestones



Reduction of 75% in the incidence of occupational diseases in the company.



Establishment and execution of a full plan of internal audits as regards health and safety.



Expansion of the scope of OHSAS 18001 Certification to Building, Waste Water Purification Plant and Photovoltaic Installation activities.



"No serious accidents" among own and subcontracted personnel.

Challenges for 2011



Improving and developing Safety plans and procedures specific to Start Up activities, applicable to all INITEC Energía Projects, both in Spain and abroad.



Improving, in Spain, the identification and assessment of risks, particularly those relating to ergonomics, psychology and vibrations.



Adaptation and management of the SIGPREV computer application for control and monitoring of system preventive indicators.



Preparation of a Strategic Plan (biannual) for obtaining certification under the OHSAS 18001 Standard.

Safety: One of the ACS Group's Priorities for Action

The prevention of occupational risks is one of the ACS Group's strategic pillars. The company maintains the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment with a risk prevention culture and to optimise resources.

Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in the construction of the desired risk prevention culture, approaching its ultimate objective of achieving an accident rate of zero.

Management Model

The ACS Group's risk prevention policy observes the various Occupational Health and Safety regulations which govern the area in the countries where it is operates, at the same time as promoting integration of occupational risks into the company strategy by means of advanced practices, training and information.

Despite the fact that they operate independently, all the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:

- Compliance with current legislation on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into the set of initiatives and at all levels, implemented through correct planning and its putting into practice.
- Adoption of all those measures necessary to ensure the protection and well-being of employees.
- Achieving continuous improvement of the system by means of appropriate training and information as regards risk prevention.

- Qualification of staff and application of technological innovations.

All the Group's companies have a person assigned as a head of health and safety, who deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, all the ACS Group's companies share a series of characteristics in risk prevention management:

- Implementation of systems for management of prevention of risks to health and safety, developed according to reference standards (OHSAS 18001), audited internally and/or externally.
- Definition of objectives and planning of preventive actions in the framework of the policy and the particular nature of each company.

Systems

In line with the risk prevention policy, management systems have been set up for all the ACS Group's companies.

The majority of ACS Group companies, in addition to being subject to the regulation legal audits, are certified according to the OHSAS 18001/2007 Standard and verified and audited by an independent external auditor.

With the progressive obtaining of this certification in all the Group's businesses, the company intends to improve its business and health and safety management processes above the minimum levels demanded under the law. This is one more symptom of the demanding nature with which the ACS Group works.

Commitment to the Social Setting



Objectives

The supervision and optimisation of these systems involves setting objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled. These objectives are included in the company's prevention planning and are subject to periodic monitoring, to confirm their level of fulfilment.

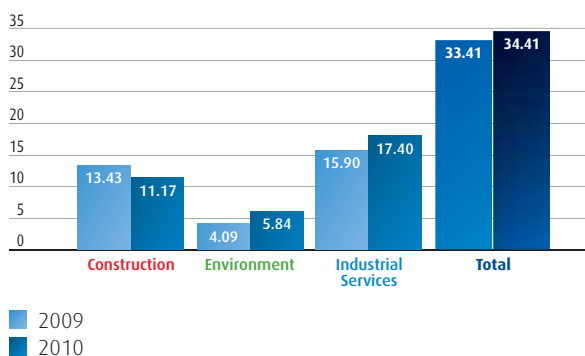
For example, Initec Energía, in the Industrial Services area, also proposes specific objectives for each project and establishes sanctions for failure to comply with the safety requirements laid down.

Similarly, SEIS and Drace, in the Construction area, set specific targets for the work centres based on their activities and characteristics.

In many of the Group's companies, meeting these objectives is linked to workers' variable remuneration.

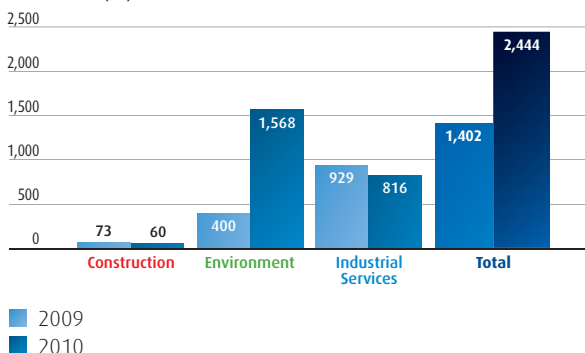
Investment in health and safety in the workplace

Millions of euros

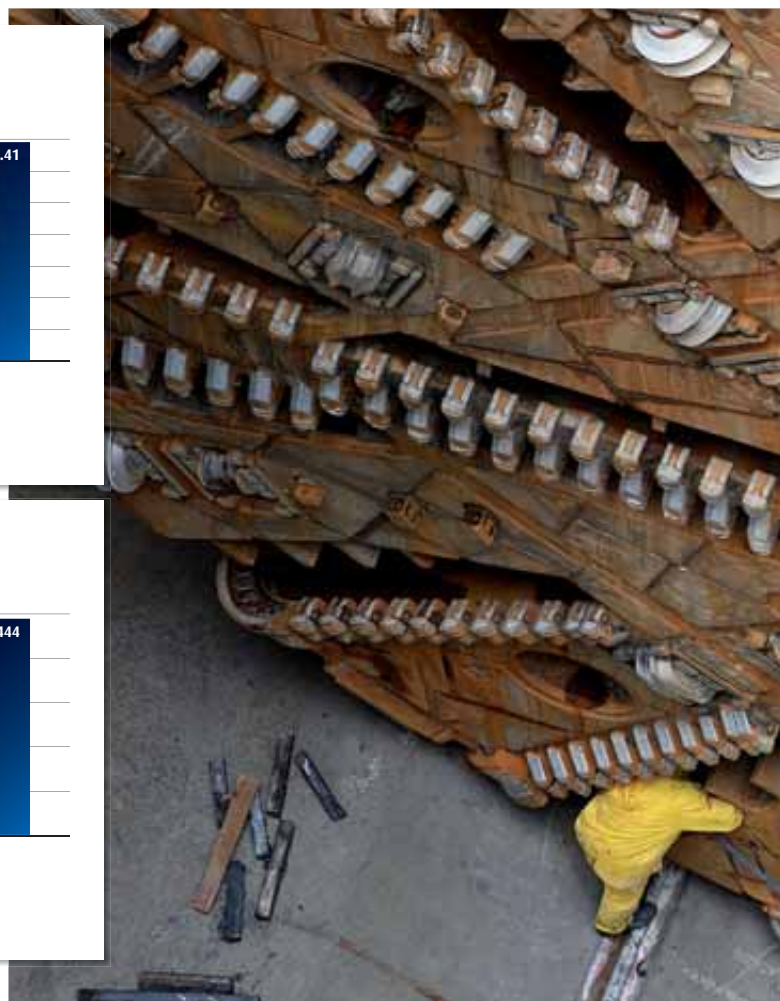


Employees with occupations with risks of contracting specific diseases

Number of employees



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



For example, in the ETRA Group companies, the works managers, supervisors and specialists are provided with incentives based on the results obtained in the works they manage and coordinate. The same occurs in Urbaser, Cobra and Intecsa. Specifically, in the latter, the variable part can come to represent 30% of total remuneration.

Risk Prevention and Analysis

Risk prevention activity is fundamental to the health and safety of employees performing their work. The activity of the ACS Group's different companies is based on General Risk Protection Plans and depends on periodic identification and assessment of the risks of the various activities, as well as periodic monitoring of working conditions.

Risk assessment is carried out periodically, generally annually, and whenever changes are detected which could mean changes to the conditions or in work posts.

The review goes beyond the requirements for updating laid down by law.

The Risk Prevention Plans gather the conclusions from these periodic identifications and assessments and establish the guidelines for action to achieve the objectives set. Likewise, in many of the Group's companies, specific assessments are carried out for activities and centres, leading to Specific Risk Prevention Plans.

Along these lines, it is important to consider certain groups of workers who, due to their occupation, are at high risk of contracting specific diseases:

- Construction: those workers exposed to ionising radiation, as well as to silica or high noise levels.
- Industrial services: mainly employees exposed to ionising radiation, asbestos or benzene.



