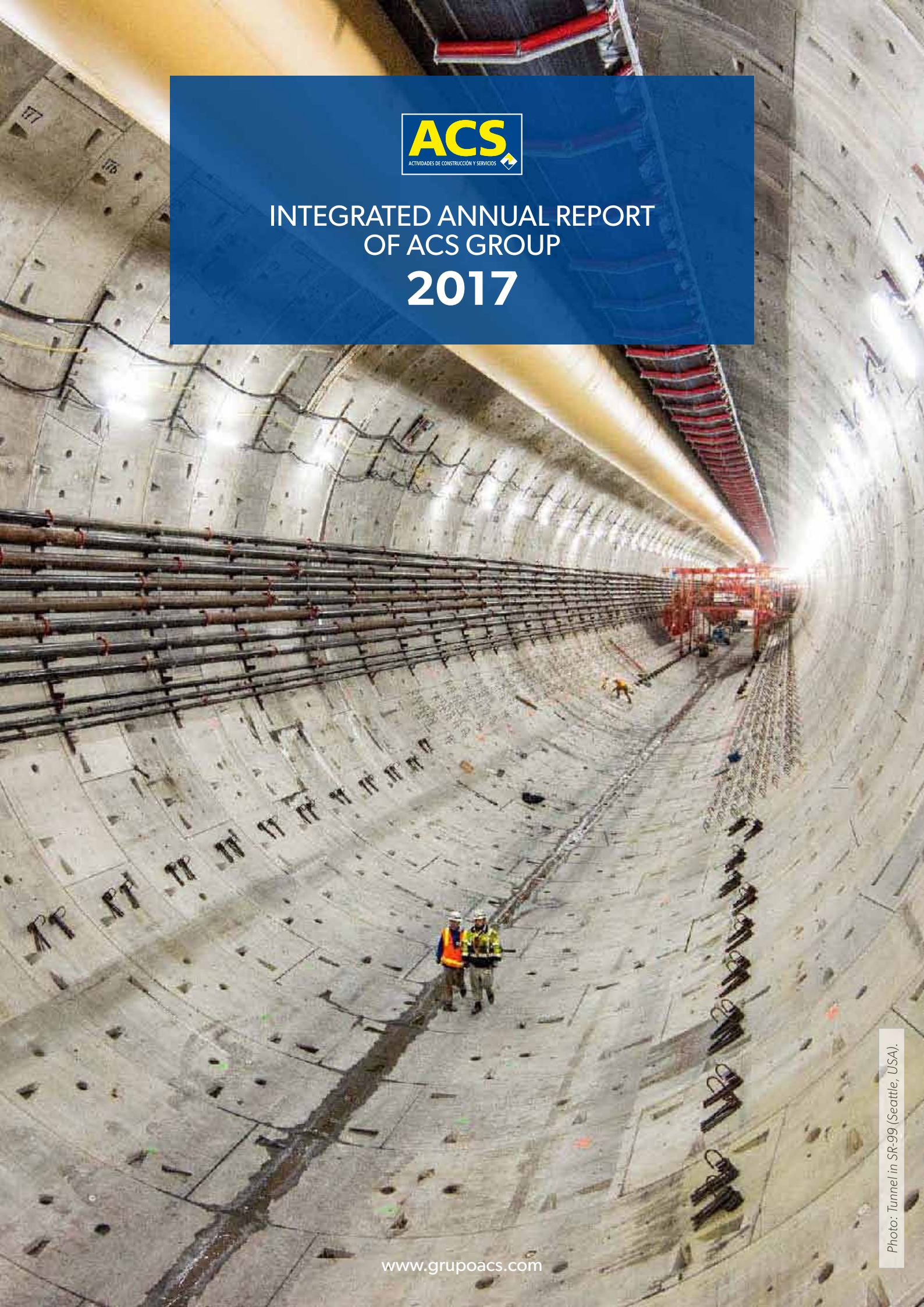




INTEGRATED ANNUAL REPORT OF ACS GROUP 2017



MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION OF EUROS	2012 ⁽¹⁾	2013 ⁽²⁾	2014	2015 ⁽⁴⁾	2016 ⁽⁴⁾	2017
Revenues	38,396.2	35,178.0	34,880.9	33,291.3	31,975.2	34,898.2
Gross operating profit (EBITDA) ⁽³⁾	3,088.4	2,832.5	2,552.7	2,140.7	2,023.4	2,278.9
Net operating profit (EBIT)	1,579.4	1,639.7	1,684.2	1,420.8	1,445.0	1,626.0
Attributable net profit	(1,927.9)	701.5	717.1	725.3	751.0	802.0
Funds from operations	1,299.4	1,085.8	824.1	1,794.8	1,376.4	1,863.5
Dividends paid	639.2	398.0	318.0	344.5	326.2	297.2
Net investments/(Divestments)	(2,285.2)	494.3	(313.0)	259.0	(522.9)	308.1
Total assets	41,563.4	39,965.4	39,320.7	35,279.8	33,400.0	31,880.7
Equity	5,711.5	5,488.9	4,897.9	5,197.3	4,976.6	5,164.0
Shareholders' equity	2,656.5	3,267.9	3,033.5	3,421.0	3,574.3	3,742.9
Non- controlling interests	3,055.0	2,221.0	1,864.4	1,776.3	1,393.2	1,421.1
Total net debt ⁽⁵⁾	4,518.7	3,811.1	3,722.3	2,624.1	1,214.4	153.0
Net debt with recourse	3,136.3	2,553.9	2,739.6	2,083.2	1,012.3	(41.9)
Non recourse financing	1,382.4	1,257.1	982.7	540.9	202.0	195.0
Backlog ⁽⁶⁾	74,587.9	59,363.0	63,871.0	58,942.2	66,526.3	67,082.0
Number of employees	162,471	157,689	210,345	170,241	176,755	182,269

DATA PER SHARE

EUROS	2012	2013	2014	2015	2016	2017
Earnings	(6.62)	2.26	2.31	2.35	2.44	2.57
Gross dividend*	1.112	1.153	1.153	1.152	1.196	1.400
Cash-flow	4.46	3.50	2.65	5.16	4.47	5.97
Shareholders' equity	9.12	10.53	9.76	11.09	11.63	11.99

* 2017 final dividend pending of approval.

STOCK MARKET DATA

	2012	2013	2014	2015	2016	2017
Listed shares	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594
Market capitalization (€ Million)	5,991.1	7,872.8	9,115.7	8,500.5	9,446.2	10,264.4
Year-end closing price	19.04 €	25.02 €	28.97 €	27.02 €	30.020 €	32.620 €
Annual revaluation	(16.86%)	31.41%	15.79%	(6.75%)	11.12%	8.66%

KEY RATIOS

	2012 ⁽¹⁾	2013 ⁽²⁾	2014	2015 ⁽⁴⁾	2016 ⁽⁴⁾	2017
Operating margin	4.1%	4.7%	4.8%	4.3%	4.5%	4.7%
Net margin	(5.0%)	2.0%	2.1%	2.2%	2.3%	2.3%
ROE	n.a.	22.7%	22.0%	20.8%	21.4%	21.9%
Gearing ⁽⁷⁾	86.7%	69.4%	76.0%	50.5%	24.4%	3.0%
Dividend yield	5.8%	4.6%	4.0%	4.3%	4.0%	3.7%

(1) 2012 data have been restated as a result of the entry into force of the revised IAS 19, which applies retroactively.

(2) 2013 data have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards. Additionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations in both exercises after its sale.

(3) 2014-2017 EBITDA and EBIT include Joint Ventures Net Results (companies executing projects managed with partners) not fully consolidated.

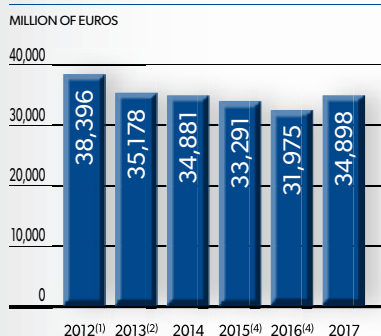
(4) In compliance with IFRS 5, Urbaser has been reclassified as discontinued operations as consequence of its sale agreement. Likewise the prior comparable period has been restated. Balance sheet figures restated by HOCHTIEF PPA adjustment.

(5) In 2014, total net debt includes the proceeds pending to be collected obtained after the sale of John Holland and Leighton Services in December 2014, accounted in the balance sheet by 31st of December 2014 as Accounts receivable.

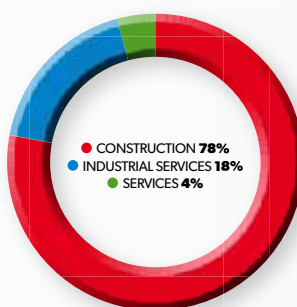
(6) Includes the backlog proportional to the stake in joint ventures that the Group does not fully consolidate.

(7) Gearing: Net Debt / (Shareholders' Equity+Non-controlling interests).

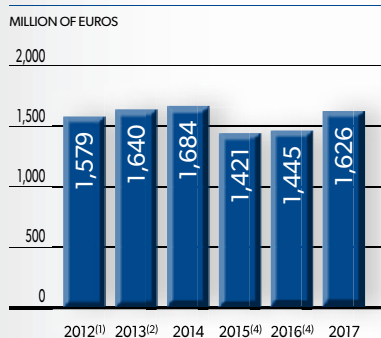
REVENUES



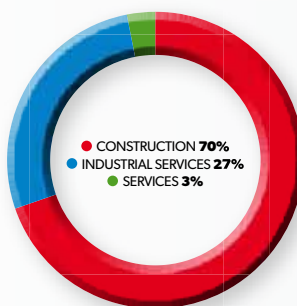
2017 REVENUE BY AREA OF ACTIVITY



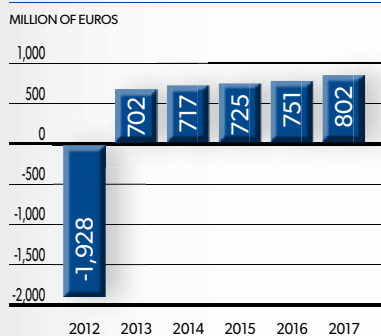
NET OPERATING PROFIT (EBIT)



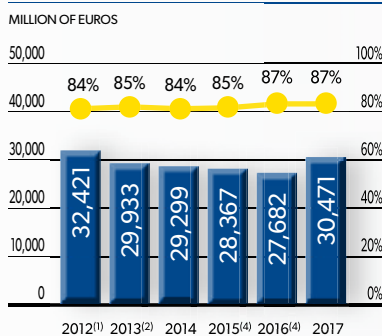
2017 GROSS OPERATING PROFIT (EBITDA) BY AREA OF ACTIVITY



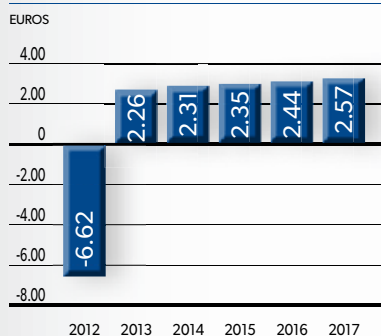
ATTRIBUTABLE NET PROFIT



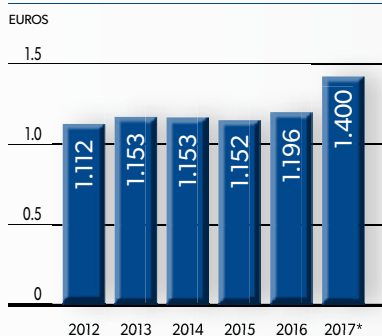
INTERNATIONALIZATION



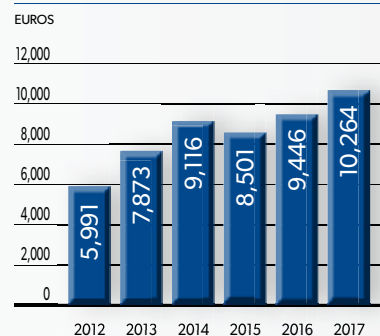
EARNINGS PER SHARE



DIVIDEND PER SHARE*



MARKET CAPITALIZATION



* 2017 final dividend pending of approval.

(1) 2012 data have been reestimated as a result of the entry into force of the revised IAS 19, which applies retroactively.

(2) 2013 data have been reestimated as a result of the entry into force of the IFRS 10, 11 and 12 new standards. Additionally there has been a reclassification of the results from John Holland and Leighton Services as discontinued operations in both exercises after its sale.

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(4) In compliance with IFRS 5, Urbaser has been reclassified as discontinued operations as consequence of its sale agreement. Likewise the prior comparable period has been restated. Balance sheet figures restated by HOCHTIEF PPA adjustment.



CONSTRUCTION ⁽¹⁾

MILLIONS OF EUROS	2017
Revenues	27,221
International	95.3%
Gross operating profit (EBITDA)	1,620
Margin	6.0%
Net profit	387
Margin	1.4%
Backlog ⁽²⁾	55,529
Employees	66,897

INDUSTRIAL SERVICES

MILLIONS OF EUROS	2017
Revenues	6,260
International	71.0%
Gross operating profit (EBITDA)	633
Margin	10.1%
Net profit	319
Margin	5.1%
Backlog	9,286
Employees	41,002

SERVICES

MILLIONS OF EUROS	2017
Revenues	1,446
International	5.9%
Gross operating profit (EBITDA)	73
Margin	5.1%
Net profit	37
Margin	2.6%
Backlog	2,267
Employees	74,317


(1) Construction includes the activity of Dragados, Hochtief and Iridium.

(2) EBITDA Includes Joint Ventures Net Results (companies executing projects managed with partners) not fully consolidated. Includes the backlog proportional to the stake in joint ventures that the Group does not fully consolidated.

CONSOLIDATED DIRECTOR'S REPORT





LINKS 



CONSOLIDATED FINANCIAL STATEMENTS



CORPORATE GOVERNANCE REPORT



ANNUAL DIRECTOR'S REMUNERATION

ABOUT THIS REPORT

The Integrated Annual Report consists of the present Consolidated Director's Report, of the which is part of the Annual Government Report Corporate that is attached by reference and that available on the Group's website ACS and the CNMV, and the Consolidated Annual Accounts corresponding to the year ended 31 December 2017, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

This report has been prepared in accordance with the principle of integration and includes the most significant financial and extra-financial information to demonstrate the Group's value creation. The objective of the report is to provide a perspective that concisely presents the company's capacity to create value at short, medium and long-term, as well as its positioning to the risks and opportunities offered by the current environment.

In order to ensure maximum rigour and transparency, this document was prepared following the requirements established by the international standards of reference on reporting matters:

- The guidelines contained within the framework of the International Integrated Reporting Counsel (IIRC¹).
- The Global Reporting Initiative's (GRI) new GRI Standards. The related indicators have been verified by an independent third party in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

The requirements contained in the guide for preparing directors' reports for listed companies issued by the Spanish National Securities Market Commission and the Royal Decree-Law 18/2017 on the disclosure of non-financial and diversity information also taken into account.

The content of the report was selected based on a preliminary analysis that identified the most relevant matters for the company and its primary stakeholders².

[102-45]

The report considers all the ACS Group's activities in all of the countries where it is present. The information published includes the in Construction, Industrial Services and Services operations carried out by the companies that are controlled by the ACS Group and that are described in the Group's Consolidated Financial Statements.

Following the principle of the connectivity of information, the content of this report is supplemented with information from other documents published annually by the ACS Group (the Corporate Governance Report, Annual Directors' Remuneration Report and Financial Statements), as well as all of the information and policies published on the company's website.

¹ For more information visit the International Integrated Reporting Counsel's website <http://integratedreporting.org/>

² For more information regarding the identification of relevant matters, see Appendix 9.2. Identification of relevant matters.

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9. APPENDICES

LETTER FROM THE CHAIRMAN

PREPARE TO KEEP GROWING

Dear shareholder

ACS Group has earned 802 million euros in 2017, up 17% in comparable terms, thus exceeding the growth and profitability targets set a year ago. This result has been possible thanks to the positive progress of all the Group's activities, mainly in the Construction area, and to the improvement of financial results on the back of the significant debt reduction in recent years.

The Group's revenues have exceeded 34,898 million euros, up 10.7% than in the previous year, adjusted by the exchange rate. The region where ACS Group has the highest activity is North America, which represents 45% of total revenues, followed by Asia Pacific which accounts for 29% and Europe with 20%; production in South America stands at 5% while Africa represents just over 1%. By country, the most important are the United States, Australia, Spain, Hong Kong, Canada, Mexico and Germany; all which represent an annual revenues of over 900 million euros, accounting for around 85% of the total revenues of the Group.

Furthermore, the Group's operating results show an additional hike in margins, with gross operating profit (EBITDA) of 2,279 million euros, up 12.6%, and a net operating profit (EBIT) of 1,626 million euros, up 12.5%.

By activity area:

- Construction obtained 387 million euros, up 24.4% compared to the previous year, on the back of the rise in CIMIC activity and solid growth in

North America. Revenues in this area amounted to 27,221 million euros, making the company the leading international construction group and leader in the North American and Australian markets.

- The Industrial Services area obtained a profit of 319 million euros, up 4.6%, with revenues of 6,260 million euros, maintaining its characteristic profitability and efficiency ratios, and consolidating its presence in new markets.

- On the other hand, the profit of Services increased by 38.4%, not including the contribution of Urbaser in 2016, up to 37 million euros. The revenues amounted to 1,446 million euros.

These good results, together with the effective control of working capital and the efficient management of investment needs, have contributed to the significant improvement of the net cash flows generated by the operations in 2017, which have increased by 43% to 1,492 million euros.

Subsequently, this strong operating cash generation has enabled us to reduce net debt by more than 1 billion euros to a figure that is at all time lows; specifically, we closed the year with a net cash position of 42 million euros, excluding the project's debt. Including this financing, without recourse for ACS, net debt stands at 153 million euros, which implies a debt ratio of 0.06 times over EBITDA. This represented a further step

towards the goal we set ourselves 6 years ago to reduce the Group's financial leverage and, therefore, the risk profile of our balance sheet, which was strengthened last May with the achievement of the BBB credit rating in the *investment grade category*.

Let us not forget that the almost 200,000 people who strive every day to pursue the Group's objectives are behind these excellent results. Our human capital works in more than 60 countries, with an over 40% gender diversity, and has 8,000 workers from disadvantaged groups such as people with disabilities, gender violence victims or people at risk of exclusion. At ACS we believe in diversity and equal opportunities, and we are committed to people with talent and work capacity, regardless of gender, condition, race or personal circumstances.

That is why in 2017 we approved ACS' Group Diversity Policy, in which we undertake to promote all the necessary measures to avoid any type of discrimination in selection processes, not only of administrative body candidates, but of any job, and thus support the cultural diversity for which we are renowned.

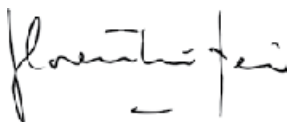
I would like to highlight, in terms of sustainability, the progress made in the main safety indices, significantly reducing work accidents and increasing training in this area.

Finally, I would like to point out the performance of our shares in 2017,

which has appreciated by 8.7%, showing a differential value of 125 basis points over IBEX35. Additionally, we have increased the shareholder remuneration by 4%, paying a dividend per share of 1,196 euros, so that total compensation for shareholders reached 12.64%. Once again these figures confirm our commitment towards value creation.

A commitment that is renewed every year and that is based on the Group's positive growth prospects on the back, firstly, of the solid portfolio of projects amounting to 67,082 million euros -mainly in developed markets such as North America and Australia- and, secondly, of investment opportunities in new projects and businesses that enable to ensure sustainable growth in the long term without compromising the value created so far.

Our participation in the takeover bid on the concession company Abertis is a good example. I am convinced that the success of the operation will have a positive impact on the Group's strategic positioning in the infrastructure sector, mostly in developed markets, and a significant increase in ACS' earnings per share. And so I look forward to inform you all next year.