Provision of personal protective equipment in Dragados and Geocisa

Workers in Dragados and Geocisa's laboratories use nuclear density gauges to check soil characteristics.

Faced with the possible risk of radio-toxicity, the company provides each worker with 2 thermoluminescent dosimeters. One such dosimeter is worn by the worker during his or her working day, with the other as a spare. Monthly, a specialised company, authorised by the Spanish Nuclear Safety Council, reads the dosimeters and issues a report with the shallow and deep doses received during the last month, year and 5 years.

The close vigilance of the health of these workers, together with specific protocols, is intended to guarantee that the employees are never exposed to radiation doses in excess of those permitted.

Commitment to the Social Setting



Monitoring and Evaluation of Results

The monitoring and evaluation of results are fundamental tools for risk prevention activity, as they facilitate detection of areas for improvement.

The ACS Group has various systems and specific programmes for managing and homogenising information on risk prevention and supervision of occupational health and safety. The most common are documentary management systems. Some of the Group's companies have computer applications which make this control and monitoring of information easier. This is the case with Clece, in the Environment area and Cobra, in the Industrial Services area.

SEIS, together with other ACS Group companies, is developing an advanced computer tool to unify and process all the data related to occupational risk prevention management. In this way, there will be a generally applicable tool available, used by several companies, which is specific to risk prevention and which will substantially improve the capture, transmission and handling of the data in addition.

The results obtained in monitoring are included periodically in monitoring reports. Additionally, the various companies prepare a report on health and safety at least once per year, which they present to senior management and which includes the following matters, among others:

- Level of achievement of the proposed objectives.
- Records and statistics on employee and contractor accidents and incidents.
- Identification of the risks associated with different work posts and their evaluation.
- Proposed preventive and corrective measures.
- Information and training provided.

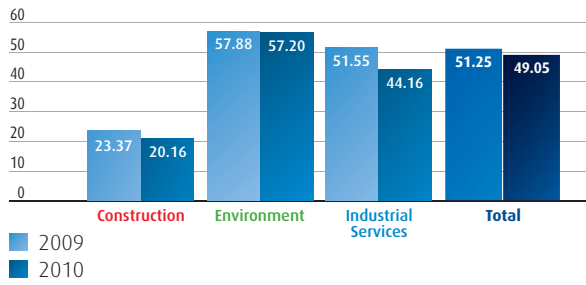
All this effort expended by the Group as regards occupational risk prevention and safety has been reflected in the reduction in accident indices with respect to the previous year.

Faithful to its commitment to achieve its final objective of an accident rate of zero, ACS will continue to prepare specific plans for activities with the greatest risk and most severe accident indices, which consider improvement actions in the management of this area, not only internally, but also among its business partners.

Health and safety indicators

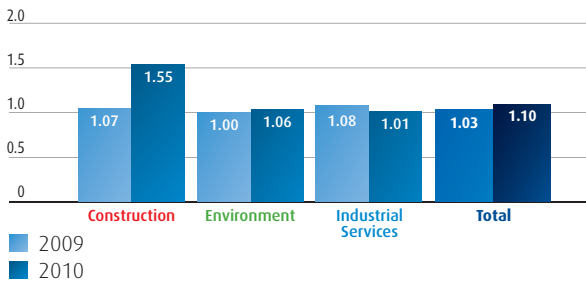
Frequency rate

No. of accidents that occurred during the working day per million hours worked



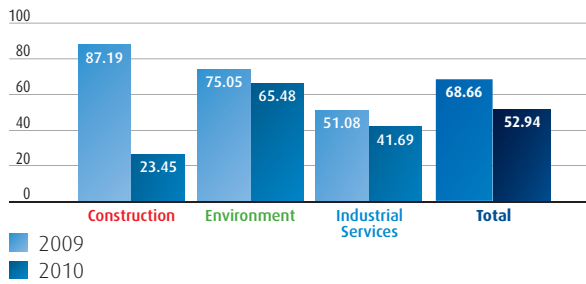
Severity rate

No. of working days lost due to accidents per 1,000 hours worked



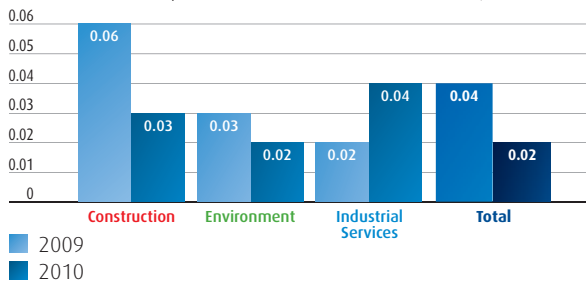
Incidence rate

No. of accidents with sick leave per 1,000 workers



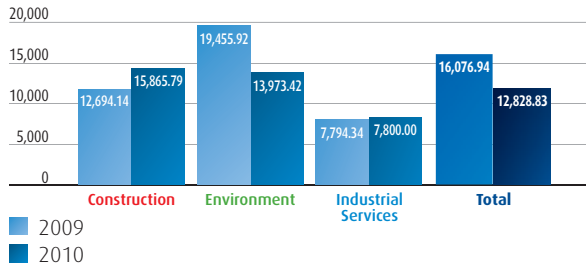
Professional disease rate

Total number of cases of occupational diseases over the total hours worked times 200,000



Absenteeism rate

Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period times 200,000



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



Commitment to the Social Setting



Participation of Workers' Representatives

The consolidation of a risk prevention culture in the Group requires the participation of all the employees and, especially, of the workers representatives, given that they are the communication channel between the workers and the company management.

ACS's workers participate as regards health and safety, basically, through risk prevention representatives and, where applicable, the occupational risk prevention committees.

Companies or work centres with 50 workers or more have a Health and Safety Committee set up. These Committees are the peer and professional body for participation dedicated to regular and periodic consultation on company actions as regards risk prevention.

The committees are made up of risk prevention representatives, on the one hand and, on the

other hand by the employer and/or his or her representatives in an equal number to the prevention representatives. These committees hold quarterly meetings, for which minutes are taken on the matters discussed and the decisions taken. These minutes must be written within the period of one month after the meeting and be presented to the parties for their consultation and comments.

In the case of the postponement of a Health and Safety Committee meeting, minutes must be taken in which the causes for this postponement are included and the agreement to postpone must be signed by both parties.

In those cases where setting up Committees is not mandatory, safety commissions or similar are formed, in which workers' representatives and middle management take part.

All ACS Group companies which have collective agreements expressly regulate matters related to health and safety. In the Construction area, many of the companies do not have this type of agreement, but they are governed by the 4th General Agreement for the Construction Sector, which dedicates Book II entirely to aspects relating to health and safety in the sector.



Training and Information

Training and information are fundamental to the development of the ACS Group's risk prevention policy and are the most effective medium for sensitising the company's people to health and safety.

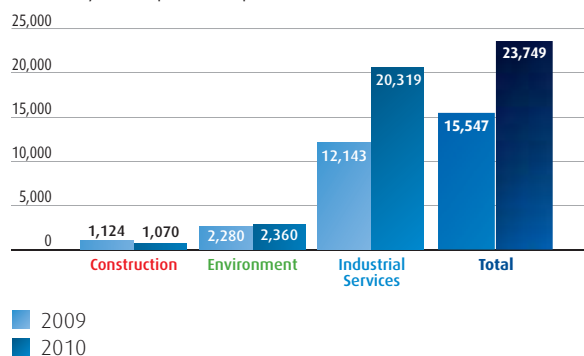
In general, all employees receive health and safety training when they join the Group. Afterwards and additionally, they are given other types of training, according to the characteristics of their work post and based on the risks identified in the assessment of each position.

In line with this, periodic "knowledge refresher" activities take place while in the job and, unavoidably, in cases of change of position or when new activities are anticipated, which bring different risks. Some of these specific courses given are as follows:

- Construction area: control of machines and special equipment, handling of chemical products or first aid.
- Industrial Services area: work at height, with electrical risks, with low and high voltage, in confined spaces, with explosive atmospheres or training in fire extinguishing.

Health and safety training

No. of safety and occupational risk prevention courses



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In order to demand compliance with health and safety measures of the workers who report to them, senior managers, middle management and all those posts with responsibility in its management also receive training.

In the Construction area, Chapter III of the 4th Agreement for the Construction Sector includes the need to train workers according to their post or function and to determine the duration and specific content of the courses.

In addition to attendance methods, some Group companies have training modules which are suitable for use by means of the new e-learning technologies.

As a complement to training, numerous risk prevention campaigns were carried out in 2010 which sought to raise worker awareness, reduce accidents and improve working conditions.

Campaigns for risk prevention and sensitising employees

One of the most important missions of Geocisa's "Zero Project" is to sensitise all personnel in the field of Occupational Risk Prevention. With this objective, actions take place such as the participation of Senior Management in the Risk Prevention Commissions held on site or in fixed centres, the placement of project posters or inclusion on all corporate stationery of a specially designed stamp with the slogan "Committed to Risk Prevention".

From the inception of the "Zero Project" the Frequency Index has been reduced by 41%, the Severity Index by 17% and the Incidence Index by 29%. Likewise, the number of accidents has been reduced by 60.5% and 52% fewer days have been lost due to accidents.

Sensitising campaigns have been carried out continuously in VIAS since 2006, under the slogan "Safety is not a game. Don't leave it to chance". This continuous campaign was based, during its first two years, on the preparation, distribution and display on site of posters with messages related to the potentially most dangerous risks in the case of

accident. During the first six months of 2009, the campaign was redirected with a new poster which reproduced "snakes and ladders", alternating positive and negative images of situations on site with management aspects. Lastly, in the second half of 2009 and during 2010, a campaign was mounted through the publication of "Did you know that...?", which was supported firstly with a poster and then via VIAS's intranet. The various actions have always been transferred to site by means of display on boards (offices and hygiene and wellbeing facilities).



Risk Prevention Culture in the Value Chain

The spreading of the risk prevention culture among suppliers, contractors and collaborating companies is another of the Group's basic lines of action in this subject.

In general, all the ACS Group's companies share a series of characteristics in the management of their suppliers and subcontractors. To this effect, the common criteria for suppliers and subcontractors are:

- The existence of approvals criteria.
- The inclusion in contracts of clauses regarding health and safety.

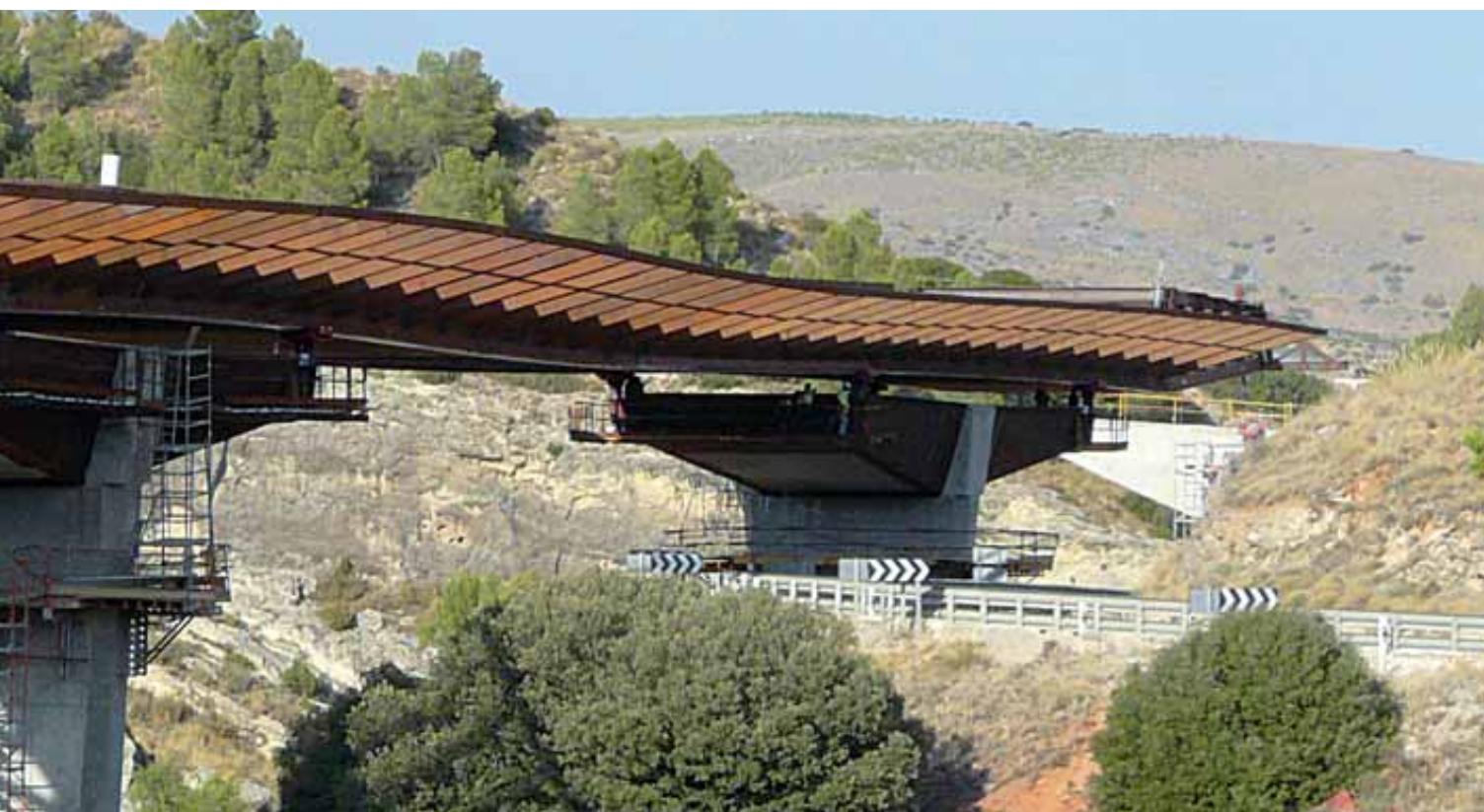
Many of the companies also carry out periodic inspections and audits to ensure the demanded compliance at all times. Equally and in order to promote risk prevention, they, above all subcontracting companies, frequently participate in coordination meetings with the company.

Specifically as regards subcontractors, some of the commonest demands on them among Group companies are:

- Compliance with risk prevention principles, this being a necessary condition for the inclusion of its workers in the company.
- Sending the necessary documentation to accredit its fulfilment of its obligations as regards health and safety.

Lastly, it should be emphasised that many of the Group's companies involve their suppliers and subcontractors in their risk prevention and training campaigns.

The efforts made by the Group with its subcontractors have been reflected in the reduction of the accident indices in comparison with the year before.

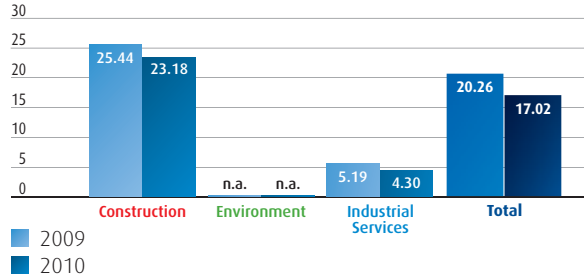


Commitment to the Social Setting

Health and safety indicators for subcontractors

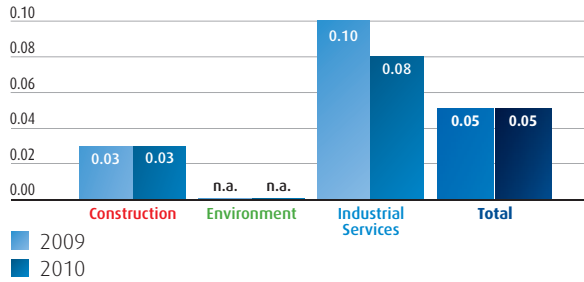
Frequency rate

No. of accidents that occurred during the working day for each 1,000,000 hours worked