Florentino Pérez
Chairman of ACS Group



1. MANAGEMENT BODIES

1.1. BOARD OF DIRECTORS

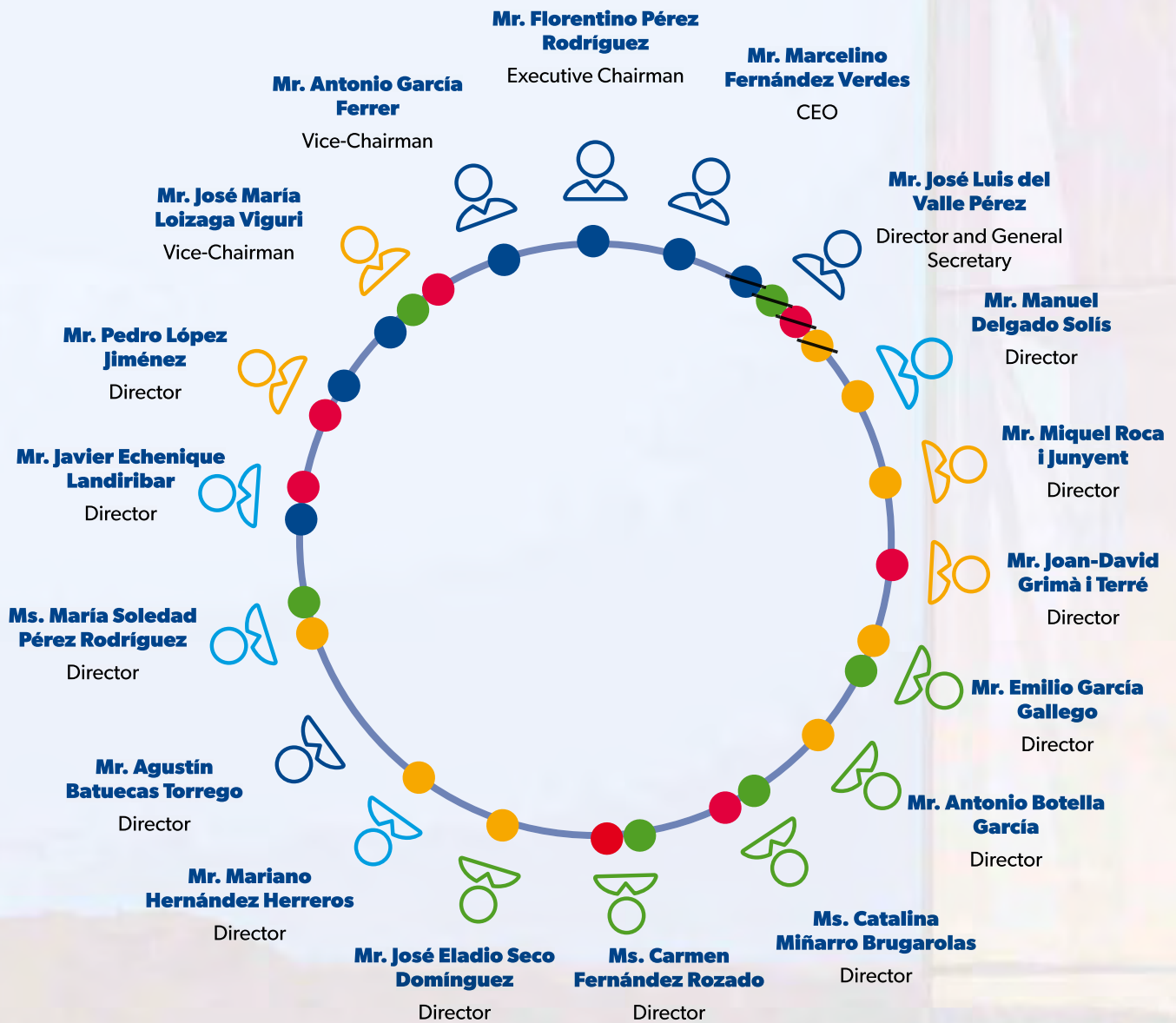
1.2. MANAGEMENT COMMITTEE










1.3. MANAGEMENT TEAM





1.1. BOARD OF DIRECTORS



- | | |
|--|--|
|  Executive |  Member of the Executive Committee |
|  Proprietary |  Member of the Audit Committee |
|  Independent |  Member of the Appointments Committee |
|  Other external |  Member of the Remuneration Committee |
| |  Secretary non-member |



For further information:
Online access to their biography

Mr. Florentino Pérez Rodríguez

Executive Chairman
Civil Engineer.
Chairman of the ACS Group since 1993
Member of the Board of Directors of the ACS Group since 1989

Mr. Marcelino Fernández Verdes

CEO
Civil Engineer
Member of the Board of Directors of the ACS Group since 2017.
Chairman of HOCHTIEF AG.
Executive Chairman of CIMIC.

Mr. Antonio García Ferrer

Vice-Chairman
Civil Engineer.
Member of the Board of Directors of the ACS Group since 2003.

Mr. José María Loizaga Viguri

Vice-Chairman
Economist.
Member of the Board of Directors of ACS Group since 1989.
Director of Cartera Industrial REA
Vice-Chairman of Zardoya Otis.
Director of Moira Capital Partners, SGEIC, S.A.
Director of Moira Capital Desarrollo ALFA, SICC, S.A.
Director of Moira Capital Desarrollo BETA, SICC, S.A.

Mr. Agustín Batuecas Torrego

Director
Civil Engineer.
Member of the Board of Directors of the ACS Group since 1999.

Mr. Antonio Botella García

Director
B.A. in Law. Lawyer.
State Lawyer (retired).
Member of the Board of Directors of the ACS Group since 2015.

Mr. Manuel Delgado Solís

Director
B.S. in Pharmacy and B.A. in Law.
Member of the Board of Directors of the ACS Group since 2003.

Mr. Javier Echenique Landiribar

Director
B.A. in Economics.
Member of the Board of Directors of the ACS Group since 2003.
Vice-Chairman of Banco Sabadell.
Director of Telefónica, S.A.
Director of the Ence Group.

Ms. Carmen Fernández Rozado

Director
B.A. in Economics and Business and in Political Science and Sociology. Doctorate in Public Finances.
Member of the Board of Directors of the ACS Group since 28 February 2017.
Director of EDP.

Mr. Emilio García Gallego

Director
Civil Engineer and B.A. in Law.
Member of the Board of Directors of the ACS Group since 2014.

Mr. Joan-David Grimà i Terré

Director
Doctorate in Economics and Business.
Member of the Board of Directors of the ACS Group since 2003.

Mr. Mariano Hernández Herreros

Director
B.S. in Medicine.
Member of the Board of Directors of the ACS Group since 2016.

Mr. Pedro López Jiménez

Director
Civil Engineer
Member of the Board of Directors of ACS Group since 1989. Currently Vice-Chairman of the Executive Committee and Director of the Appointment Committee. Chairman of the Supervisory Board, Chairman of the Human Resources Committee and of the Appointments Committee of HOCHTIEF.
Member of the Board of Directors, the Remuneration and Appointments Committee and of the Ethics, Compliance and Sustainability Committee of CIMIC.
Director of GHESA.

Ms. Catalina Miñarro Brugarolas

Director
B.A. in Law and State Lawyer.
Member of the Board of Directors of the ACS Group since 2015.
Director, Member of the Delegate Committee and Chairman of the Appointments Committee of MAPFRE, S.A.
Director and Member of the Management Committee of MAPFRE ESPAÑA, S.A.
Director of MAPFRE INTERNACIONAL, S.A.

Ms. María Soledad Pérez Rodríguez

Director
B.S. in Chemistry and Pharmacy.
Member of the Board of Directors of the ACS Group since 2014.

Mr. Miquel Roca i Junyent

Director
Lawyer.
Member of the Board of Directors of the ACS Group since 2003.
Directors of Endesa.
Director of Aguas de Barcelona.
Non-Director Secretary of the Board of Directors of Abertis Infraestructuras.
Non-Director Secretary of the Board of Directors of Banco de Sabadell.
Non-Director Secretary of TYPSA.
Non-Director Secretary of WERFENLIFE.

Mr. José Eladio Seco Domínguez

Director
Civil Engineer.
Member of the Board of Directors of the ACS Group since 2016.

Mr. José Luis del Valle Pérez

Director and General Secretary
B.A. in Law and State Lawyer.
Member of the Board of Directors of ACS Group since 1989.
Member of the Supervisory Board of HOCHTIEF.
Member of the Board of Directors of CIMIC.

1.2. MANAGEMENT COMMITTEE



Mr. FLORENTINO PÉREZ RODRÍGUEZ

Executive Chairman

Born in 1947.
Civil Engineer

He started his professional career in a private company. Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1983 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Sub-Director of Promotion of the Centre for the Development of Industrial Technology in the Ministry of Industry and Energy, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983 he returned to the private sector and since 1984 has been the top executive, Vice-Chairman and CEO, of Construcciones Padros, S.A., of which he is also one of the main shareholders. Since 1987, he has been the Chairman and CEO of Construcciones Padrós, S.A. Since 1993 he has been the Chairman and CEO of OCP Construcciones S.A., as a result of the merger of Construcciones Padrós S.A. and OCISA. Since, 1997 he has been the Chairman and CEO of the ACS Group, as a result of the merger of OCP Construcciones S.A., Ginés Navarro, S.A. and Auxini, S.A.



Mr. MARCELINO FERNÁNDEZ VERDES

CEO

Born in 1955.
Civil Engineer

He joined the Group in 1987, being appointed General Director of OCP Construcciones in 1994. In 1998, he assumed the position of CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed Chairman of the same.

In 2004 he was appointed Chairman and CEO of Dragados, as well as responsible for the Construction area. In 2006, he was appointed Chairman and CEO of ACS Servicios y Concesiones, as well as responsible for the Group's Concessions and Environment areas, a responsibility he held until March 2012.

In April 2012, he was appointed to the Executive Committee of Hochtief AG and its Chairman in November of that same year, a position he continues to hold today, and he assumed the responsibility of the HOCHTIEF Asia Pacific division. From March 2014 to October 2016, he was Chief Executive Officer (CEO) of the CIMIC company of the Australian HOCHTIEF group, and has been Executive Chairman of CIMIC since June 2014. In May 2017, he was appointed CEO of the ACS Group



Mr. ANTONIO GARCÍA FERRER

Vice-Chairman

Born in 1945.
Civil Engineer

Mr. García Ferrer started his career at Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction Company, in 1989 he was appointed Regional Manager for Madrid. Then, in 1998, he became the head of the Building business and in 2001, he became General Manager of the Industrial and Services Divisions. In 2002 Mr. Garcia Ferrer was appointed Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice-Chairman of the ACS Group.



Mr. EUGENIO LLORENTE GÓMEZ

Chairman and CEO of Industrial Services

Born in 1947.
Industrial Technical Engineer and MBA,
Madrid Business School

Mr. Llorente started his professional career in Cobra Instalaciones y Servicios, S.A. in 1973. After occupying different positions of responsibility, in 1989 he was named director of Downtown, in 1998 he was promoted to Corporate General Manager and in 2004 to General Manager. Currently, he is the General Manager of ACS Services, Communications and Energy and responsible for the Group's Industrial Services Area.



Mr. JOSÉ LUIS DEL VALLE PÉREZ

Secretary General

Born in 1950.
B.A. in Law and State Lawyer

From 1975 until 1983 Mr. del Valle held various positions in the Public Administration and was a Member of Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.



Mr. ÁNGEL GARCÍA ALTOZANO

Corporate General Manager

Born in 1949.
Civil Engineer and MBA

Mr. Garcia Altozano started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as the Corporate General Manager responsible for the economic-financial areas (CFO), corporate development and investees.

1.3. MANAGEMENT TEAM

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

Mr. Florentino Pérez Rodríguez
Executive Chairman

Mr. Marcelino Fernández Verdes
CEO

Mr. Antonio García Ferrer
Vice-Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
General Secretary

Mr. Ángel Muriel Bernal
Deputy General Manager to CEO

CONSTRUCTION

HOCHTIEF

Mr. Marcelino Fernández Verdes
Chairman of the Vorstand ⁽¹⁾ of Hochtief AG.
CEO Executive Chairman of CIMIC Group

Mr. Peter Sassenfeld
Member of the Vorstand ⁽¹⁾ of Hochtief AG.
CFO

Mr. José Ignacio Legorburo Escobar
Member of the Vorstand ⁽¹⁾ of Hochtief AG.
COO

Mr. Nikolaus Graf von Matuschka
Member of the Vorstand ⁽¹⁾ of Hochtief AG.
CEO of Hochtief Solutions

Mr. Peter Coenen
General Manager of Hochtief PPP Solutions

Mr. Michael Wright
CEO of CIMIC Group

Mr. Ignacio Segura Suriñach
Deputy CEO of CIMIC Group

Mr. Stefan Camphausen
CFO of CIMIC Group

Mr. Emilio Grande
Deputy CFO of CIMIC Group

Mr. Juan Santamaría Cases
General Manager of CPB Contractors

Mr. Douglas Thompson
General Director of THIESS

Mr. Glen Mace
General Director of EIC Activities

Mr. Jason Spears
General Director of UGL

Mr. Peter Davoren
Chairman and CEO of Turner Construction

Mr. John DiCiurcio
Chairman and CEO of Flatiron

DRAGADOS

Mr. Adolfo Valderas
CEO and US Manager

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Diego Zumaquero García
Canada Manager

Mr. Gonzalo Gómez Zamalloa
Latin America Manager

Mr. Santiago García Salvador
Europe Manager

IRIDIUM

Mr. Santiago García Salvador
CEO

¹. Management Committee.

INDUSTRIAL SERVICES

Mr. Eugenio Llorente Gómez
Chairman and CEO

Mr. José María Castillo Lacabex
General Manager of Cobra

Mr. José Alfonso Nebrera García
General Manager

Mr. Epifanio Lozano Pueyo
Corporate General Manager

Mr. Cristóbal González Wiedmaier
Finance Manager

SERVICES

Mr. Cristobal Valderas
CEO of Clece



2. THE ACS GROUP

2.1. A GLOBAL INFRASTRUCTURE COMPANY

2.2. 2017, GROWTH AND VALUE CREATION

2.3. A SOLID AND PROFITABLE VALUE





2.1. A GLOBAL INFRASTRUCTURE COMPANY

1. THE ACS GROUP² IS A WORLDWIDE REFERENCE IN THE CONSTRUCTION AND SERVICES BUSINESS

A group comprised leading companies that participate in the development of sectors that are fundamental for the global economy in an increasingly complex, competitive, demanding and global market. A multinational company committed to economic and social progress in the countries where it is present.

WORLD LEADER IN CONSTRUCTION

ENR
THE TOP 250 INTERNATIONAL CONTRACTORS

The Top 250 List

RANK 2017	RANK 2016	FIRM	2016 REVENUE \$ MIL.		2016 NEW CONTRACTS \$ MIL.
			INT'L	TOTAL	
1	1	ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA, Madrid, Spain†	32,598.2	37,333.9	32,598.2
2	2	HOCHTIEF AKTIENGESELLSCHAFT, Essen, NRW, Germany†	22,927.0	24,022.0	25,791.0
3	3	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., Beijing, China†	21,201.0	70,780.0	36,784.0
4	4	VINCI, Rueil Malmaison, France†	17,367.3	42,667.9	16,269.6
5	5	BECHTEL, San Francisco, Calif., U.S.A.†	16,406.0	24,251.0	4,437.0
6	9	BOUYGUES, Paris, France†	12,257.0	26,354.0	13,107.0
7	7	TECHNIP, Paris, France†	12,113.0	12,230.0	5,484.0
8	10	SKANSKA AB, Stockholm, Sweden†	12,110.0	15,414.0	15,680.0
9	8	STRABAG, Vienna, Austria†	12,008.7	14,220.9	13,202.0
10	11	POWER CONSTRUCTION CORP. OF CHINA, Beijing, China†	11,595.9	43,324.7	27,751.8

Source: ENR The top 250 global contractors.

WORLD LEADER IN CONCESSIONS

PUBLIC WORKS FINANCING

World's Largest Transportation Developers
2017 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE

Ranked by Number of Transportation Concessions Currently Operating or Under Construction

Company	Operating or Under Const.	Sold or Expired Since 1985	Active Pursuits	# Operating or Under Construction In:		
				U.S.	Canada	Home Country
ACS Group/Hochtief (Spain)	59	54	56	4	10	17
Vinci (France)	47	8	15	1	3	17
Abertis (Spain)	45	17	na	0	0	14
Macquarie (Australia)	41	28	3	3	1	1
Ferrovial/Cintra (Spain)	39	26	15	4	3	11
Sacyr (Spain)	33	22	7	0	0	13
Meridiam (France)	30	0	9	7	3	3
Globalvia (Spain)	27	9	2	1	0	16
John Laing (UK)	25	8	6	3	0	14
Egis (France)	25	2	16	0	1	6
Bouygues (France)	24	7	6	1	1	7

Source: Public Works Financing.

EBITDA 2017
2,279
Mn€

6.5%
MARGIN

EBIT 2017
1,626
Mn€

4.7%
MARGIN

NET PROFIT
802
Mn€

+15.5%
COMPARABLE VS. 2016*

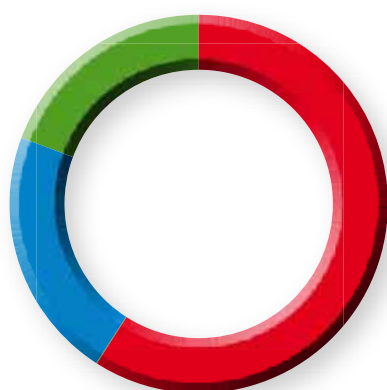
*Excluding Urbaser net profit in 2016.

EMPLOYEES
182,269

2. The parent company of which is ACS, Actividades de Construcción y Servicios S.A., with registered offices in Madrid, Spain.

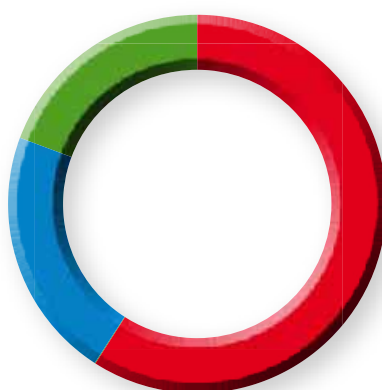
The ACS Group reaffirms its international leadership, which has been reinforced by the completion of the transformation process, the improvement of the financial structure and the growth in key markets.

REVENUES
34,898
Mn€



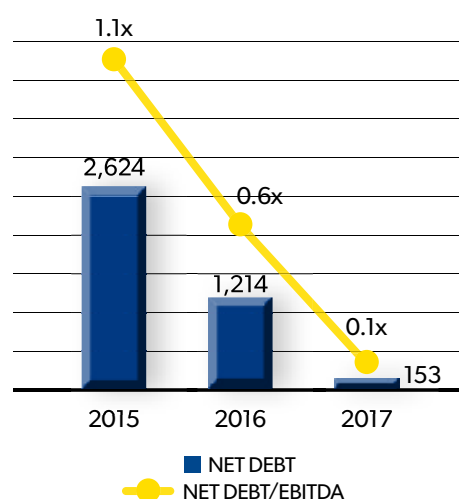
● CONSTRUCTION **78%**
● INDUSTRIAL SERVICES **18%**
● SERVICES **4%**

BACKLOG
67,082
Mn€



● CONSTRUCTION **83%**
● INDUSTRIAL SERVICES **14%**
● SERVICES **3%**

FINANCIAL STRUCTURE
0.1x
NET DEBT/EBITDA



ACTIVITIES OF ACS GROUP



CONSTRUCTION

Execution of civil works, building and mining projects from project design through financing, construction and start-up to operation.

INDUSTRIAL SERVICES

For energy, industrial and mobility infrastructures including development, construction, maintenance and operation.

SERVICES

Focus on services for people, for buildings, for the city and the environment.

2. A GROUP THAT PARTICIPATES IN
THE DEVELOPMENT OF SECTORS THAT ARE
FUNDAMENTAL FOR THE GLOBAL ECONOMY





3. A MULTINATIONAL COMPANY COMMITTED TO ECONOMIC AND SOCIAL PROGRESS IN THE COUNTRIES WHERE IT IS PRESENT

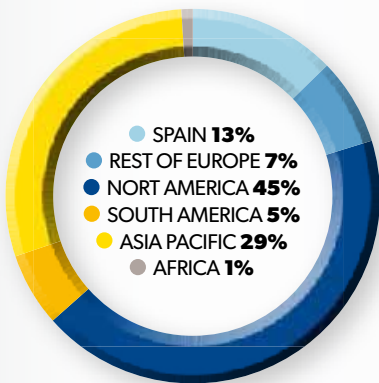
All ACS Group activities show a significant customer orientation, with a contracting culture and as a guarantee for future, building solid long-term relationships based on **trust** and mutual knowledge.

The flexible and decentralised Group structure promotes the responsibility and entrepreneurship of its employees, which is a basic tool for maximising **profitability** and encouraging the **excellence** necessary to offer the best services and products to the customers.

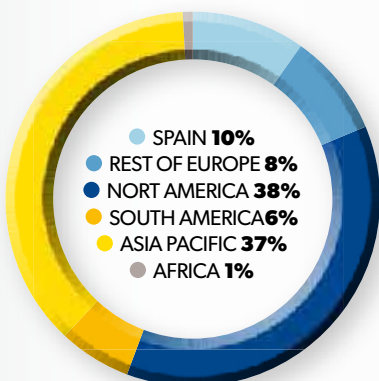
The ACS Group maintains an indispensable **commitment** to sustainable development, in order to serve society in an efficient and ethically responsible manner through its capacity to create value for shareholders and all of its stakeholders, demanding the highest standards of **integrity** from its employees and collaborators.

These values, which have formed part of the Group's culture since its foundation, have created the main competitive advantages that are the cornerstone of its past and future growth.

REVENUES
34,898
Mn€



BACKLOG
67,082
Mn€



THE ACS GROUP'S VALUES



PROFITABILITY



COMMITMENT



INTEGRITY



EXCELLENCE



TRUST



4. A HISTORY OF SUCCESS

The Group's success is based on an efficient organisation and dynamic and entrepreneurial management implemented through successive merger and acquisition processes and strategic plans committed to maximising profitability for

its shareholders. The Group's capacity to integrate companies, assimilate them and develop a common culture has allowed it to consolidate its position as the international leader in infrastructure development.

1983



Founded in 1968

Construction company based in Badalona (Spain), restructured and relaunched after acquisition. It was the seed for today's ACS Group.

1986



Founded in 1942

Spanish construction company, the acquisition of which represented a leap in size for the Group in the 80s.

1988



Founded in 1919

A company specialised in power lines, developer of the Spanish grid, the Group's first diversification into industrial services.

1989



Founded in 1948

A leading industrial services company in Spain and Latin America, acquired in the market to lead the Group's expansion in this area

1992



Founded in 1992

The result of the merger between Ocisa and Construcciones Padrós, creating one of Spain's 10 biggest companies at the time.

1996



Founded in 1945

State-owned construction company, increasing the Group's domestic presence.

1997



Founded in 1930

One of Spain's most important construction companies, specialised in civil works.



1997

VIAS

Founded in 1928

One of Spain's most practised companies in railway development, with over 80 years' experience. Joined the ACS Group as a Ginés Navarro subsidiary.

1997

ACS
CONSORCIO DE CONSTRUCCIÓN Y FERROVIARIO

Founded in 1997

A world leader in infrastructure development. Created from the merger between OCP and Ginés Navarro in 1997.

2003


Grupo Dragados

Founded in 1941

A leader in Spain and a highly diversified company. Its merger with ACS created one of the world's five biggest companies and laid the foundations for the Group's future growth.


2003


Clece

Founded in 1992

Initially focusing on providing cleaning services for public organisations, it has become Spain's leading multiservices Company.

2011

 **HOCHTIEF**

Founded in 1873

A leading company in Germany and involved in over 50 countries, it is the ACS Group's platform for international growth.