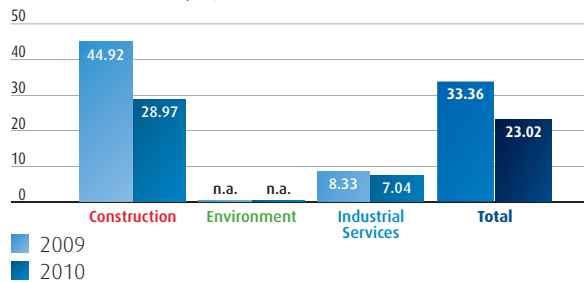
Severity rate

No. of working days lost due to accidents per 1,000 hours worked



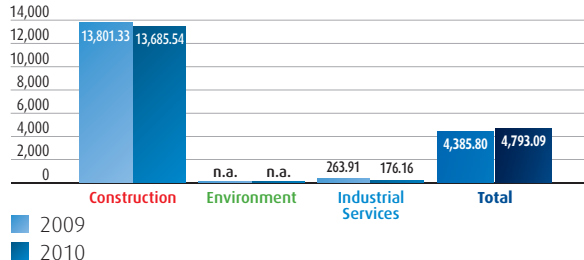
Incidence rate

No. of accidents with sick leave per 1,000 workers



Absenteeism rate

Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period times 200,000



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



Occupational Health

It is usually the various companies' medical services which are charged with defining and managing policies on overall health, as well as those aimed at the prevention of risks of an ergonomic and psychological nature. Their objective, therefore, is to guarantee physical, psychological and social wellbeing in the working environment in all the ACS Group's companies and geographical spheres.

Although the campaigns and initiatives vary among the different companies, the following can be highlighted:

- Ergonomic studies of working conditions.
- First aid courses.
- Campaigns for prevention of cardiovascular diseases.
- Flu vaccination campaigns.
- Eyesight testing campaigns.
- Talks on healthy habits.
- Awareness raising on tobacco.
- Back care.

Many of the companies also offer their workers social benefits through agreements with external companies to promote sporting or fitness activities. The existence of rest areas is also frequent in many of the companies' work centres.

Measures to Guarantee Third-Party Safety

It is the ACS Group's objective to meet the most demanding safety standards in its installations, preventing possible risks which could affect third parties or the environment.

As such, it is common for all visitors entering the company's various centres and sites to receive information on the safety measures they must fulfil, as well as instructions on what to do in case of emergency.

It should be highlighted that, as a general guideline and for companies which contract security personnel, it is the contracted company which is responsible for providing the corresponding training to ensure the appropriate actions of its employees. In some cases, this training includes specific content on human rights. If any Group company contracts a company which does not meet this requirement, the inclusion is suggested of this human rights training in the recycling courses they carry out with their personnel periodically.

Dragados - finalist in the European Good Practice Awards for occupational safety and health

Dragados was a finalist in 2010 in the European Good Practice Awards for Occupational Safety and Health, called by the European Agency for Safety and Health at Work, thanks to its preventive maintenance project for machinery for its Central Fleet, carried out both in its workshops and on various sites in the domestic and international sphere.

Maintenance plan

The maintenance plan makes repairs to parts which may have suffered wear or breakage, assessing the general condition of the machine at the same time.



Management of this documentation is carried out using MAPLA, a comprehensive maintenance management program in which the machine's whole life is recorded. The data stored permit exhaustive and detailed analysis of the machines and their components, which facilitates the application of improvement actions. So, defects in some parts can be predicted and their breakage or deformation anticipated and improvements can be made so that these types of errors are not repeated.

Training

Together with training in occupational risk prevention, governed by the regulations in force, and specific courses depending on work posts, practical courses are also taken on the control of the habitual machinery on site using a virtual simulator called Previsor. The worker gets training in this way for the different situations they may encounter when controlling these types of machines.

Application of new technologies

Dragados is aware of the need for and advantages from applying new technologies in the service of worker safety. As such, it has started to use software based on augmented reality technologies in machinery maintenance and repair operations, as an alternative to the use of traditional manuals.

Using this application, the operator can access a 3-D model of the machine component they need to repair, in real time, using a smartphone or tablet PC, superimposed on the image they are taking. The system indicates, step by step, the operations to be carried out, which tools need to be used in each phase, etc. This tool enables skilled personnel to undertake repairs with the maximum guarantees and, in the case of simpler operations, these can even be carried out by less skilled personnel.

Another of the applications being incorporated is a remote assistance device, by means of which a repair being carried out on site can be seen in real time in the central fleet offices, using a webcam. Diagnosis of the fault can be made remotely in this way and the means necessary for repair can be prepared.

Collaboration with Institutions and Active Participation

The ACS Group collaborates with organisations specialised in matters of health, safety and risk prevention and actively participates in the main conferences, congresses and forums organised domestically and internationally. This is a way of offering its experience and updating itself on the latest trends and best practices.

The main organisations of which ACS Group companies are part, either as members of their health and safety commissions or committees or by participating through some kind of collaboration are:



Commitment to the Social Setting



Social Action in the ACS Group

2010 Milestones

Conception, design and carrying out of an Accessibility Project for the El Escorial Monastery, which increased accessibility for people with disabilities and reduced mobility from 6% to 95%.

Challenges for 2011

Intensifying investment effort in scientific medical research, collaborating with important institutions dedicated to research into diseases such as Alzheimer's, lung cancer and amyotrophic lateral sclerosis.

Continuing the work to exploit the activity of the ACS Foundation in first-rate National Heritage sites, again in the field of accessibility.

The ACS Group channels its social action through the ACS Foundation, the formal social action policy of which is stated in its foundation charters and which is guided by several principles for action:

- Philanthropic action by means of donations and contributions to specialised institutions.
- Actions in seven areas of work: accessibility, assistance to development, environment, cultural and educational promotion, dissemination and restoration of Spanish national heritage, collaboration with scientific institutions and sponsorship and patronage of philanthropic institutions.
- Selection of projects which provide the greatest social benefit - carried out with prestigious bodies, leaders in their field - and of great general interest.
- Setting up of mixed monitoring committees, between donor and beneficiary, to monitor the execution of significant projects.

Annually, the ACS Foundation prepares its Action Plan, in which it explains in detail the activities planned for the following year. This report shows the most significant projects with the investment allocated for each area of action.

In 2010, the ACS Foundation has invested 3.417 million euros, which meant 93% of 2010's budget.

In 2009, it invested a total of 3.745 million euros, which includes the total investment planned for the year (which was 3.260 million euros) and an additional extraordinary investment of 0.485 million euros, which meant that ACS Foundation in 2009 spent 112% of its budget for the year.

For 2011, it has been approved an increase in the budget of 10% compared to 2010, to exceed 4 million euros.

Impact and Monitoring of Social Actions

Before each philanthropic project is carried out, the ACS Foundation identifies the social impact it may have. For example, before carrying out the accessibility project for the El Escorial Monastery and as a preliminary measure to gauge its benefit to society, the number of complaints recorded due to problems with accessibility to the monument was analysed, as well as the number of visits annually by people with disabilities.

Once the projects have been completed, the ACS Foundation carries out monitoring of the social benefit generated and continuance of investment actions is defined for the most successful initiatives.

Activities in 2010

During 2010, the ACS Foundation carried out activities in the framework of its action programmes, with growth in all fields, especially in scientific, technological and social research.

The most striking and significant project since the Foundation's creation was also brought to fruition: accessibility of 95% of the El Escorial Royal Monastery to people with reduced mobility.

This project was carried out at the initiative of the ACS Foundation and its execution was proposed to Spanish National Heritage in the framework of the collaboration agreement between the two institutions. The Spanish Royal Board on Disability also joined the initiative. The technical project was prepared by architects from National Heritage and the Royal Board and the works were carried out by the company selected by National Heritage with sponsorship from the ACS Foundation.

HM the Queen Sofia formally unveiled the universal opening of the El Escorial Monastery to people with reduced mobility in February 2011. She described the project as a historic event which would serve as an example of how action can be taken for accessibility in historic heritage buildings, with full respect for the nature of the historic/cultural asset the monastery represents.

In relation to the programme to eliminate physical and architectural barriers in favour of disabled people, the actions aimed at technical project professionals in building, town planning and transport (universal design) were expanded. Over 800 students have taken the Accessibility to the Physical Medium courses given in universities and town halls throughout Spain and in the Spanish Cultural Centre in Montevideo, Uruguay.