2011

Turner

Founded in 1902

A HOCHTIEF subsidiary since 1999, it is a leading "General Contractor" in the United States and is involved in executing large non-residential building projects across almost the whole country.

2011

 **CIMIC**

Founded in 1949

A subsidiary of HOCHTIEF, which holds a 72.68% of the company's shares at December 31, 2017, acquired in 1983. It is Australia's leading construction company and a world leader in mining concessions.



2.2. 2017, GROWTH AND VALUE CREATION

1. CONSOLIDATION, LEADERSHIP AND GROWING PORTFOLIO IN STRATEGIC MARKETS

The ACS Group is a global leader in infrastructure development, mainly in developed countries. In recent years, the Group has consolidated its international leadership and, since 2013, it is the highest ranking international contractor according to the ENR TOP ranking, and the only Spanish company among the top 10.

In 2017, the Group continued to strengthen its leading position in strategic markets such as the USA and Australia with two figure growth in the portfolio. The portfolio at the end of 2017 was 67,082 million euros, 8.8% more after exchange rate adjustments.

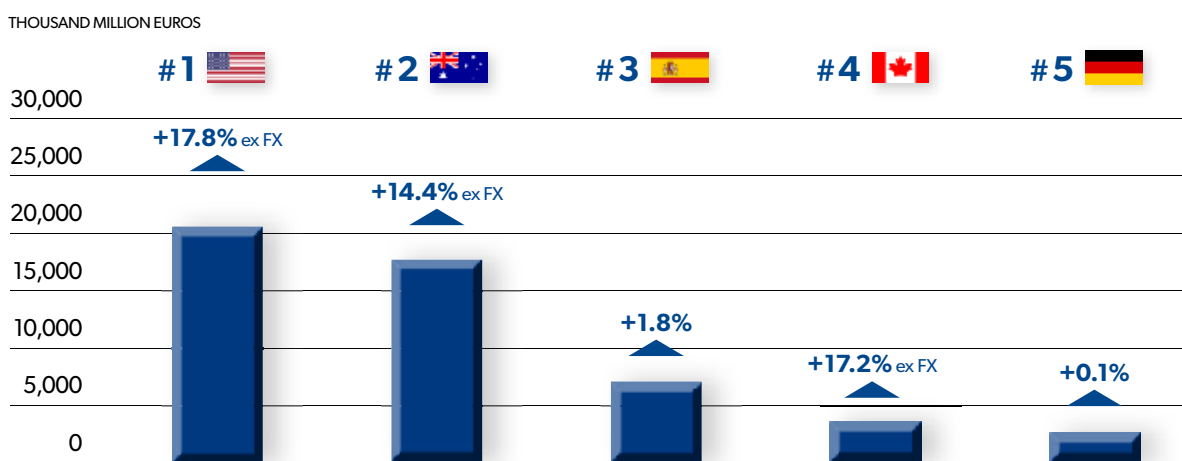
BACKLOG

MILLIONS OF EUROS	2016	2017	% Var.	Variation Comparable
Construction	55,769	55,529	-0.4%	7.6%
Industrial Services	8,762	9,286	6.0%	15.0%
Services	1,995	2,267	13.6%	13.9%
TOTAL	66,526	67,082	0.8%	8.8%



The evolution of the main countries in portfolio terms is as follows:

EVOLUTION OF BACKLOG IN MAIN MARKETS OF THE ACS GROUP



Note: Growth adjusted by F/X.

Thanks to major geographical diversification, the Group was able to offset the adversities of the macro-economic environment and the cyclical processes inherent to building activity in small markets, thus

making use of opportunities for growth in more favourable environments and consolidating its presence in countries with more potential for stable growth.



2. SOLID FINANCIAL RESULTS AND STRONG CASH GENERATION

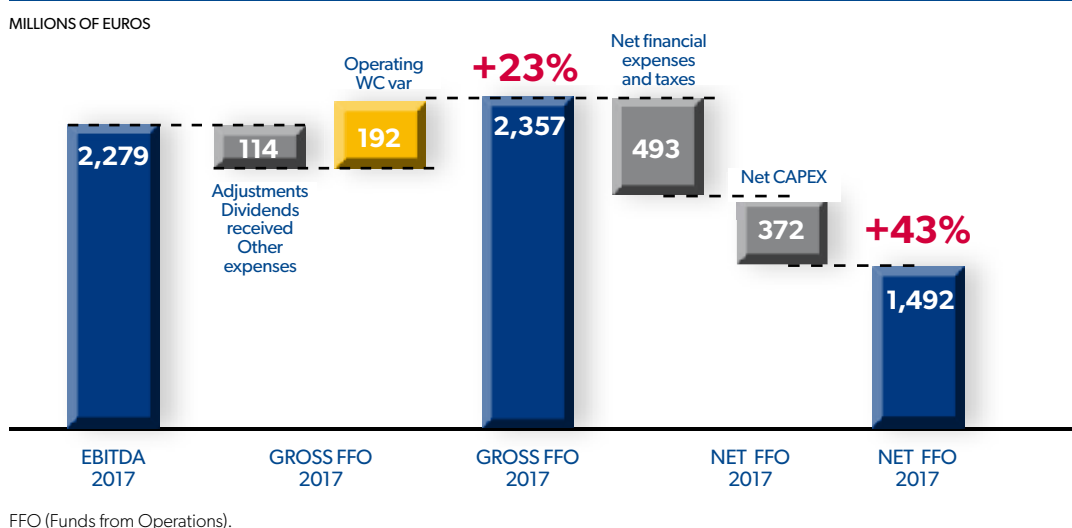
In 2017, the ACS Group continued to show solid financial results and its capacity to achieve set objectives. In recent years, the ACS Group has demonstrated solid and efficient operating profit, improving the margins between activities, increasing cash generation and ensuring a positive and sustainable trend for the future.

In 2017, revenues reached 34,898 million euros, a 10.7% increase in comparable terms, without including exchange rate impacts. Likewise, in recent years the ACS Group has shown a solid and efficient operational performance, improving the margins between activities, achieving an improvement of 20 basic points in the EBITDA and EBIT margins for 2017. Finally, it could be highlighted the solid results obtained in 2017 with a net profit of 802 million euros, an increase of 17% over the year before.

Such solid results are also reflected in the fact that the Group generated a considerable increase in operational funds in 2017. In particular, gross operational funds (i.e. funds generated solely by activities) increased by 23% to 2,357 million euros, thanks to the excellent progress of activities and the support of efficient circulating operational capital management. Net operational funds (i.e. after financial interests and operational investments) increased by 43% to 1,492 million euros thanks to reductions in financial costs.

All this has led to a net debt reduction of 1,061 million to the 153 million euros at the end of the financial year, a historic figure in terms of group debt.

OPERATING CASH FLOW EVOLUTION





3. REDUCTION OF DEBT TO HISTORIC FIGURES

The excellent evolution of operational funds in 2017 enabled the ACS Group to reduce debt to a historic minimum of 153 million euros, 42 million net cash if only recourse debt is considered.

Another major point to highlight is the financial improvement obtained in the last five years, in which the ACS Group has:

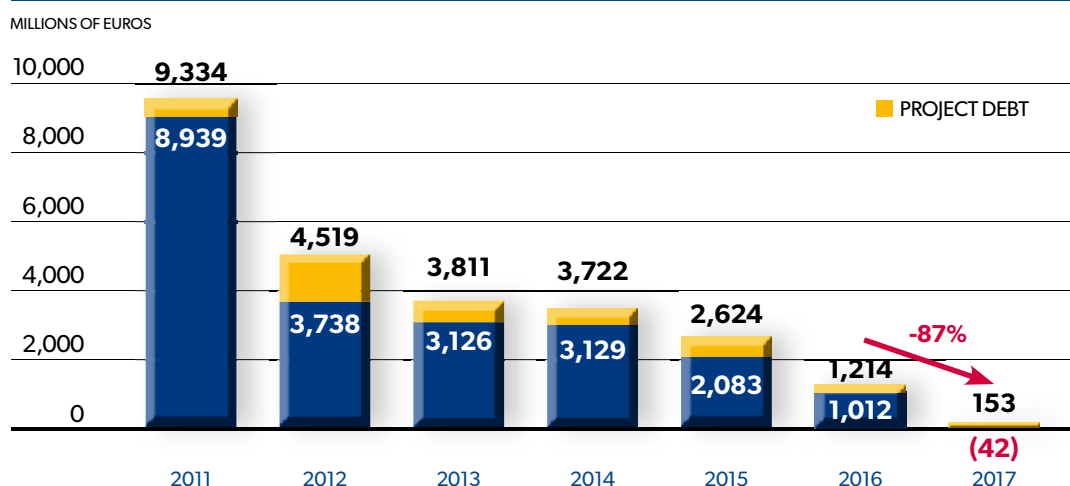
- Reduced net debt by over 9,000 million euros, thanks to a committed strategy that combines the boost from productive activity, disinvestment in non-strategic assets, tightly disciplined management of circulating capital and control of operational investments.
- Reduced financial costs and improved financing conditions via different re-financings of bank debt.

- Obtained an “investment grade” credit rating in 2017 with a score of BBB granted by the Standard & Poors rating agency.

Another notable part of the financial improvement is the major reduction of net financial costs, which decreased by 17% in the previous year and by 55% over 3 years. The financial costs of the corporation were reduced by 29% in 2017, thanks to a lower average gross debt and improved financing conditions.

This new financial structure, with lower debt levels and a low risk profile in comparison to other companies in the sector, enables the ACS Group to focus on tackling new investment opportunities that ensure long-term growth and on boosting value creation for our shareholders.

NET DEBT EVOLUTION



4. FURTHERING LONG-TERM GROWTH AND VALUE CREATION

The ACS Group continues to work on ensuring the group's long-term growth. With this end in mind, over 150 projects at an approximate value of 200,000 million euros have been identified in the public-private project market (PPP), mostly in the USA, Canada, Australia and Europe. The ACS Group considers that these markets are going through a period that favours investment in infrastructures given the security of their markets at administrative, financial and legal levels.

In particular, over 80,000 million euros in PPPs have been identified in the USA. This is a market in which the need for infrastructure is evident, although it is a complex one because of the state financing system, which makes the PPP model an ever more attractive alternative for infrastructure development. At the same time, advances towards a common framework that facilitates and encourages investment in new projects, such as the recent tax reforms and the new state infrastructure plan, which requires over 1.5 trillion dollars in investment, convert this market into an excellent opportunity to take advantage of the leading position of the ACS Group and its growing competitive edge.

The Canadian market is a more mature and sophisticated one, which obliges the Group to be

at the forefront of project promotions and win public works tenders and concessions, which stand out for the level of complexity and size of the projects. In particular, the Federal Government completed an ambitious plan in 2017 consisting of a major investment drive for the coming decade of up to 180,000 million Canadian dollars, mainly in the areas of transport, the environment, business, social utilities and housing. Part of this investment drive is channelled through the recently created Canada Infrastructure Bank, the structure of which was finalised in 2017.

For its part, Europe shows signs of recovery with the launch of new infrastructure investment and development plans in countries such as Germany, where the government has recognised the need to invest more than 14,000 million euros in this area, or Spain, which has just approved an extraordinary 5,000 million euro investment program to renew its road network.

Finally, Australia, with its booming infrastructures market, is a country where the ACS Group is positioning itself as a preferred operator at every level. The recent state infrastructures program for 65,000 million Australian dollars confirms the positive trends in terms of growth for the Group in this region.

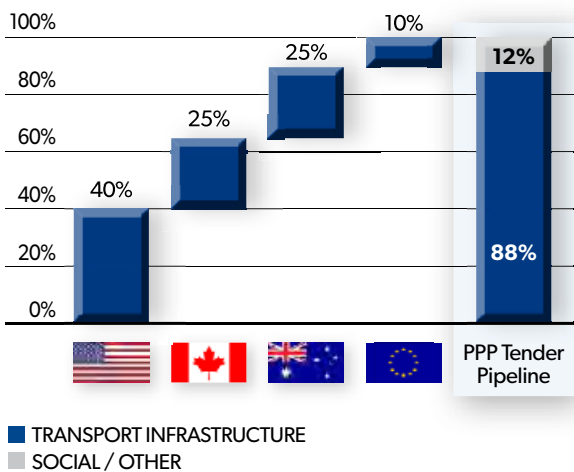


IDENTIFIED OPPORTUNITIES IN THE PPP MARKET

ATTRACTIVE MARKET OF
GREENFIELD PPP IN DEVELOPED
COUNTRIES

200,000 Mn€
IDENTIFIED

GREENFIELD PPP PIPELINE IDENTIFIED
(2018-2021)



USA

Government Infrastructure Plan USD 1.5 trillion, mainly in transport infrastructure, approved in Feb-2018
Tax reform to promote investment in infrastructure

CANADA

Government Infrastructure Plan CAD 180,000 mn, transport, environment, leisure, social equipment and housing
Creation of an infrastructure bank to promote investment in PPP projects

EUROPE

GERMANY

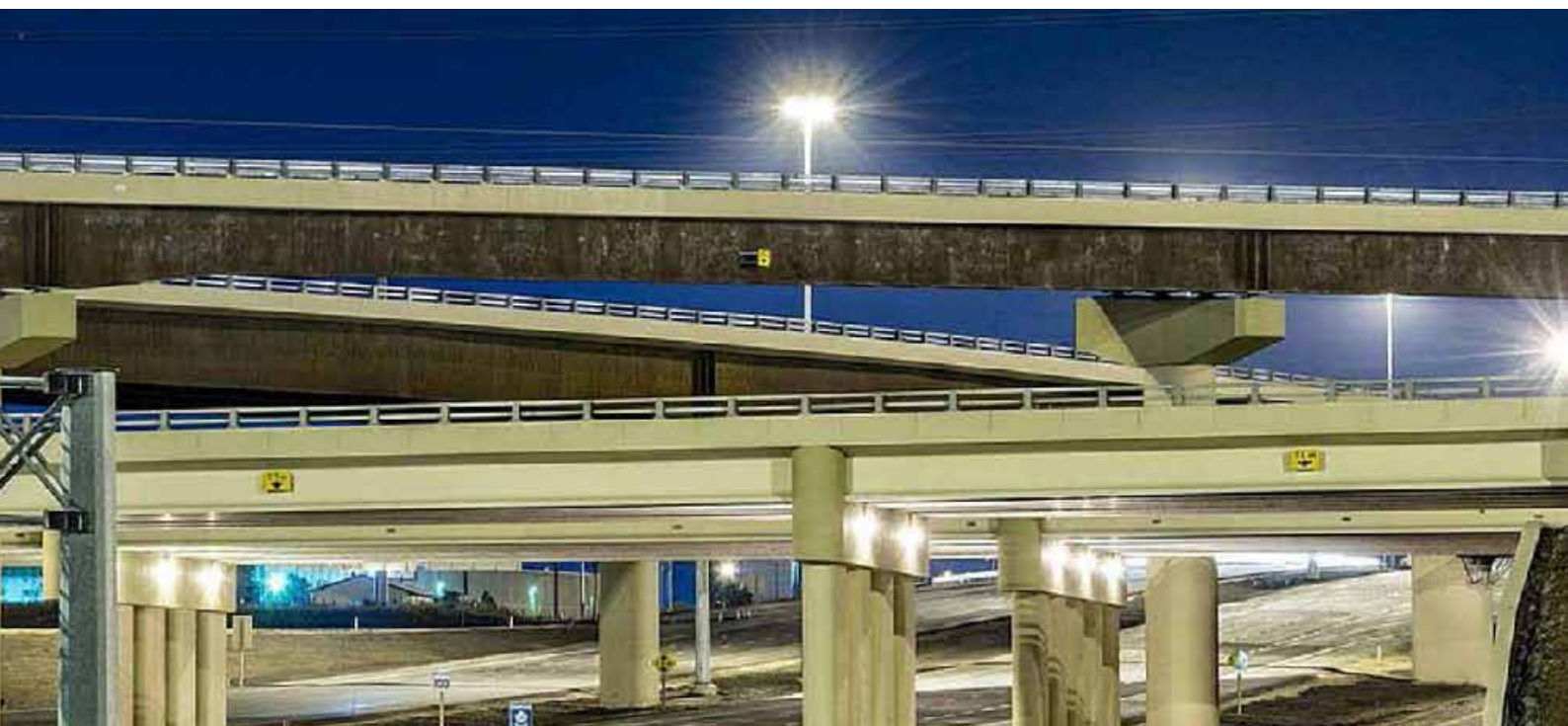
PPP development program (11 roads) EUR 14,000 mn

SPAIN

Roads extraordinary investment plan EUR 5,000mn

AUSTRALIA

Government Infrastructure Plan AUD 65,000 mn



5. CONTINUOUS IMPROVEMENT OF SUSTAINABILITY STRATEGY AND GOOD GOVERNANCE

After the publication in 2017 of the first Integrated Report drawn up in line with the principles set out in the guidelines of the International Integrated Reporting Council, the ACS Group has continued to make major efforts to improve the reporting of non-financial information, extending and adapting the indicators reported to the information required in Royal Decree-Law 18/2017 on the disclosure of non-financial and diversity information. In this regard, the Board

of Directors approved the Diversity Policy in December 2017, in which the ACS Group formalises its commitment to promoting any measures necessary to ensure equal opportunities and avoid any kind of discrimination in selection processes, not only for members of administrative bodies but also for any job, ensuring that candidates satisfy requirements of eligibility, knowledge and experience to carry out their work.

ACS GROUP'S 20-20 PLAN

COMMITMENTS	Objective for 2020	Evolution	2017
Health and Safety			
Reduce accidents rates among company employees	Increase employee certifications in occupational health and safety	Percentage of total employees covered by OHSAS 18001 certification (occupational health and safety)	88% Base year 2015: 83%
	Enhance employee training related to health and safety and ensure that all employees have received at least one course on health and safety in 2020.	Percentage of total employees who have received an occupational health and safety course who have received at least one occupational health and safety course in their professional career	99.9% Base year 2015: 99.5%
		Investment in occupational health and safety per employee (euros/employee)	950 Base year 2015: 754
HR, Ethics and Social Action			
Maintain commitment to promoting, reinforcing and monitoring matters related to ethics and integrity, through measures that make it possible to prevent, detect and eradicate bad practices.	Adhesion by all new Group companies to the Code of Conduct	Companies that adhere to the code of conduct	100% Base year 2015: 98%
	Increase training for employees on matters related to ethics and integrity	Percentage of employees trained in Human Rights, Ethics, Integrity or Conduct content during the year	20% Base year 2015: 13%
Improve professional performance	Increase investment in training employees	Investment in training employees (millions of euros/employee)	160.2 Base year 2015: 170.9
Greater contribution to the development of society	Increase the actions and funds that contribute to generating shared value for society through its own business strategy	Funds allocated to Social Action (millions of euros)	11.6 Base year 2015: 9.4
Customers			
Continue improving customer relation management	Measure customer satisfaction and establish plans for improvement	Percentage of "satisfied" or "highly satisfied" customer responses	87.34% Base year 2015: 85.24%
		Ratio of number of customer satisfaction surveys carried out/millions of euros billings	0.10 Base year 2015: 0.07
Innovation			
Steadfast and ongoing commitment to innovation and development	Increase investment and effort in R&D	R&D investment ratio (euros/millions of euros billings)	2,424* Base year 2015: 2,392

*Calculated considering scope of figures.



Likewise, in accordance with the principles established by the Corporate Social Responsibility Policy, an assessment of the Group companies was carried out in 2017 to check the evolution of non-financial indicators, which gave an improved global score of the Group companies.

Additionally, in accordance with the principles established in the Corporate Social Responsibility Policy, in 2017 the ACS Group launched its 20-20

Plan defining the commitments and objectives for 2020 as regards matters related to the area of sustainable development identified in the materiality analysis. Among the commitments established, each ACS Group company must independently define the most appropriate measures and activities, according to the characteristics of their business, which allow them to contribute to the overall compliance with the commitments established by the Group.

COMMITMENTS	Objective for 2020	Evolution	2017
Environment			
Improve the eco-efficiency and use of resources	Increase environmental certification in revenues	Percentage of revenues covered by ISO 14001 Certification	76% Base year 2015: 71%
	Rationalise waste generation	Ratio of (hazardous and non-hazardous) waste sent for management to revenues (t/millions of euros).	293 Base year 2015: 152
	Reduce water consumption	Ratio of total (potable and non-potable) water consumption to revenues (m ³ /millions of euros)	1,957 Base year 2015: 1,101
	Rationalisation and efficient use of energy products	Scope 1 emissions/millions of euros billings	73.3 Base year 2015: 99.9
		Scope 2 emissions/millions of euros billings	11.4 Base year 2015: 8.2
Suppliers			
Continue working with qualified suppliers in CSR areas	Increase the inclusion of non-financial criteria in the harmonisation of suppliers and, in all cases, include the Code of Conduct in the criteria for evaluating suppliers	Inclusion of the Code of Conduct in the evaluation criteria (%/total expense)	99.2% Base year 2015: 77.3%
Quality			
Improve the quality of the services offered	Obtain and expand the scope of certifications	Percentage of revenues from activities certified under the ISO 9001 standard (%)	87% Base year 2015: 61%
	Implement tools to improve management	Ratio of investments and expenses of the Quality Control Department or earmarked to improve quality management processes to revenues (excluding staff costs, euros/millions of euros billings)	157 Base year 2015: 180
	Increase the number and capacity of internal quality auditors	Number of quality audits per million euros of billings	0.06 Base year 2015: 0.06
Improve non-financial reporting information			
Improve the quality, standardisation and reporting of non-financial indicators	Increase the scope of information of the financial indicators through the implementation of management systems		See appendix 9.3.3

2017 RELEVANT FACTS

FEB

DIVIDENDS

Payment of the interim dividend amounting to €0.445 per share.

CORPORATE GOVERNANCE

Board of Directors agreed to appoint Mrs. Carmen Fernández Rozado as independent Board Director as well as Chairman and member of the Audit Committee.

MAY

CORPORATE GOVERNANCE

General Shareholder's Meeting approved the appointment of Mr. Marcelino Fernández Verdes as Board of Director of ACS. Subsequently, the Board of Director proceeded to appoint him as Chief Executive Officer.

LOANS, CREDITS AND OTHER FINANCIAL OPERATIONS

ACS, Actividades de Construcción y Servicios, S.A. obtained an investment grade credit rating of BBB in a long term basis and A-2 in a short term basis, with a stable outlook, from Standard & Poor's agency. Likewise, on May 10th, HOCHTIEF and CIMIC obtained the same credit rating.

JUN

MERGERS, ADQUISITIONS AND TRANSMISSION OF SHARES

Sale of 80% stake in its indirect holdings in three hospitals in the Balearic Island (EV of € 418 million) with a sale price € 43.3 million, generating a capital gain of € 7 million.

LOANS, CREDITS AND OTHER FINANCIAL OPERATIONS

Novation financing agreement totalling € 2,150 million with a syndicate of banks consisting of forty-three Spanish and foreign institution.

JUL

DIVIDENDS

Payment of the final dividend amounting to € 0.751 per share

AUG

MERGERS, ADQUISITIONS AND TRANSMISSION OF SHARES

Sale to Saeta Yield S.A. of Lestenergía Exploração de Parques Eólicos, S.A., (enterprise value of € 181 million) for a price of € 104 million and with an after-tax and minority capital gain of approximately € 12 million.



For further information:
Relevant facts

SEP

MERGERS, ACQUISITIONS AND TRANSMISSION OF SHARES

Sale of 100% of its stake in Concessionaire Company Rutil del Canal SA, through in favor of the Penta Public Investment Fund The Americas Infrastructure Three (company value of 100% of € 142 million and with a capital gain of approximately € 10 million).

OCT

MERGERS, ACQUISITIONS AND TRANSMISSION OF SHARES

HOCHTIEF launched a counter offer to the previous takeover bid launched last July by Atlantia Spa. for 100% of Abertis Infraestructuras, S.A.

LOANS, CREDITS AND OTHER FINANCIAL OPERATIONS

ACS, Construction Activities and Services, S.A. issued € 300 million program of Negotiable European Commercial Paper (NEU CP) quoted on Luxembourg Stock Exchange.

DEC

DIVIDENDS

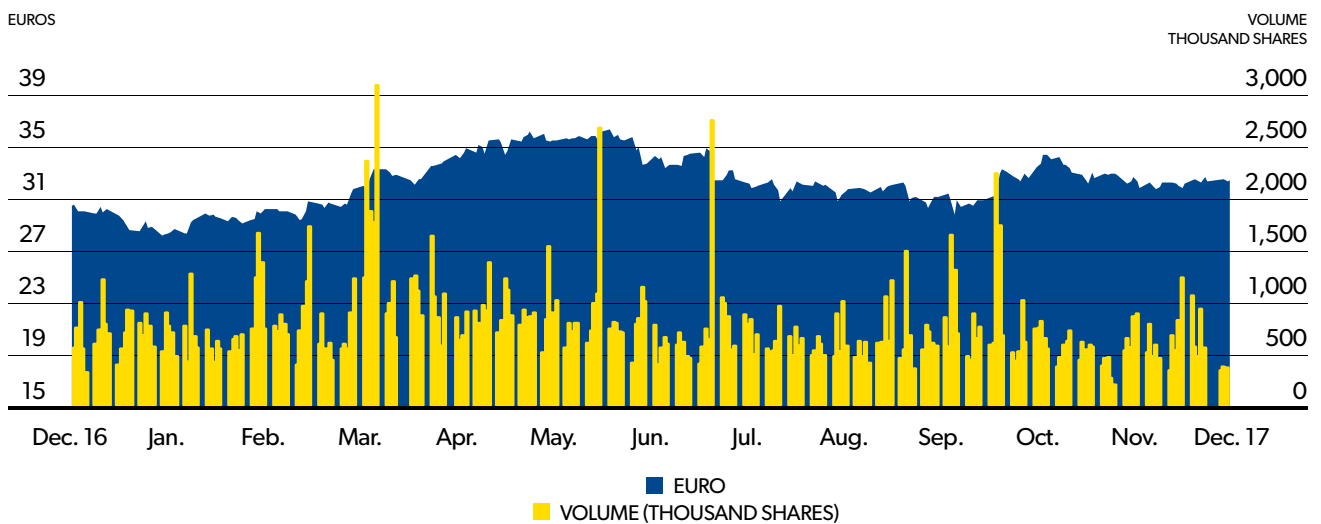
Approval of the interim dividend with a charge to 2017 through the flexible dividend system.

EVENTS AFTER THE REPORTING DATE

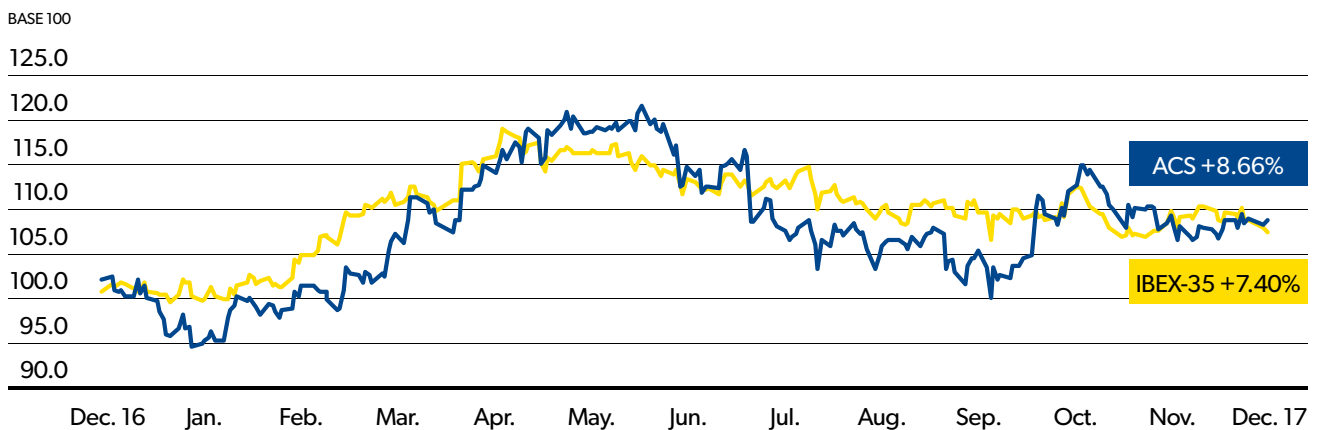
- During the month of February the payment of the interim dividend for € 0.449 per share was made effective. The 32.15% of the free allocation rights have opted for the cash dividend, which has determined the acquisition by ACS of 101,164,302 rights for a total gross amount of 45,422,771.60 euros.
- On February 6, 2018, the ACS Group through its subsidiary Cobra reached an agreement for the sale of its stake in Saeta Yield through the irrevocable acceptance of the takeover bid launched by a company controlled by Brookfield Asset Management, subject to the relevant regulatory approvals.
- The ACS Group has reached an agreement with Atlantia S.p.A. for a joint investment transaction in Abertis Infraestructuras, S.A. through takeover bid launched by Hochtief, for the price of EUR 18.36 per share in Abertis (adjusted for the corresponding gross dividends) in cash. A holding company will be created for the transaction, in which ACS and Atlantia will capitalize for an approximate amount of seven thousand million euros to acquire from Hochtief its entire ownership interest in Abertis for a consideration equivalent to that paid by Hochtief in the takeover bid and in the squeeze-out or de-listing of the company (adjusted for the corresponding gross dividends), and will enter into a new financing contract to finance part of this acquisition.
- The holding company capital will be distributed between the parties as follows: (i) Atlantia 50% plus one share, (ii) ACS 30%, and (iii) Hochtief 20% minus one share, with the aim of enabling accounting consolidation of the holding company and of Abertis by Atlantia, so that ACS will not have to consolidate the corresponding debt. The parties will enter into a shareholders' agreement in order to govern their shareholder relationship in the holding company, covering the normal considerations for this type of operation. The capitalization of the investment by Atlantia in Hochtief will be made through an increase in Hochtief capital of up to approximately 6.43 million shares, which will be underwritten entirely by ACS at EUR 146.42 per share. Equally, ACS will sell to Atlantia, at the same price, Hochtief shares for a total value of up to EUR 2,500 million. The parties intend to sign a long-term agreement in order to maximize the strategic relationship and synergies between the Parties and Abertis in new public-private partnership projects, both in greenfield and brownfield projects.

2.3. A SOLID AND PROFITABLE VALUE

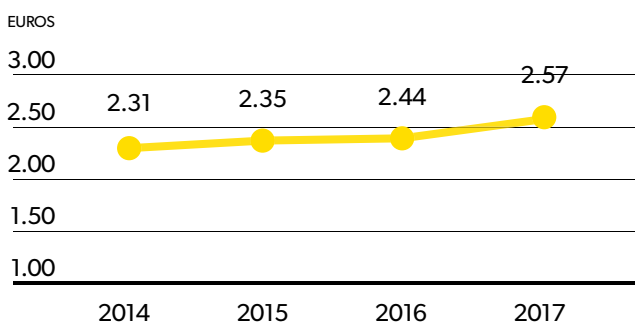
EVOLUTION OF THE SHARE



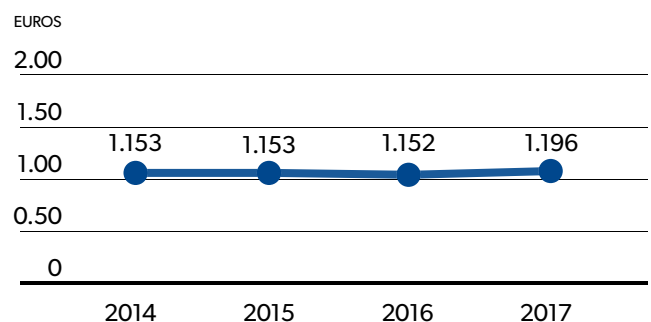
EVOLUTION OF THE ACS SHARE VS. IBEX-35



EARNINGS PER SHARE



PAID DIVIDENDS PER SHARE



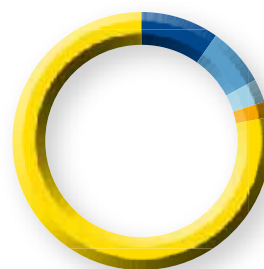


HISTORICAL EVOLUTION OF THE ACS SHARE

	2014	2015	2016	2017
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Closing price	28.97 €	27.02 €	30.02 €	32.62 €
Performance	15.79%	-6.75%	11.12%	8.66%
IBEX performance	3.66%	-7.15%	-2.01%	7.40%
Performance vs. IBEX	11.70%	0.44%	13.41%	1.18%
Maximum in the period	34.39 €	34.06 €	30.33 €	36.75 €
Maximum Date	23-Jun	26-Feb	20-Dec	19-Jun
Minimum in the period	24.97 €	25.49 €	19.31 €	28.34 €
Minimum Date	03-Mar	29-Sep	11-Feb	31-Jan
Average in the period	29.26 €	28.57 €	25.88 €	32.49 €
Total volume ('000)	249,816	238,296	220,750	189,001
Capital revenues	79.39%	75.81%	70.27%	60.07%
Daily average volume ('000)	970.92	930.85	858.95	738.28
Daily average capital revenues	0.31%	0.30%	0.27%	0.23%
Total traded effective (€ mn)	7,309	7,158	5,714	6,140
Daily average effective (€ mn)	28.40	27.96	22.23	23.99

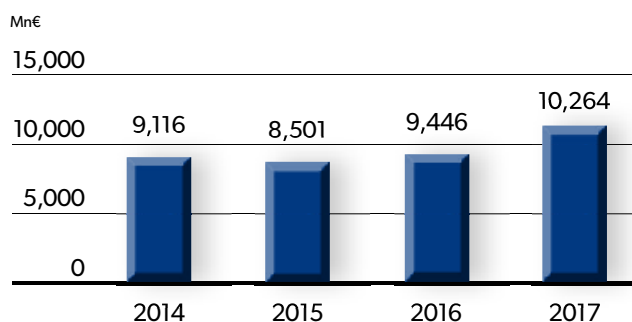
SHAREHOLDER STRUCTURE

Name or company name of the shareholder	%
Mr. Florentino Pérez Rodríguez	12.52%
Corporación Financiera Alcor	5.04%
Blackrock	3.01%
Norges Bank	2.74%
Free float	76.79%

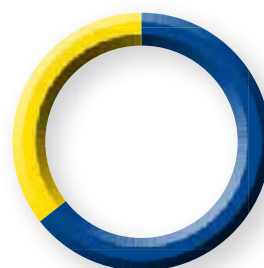


- Mr. FLORENTINO PÉREZ RODRÍGUEZ **12.52%**
- CORPORACIÓN FINANCIERA ALCOR **5.04%**
- BLACKROCK **3.01%**
- NORGES BANK **2.74%**
- FREE FLOAT **76.79%**

MARKET CAP



FINANCIAL ANALYST RECOMMENDATIONS



- BUY **15**
- HOLD **8**

TARGET
38.40
EUROS/SHARE
(SOURCE: BLOOMBERG)

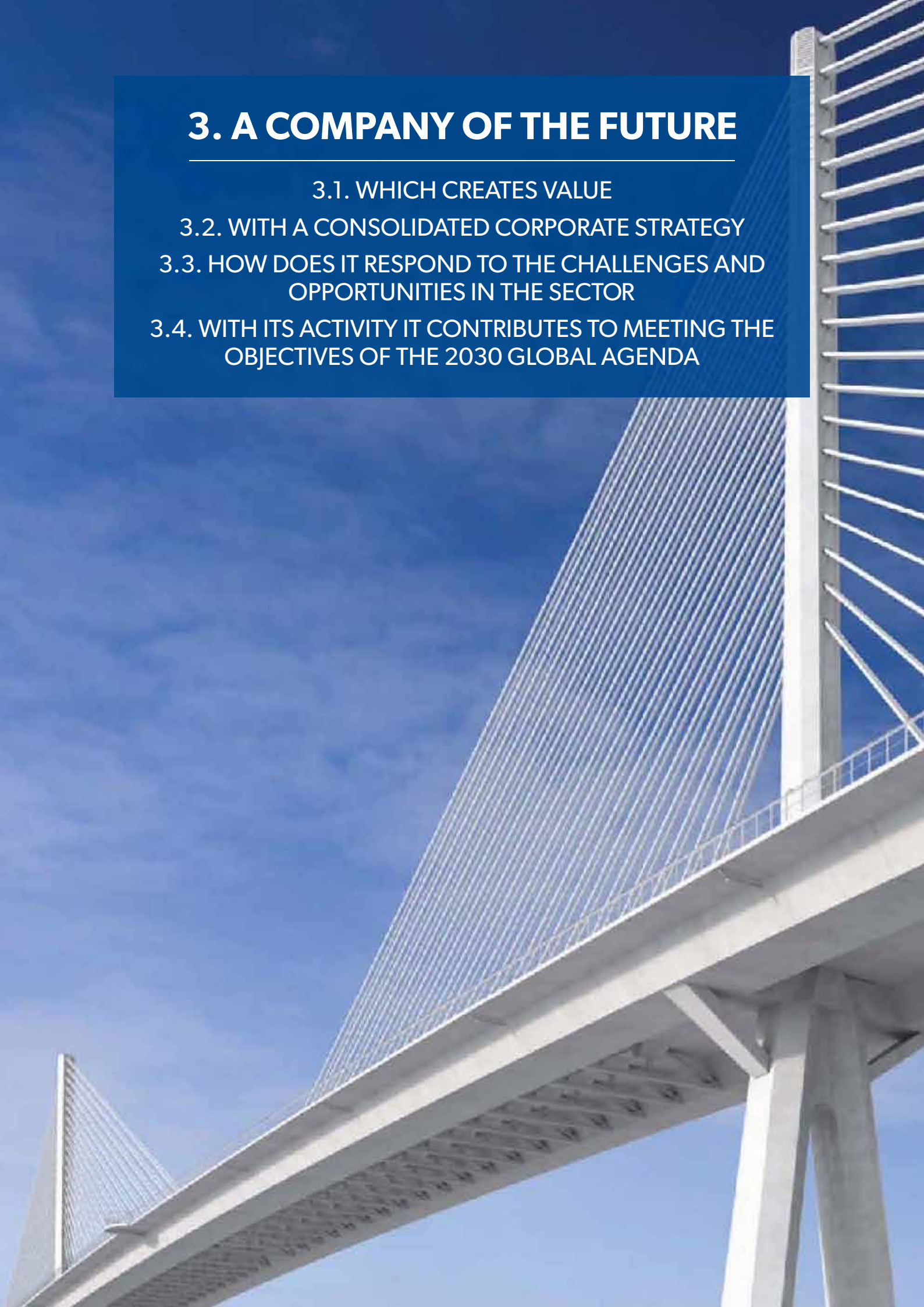
3. A COMPANY OF THE FUTURE

3.1. WHICH CREATES VALUE

3.2. WITH A CONSOLIDATED CORPORATE STRATEGY

3.3. HOW DOES IT RESPOND TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR

3.4. WITH ITS ACTIVITY IT CONTRIBUTES TO MEETING THE OBJECTIVES OF THE 2030 GLOBAL AGENDA





3.1. WHICH CREATES VALUE

The ACS Group has consolidated a business model that guarantees maximum returns for its shareholders while, in turn, generating value in the form of social and economic development in the areas in which the Group companies operate.

The ACS Group is characterised by a highly decentralised structure in its three areas: Construction,

Industrial Services and Services that carry out its activity through dozens of specialised companies that ensure the Group's presence throughout the entire value chain of the infrastructure business. This complex but highly-efficient organisation encourages the Group's companies to compete and carry out their work independently, while at the same time sharing common guidelines that add value to their activity.

INPUTS

OPERATING INVESTMENTS
544 MN €

PROJECT/ FINANCIAL INVESTMENTS
371 MN €

EMPLOYEES
182,269

GRADUATES AND PERSONNEL WITH DIPLOMAS
17.2%

R&D INVESTMENT
30 MN €

R&D ONGOING PROJECTS
128

DIALOGUE WITH STAKEHOLDERS

NUMBER OF MATERIALITY SURVEYS
2,819

MEETINGS ORGANISED BY THE INVESTOR RELATIONS DEPARTMENT
282

SHAREHOLDER CALLS/ EMAILS HANDLED
595

CONSUMPTION

WATER
63,167,931 M³

TOTAL ENERGY CONSUMPTION
9,957,472 MWH

TOTAL TIMBER PURCHASED
1,212,403 M³

TOTAL STEEL PURCHASED
548,994 t

TOTAL CEMENT PURCHASED
4,099,606 M³



Each ACS Group company is managed and operated autonomously, with an independent functional management and flexible and sovereign executive bodies, although they have a common culture and values. This enables each company to individually contribute numerous valid and profitable management formulas, thanks to the multiple factors involved in their decision making that generate know-how and good practices that are also independent.

(201-1) ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

(€MN)	2016	2017
Total income	31,975	34,898
Finance income	186	203
Disposals	2,068	607
(1) Economic value generated	34,229	35,708
Operating and purchasing expenses	23,738	25,363
Staff costs	6,752	7,688
Corporate tax	407	330
Dividends	326	297
Finance costs	526	486
Resources for the community	12	12
(2) Economic value distributed	31,761	34,176
Economic value retained (1-2)	2,469	1,532

OPERATION/INVESTOR

↑ DIVIDENDS



...IN STABLE ENVIRONMENTS...



Decentralisation
of the customer
management
on resources
management
le growth



...IN THE
INDUSTRY SECTOR...

INDUSTRIAL
SERVICES

OTHER
SERVICES



EFFICIENCY IN ALL THE
PHASES...



CONSTRUCTION

OPERATION/
MAINTENANCE

EXPLOITATION

OUTPUTS

REVENUES
34,898 MN €

NET PROFIT
802 MN €

DIVIDENDS PAID AND
TREASURY STOCK
492 MN €

PERSONNEL EXPENSES
7,688 MN €

% LOCAL EMPLOYEES
94.3%

BACKLOG
67,082 MN €

CONTRIBUTION TO THE COMMUNITY

SOCIAL ACTION
INVESTMENT
11.6 MN €

% LOCAL SUPPLIERS
66.9%

CORPORATE TAX
330 MN €

CONSUMPTION

VARIATION SCOPE 1 EMISSIONS/
REVENUES
(VS 2016)
1.8%

VARIATION SCOPE 2 EMISSIONS/
REVENUES
(VS 2016)
37.3%

VARIATION SCOPE 3 EMISSIONS/
REVENUES
(VS 2016)
-24.8%

TOTAL CARBON INTENSITY RATIO
REDUCTION (TOTAL EMISSIONS SCOPE
1+2+3 / REVENUES)
-17.3%

3.2. WITH A CONSOLIDATED CORPORATE STRATEGY

The ACS Group operates in an increasingly complex and competitive environment, with numerous risks, as well as opportunities, for its businesses. In order to face these challenges, the Group has developed a strategy that guarantees sustainable returns for its shareholders and value creation for all of its stakeholders.



PURSUING GLOBAL LEADERSHIP

- Positioning itself as one of the main players in all sectors in which it takes part as a means of boosting its competitiveness, maximising value creation in relation to its customers and continuing to attract talent to the organisation.
- Meeting the needs of customers by offering a diversified product portfolio, innovating daily and selectively investing to increase the range of services and activities offered.
- Continuously improving the quality, safety and reliability standards of the services offered.
- Expanding the Group's current customer base, through an ongoing commercial effort in new markets.



OPTIMISING RETURNS ON RESOURCES

- Increasing operating and financial efficiency and offering attractive returns to the Group's shareholders.
- Applying strict investment criteria in line with the company's strategy for expansion and growth.
- Maintaining a solid financial structure that facilitates obtaining resources and keeping their cost low.