The Reina Sofía Accessibility Awards for 2010, sponsored by the ACS Foundation and the Royal Board on Disability

were presented to local councils. These awards, for the second time, included a Latin American chapter with the collaboration of the Spanish Agency for International Cooperation for Development (AECID). The awards went to the Spanish and Latin American local councils of Alcazarejos (Cordoba), Basauri (Vizcaya) and Pamplona and the local councils of La Cumbre (Argentina) and Pasto (Colombia).

At the same time, the collaboration continued with the National Construction Platform in the development of research into "No-barriers architectural heritage" (PATRAC), with financing from the Ministry of Science and Innovation and which finished in the middle of this year.

The ACS Foundation published the third volume in the collection "The Art of Restoration", where the restorations on 35 monumental assets and old architectural and engineering works carried out by its founder are documented. The three volumes in this collection document the whole restoration process for 135 cultural assets.

It has also been involved in several publications related to the historic heritage programme, outstanding among which is Romanesque in Zaragoza, by the Santa María La Real Foundation's Romanesque Study Centre.

Support to research activities also increased significantly, particularly in the field of medicine, accessibility to architectural heritage and the socio-economic area.

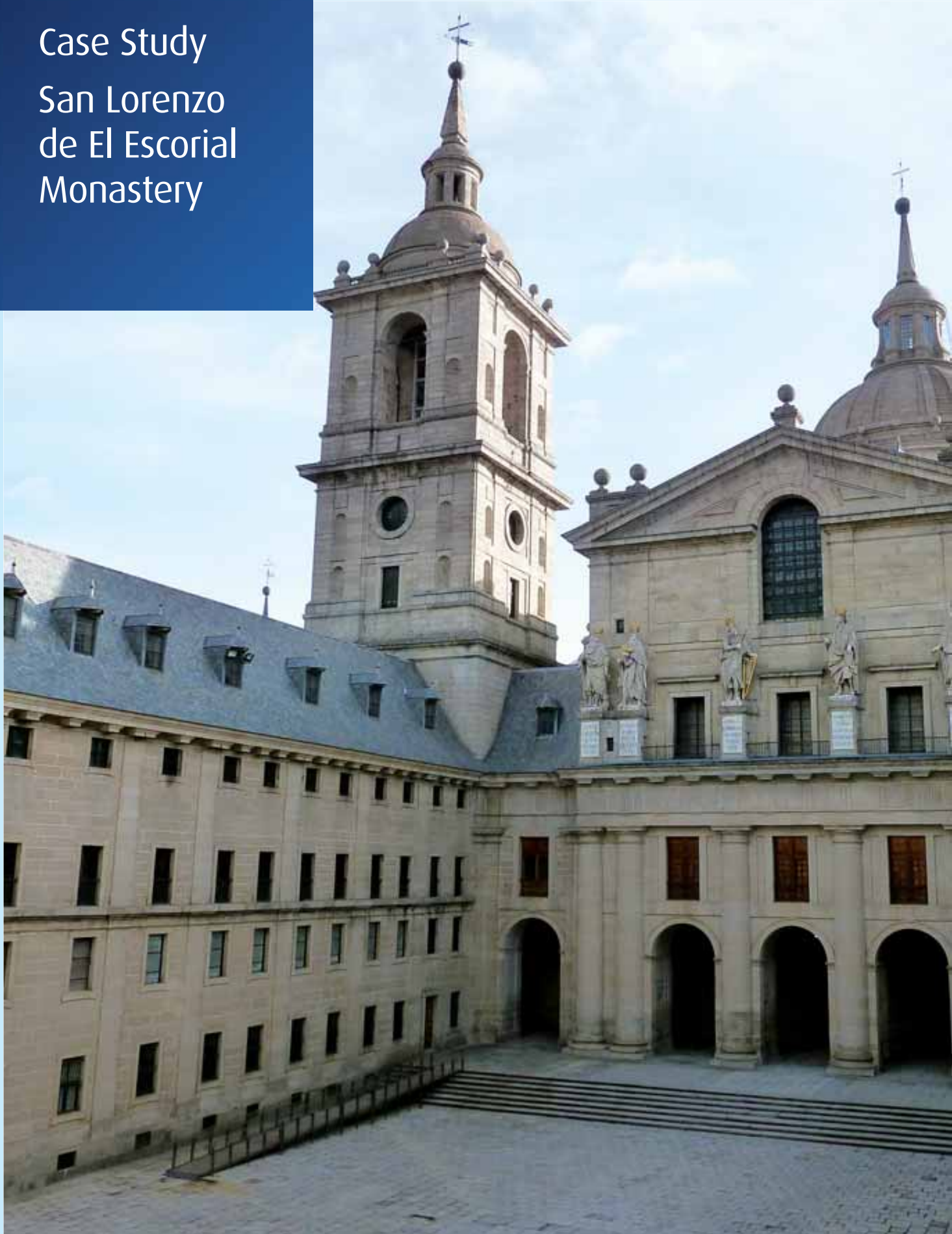
Within the Environment Programmes, the support provided to the National Environment Congress, CONAMA10, is of special relevance. This year the congress was highly oriented towards energy and sustainable development and included Brazil as an invited country. All the ACS Group's divisions participated actively in the Congress and in the Hispanic-Brazilian Forum.

Other actions of interest were the support provided to the Soria 21 World Forum on Sustainable Development, as well as sponsorship of various training activities on alternative energies, management of urban waste, climate change and others.

Lastly, activities related to International Technical Cooperation were consolidated through the strategic public-private alliance signed with the Secretary of State for International Cooperation, which plans for the ACS Foundation, with support from its founder, to be able to provide technical support and training activities in various subjects and co-sponsor the programmes resulting from these. The Foundation collaborated in the Ibero-American Meeting on Universal Accessibility, held in the Spanish Training Centre in Uruguay, and in the Reina Sofía Awards to the Latin American local councils in 2010.

The ACS Foundation sponsored over eighty institutions and foundations in the accomplishment of their own ends.

Case Study
San Lorenzo
de El Escorial
Monastery



Improved accessibility for people with reduced mobility in the San Lorenzo de El Escorial Monastery

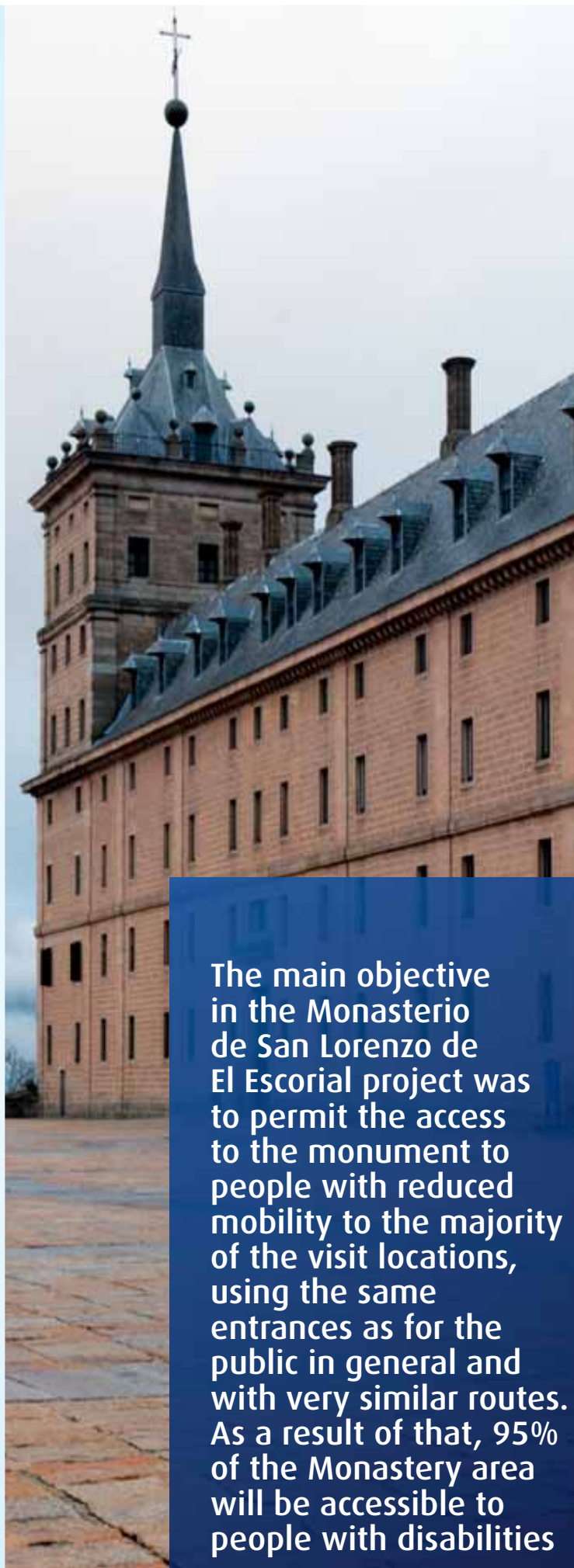
The San Lorenzo de El Escorial Monastery has become a monument accessible to people with physical disabilities, thanks to the collaboration agreement between Spanish National Heritage, the Royal Board on Disability and the ACS Foundation.