PROMOTING SUSTAINABLE GROWTH

- Improving society by helping to grow the economy, generating wealth through the ACS Group's own activities, thereby guaranteeing the well-being of citizens.
- Respecting the economic, social and environmental context, innovating in the establishment of company procedures and respecting in each of the activities carried out by the Group the recommendations of the major domestic and international institutions.
- Helping the economy to grow by creating stable, respectable and fairly-remunerated employment.

The ACS Group's strategy extends to the various companies that compose it and that, individually, contribute to achieving the Groups overall goals that are brought about as follows:

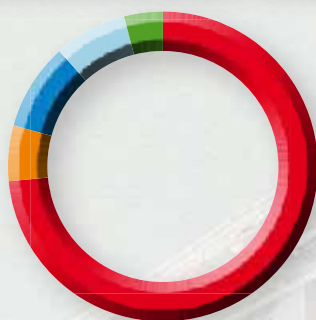


PURSUING GLOBAL LEADERSHIP

DIVERSIFICATION OF ACTIVITIES

The ACS Group's goal is to maintain positive leadership in all the activities related to the infrastructure and industry sector. To that end, its presence throughout the value chain through its various companies is important because it enables synergies to be created between them, thereby increasing efficiency and profitability, identifying opportunities and accessing new customers and markets.

DIVERSIFICATION OF ACTIVITIES (% REVENUES 2017)



- CIVIL WORKS AND BUILDING **72%**
- MINING **6%**
- SUPPORT SERVICES **10%**
- EPC PROJECTS **8%**
- FACILITY MANAGEMENT **4%**



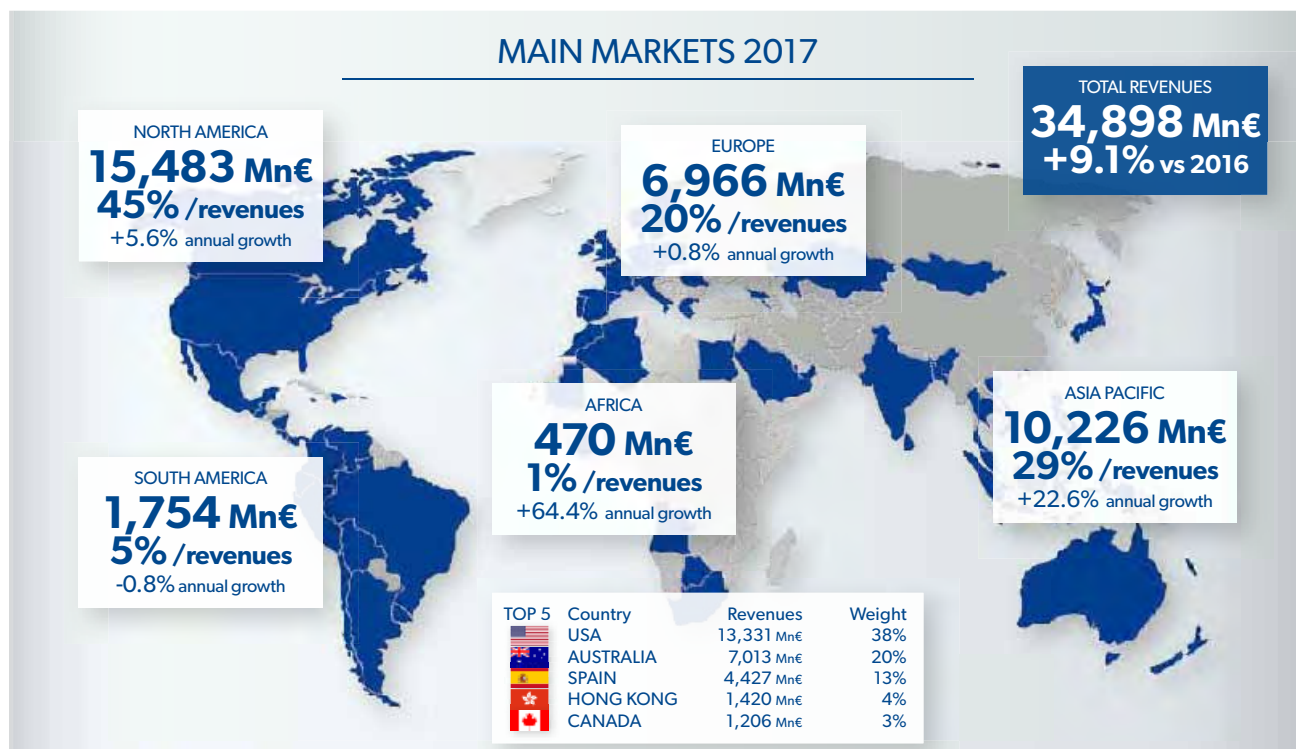
PURSuing GLOBAL LEADERSHIP

SELECTED INTERNATIONAL GROWTH

Geographic diversity and international growth are two of the main strategic priorities of the Group, which seeks to grow in countries that fit its risk profile. Therefore, the Group has established rigorous investment criteria, prioritising growth in developed countries, with a stable regulatory and financial framework and with growth potential, where there is a need for the development of new infrastructure.

Therefore, the ACS Group is very well-positioned in strategic markets and where the activity is expected to grow significantly.

Likewise, the Group carries performs its business in certain emerging markets that meet its investment criteria and where the demand for new infrastructure is expected to increase notably.



PROXIMITY TO THE CUSTOMER

All of the Group's activities are distinctly customer oriented, with a spirit of service and an eye to the future. The Group companies must develop solid long-term relationships based on trust and mutual knowledge.

enables them to interact more directly and closely with customers, helping to understand their needs, identify opportunities and offer more appropriate solutions.

The culture of decentralisation and delegation of responsibilities, together with the local origin of many of the Group companies, represents a competitive advantage when building these relationships, as it



For further information:
6.6.2 Customer relationships



OPTIMISING RETURNS ON RESOURCES

OPERATIONAL DECENTRALISATION

Each ACS Group company is managed autonomously, with an independent functional management and flexible and sovereign executive bodies. The flexible and decentralised Group structure promotes the

responsibility and entrepreneurship of its employees, which is a basic tool for maximising profitability and encouraging the excellence necessary to offer the best services and products to customers.

EXHAUSTIVE MANAGEMENT CONTROL SYSTEMS

All ACS Group companies have sophisticated management and control systems that seek to continuously improve operating and financial efficiency in all of the activities and projects they develop, enabling them to make the resources as profitable as possible, offering larger returns to the Group's shareholders.



For further information:
7. Risk management at the ACS Group

FINANCIAL STRENGTH

Another strategic priority for the Group is to maintain a solid financial structure that facilitates the process of obtaining resources and keeping their cost down.



For further information:
2.2. The year 2017 growth and creation of value





PROMOTING SUSTAINABLE GROWTH

CONTRIBUTE TO THE DEVELOPMENT OF THE AREAS OF OPERATION

One of the Group's primary goals is to create value in the areas in which it operates, acting as a driver of economic and social development that can generate new infrastructure development opportunities. The dual commitment to remain and grow, together with open dialogue with its stakeholders, give the Group companies a key competitive advantage when creating trusting relationships in the areas of operation.

To maximise value creation, ACS prioritises the use of local resources, favouring the exchange of knowledge, the transfer of technology and the weaving of an industrial fabric that aids economic growth and contributes to social well-being.

RESPONSE TO GLOBAL CHALLENGES

The ACS Group wants to provide responses to the major global challenges through its activities. Consequently, it analyses these challenges and identifies the business opportunities that emerge from them, to focus its activity and position itself as a global leader in innovative and sustainable solutions.

94.3%
LOCAL
EMPLOYEES

66.9%
PURCHASES FROM
LOCAL SUPPLIERS

11.6
MILLION EUROS INVESTED
IN SOCIAL ACTION LOCAL SUPPLIERS



For further information:
3.3 How does it respond
to the challenges and
opportunities in the sector





CORPORATE SOCIAL RESPONSIBILITY STRATEGY

In relation to Corporate Social Responsibility, the ACS Group's commitment to society is summarised in four fields of action:

- **Respect for ethics, integrity and professionalism in the Group's relationship with its stakeholders.**
- **Respect for the social, economic and environmental context.**
- **Promotion of innovation and research in its application to infrastructure development.**
- **Creation of employment and well-being, as an economic driver for society.**



CSR Policy

To face the challenge of the ACS Group's Corporate Responsibility policy, given its characteristics of operational decentralisation and geographical scope, a functional, strategic and operational paradigm related to the ACS Group's Sustainability known as the One Project has been developed.

The One Project seeks to promote good management practices and assess the common principles and objectives defined in the ACS Group's Corporate Social Responsibility Policy and is framed within the Group's general strategy, focused on strengthening its global leadership.

The promotion of good management practices focuses on the following major areas:



For further information:
6. The ACS Group and Corporate Responsibility
2.2. The year 2017 growth and creation of value

THE GROUP'S POSITION IN TERMS OF ETHICS.

one^{ACS}**ethics**

IN TERMS OF EFFICIENCY, INVOLVING CLIENT, QUALITY, SUPPLIER, ENVIRONMENTAL AND R&D+I POLICIES.

one^{ACS}**efficiency**

IN TERMS OF EMPLOYEES, PERSONNEL, HEALTH AND SAFETY AND SOCIAL ACTION POLICIES OF THE ACS GROUP.

one^{ACS}**employees**

In 2016 the ACS Group developed its 20-20-20 Plan in line with the goals established in the Corporate Social Responsibility Policies.

3.3. HOW DOES IT RESPOND TO THE CHALLENGES AND OPPORTUNITIES IN THE SECTOR

The current environment and macroeconomic outlook, are an opportunity for growth and for the ACS Group to consolidate its global leadership in the infrastructure sector.

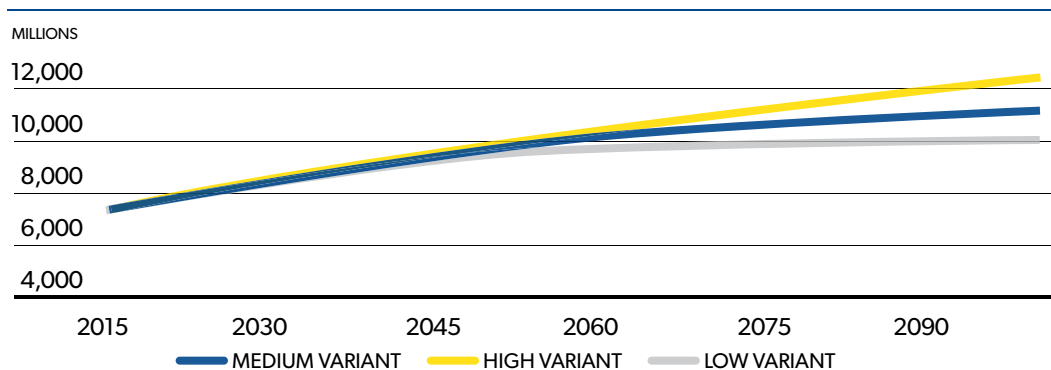
The environment in which ACS will carry out its activity in the coming years will be marked by the following factors:

GROWTH OF THE WORLD'S POPULATION

The global population is expected to increase from 7,400 million in 2015 to 9,800 million in 2050. The majority of this growth will occur

in developing countries, mainly in Asia and Africa, which will involve changes in the current geopolitical reality.

ESTIMATES OF THE WORLD'S POPULATION



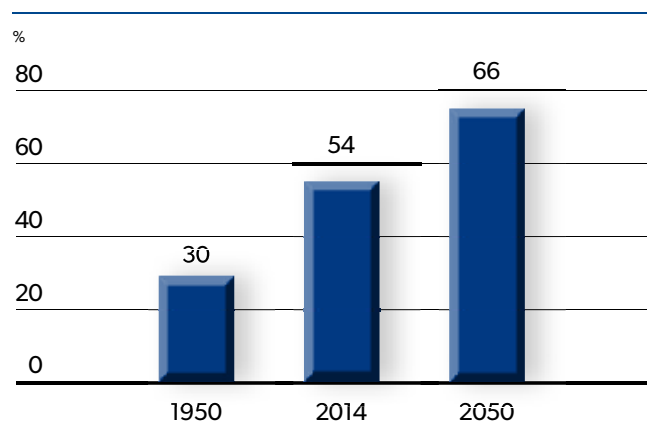
Source: World Population Prospects (2017) United Nations.

URBANISATION

Parallel to population growth, there is a process underway in which people are being displaced from rural areas to urban areas. Therefore, the United Nations estimates that the urban population in 2050 will be double that of 1950.

Currently, the most urbanised regions are North America (82% of inhabitants in 2014), Latin America and the Caribbean (80%) and Europe (73%). All regions are expected to continue the urbanisation process in the coming decades, although Africa and Asia will do so more rapidly than the rest, reaching 56% and 64% of their population, respectively, in 2050³.

URBAN POPULATION ESTIMATES



Source: World Urbanization Trends 2014, United Nations.

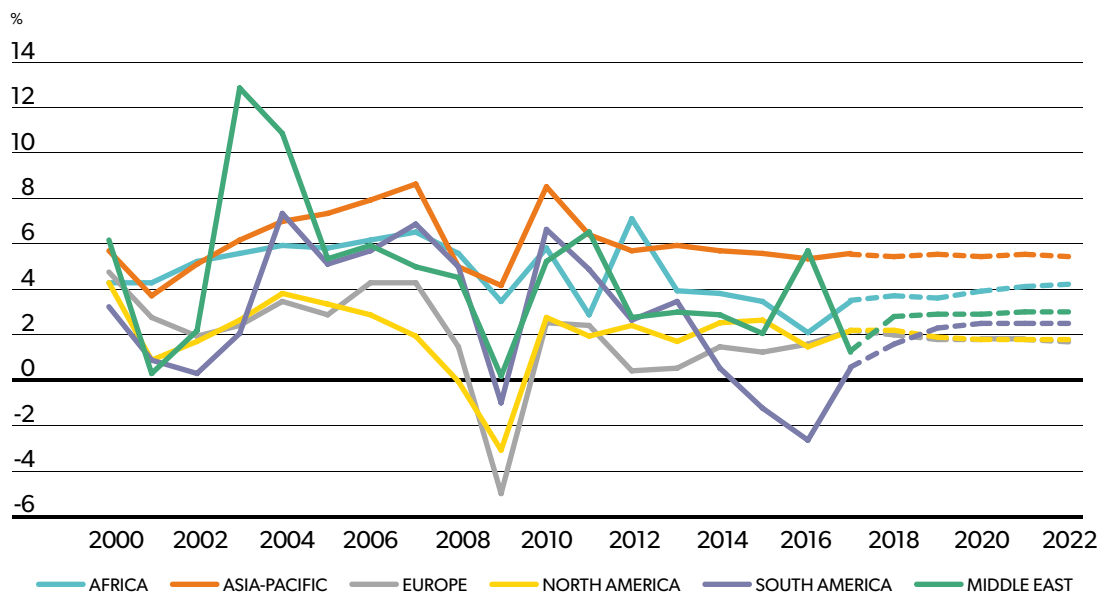
3. World Urbanization Trends 2014, United Nations.

EVOLUTION OF THE GLOBAL MACRO-ECONOMIC SITUATION

According to IMF forecasts, after the period of economic crisis from 2007 to 2012, and the instability in many regions up to 2017, the global economy will show a trend towards stable growth up to 2022.

By regions, the Asia-Pacific region and Africa shall maintain high growth levels: above 5% in Asia-Pacific and around 4% in Africa. Growth in the Middle East and South America is to stay in the region of 2.5% to 3% over 2018-2022. Europe and North America shall maintain growth levels of about 1.8%.

FORECASTS OF GROWTH IN THE GDP BY REGION



Source: International Monetary Fund.



CLIMATE CHANGE AND THE IMPLICATIONS FOR ENERGY USE AND INFRASTRUCTURES

The Conference of the Parties to the Bonn Convention (COP23) took place in 2017, in which further progress was made in the agreements to implement the historic Paris MoU, in which 196 countries established commitments in the fight against climate change.

The focus of this meeting and the following one (Katowice COP24) was on the possibility of revising the Intended Nationally Determined Contributions prior to commencement of the agreement in 2020 to ensure that the global objective of maintaining the increase in global temperature below 2°C with regard to pre-industrial levels.

Compliance with these commitments is a transition towards a low carbon economy entailing changes in the current production and consumption models based on cleaner energy sources.

On the other hand, climate change is causing an increase in extreme weather events that may have an impact on infrastructure.

NEED FOR ALTERNATIVE FINANCING

Today, the resources available to finance the development of infrastructure are not as abundant as in the years before the economic crisis.

On the one hand, the business fabric of the majority of emerging countries seems to have accumulated excessive debt and these countries are likely beginning a long process of deleveraging. However, the majority of these regions are implementing expansionary economic policies with an increase in the public spending budgeted by the respective governments.

On the other hand, developed countries, mainly European countries, are in the final phase of reducing both public and private debt. Policies to rein in public spending will continue to affect State budgets, restricting investment in infrastructure development. However a slight recovery of investment levels on the part of the private sector is expected.



This situation is creating a series of challenges and opportunities for the infrastructure sector worldwide. The ACS Group’s current positioning and future strategy are focused on leading the global response to these emerging challenges:

INFRASTRUCTURE DEFICIT

It is estimated that to comply with the needs of the population and the economy in 2016-2040, an investment in infrastructures is required at global levels of 94 trillion dollars, with an average annual global investment of between 3 and 4.5 trillion dollars up to 2040.⁴

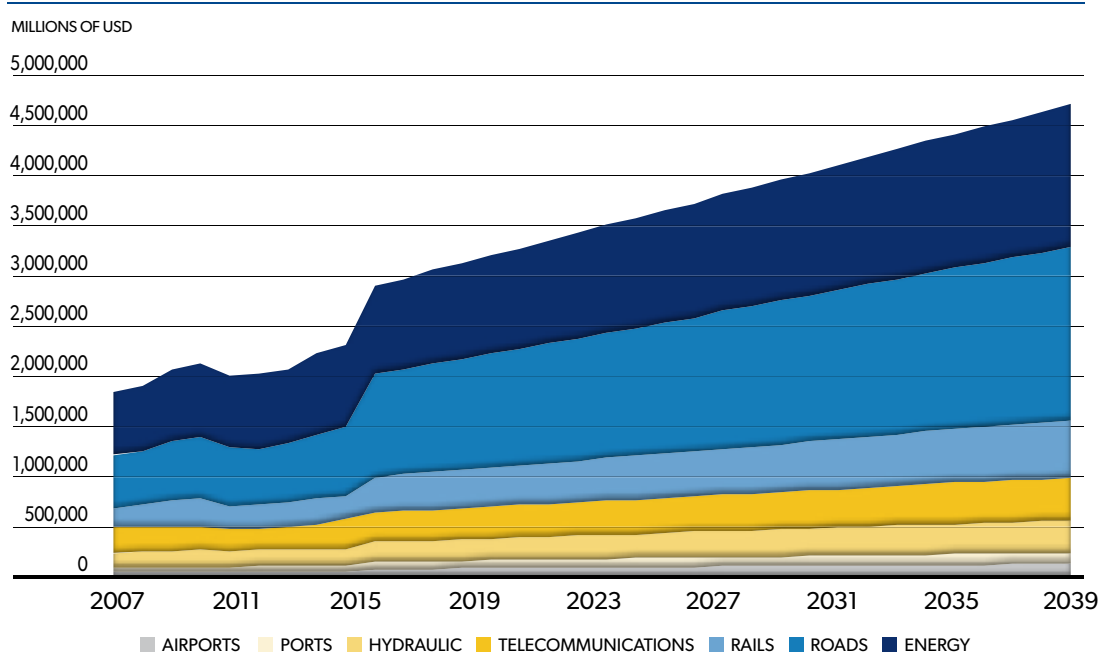
By regions, the infrastructure deficit is identified mainly in North and South America, with an estimated investment gap of 6.5 trillion dollars, while there is a gap of 4.6 trillion in Asia-Pacific. By countries, the main investment needs are located in China, the USA, India, Indonesia, Australia and Brazil.

By infrastructure categories, the main investment needs are centred around transport and energy infrastructures, followed by rail and telecommunications.

In developed countries, infrastructure demand is focused mainly in major cities, where the existing infrastructure network is in dire need of renovation and adaptation.

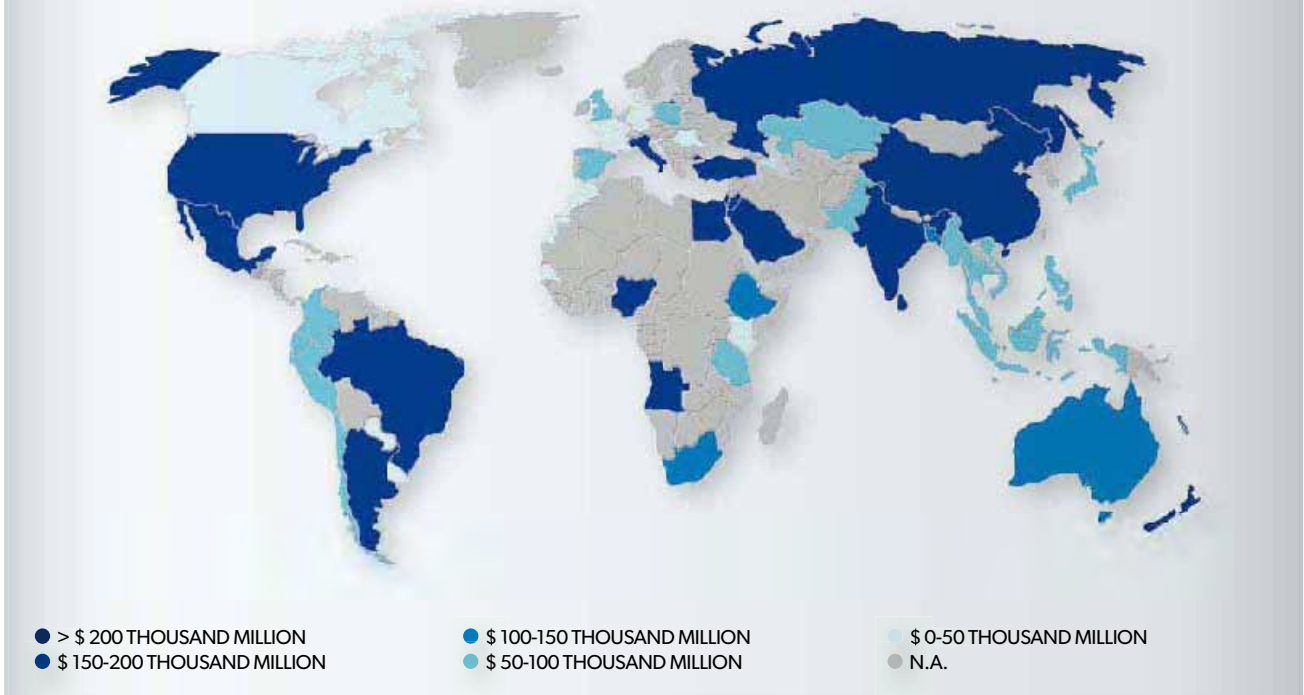
4. Global Infrastructure Hub.