These three organisations combined to progress attention to people with reduced mobility, for which a project was proposed to improve accessibility to an outstanding monument: the San Lorenzo de El Escorial Monastery.

The aim of the project was to permit access by people with reduced mobility to the majority of the visit locations, using the same entrances as for the public in general and with very similar routes. It was also possible to provide access to the Basilica for people attending official masses, independent from visits to the Monastery.

One of the premises of the intervention was the reversibility of all the actions. Thanks to the set of interventions included in the project to improve accessibility, 95% of the Monastery area will be accessible to people with disabilities.

The Monastery has four storeys, which made accessibility for people with reduced mobility impossible. By installing chair lift mechanisms operated with the help of specialised personnel, the three sections of stairs on the route leading to the architecture and painting museums, the Palace of the Austrias and the main cloister are successfully overcome. A hydraulic lift makes it possible to reach the second floor, where the Hall of Battles, the Royal Palace, the Library and the restoration room are to be found.



The main objective in the Monasterio de San Lorenzo de El Escorial project was to permit the access to the monument to people with reduced mobility to the majority of the visit locations, using the same entrances as for the public in general and with very similar routes. As a result of that, 95% of the Monastery area will be accessible to people with disabilities

Case Study

San Lorenzo de El Escorial Monastery

The main actions were as follows:

Accessibility from the outside

Visits to the Monastery start at the entrance in the building's northern façade. This entrance was the first point for improvement to give accessibility for visitors with reduced mobility, as access to the inside needed to be made by means of a step. A ramp was placed for

this reason to overcome the existing height difference. The ramp positioned occupies a part of the entrance. It is 165 cm long and has a slope of less than 10% and has side protections to prevent wheelchairs from turning over or crutches from slipping.

This gives access to the ticket sales, information and cafeteria area, as well as the toilets located around the Cava Courtyard. A toilet suitable for people with disabilities can be reached from this point.

Carriage Courtyard

The entrance to the Carriage Courtyard has numerous sections with stairs. To span these sections, a stainless steel ramp was installed to bridge the first stair section and, after this, a lift platform traverses the other three steps.





Tapestry Room and Museums

From the Monastery's ground floor, visitors can gain access to two rooms decorated with tapestries. At the end of these is a staircase in two sections which connects to the Monastery's lower ground floor. Due to the space limitations, a chair lift mechanism has been located, on which the wheelchair is placed, operated by specialised personnel.

Access to the gardens for visitors

Access to the Gardens of the Friars is from a room west of the Painting Museum. A ramp has been located there to give direct access outside to the garden. This is also an emergency exit for people with reduced mobility.

Accessibility to the first and second floors

To enter the Palace of the Austrias, there is a staircase on which a chair lift mechanism for wheelchairs has been located, similar to the one described before. A third chair-lift-type mechanism has been installed at the exit from the Palace of the Austrias, on the "Antepanteones" staircase, permitting access

from this point to the Basilica. Once this place has been visited, access is gained to the ground floor level again.

To make the first and second floors of the Monastery accessible, a hydraulic lift has been installed, giving direct access to the Hall of Battles which, in turn, connects to the Palace of the Borbons and allows access to the Monastery Library. To minimise the impact caused by the lift, this was planned without a shaft, with the guides and machinery anchored to a wall.

Access to the Kings' Courtyard

To gain access to the Kings' Courtyard, a ramp has been installed to enable the bridging of the seven steps and 112 cm in height separating the entrance from the Basilica portico. This ramp, which can easily be disassembled and transported, is made up of five sections with a total length of 20 metres and ascends in two stretches, with a slope of 6%, with a central landing.

Principles for the Preparation of the Report



For ACS Group the elaboration of this Corporate Responsibility Report means the finalization of a policy focused on understanding the major dilemma and challenges that ACS faces in infrastructure development, energy sectors and with its relationship with the society in general

Scope and Approach

For the ACS Group, the preparation of this Corporate Responsibility Report implies the formalisation of a policy focused on understanding the main dilemmas and challenges faced by the infrastructure development and energy sector and society as a whole.

The report considers all the ACS Group's activities as a global operator, in all the countries where it is present. To this effect, the information published includes the operations carried out in the Environment, Construction, Industrial Services and Concessions areas.

The ACS Group has developed tools for the collection and consolidation of both quantitative and qualitative information on sustainability to align the management of all the companies with the ACS Group's strategic priorities. This tool has increased its scope considerably.

The information gathered in this report refers, basically, to the 2010 financial year. It also includes information from previous years, depending on its relevance and availability, to enable the readers to be able to form a more



complete opinion on the company's development. The quantitative indicators present the ACS Group's evolution in 2010 and the two previous years.

The report was prepared following the G3 guidelines from the Global Reporting Initiative (GRI). In this manner, all issues of relevance to the Company's stakeholders were taken into account. The data and headings explained in this report apply to the Group's companies in accordance with that reported in terms of percentage of total sales. Those cases where the scope is other than 100% are specified clearly in the text and tables.

With respect to the levels of application defined by the GRI, the ACS Group has given this report an A+ rating. Accordingly, the principles and recommendations of the G3 guidelines were applied and each chapter details both the organisation's profile and its management approach. Additionally, all performance indicators considered to be of principal importance are contained in this report.

The ACS Group has applied the following GRI G3 principles for defining the contents and guaranteeing the quality of the information included in this report:

The quality of information included in this report is guaranteed because of the application of eight principles: principle of materiality, context of sustainability, exhaustiveness, comparability, balance, accuracy, clarity, reporting frequency and reliability

Principles for the Preparation of the Report



Principle of materiality

The ACS Group has developed management tools to facilitate operational control of sustainability management and its integration into the businesses. The contents of this tool are aligned with GRI requirements, to the request for information from the selective sustainability stock market indices and by institutional investors and ratings agencies which take matters related to sustainability into account.

Context of sustainability

The objective of this report is to express the actions of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these.

Exhaustiveness

In the preparation process, the coverage and scope of this report was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2010, without omitting information of relevance to our stakeholders. The coverage of the report was determined in parallel with its content.

In the case that there were changes in the chapters with respect to coverage, these have been indicated.

Additionally, the relevant issues, the indicators included herein and the matters covered by the 2010 Corporate Responsibility Report offer an overview of the significant impacts in the economic, social and environmental fields.

Comparability

As far as possible, the information included in this report has been organised in such a manner that the stakeholders may interpret the changes undergone by the ACS Group with respect to previous years.

Balance

This report includes both positive and negative aspects, in order to present an unbiased image and to enable stakeholders to reasonably assess the Company's actions.

Accuracy and clarity

This report contains numerous tables, graphs and diagrams, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the ACS Group's actions. Additionally, as far as possible, the use of technical terms whose meaning may be unknown to stakeholders has been avoided.

Reporting frequency

The ACS Group has the commitment to report its corporate responsibility actions annually. This report relates to the Group's actions in 2010 in the economic, social and environmental fields.

Reliability

The reliability of the information included in this 2010 Corporate Responsibility report was checked by KPMG, the firm responsible for its verification.