INVESTMENT NEEDS BY INFRASTRUCTURE CATEGORY



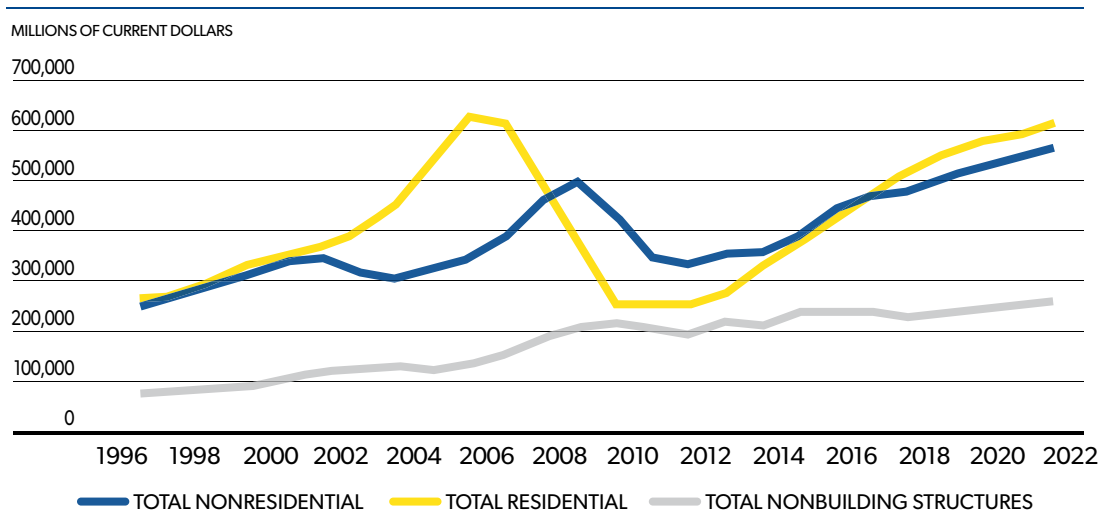
Source: Global Infrastructure Hub.

TOTAL FORECAST INFRASTRUCTURE INVESTMENT GAPS



Source: Global Infrastructure Hub.

DEVELOPMENT PROSPECTS IN THE MAIN MARKETS ESTIMATED INFRASTRUCTURE INVESTMENT IN THE USA

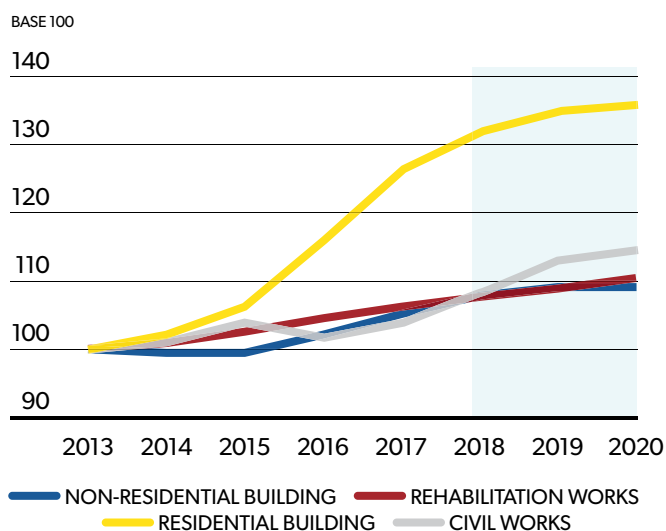


Source: FMI Research Services.

In the USA, the sector is undergoing a new cycle of expansion, and growth of 4-5%/year is forecast over the coming years⁵.

5. Construction Outlook 2018, FMI.

PROSPECTS FOR DIFFERENT SUB-SECTORS IN THE EUROPEAN MARKET

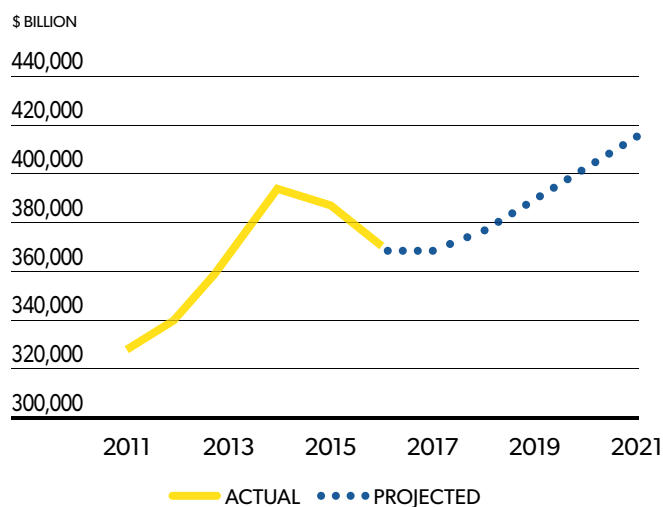


Source: Euroconstruct.

The European sector is currently growing (+3.5% in 2017) and is expected to slow down gradually to 1.1% by 2020.

In particular, the Spanish sector is expected to grow by around 2.3% a year up to 2020, while in Germany it shall shift 2.5% in 2017 to a stable situation by 2020⁶.

ESTIMATED INFRASTRUCTURE INVESTMENT IN AUSTRALIA



Source: Construction Industry Report 2017 Bankwest.

In Australia, the sector has recovered after some years of reduced investment, and a growth in revenues of 7% a year is forecast for the coming years⁷.

6. Euroconstruct Report. November 2017.

7. Construction Outlook 2017, Aigroup, Australian Constructors Association.

ACS'S POSITION

GROWTH IN DEVELOPED AND STABLE COUNTRIES

ACS occupies a position of leadership in the major international markets:

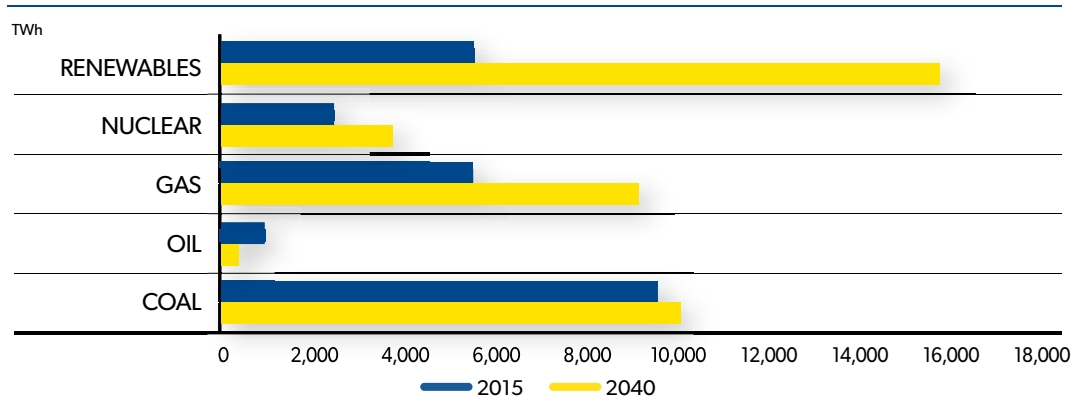
- The diversity of the Group's activities allows it to respond to the emerging needs in its business areas.
- Its technical ability to tackle projects that are large in scale and very complex allows it to respond to these challenges.
- ACS's strategy includes periodically reviewing the situation of the various markets to identify new opportunities in countries that meet its investment criteria. The group is actively working in markets with infrastructure needs such as Australia, the United States and Mexico.

A NEW ENERGY MODEL

The energy system finds itself in a period of transition due to various global factors that will impact investments in energy infrastructure at medium and long-term:

- Global demographic growth, associated with an increase in the population's quality of life, which will have a significant effect on energy consumption in emerging countries, particularly in China and India.
- The decarbonisation of the global energy system as a result of climate change commitments undertaken by countries. In order to guarantee compliance with these commitments, the European Union and other emerging countries have established official objectives for the use of renewable energy sources.
- Growing competition from renewable energy generation against traditional sources and the transition toward smart electricity distribution and consumption patterns based on digitalisation of the electricity grid.
- Prospects for oil prices and maintenance of associated infrastructures.

ELECTRICITY GENERATION BY SOURCE



Source: World Energy Outlook 2017.



Forecasts for electricity generation by sources show that renewable energies shall represent 40% of total generation in 2040, followed by coal and gas, with 49%.

According to the World Energy Outlook report of 2017, a process of transition towards the electrification of energy consumption can be detected. In 2016, investments in the electrical sector (including transmission and transport networks) reached 720,000 million dollars, exceeding the 650,000 million dollars invested in the oil and gas business for the first time.

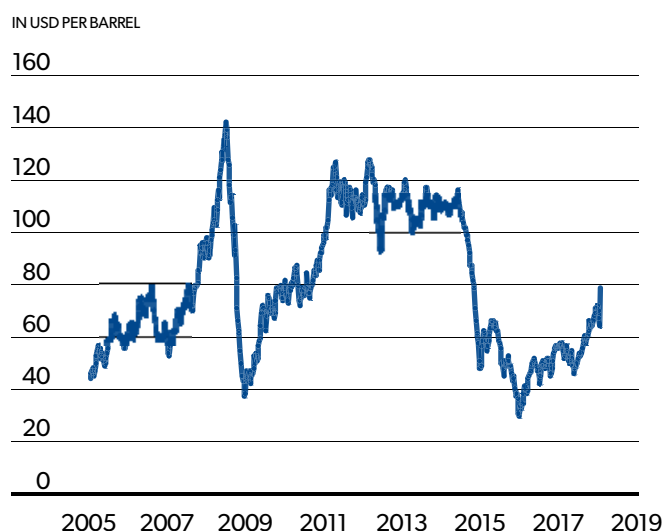
In any case, the New Policies scenario estimates that the gas and oil sector will recover its position in the medium term. Thus, out of the investments forecast for the period 2017-2040, some 25 trillion dollars shall be directed towards supplying oil and gas, 9 trillion to renewable energy and other sources low in emissions, with another 8 trillion going to supply grids.

According to the forecasts of the International Energy Agency, the gas and oil sector shall pass through two different phases from now to 2040. In the period up to 2025, fuel consumption efficiency policies and increased use of electrical vehicles shall have a limited impact on demand that shall be offset by hydrocarbon prices, and demand shall increase. It is estimated that crude oil prices will be 83 dollars a barrel in 2025.

In the period after 2025, the growth in demand for hydrocarbons shall drop noticeably due to reduced demand in consumption by private vehicles.

In particular, Mexico is a country whose energy sector will undergo major transformations and investments in the near future as a result of the Energy Reform set in motion in 2013.

EVOLUTION OF THE PRICE OF A BARREL OF BRENT CRUDE SINCE 2005



Source: U.S. Energy Information Administration.



MEXICAN ELECTRICITY SECTOR DEVELOPMENT PROGRAM (2017-2031)

The Energy Secretary published this program, which sets out to guarantee the efficiency, quality, continuity and safety of the electricity system, encouraging diversification of sources of electricity generation and energy safety while at the same time fulfilling clean energy objectives.

81% of the expenditure shall be spent on electricity generation (1.6 trillion pesos) of which 74% are destined for renewable energies. 19% of the budget shall be used for improving and modernising the transmission and distribution grids.

FIVE-YEAR PROGRAM OF TENDERS FOR EXPLORATION AND EXTRACTION OF HYDROCARBONS (2015-2019)

This year, after receiving proposals from the National Hydrocarbons Commission, the Energy Secretary has also revised the Five-Year Program so as to provide greater incentives to increase knowledge about the subsoil, the reserves replacement rate and production levels of oil and gas.

In July 2017, commitments to invest 80,000 million in exploration and extraction of hydrocarbons were made.



ACS'S POSITION

DIVERSIFICATION OF ACTIVITIES: DEVELOPMENT, OPERATION AND MAINTENANCE OF ENERGY INFRASTRUCTURE.

RESPONSE TO GLOBAL CHALLENGES: DECARBONISATION OF ENERGY.

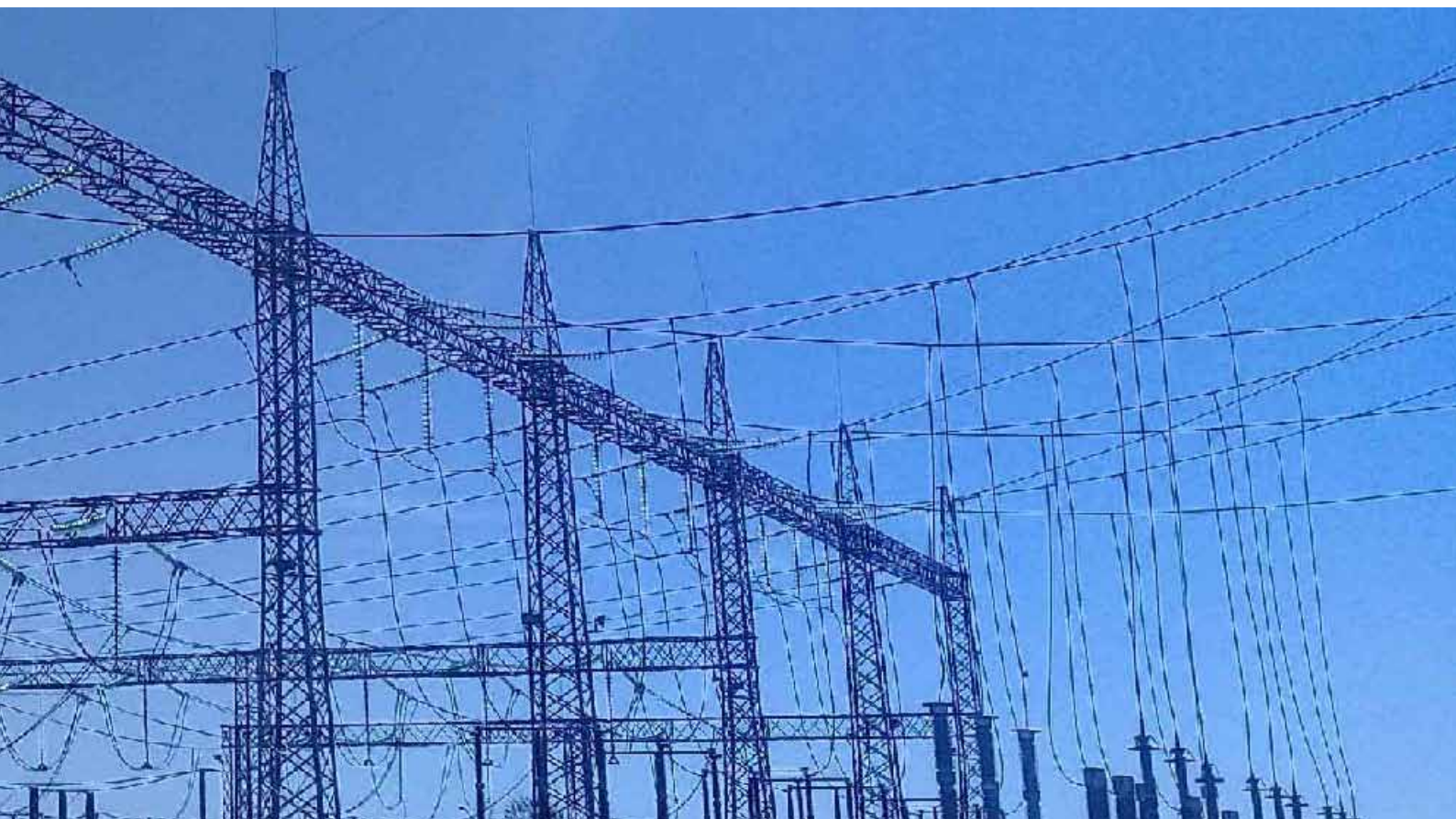
The ACS Group is one of the leading companies in executing thermal solar and wind projects under the EPC system, it has a growing presence in large PV projects around the world, it is a benchmark company in small hydro projects in Latin America and other countries, and develops biomass plants.

From a technological growth standpoint, the main objectives of the Industrial Services companies' innovation projects are reducing the cost of solar and offshore wind power as well as combining various renewable sources to increase the flexibility and integration of renewable energy in electricity systems.

The ACS Group maintains a major presence in markets with forecasts of considerable growth such as Mexico thanks to its industrial services

division, which manages a large number of oil and gas related projects. The ACS Group obtained its largest project in this country in 2017. Dragados, Avanzia and Cobra were contracted for the gas compression services agreement in Campeche. In other types of investments, such as those related to the distributed generation and demand-side management (through, for example, smart meter installation programmes), the Group has a growing presence through its specialised subsidiaries.

On the other hand, ACS is starting from an excellent position with respect to developing technologies that guarantee the security and quality of supply, thanks to its experience in large transport lines, both in alternating and direct current, as well as in hydroelectric plants.

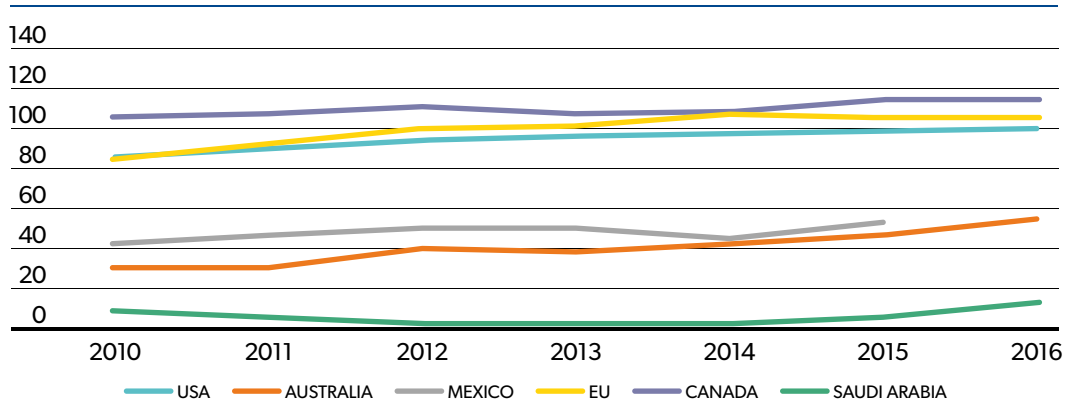


NEW SOURCES OF FINANCING

Traditionally, infrastructure development has been mainly financed through public funds. However, within the current context of limited public spending,

contribution from the private sector and other entities is increasingly necessary in order to keep up with demand in the different regions of the world.

EVOLUTION OF PUBLIC DEBT (IN %) WITH REGARD TO GDP IN SOME COUNTRIES WHERE ACS OPERATES



Source: Details of evolution of public debt with regard to GDP: OECD and World Bank. Aggregated data for Europe obtained from averages of individual OECD data available weighted by GDP.

In this context, financing models such as Public-Private Participation (PPP) have become an increasingly attractive alternative in recent years. Participation from the private sector provides major benefits thanks to its capacity to attract financial resources and to optimise them and control costs, while public bodies minimise risks and limit debt levels. National regulation is increasingly profuse and establishes a framework of security and clarity that facilitates the development of projects such as these:

- Australia is one of the pioneers in developing the public-private participation model and has developed it to a greater extent than anywhere else, boosted by new models that have helped in overcoming financing difficulties.
- In the European Union, an increasing number of investor profiles are showing interest in financing infrastructure projects, a trend that is further facilitated by stimulation measures applied by governments.
- The US is one of the countries in which public-private collaboration is key to financing infrastructure projects. Not just because of growth potential and market needs, rather because it is underdeveloped.

The financing of this type of project is boosted by investors who find highly interesting prospects in projects such as these because of the opportunities they present to obtain attractive returns for the risk assumed, regardless of the volatility of the markets, protection against and the diversification of the investment portfolio. It is hoped that interest in the sector continues in 2018 along with the high level of liquidity at international levels, which generates a major need for investment.

An example of the rise in this type of partnership is the Australian pension system ("Superannuation Funds") that favours the private sector's participation in the financing of infrastructure projects. Superannuation Funds, which are very active investors in the infrastructure sector, are the largest pension fund in the Asia-Pacific region and the fourth largest globally, with AU\$2.6 trillion in assets under management, and forecast to reach AU\$3.6 trillion in 2025.

In addition to these sources of financing, there has been an increase in the investment activity of multinational and sovereign enterprises. Multilateral banks may provide significant support for financing infrastructure in the future. For example, the new Asian Infrastructure Investment Bank (AIIB) has indicated that it will use a portion of its \$100,000 million to encourage private sector investment.

ACS'S POSITION

FINANCIAL STRENGTH

In 2017 the ACS Group was once again the world leader among concession groups, with respect to the number of projects operated and under construction (59), maintaining for another year its privileged position as a worldwide reference in the development and management of infrastructure, as again acknowledged by the specialist journal *Public Works Financing*, which places ACS at the top of the ranking of the world's main concession groups, both by number of assets and by investment volume. (See list of Iridium concessions Appendix 9.4.2)

Likewise, the Group has financed its activity by way of various financial instruments, such as syndicated loans, corporate bonds, exchangeable bonds, USD senior notes, among others, a breakdown of which can be found in the Group's consolidated financial statements.