The charts included in this report referred to environmental indicators, have the following scope:

Scope of the information reported	Coverage of the information (as a % of sales)			
	Construction	Concessions	Environment	Industrial Services
Water consumption (m ³)	81%	100%	100%	94%
Direct emissions (scope 1) (t CO ₂ eq)	81%	100%	100%	94%
Indirect emissions derived from electricity consumption (scope 2) (t CO ₂ eq)	81%	100%	100%	81%
Indirect emissions derived from employees' travel (scope 3) (t CO ₂ eq)	73%	100%	Urbaser Headquarters	89%
Emissions of Oxides of Nitrogen (NOx) (t)	2%	0%	58%	0%
Emissions of Dioxides of Sulphur (SOx) (t)	2%	0%	58%	0%
Emissions of solid particles (t)	2%	0%	58%	0%
Non- hazardous waste sent to management (t)	71%	0%	58%	94%
Hazardous waste sent to management (t)	71%	100%	58%	94%
Surplus soil from excavation (t)	71%	n.a.	n.a.	n.a.
Petrol and diesel consumption (million litres)	81%	100%	100%	94%
Natural gas consumption (m ³)	81%	100%	100%	94%
Electricity consumption (m ³)	81%	100%	100%	81%
Water consumption from public mains (m ³)	81%	100%	100%	94%
Water consumption from other sources (m ³)	81%	100%	100%	94%
Water dumped to public mains (m ³)	25%	100%	100%	93%
Water dumped to the seas, rivers or lakes (m ³)	25%	100%	100%	93%
Accidental spills (m ³ and number)	66%	100%	100%	91%
Environmental incidents (number)	77%	100%	100%	94%
Environmental incidents with sanctioning proceedings (number)	77%	100%	100%	94%
Cost of fines due to sanctioning proceedings	77%	100%	100%	94%

Note: The Environmental Area of activity includes environmental data from Urbaser and Clece. In the case of Urbaser the scope of information is reduced to 50% of treatment centers and 27% of collecting activities. The company is working to improve these figures.

We Would Like to Know your Opinion

As you have been able to read from the previous pages of this report, at the ACS Group we understand corporate responsibility as a commitment which determines the Company's relationship with the environment and with each of its stakeholders. This Corporate Responsibility Report aims to include the main milestones and programmes carried out by the ACS Group aimed at improving 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. Hence, we would be grateful to receive any opinion you may have on this report at:

ACS Group

Avda. Pío XII, 102

Madrid 28036

Tel. +34 91 343 92 39

E-mail: infogrupoacs@grupoacs.com



For further information, see the website
www.grupoacs.com

Awards and Recognitions

Forbes magazine ranked ACS as the 218th largest company in the world in its annual analysis listing the top 2000 companies.

Fortune magazine ranked ACS as the 346th largest company in the world in its annual analysis listing the top 500 companies.

ACS is one of the 10 largest contractors worldwide and is among the twenty most internationalised companies in the industry, according to the Top Global Contractors 2010 ranking, published by the prestigious North American engineering and construction magazine Engineering News Record (ENR).

ACS is a world leader in the development of infrastructure concessions, according to Public Works Financing magazine.

Urbaser, the ACS Group's environment subsidiary, won the Principe Felipe Award for Business Excellence 2009, in the Energy Efficiency and Renewable Energies category. This award, conferred in 2010 by the Ministry of Industry, Tourism and Trade, shows the company's leadership in the urban services, water management and waste management and treatment sector.

Florentino Pérez, the ACS Group chairman, was presented with the "Outstanding Roadway Engineer Award 2010" by the Association of Roadway, Canal and Port Engineers of Madrid.

The image shows a large, modern building with a blue glass facade. In the foreground, a large, grey stone wall features the ACS logo in large, metallic letters. Below the logo, the text "ACTIVIDADES DE CONSTRUCCION Y SERVICIO" is visible in smaller, dark letters. The building's facade has several large, circular windows. The sky is clear and blue.



Statement GRI Application Level Check

GRI hereby states that **Actividades de Construcción y Servicios SA** has presented its report "Informe de Responsabilidad Corporativa del Grupo ACS 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

30 March 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Actividades de Construcción y Servicios SA** has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance provider and for deciding the scope of the assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of Actividades de Construcción y Servicios, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Actividades de Construcción y Servicios, S.A. (hereinafter ACS) Corporate Responsibility Report for the year ended 31 December 2010 (hereinafter "the Report").

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the section entitled Principles for the Preparation of the Report. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board and also in accordance with the guidance set out by the Accountants Institute of Spain (Instituto de Censores Jurados de Cuentas de España). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Interviews with relevant ACS staff concerning the application of sustainability strategy and policies.
- Interviews with relevant ACS staff responsible for providing the information contained in the Report.
- Visit to a construction site selected based on a risk analysis considering quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACS.

KPMG Asesores S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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N.I.F. B-52498952

- Verifying that the financial information reflected in the Report was taken from the annual accounts of ACS, which were audited by independent third parties.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Responsibility Report of Actividades de Construcción y Servicios, S.A. for the year ended 31 December 2010 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the section of the Report entitled Principles for the Preparation of the Report.

Under separate cover, we will provide ACS management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed)

Julián Martín Blasco

Main Performance Indicators

Profile Disclosures	
Strategy and Analysis	
	Cross-reference
1.1	Statement from the most senior decision-maker of the organization (CEO or similar) about the relevance of sustainability for the organization and its strategy.
	CRR. 5
1.2	Description of key impacts, risks, and opportunities.
	CRR. 16-17
Organizational Profile	
	Cross-reference
2.1	Name of the organization.
	EFR. 40
2.2	Primary brands, products, and/or services.
	CRR. 10-12
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
	CRR. 10-12
2.4	Location of organization's headquarters.
	EFR. 40
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
	CRR. 8-9
2.6	Nature of ownership and legal form.
	EFR. 40
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
	CRR. 10-12
2.8	Scale of the reporting organization. <ul style="list-style-type: none"> . Number of employees. . Net sales. . Market cap. . Quality of services provided or products sold.
	CRR. 10-11
2.9	Significant changes during the reporting period regarding size, structure, or ownership.
	CRR. 14
2.10	Awards received in the reporting period.
	CRR. 108
Report Parameters	
	Cross-reference
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.
	Year 2010 (1/1/2010 - 31/12/1010)
3.2	Date of most recent previous report (if any).
	2009
3.3	Reporting cycle (annual, biennial, etc.)
	Annual
3.4	Contact point for questions regarding the report or its contents.
	mabermejoc@grupoacs.com
3.5	Process for defining report content. <ul style="list-style-type: none"> . Scope. . Main aspects included in the report. . Stakeholders that will be using the report.
	CRR. 12-13, 105-107
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.
	CRR. 104-105
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).
	CRR. 104-105
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
	CRR. 104-105
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.
	CRR. 104-105
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
	CRR. 56, 58
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.
	CRR. 58
3.12	Table identifying the location of the Standard Disclosures in the report.
	CRR. 112-119

AR: Activity Report of ACS Group 2010.
 EFR: Economical and Financial Report of ACS Group 2010.
 CRR: Corporate Responsibility Report of ACS Group 2010.
 CGR: Corporate Governance Report of ACS Group 2010.

	Cross-reference
3.13 Policy and current practice with regard to seeking external assurance for the report.	CRR. 106. Verified by KPMG.
Governance, Commitments, and Engagement	
	Cross-reference
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	CRR. 14-16
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	CGR. 26. B.1.21
4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	CGR. 10-12
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	CGR. 47
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	CGR. 16-18
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	CGR. 37-39
4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	CGR. 23-26
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	CRR. 6-17, 36-37
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	CGR. 33
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	CGR. 33-35
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	CRR. 16-17
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CRR. 41
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies. • Participates in projects or committees. • Provides substantive funding beyond routine membership dues. • Views membership as strategic. 	CRR. 97
4.14 List of stakeholder groups engaged by the organization.	CRR. 41. In ACS CR Report there is information regarding shareholders, employees, clients, suppliers & citizens or the society in general (though ACS's policies on quality, R+D, Philanthropy and the environment).
4.15 Basis for identification and selection of stakeholders with whom to engage.	CRR. 41. ACS Group defines as stakeholders those groups who have the capacity to influence the definition and consecution of the Group's objectives.
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CRR. 22, 24, 28, 36, 79
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	CRR. 19. ACS defines how to deal with stakeholders according to its five commitments, which are the basis of the information included in this document.

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EFR: Economical and Financial Report of ACS Group 2010.
CRR: Corporate Responsibility Report of ACS Group 2010.
CGR: Corporate Governance Report of ACS Group 2010.

Main Performance Indicators

Standard Disclosures: Disclosures on Management Approach (DMAs)

Disclosure on Management Approach EC

	Cross-reference
Economic performance	CRR. 8-11, 20
Market presence	CRR. 8
Indirect economic impacts	CRR. 18, 21-35

Disclosure on Management Approach EN

Materials	CRR. 59
Energy	CRR. 59
Water	CRR. 60
Biodiversity	CRR. 61-62
Emissions, effluents and waste	CRR. 57-58
Products and services	CRR. 10
Compliance	CRR. 55
Transport	CRR. 57-58
Overall	CRR. 55-57

Disclosure on Management Approach LA

Employment	CRR. 77-78
Labor/management relations	CRR. 81
Occupational health and safety	CRR. 84-96
Training and education	CRR. 82-83
Diversity and equal opportunity	CRR. 78-80

Disclosure on Management Approach HR

Investment and procurement practices	CRR. 32-33
Non-discrimination	CRR. 78-80
Freedom of association and collective bargaining	CRR. 81
Child labor	CRR. 36-37, 83
Forced and compulsory labor	CRR. 36-37, 83
Security practices	CRR. 95
Indigenous rights	CRR. 36-37, 83

Disclosure on Management Approach SO

Community	CRR. 36-37, 98
Corruption	CRR. 36-37
Public policy	CRR. 41
Anti-competitive behavior	CRR. 36-37
Compliance	CRR. 36-37

Disclosure on Management Approach PR

Customer health and safety	CRR. 26-31
Product and service labelling	CRR. 25. Only included the practices related to customer satisfaction, including results of surveys measuring customer satisfaction. Further details on product and service labeling are absent from ACS industrial sector, and thus not applicable
Marketing communications	This is completely absent from ACS's particular sector. There are not mass marketing (nor even detailed ones) campaigns taken on.
Customer privacy	CRR. 23-25
Compliance	CRR. 23-25

AR: Activity Report of ACS Group 2010.
 EFR: Economical and Financial Report of ACS Group 2010.
 CRR: Corporate Responsibility Report of ACS Group 2010.
 CGR: Corporate Governance Report of ACS Group 2010.

Performance Indicators

Economic		Cross-reference
Economic performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	EFR. 6, 12. CRR. 18 Revenues: 15,380 € mn Operating costs: 10,250 € mn Employee compensations: 4,035 € mn Donations and community investments: 3,745 € mn Retained earnings 695 € mn Payments to capital providers: 618 € mn Payments to governments: 233 € mn ¹
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	CRR. 57-58. Is not included the opinion and detailed analysis from top management on the financial implications of climate change.
EC3	Coverage of the organization's defined benefit plan obligations.	CRR. 79. Paragraph 8.2.1. The company does not have any benefit plan obligation apart from the public pension plans granted by the State.
EC4	Significant financial assistance received from government.	EFR. 68, note 16
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Not available
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	CRR. 34
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	CRR. 79
Indirect economic impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	CRR. 98-103
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not available
Environmental		
Materials		
EN1	Materials used by weight or volume.	CRR. 74
EN2	Percentage of materials used that are recycled input materials.	CRR. 63
Energy		
EN3	Direct energy consumption by primary energy source.	CRR. 59
EN4	Indirect energy consumption by primary source.	CRR. 59
EN5	Energy saved due to conservation and efficiency improvements.	CRR. 59. Total amount of energy saved in joules or multiples taking into consideration energy saved due to process redesign, conversion and retrofitting of equipment, and changes in personnel behavior.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	CRR. 59
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Not available
Water		
EN8	Total water withdrawal by source.	IRC .60. ACS only measures water from the public network and not in detail water obtained from other sources.
EN9	Water sources significantly affected by withdrawal of water.	CRR. 60
EN10	Percentage and total volume of water recycled and reused.	Not available

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Main Performance Indicators

	Cross-reference
Biodiversity	
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	ACS does not own, manage or rents land inside or near protected areas.
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	CRR. 61. ACS Group does not have the appropriate systems to measure these impacts. This information will be included by 2012.
EN13 Habitats protected or restored.	Not available
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.	CRR. 61
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	CRR. 61
Emissions, effluents and waste	
EN16 Total direct and indirect greenhouse gas emissions by weight.	CRR. 56-58
EN17 Other relevant indirect greenhouse gas emissions by weight.	CRR. 56-58
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not available
EN19 Emissions of ozone-depleting substances by weight.	CRR. 56-58
EN20 NOx, SOx, and other significant air emissions by type and weight.	CRR. 56-58
EN21 Total water discharge by quality and destination.	CRR. 60
EN22 Total weight of waste by type and disposal method.	CRR. 56
EN23 Total number and volume of significant spills.	CRR. 60
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not applicable
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable
Products and services	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	CRR. 55-56
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable
Compliance	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	CRR. 61
Transport	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	CRR. 58-59
Overall	
EN30 Total environmental protection expenditures and investments by type.	Not available

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Social: Labor Practices and Decent Work		Cross-reference
Employment		
LA1	Total workforce by employment type, employment contract, and region.	CRR. 77-80
LA2	Total number and rate of employee turnover by age group, gender, and region.	CRR. 10, 79. Turnover by age will be reported by 2012.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	CRR. 79
Labor/management relations		
LA4	Percentage of employees covered by collective bargaining agreements.	CRR. 81
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	These periods are ruled by the collective agreement and the Spanish legislation, as well as the legislation in those contracts where ACS develops its activity.
Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not available
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	CRR. 86, 89, 94. Data per region is not available and will be included by 2012. Casualties are confidential.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	CRR. 91-92
LA9	Health and safety topics covered in formal agreements with trade unions.	CRR. 90
Training and education		
LA10	Average hours of training per year per employee by employee category.	CRR. 82-83
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	CRR. 81
LA12	Percentage of employees receiving regular performance and career development reviews.	CRR. 81
Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	CGR. 9-11, CRR. 83, 91
LA14	Ratio of basic salary of men to women by employee category.	This information is confidential, refers to key aspects of the business and ACS does not plan to disclose it in the future.
Social: Human Rights		
Diversity and equal opportunity		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	CRR. 36. Exact percentage is not available, will be included by 2012.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	CRR. 34. Exact percentage is not available, will be included by 2012.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	CRR. 83
Non-discrimination		
HR4	Total number of incidents of discrimination and actions taken.	CRR. 79

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Main Performance Indicators

	Cross-reference
Freedom of association and collective bargaining	
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	CRR. 81
Child labor	
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	CRR. 36-37
Forced and compulsory labor	
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	CRR. 95
Security practices	
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	CRR. 95
Indigenous rights	
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.	Not available
Social: Society	
Community	
S01 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	CRR. 36-37
Corruption	
S02 Percentage and total number of business units analyzed for risks related to corruption.	CRR. 36-37
S03 Percentage of employees trained in organization's anti-corruption policies and procedures.	CRR. 36-37
S04 Actions taken in response to incidents of corruption.	Group's risk management system and internal control are functioning properly and in this regard, during 2010 there has not been any event involving a breach of the integrity of the company or its employees.
Public policy	
S05 Public policy positions and participation in public policy development and lobbying.	CRR. 41
S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	ACS Group does not contribute in any way with political parties, politicians and related institutions.

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Cross-reference

Anti-competitive behavior

S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	No ACS Group company is involved in legal actions on this regards.
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Compliance

S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	The legal services of the Company have not registered any significant sanction arising from breach of the laws and regulations different from those addressed in the indicators PR9 and EN28.
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Social: Product Responsibility

Cross-reference

Customer health and safety

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	CRR. 29-31. The exact percentage is not available will be included by 2012
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not available

Product and service labelling

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not available
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	CRR. 25

Marketing communications

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	This is not applicable to ACS
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	This is not applicable to ACS

Customer privacy

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not available
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Compliance

PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CRR. 25
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