For further information:
2.2. 2017, growth
and value creation
4.1. Construction



SMART INFRASTRUCTURE

Cities are now facing a tremendous challenge posed by the growth of the global population, increases in the numbers of urban residents, climate change and increased demand for energy, water and food resources in cities.

Urban environments shall therefore be subject to pressures to provide services to an ever larger population with greater needs, and the responsibility for furthering development of the local economy, improving the quality of service provision, and finding solutions to congestion in cities and the impact on the urban environment.

Growing pressures such as these provide incentives for exploring the possibilities offered by technologies such as the Internet of Things, digitalisation, and implementing electric vehicles, in the development of smart infrastructure solutions that enable cities to fulfil their purpose.

The most perceptible change will be towards a more efficient, safer and smarter concept of mobility for urban environments. This means that infrastructures shall have to evolve in line with these changes to provide services that have not been in demand up to now. Such changes will take the form of a need for new investments in infrastructure reconversion and maintenance.

ACS'S POSITION

DIVERSIFICATION OF ACTIVITIES:
INNOVATION OF SERVICES

RESPONSE TO GLOBAL CHALLENGES:
SUSTAINABLE GROWTH OF CITIES

The ACS Group is active in the development and management of collective transport, both in the world of railway infrastructure (trains of all types, trolleybuses, trams), and through technology for managing fleets of urban buses.

The Group's companies are leaders in the technology used for managing urban and motorway traffic, which, together with its role as a provider of support services to electric and communication utilities allows the Group to participate in the technological advance towards "Smart Cities".

The combination of these capacities, together with specific technological developments in the field, is enabling the Group to lead Spain in the development of electric vehicle charging networks, use of which in the coming years will become widespread in many of its target markets.



EVOLUTION OF OPERATING MARKETS

These trends are particularly relevant and create new business opportunities for developing infrastructure in the main countries in which the ACS Group operates.

CANADA

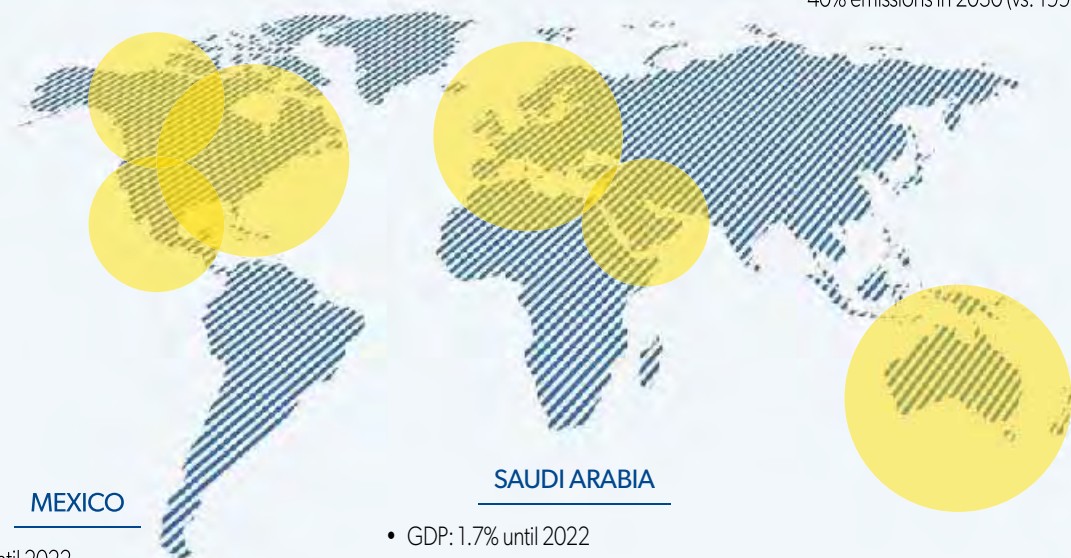
- GDP: 1.8% until 2022
- Public debt: 97% with regard to GDP until 2022
- CPI increase: 1.55% until 2022
- Infrastructure bank: C\$120,000 million in 10 years
- Evolution of PPPs: There is an influx in projects, being led by Ontario, and opportunities in the states of Alberta, Nova Scotia and British Columbia.
- National Climate Change Commitments (INDC): -30% emissions in 2030 (vs. 2005)

UNITED STATES

- GDP growth: 1.9% until 2022
- Public debt: 80% with regard to GDP until 2022
- CPI increase: 1.6% until 2022
- Estimated investment in infrastructure: US\$1 trillion in the next 10 years
- Evolution of PPPs: Although opportunities vary between states, the outlook is positive, mainly in motorways, student housing, telecommunications, water and social infrastructure.
- National Climate Change Commitments (INDC): (26-28)% emissions in 2025 (vs. 2005)

EUROPEAN UNION

- GDP: 1.8% until 2022
- Public debt: 80% with regard to GDP until 2022
- CPI increase: 1.5% until 2022
- European Fund for Strategic Investments: \$21,000 million that will attract a total investment of €315,000 million for infrastructure projects, among others.
- Evolution of PPPs: Downward trend in recent years although with a positive outlook in Germany, Ireland, Turkey, Lithuania and the Netherlands.
- National Climate Change Commitments (INDC): -40% emissions in 2030 (vs. 1999)



MEXICO

- GDP: 2.5% until 2022
- Public debt: 51% with regard to GDP
- CPI increase: 3.8% until 2022
- National Infrastructure Plan 2014-2018 Estimated investment of MXN\$7.7 trillion
- National Climate Change Commitments (INDC): -22% emissions in 2030 (vs. 2013)
- 2013 Energy Reform, which enables private investors to participate in the energy sector, attracting capital and technology to renew it.

SAUDI ARABIA

- GDP: 1.7% until 2022
- Public debt: 35% with regard to GDP until 2022
- CPI increase: 2.3% until 2022
- Development of alternative energy sources and desalination infrastructure
- National Climate Change Commitments (INDC): Promotion of renewable energy and energy efficiency.

AUSTRALIA

- GDP: 2.8% until 2022
- Public debt: 47% with regard to GDP
- CPI increase: 2% until 2022
- Infrastructure Plan: AU\$92,000 million in investments in priority projects
- Evolution of PPPs: The PPP market remains strong with new large transport projects.
- National Climate Change Commitments (INDC): (26-28)% emissions in 2030 (vs. 2005).

Sources: Projections of cumulative GDP growth at current prices: World Economic Outlook 2017, International Monetary Fund.
Forecast data on the evolution of public debt with respect to GDP and CPI: Economist Intelligence Unit. Aggregate data for Europe obtained from the average of the available individual data weighted by GDP.

3.4. WITH ITS ACTIVITY IT CONTRIBUTES TO MEETING THE OBJECTIVES OF THE 2030 GLOBAL AGENDA

In September 2016, the General Assembly of the United Nations adopted the 2030 Agenda for sustainable development, a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace and access to justice.

The new strategy will govern development projects for the coming 15 years. By adopting it, the States undertook to mobilise the means necessary for its

implementation through alliances focused particularly on the needs of the poorest and most vulnerable. With its activity it contributes to meeting the objectives of the 2030 global agenda The ACS Group, through its development activity, contributes to fulfilling certain of the goals and objectives on the global agenda. This contribution is amplified by its size and international presence in developed, as well as developing countries.



MAIN SUSTAINABLE DEVELOPMENT GOALS TO WHICH THE ACS GROUP CONTRIBUTES:

GOAL 5		ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS
-------------------------	---	--

CONTRIBUTION

The ACS Group rejects any type of discrimination, in particular that due to gender, as well as age, religion, race, sexual orientation, nationality or disability. This commitment extends to its hiring and promotion processes. In addition, the ACS Group develops policies that promote the development of women’s professional careers and allow them to attain a work-life balance.

SIZE OF THE CONTRIBUTION

- Women in management positions: 1,842.
- Work-life balance measures: Accumulation of maternal breast-feeding periods, part-time maternity and paternity leave, flexible schedule and reduced work days to care for children.
- Board of Directors approved in 2017 the Diversity Policy of the ACS Group.
- ACS Group’s companies have different initiatives to achieve gender equality as proved the aproval of the II Equality plan and protocol for the prevention and action in cases of harassment in Grupo Dragados.



GOAL
6



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

CONTRIBUTION

Through its Industrial Services business, which develops water desalination, purification and filtering infrastructure, the ACS Group contributes to guaranteeing access to potable water and improving waste water quality.

SIZE OF THE CONTRIBUTION

— Number of water treatment infrastructures in which the ACS Group participates at 31 December 2017:

Other investment projects	N°	Capacity	ACS Group average stake
Desalination plants in operation	2	272,000 m ³ /day	59%
Desalination plants in construction	1	100,000 m ³ /day	40%
Desalination plants in development	1	86,400 m ³ /day	50%
Water treatment plant in operation	31	1,774,715 m ³ /day	99%
Water treatment plant in construction	1	33,264 m ³ /day	100%
Irrigation projects	1	52,500 ha	60%

— Volume of water treated in (m³): 432,261,285.

GOAL
7



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

CONTRIBUTION

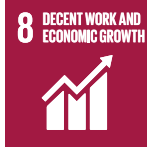
The ACS Group, through its Industrial Services business, designs, constructs and manages various energy infrastructures that contribute to guaranteeing universal access to energy.

A portion of this activity focuses on renewable energy facilities (solar, wind and small hydro), certain of which are in developing countries. It also offers services to improve energy efficiency for its customers, thereby contributing through its activity to a more efficient use of energy and cleaner energy, in all areas.

SIZE OF THE CONTRIBUTION

- MW of renewable energy managed by investment projects at 31 December 2017: 2,956.4 MW.
- Gwh of renewable energy produced by investment projects in 2017 at 31 December : 733.6 GWh.
- Kilometres of transmission lines managed by concessions in 2017 at 31 December : 6,547.

GOAL
8



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

CONTRIBUTION

[102-41]

The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects its workers' freedom to unionise and freedom of association.

The Group also understands the important role that having local roots and being sensitive to each place's unique features has in the company's success. Group companies maintain their commitments to remaining in the areas where they operate, actively contributing to the economic and social development of such areas and they promote hiring local workers and executives.

SIZE OF THE CONTRIBUTION

- Number of employees: 182,269.
- % of employees who are unionised: 28.4%
- % of employees with same nationality as headquarter: 94.3%

GOAL
9



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

CONTRIBUTION

Through its infrastructure and industry development activity, the ACS Group significantly contributes to the economic progress of societies and people's well-being.

Through its international business with a strong local focus, it contributes to developing the capabilities and the industry of the areas where it operates, where particular importance is placed on its commitment to remain.

The Group maintains a growing investment in R&D, which results in greater productivity, quality, occupational safety, as well as the development of new materials and products and the design of more effective production processes or systems.

SIZE OF THE CONTRIBUTION

- Revenue from infrastructure development in 2017 (civil engineering, building, mining and integrated projects): €30,109 million.
- Investment in R&D in Construction and Industrial Services in 2017: €29 million.



GOAL
10



REDUCE INEQUALITY WITHIN
AND AMONG COUNTRIES

CONTRIBUTION

Clece, the ACS company dedicated to, among other things, providing services to people, has a distinct social nature and is committed to including and integrating people, thereby contributing to a reduction in inequality. In addition to providing services to vulnerable people, it also hires staff in such circumstances.

On the other hand, the Foundation ACS has an Accessibility Programme for disabled persons, aimed at architects, engineers, urban developers and all professionals involved in design and universal accessibility.

SIZE OF THE CONTRIBUTION

- Clece, manages 186 centres for vulnerable groups⁸.
- 10.2% of Clece employees (7,547) are disabled persons at risk of social exclusion or victims of gender violence.
- Investment by the Foundation in accessibility: €1.1 million.

GOAL
11



MAKE CITIES AND HUMAN
SETTLEMENTS INCLUSIVE, SAFE,
RESILIENT AND SUSTAINABLE

CONTRIBUTION

The ACS Group, through its various activities, provides services that contribute to creating more efficient and sustainable cities. Among these services, it is worth highlighting sustainable building, the construction of public transport systems, traffic management services, etc.

SIZE OF THE CONTRIBUTION

- Sustainable buildings built: 749.
- Iridium manages public transport project contracts (mainly underground railway systems) with a total investment of €11,629 million including the Lima underground railway system and the Ottawa light rail.

GOAL
12



ENSURE SUSTAINABLE CONSUMPTION
AND PRODUCTION PATTERNS

CONTRIBUTION

The ACS Group promotes the efficient use of natural resources in all of its projects, from design to execution, rationalising water and energy consumption, promoting the use of sustainable materials and properly managing the waste generated.

SIZE OF THE CONTRIBUTION

-17.3%
REDUCTION IN INTENSITY OF EMISSIONS
(TOTAL EMISSIONS/REVENUES) (VS 2016)

8. Residences and day centres to care for the disabled, centres for minors at risk of exclusion, centres for the protection of women, occupational centres and other centres for the homeless.

4. THE ACS GROUP ACTIVITIES

- 4.1. CONSTRUCTION
- 4.2. INDUSTRIAL SERVICES
- 4.3. SERVICES







4.1. CONSTRUCTION

THE CONSTRUCTION ACTIVITY OF THE ACS GROUP IS CARRIED OUT THROUGH THREE LEADING COMPANIES: DRAGADOS, HOCHTIEF AND IRIDIUM



LEADERS IN CONSTRUCTION

The construction activity of the ACS Group is carried out through three leading companies: Dragados, HOCHTIEF and Iridium. All of these three companies are in turn composed of a large number of businesses that operate independently, specialising in the various activities and geographical areas where the Group is active.

ACS develops all types of Public Works through these businesses (activities related to the development of infrastructure such as highways, railways, ports and airports), social value (residential buildings, social facilities and installations), infrastructure services (railway, transport, communication and technology, energy, resource, water and defence sectors) and project related to the mining sector (mining service contracts and the required infrastructure for mining activity).

These projects are carried out either through direct construction models for institutional or private clients or through public-private partnership models, where the ACS Group covers the whole concession business value chain from project design through financing, construction and start-up to operation.

These activities are carried out based on rigorous management of the risks associated with each project and optimisation of the company's financial resources. In this way, the Group seeks to maximise the operational efficiency and profitability of each project.

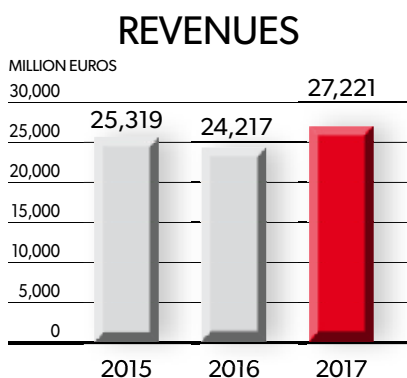
This highly decentralised structure, together with the specialisation and complementary nature of the various companies, enables the ACS Group to tackle larger, more complex projects by working together more closely and flexibly.

REVENUES
27,221
MILLION EUROS

BACKLOG
55,529
MILLION EUROS

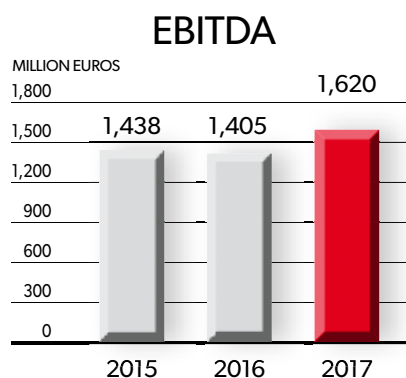
EBITDA
1,620
MILLION EUROS

NET PROFIT
387
MILLION EUROS



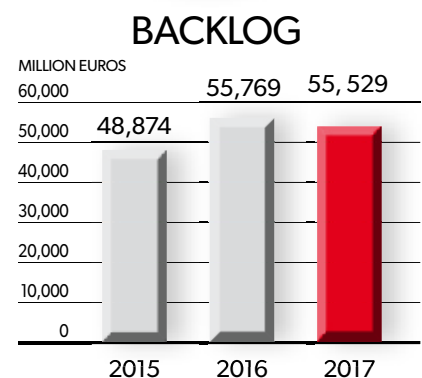
2.64
-12.6% VS 2016
FREQUENCY RATE*

95.2%
LOCAL EMPLOYEES



9,595,937
12.3% VS 2016
ENERGY CONSUMPTION (MWh)

70.2%
LOCAL SUPPLIERS



5,716,511
-17.3% VS 2016
TOTAL EMISSIONS (TCO₂)

5.1 MNE
SOCIAL ACTION INVESTMENT

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



Dragados is a leading construction company founded at the beginning of the twentieth century that carries out civil engineering infrastructure development projects (motorways and railway, marine, water and airport works) and both residential and non-residential building projects.

Dragados is also the leading construction company in Spain and a global point of reference that carries out significant infrastructure projects in other European countries such as Portugal, the United Kingdom, Ireland and Poland, where it has established itself through its subsidiary Pol-Aqua. In recent years, Dragados has concentrated its growth in North America, which has become its main area of business. It continues to strengthen its position in the United States and Canada thanks to the work of its North American subsidiaries Schiavone, Pulice, John P. Picone, Prince Contracting and J.F.White Contracting, and its lead companies in North America, Dragados USA and Dragados Canada. It also has over thirty-five years' experience in carrying out projects in Latin America, especially Chile, Peru and Colombia, as well as Argentina and Venezuela, where it has its own subsidiaries: Dycasa (Argentina) and Dycvensa (Venezuela).

Iridium is an ACS Group company that manages concession and public-private partnership contracts for transport infrastructure and public facilities.

With a portfolio of more than 100 companies at both the national and international level, making ACS a world leader for another year among concession groups both by number of assets and investment volume.

Viewed in terms of strategy and market positioning, ACS continues to be at the forefront of the market in the United States and Canada, where it has won important awards in the last few years and important needs for infrastructures are present. Viewed in terms of strategy and market positioning, ACS continues to be at the forefront of the market in the United States and Canada, where it has won important awards in the last few years and important needs for infrastructures are present. In Europe, Iridium's position is consolidated, currently managing over 1,000 kilometres of highway in 19 projects, while it maintains its active presence in the concession market in Latin America, with ongoing projects in Chile and Peru.

With a track record built up over more than 45 years, Iridium's success is based on a risk management policy that has proven highly effective in both identifying and evaluating risks and putting in place adequate measures to mitigate or eliminate them.

REVENUES	BACKLOG	NET PROFIT
4,498	10,885	109
MILLION EUROS	MILLION EUROS	MILLION EUROS

REVENUES	NET PROFIT
92	4
MILLION EUROS	MILLION EUROS



Portfolio concessions:
(for further information,
see Appendix 9.4.2.)

HOCHTIEF is one of the world's leading construction groups. It carries out infrastructure development and building projects in the transport, energy and social and urban infrastructures sectors, as well as contract mining activities. In the same way and thanks to its experience gained throughout its 140-year history, HOCHTIEF can be found throughout the infrastructural value chain, from development, financing and construction to maintenance and operation.

HOCHTIEF maintains a leadership position in markets with the most prospects for development worldwide such as the United States and Canada, Australia and

Central Europe, as well as a consolidated position in other important markets in the Asia Pacific and Middle East regions.

HOCHTIEF's extensive experience on the market, its size and the synergies between its various areas of business enable it to tackle very complex projects both directly and on a concessionary basis, as its comprehensive focus produces particularly advantageous results in public-private partnership projects. HOCHTIEF plans to continue consolidating its position in markets where it is currently operating, taking advantage of strong growth prospects and continuing to improve its profitability through streamlining processes and management of financial resources.

REVENUES
22,631
MILLION EUROS

BACKLOG
44,644
MILLION EUROS

NET PROFIT
421
MILLION EUROS

NET PROFIT CONTRIBUTION
TO ACS GROUP
302
MILLION EUROS

HOCHTIEF AMERICAS

The HOCHTIEF Americas division covers the activities of HOCHTIEF's subsidiaries in the United States and Canada, which are: Turner, Flatiron, E.E. Cruz and Clark Builders. Each of these subsidiaries focuses on different aspects of the infrastructures and building sector in this geographical area, including the development of transport infrastructure (mostly roads and bridges) as well as public buildings, office buildings, sports facilities, schools and healthcare buildings. It has also carried out infrastructure projects in the energy sector, such as hydroelectric power plants, dams and power lines.

HOCHTIEF America's subsidiaries have a close relationship with each other, enabling them to benefit from synergies and the ongoing exchange of information and experiences.

HOCHTIEF ASIA PACIFIC

The activities of the HOCHTIEF Asia Pacific division are developed by the CIMIC Group, active in over 20 countries through its operating units in Australia, Asia, the Middle East and America, as well as Africa. CIMIC is a leading international contractor, the major one in the industry in Australia, and the largest mining contractor in the world. The full ranges of services it offers includes construction, mining and processing of minerals, engineering, concessions, operations and maintenance for infrastructure, resources and property markets.

The CIMIC Group is made up of companies with different backgrounds. CPB Contractors and Leighton Asia carry out construction projects. Thiess, focused on services for the mining sector, is the largest mining contractor in the world. Sedgman, focused on ore processing, operates in Australia, Asia, Africa and the Americas. Pacific Partnerships focuses on the development and execution of PPP projects in which CPB Contractors has a share of construction work. With the acquisition of UGL in 2016 and its integration throughout 2017, it enhances its offering with this company, which develops comprehensive engineering, construction and asset operation projects in the railway, transport, communications and technology, energy, resources, water and defence sectors. The engineering company EIC provides services to clients and supports the various operational units of the CIMIC Group.

Furthermore, CIMIC has significant shares in HLG Contracting (45%) and Ventia (47%), following the sale of its 23.64% participation in Macmahon in July 2017.

HOCHTIEF EUROPE

HOCHTIEF Solutions AG is the management company for the HOCHTIEF Europe division. It combines its central businesses in Europe with other high-growth regions around the world through its various subsidiaries:

HOCHTIEF Infrastructure focuses primarily on transportation projects and construction activities in its major markets in Germany, Poland, the Czech Republic, the United Kingdom, Scandinavia and the Netherlands.

HOCHTIEF Engineering is divided into four lines of business: Infrastructure; Energy, Industrial and Special Services; Virtual Design and Construction (HOCHTIEF ViCon, one of the major providers of Building Information Modelling); and construction and project management services. All these lines of business provide engineering services for both internal and external construction projects.

HOCHTIEF PPP Solutions designs, finances, builds and operates projects for the public sector as a partner. It provides comprehensive public-private partnership solutions for transport, energy and social infrastructure projects.

REVENUES
11,839
MILLION EUROS

NET PROFIT
163
MILLION EUROS

REVENUES
9,077
MILLION EUROS

NET PROFIT
275
MILLION EUROS

REVENUES
1,609
MILLION EUROS

NET PROFIT
24
MILLION EUROS

CONSTRUCTION



HOCHTIEF



IRIDIUM

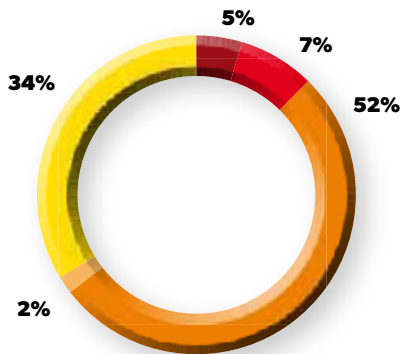
72.68% CIMIC



© CPB Contractors.

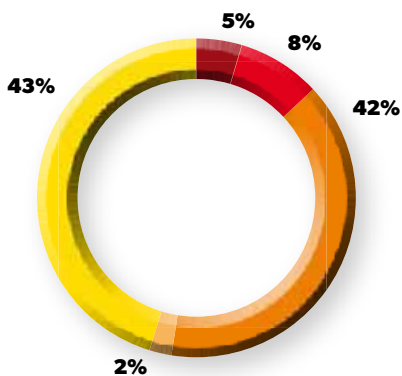
THE ACS GROUP'S CONSTRUCTION ACTIVITY IN 2017

2017 REVENUE BREAKDOWN BY GEOGRAPHICAL AREAS



- SPAIN **1,280 MN €**
- REST OF EUROPE **2,048 MN €**
- NORTH AMERICA **14,200 MN €**
- SOUTH AMERICA **493 MN €**
- ASIA PACIFIC **9,199 MN €**

2017 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



- SPAIN **2,599 MN €**
- REST OF EUROPE **4,723 MN €**
- NORTH AMERICA **23,194 MN €**
- SOUTH AMERICA **1,260 MN €**
- ASIA PACIFIC **23,679 MN €**
- AFRICA **76 MN €**



2017 REVENUE BREAKDOWN BY COUNTRY (€ Mn)

UNITED STATES	13,002
AUSTRALIA	6,993
HONG KONG	1,420
SPAIN	1,280
CANADA	1,195
GERMANY	854
INDONESIA	481
POLAND	481
CHILE	291
UNITED KINGDOM	263
CZECH REPUBLIC	214
OTHERS	747

- CIVIL WORKS
- BUILDING
- MINING

* Main countries where the Construction area reported ongoing projects or new awarding projects.

MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING CONSTRUCTION ACTIVITY



MAIN AWARDS IN 2017

1	ASIA PACIFIC Project for the construction of the Westgate tunnel that includes widening the West Gate Freeway from 8 to 12 lanes, the construction of a new tunnel from the West Gate Freeway to the Maribyrnong river, a new bridge over the Maribyrnong river and a elevated road that will give direct access to the port of Melbourne, CityLink and city's north, as well as infrastructures for cyclists and pedestrians (Australia).	1,602 MILLION EUROS	7	ASIA PACIFIC Project for expanding of the existing Terminal 1 and Terminal 2 at Hong Kong International Airport.	376 MILLION EUROS	14	ASIA PACIFIC Pacific Highway upgrade works (New South Wales, Australia).	244 MILLION EUROS
2	ASIA PACIFIC Operating and maintenance services for Melbourne suburban network (Australia).	1,270 MILLION EUROS	8	ASIA PACIFIC Contract for mining services in Mount Pleasant coal mine (New South Wales, Australia).	357 MILLION EUROS	15	ASIA PACIFIC Extension of the contract for mining operation at Mahakam Sumber Jaya in Indonesia.	200 MILLION EUROS
3	ASIA PACIFIC Project for the construction of a new metro railway crossing deep under the Sydney Harbour comprising contract to deliver twin 15.5 km tunnels and associated civil works on Stage 2 of the Sydney Metro project (Australia).	854 MILLION EUROS	9	ASIA PACIFIC Design and construction of approximately 7.9 km of sewer tunnels as well as associated hydraulic facilities in Singapore.	317 MILLION EUROS	16	ASIA PACIFIC Expansion of mining services contract at Sangatta coal mine (Indonesia).	196 MILLION EUROS
4	NORTH AMERICA Project for the expansion of Denver International Airport (United States).	616 MILLION EUROS	10	NORTH AMERICA Contract for the construction of concrete gravity structures for offshore platforms for White Rose project (Canada).	306 MILLION EUROS	17	NORTH AMERICA Contract for the highway 427 expansion in Ontario, the contract involves the design, build, finance and maintain (DBFM) of approx. 10.6 km (Canada).	126 MILLION EUROS
5	NORTH AMERICA Project for design, construction and other identified activities for the Long Island Rail Road (LIRR) expansion from Floral Park to Hicksville (New York, United States).	607 MILLION EUROS	11	ASIA PACIFIC Project for the construction of East Kowloon cultural centre in Hong Kong.	298 MILLION EUROS	18	EUROPE Design and construction of 14.6 km of the A-2 road between Lubelska-Konik and Konik-Minsk (Poland).	119 MILLION EUROS
6	EUROPE Execution of Zuidasdok project comprising the broadening and tunneling of the A10 South in Amsterdam, the road will go underground at the level of the current Amsterdam Zuid station (Amsterdam, Netherlands).	421 MILLION EUROS	12	ASIA PACIFIC Mining services in the Gunung Bara Utama (GBU) Coal Mine in Indonesia.	292 MILLION EUROS	19	SOUTH AMERICA Project for the construction of the Chironta water reservoir (Chile).	109 MILLION EUROS
			13	ASIA PACIFIC Mining services at BHP Billiton Mitsubishi Alliance's Caval Ridge and Peak Downs coal mine in Queensland (Australia).	288 MILLION EUROS	20	EUROPE Contract for the maintenance of infrastructure and railway network of Adif in Madrid, Burgos, Irún and Valladolid (Spain).	58 MILLION EUROS

KEY BUSINESS STRATEGIES

STRENGTHENING OUR POSITION AS A GLOBAL LEADER

The current strategy in construction focuses on maintaining the Group's leading position, strengthening its position on those markets where it is already a point of reference in the infrastructure sector and expanding its business to other international markets in all projects which enable it to provide competitive advantages with respect to local industry, but always maintaining rigorous control of risks and costs to enable it to maximise operational efficiency and profitability.

NORTH AMERICA

What is noteworthy about this strategy is the growth and strengthening of the Group's leading position on the North American market, especially the United States, which is of particular interest and conforms to the Group's risk profile as a developed market with huge demand for infrastructure and a robust and reliable legal and financial framework. The Group's priority is to consolidate a business and management network that enables close relationships with clients and partners based on a long-term commitment to the environment through a multi-brand strategy with companies operating in different regions and offering different products.

NEW MARKETS

The Group also wants to grow its construction business in developing countries that are starting to offer political and legal frameworks that conform to the company's risk profile. The Group is therefore interested in some countries in Latin America and the Middle East. Furthermore, the Group will continue its business in countries in Europe and Australia.

PRESENCE THROUGHOUT THE VALUE CHAIN

The various ACS Group companies can be found throughout the business value chain in the construction area, from direct construction for clients through to public-private collaboration models where they handle everything from the project concept to its financing, construction, startup and operation. The consolidated experience and leadership position in the construction area in the different activities and areas of the sector make it possible for the Group to continue to exploit all the investment opportunities that may appear in the sector.



ACTIVITIES IN 2017

1. LEADERSHIP IN DEVELOPED MARKETS

The construction area in the ACS Group has continued to consolidate its leadership position in the North American, Australian and European markets.

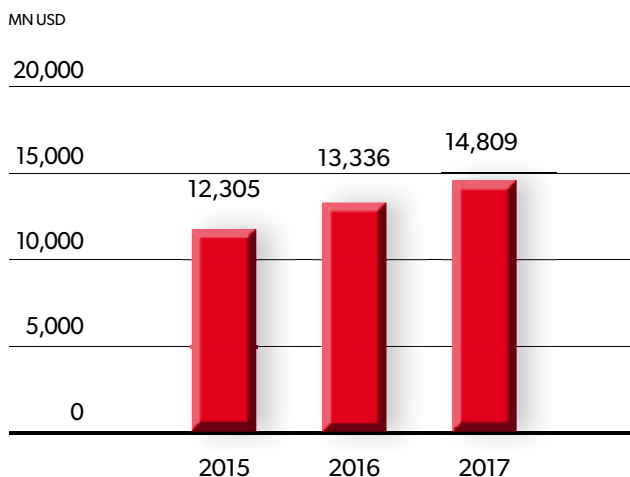
The ACS Group is developing its construction operations in the United States and Canada through its subsidiaries Hochtief Americas, Turner and Flatiron, and Dragados has strengthened its position in the United States and Canada through the operations of its North American subsidiaries, as well as participating in concession business through Iridium.

During 2017, revenues of ACS Group companies in the region were 13,002 million euros, which amounts to an increase of 11% after removing the exchange rate difference, derived from important

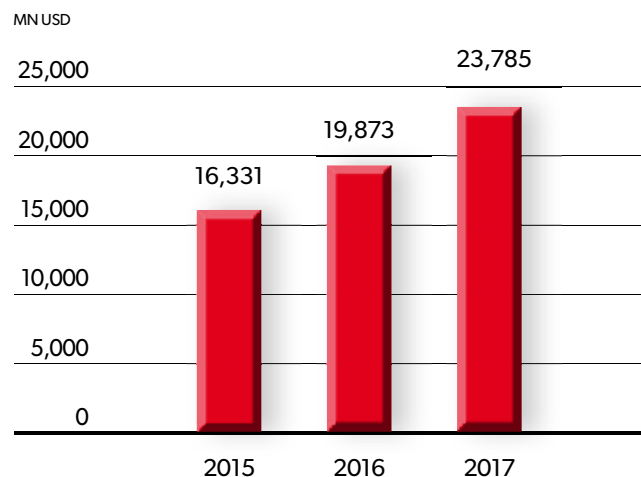
tenders received over the last few years. In this regard, its portfolio reached 19,827 million euros during 2017, 20% higher than in 2016 after removing the exchange rate difference, thanks to the excellent marketing by the ACS Group subsidiaries in the country.

Turner was once again one of the leaders in the United States market; in the 2017 rankings published by Engineering News-Record (ENR). The company remains one of the major general contractors as well as the leader in the construction of green buildings. Turner is one of the major providers of virtual design and construction in the United States (Building Information Modelling). Flatiron, a specialist in infrastructure construction, continues to occupy privileged positions in different sectors under the ENR ranking.

EVOLUTION OF CONSTRUCTION REVENUES IN UNITED STATES



EVOLUTION OF CONSTRUCTION BACKLOG IN UNITED STATES

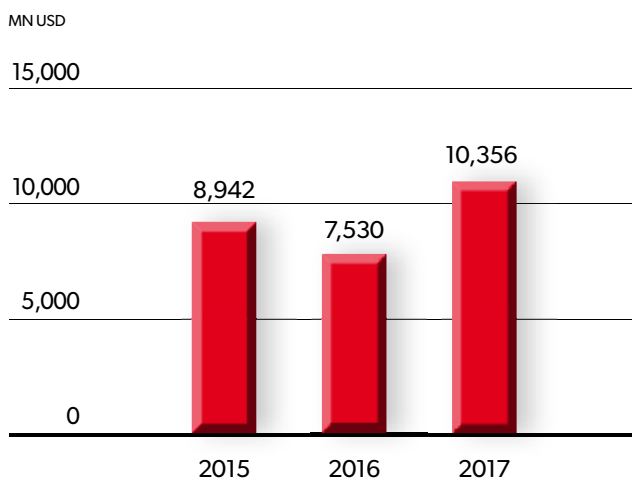




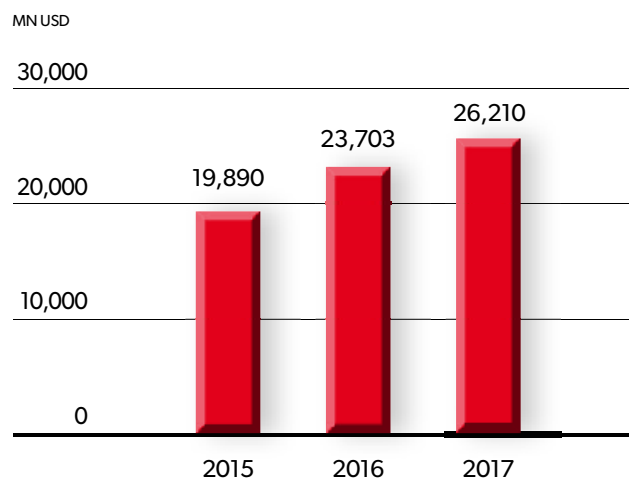
In Australia, the ACS Group conducts its activities primarily through the CIMIC Group, which has continued to strengthen its position in the construction and infrastructure maintenance markets there since the consolidation with the company UGL, as well as in mining projects. Dragados has also continued to handle transport projects in the country. This resulted in revenues in Australia increasing by 37.5% in the local currency

during 2017, while its portfolio increased 10.6%. This ensures solid growth, driven further by the announcement of large urban highway and railway projects in the country. An increase of over 80% in the Australian transport infrastructure market is expected between 2016 to 2020, and the federal budget alone has earmarked 75,000 million Australian dollars for highways and railways during 2017/2018.

EVOLUTION OF CONSTRUCTION REVENUES IN AUSTRALIA



EVOLUTION OF CONSTRUCTION BACKLOG IN AUSTRALIA



In Europe, the ACS Group holds a leading position in Spain through companies in the Dragados Group, whose activities increased by 7.2% in 2017 due to the upturn in the sector in Spain. HOCTIEF also continues to be a leader in the construction sector in Germany, with over 854 million in invoicing during 2017.

Thanks to all this, the ACS Group is strengthening its leadership position in the construction market in developed countries as well as securing solid growth prospects for the future.



2. OPPORTUNITIES IN THE PPP MARKET

Once again, the ACS Group is the worldwide leader of concessionary groups in 2017, both in terms of number of assets and investment volume based on PWF. Over 150 projects with an approximate value of 200,000 million euros have been identified in the market in the United States, Canada, Australia and Europe. These markets are currently at a favourable point for investment in infrastructure, due to high public demand with a low risk profile given the security of the markets at the administrative, financial and legal levels.

Viewed in terms of strategy and market positioning, ACS is continuing its consolidation as the leader in the North American market, especially in transport concessions as one of the major harbingers of infrastructure investment under the PPP model. In 2017, financing of the Highway 427 project in Ontario was closed, the contracting and financing of phase 2 of the Confederation Line light commuter rail in Ottawa was closed and the Angels Flight funicular railway in California was enhanced (February 2017), the latter being the first PPP project in Los Angeles. And so in 2017, an existing portfolio of projects valued at more than 14,100 million euros in investment came with a long list of existing Iridium concession projects in North America.

In addition to that, in the beginning of 2018 the ACS Group was designated as the recommended consortium for the tendering of a railway project under the Los Angeles International Airport concession in 2018. Likewise, the ACS Group is pre-qualified for various projects in North America, most notably: the lighting for the Phoenix metropolitan area in Arizona and I75 in Michigan,

as well as the Gordie Howe International Bridge in Ontario (connecting Canada and the United States), the Finch West light railway in Toronto and the Hamilton LRT in Ontario, as well as four Design Build Finance (DBF) projects.

As for the European market, where the ACS Group manages over 16,800 million euros in transport and public facility infrastructure assets just through Iridium and HOCHTIEF has a total of 10,721 euros of the total investment in assets, the following projects can also be cited:

- The concession for the Silvertown Tunnel in London, where the ACS Group is one of the three pre-qualified companies, including the design, construction, financing and maintenance of a new pedestrian tunnel with two lanes in each direction and 1 km long, under the Thames River between Silvertown and the Greenwich Peninsula in east London, for an approximate amount of 1,000 million euros.
- The agreements signed between the Generalitat de Catalunya, the Municipality of Barcelona and the Municipality of L'Hospitalet for the reactivation of the construction of four stations of the stretch 2 and 9 of Barcelona metro.

And in conclusion, the excellent prospects for the Australian market should be pointed out, where the ACS Group is in the process of bidding for large-scale projects such as the Cross River Rail in Brisbane for over 4,000 million Australian dollars, as well as the WestConnex bypass for more than 9,300 million Australian dollars.



MAIN PROJECTS

PROJECT FOR ABERDEEN HARBOUR EXPANSION

CLIENT

Aberdeen Harbour Board

PROJECT EXECUTION DATES

January 2017- May 2020

LOCATION

Aberdeen, Scotland

TYPE OF WORK

Hydraulic infrastructures, marine and ports

AMOUNT

339 million euros

COMPANIES INVOLVED IN THE PROJECT

Dragados

The project consists of Design and Construction of a new harbour facility at Nigg Bay immediately south of the existing Aberdeen harbour bounded by Girdleness, Balnagask and Gregness to complement and expand the capabilities of the existing harbour facilities to accommodate larger vessels, retain existing custom and attract increased usage of Aberdeen Harbour.



For further information:
Website (www.grupoacs.com)
Construction Projects
Construction projects awarded

Scope of works:

- Dredging the existing bay to -9.0 m CD with additional dredge depth of -10.5 m CD to East Quay and entrance channel. Dredging in various materials including bedrock.
- Construction of new North and South breakwaters to protect the harbour.
- Construction of approximately 1,400 m of new quays and associated support infrastructure.

CONCESSION CONTRACT FOR HIGHWAY 427 IN ONTARIO, CANADA

CLIENT

Ministry of Transportation of Ontario and Infrastructure Ontario

PROJECT EXECUTION DATES

Construction: 2 years
Maintenance: 30 years

LOCATION

Toronto, Ontario (Canada)

TYPE OF WORK

Civil Engineering

AMOUNT

362 million Canadian dollars (250 million euros)

COMPANIES INVOLVED IN THE PROJECT

Capital: ACSIC 50% + Miller Group 50%
Construction: Dragados Canada 50% + Miller Group 25% + BOT Infrastructure 25%

In March 2017, the consortium headed by ACS Infrastructure Canada (a subsidiary of Iridium) concluded and achieved the financial closure for the concession contract for Highway 427 in Ontario, Canada. The project involves an initial investment of 362 million Canadian dollars (250 million euros).

The scope of the contract includes a 6.6 kilometre extension and expansion of the roadway along approximately 4 km of its current route. The new configuration of the highway will play a major role in mobility



For further information:
Website (www.grupoacs.com)
Construction Projects
Construction projects awarded

for the Toronto metropolitan area and access to Pearson International Airport.

Private financing included a long-term bond issue of 78.5 million Canadian dollars (55 million euros) underwritten by National Bank Financial Inc. and finally acquired in full by the Canadian insurance company Manulife Financial. Short-term financing during the construction period was structured using bank debt totalling 116.4 million Canadian dollars (80 million euros) syndicated by four international banks (Canadian and Asian).



DEVELOPMENT OF ZUIDASDOK PROJECT

CLIENT

Rijkswaterstaat, City of Amsterdam, ProRail, Provincie Noordholland

PROJECT EXECUTION DATES

2019 - 2028

LOCATION

Amsterdam, The Netherlands

TYPE OF WORK

Civil Engineering

AMOUNT

990 million euros (421 million euros HOCHTIEF's stake)

COMPANIES INVOLVED IN THE PROJECT

HOCHTIEF Infrastructure

One of the most significant new projects for the HOCHTIEF Infrastructure division in the reporting year is the Zuidasdok contract in the Netherlands with a total contract value of EUR 990 million. In a joint venture, HOCHTIEF will undertake the design and construction work to widen the A 10 urban freeway as well as upgrade and expand Amsterdam Zuid railway station by 2028. It is one of the biggest infrastructure projects in the Netherlands today. The A 10 is to be widened to four lanes in each direction for through traffic plus two lanes each way for local traffic, as well as being moved underground



For further information:
Website (www.grupoacs.com)
Construction Projects
Construction projects awarded

in the Zuidas zone. Amsterdam Zuid railway station is to be expanded into a high-capacity public transport hub. The contract includes smart construction logistics, noise-reducing construction methods, and aesthetic integration of the Amsterdam Zuid station extensions. HOCHTIEF will deliver on the client's exacting requirements, which include specific aspects with regard to the neighborhood and the environment. The construction phase commences in 2019. Until then, the team's focus is on groundwork as well as refining the project design and planning. Zuidasdok is slated for completion in 2028.



© A2 Studios.

ROCKY'S REWARD NICKEL MINE

CLIENT

Nickel West

PROJECT EXECUTION DATES

August 2015 - ongoing

LOCATION

Kalgoorlie (Australia)

TYPE OF WORK

Mining

AMOUNT

3,200 million (AUD)

COMPANIES INVOLVED IN THE PROJECT

Thiess

Located 400 kilometers to the north of Kalgoorlie, in the west of Australia, Rocky's Reward is a open-pit nickel mine inside the mining complex Nickel West's Leinster. Thiess started working on the operation of Brownfield in August 2015. The HOCHTIEF company is responsible for the entire planning process as well as blasting and drilling activities, removal of the upper soil layers, nickel mining, and technical support. Team meetings are held before every shift to discuss not only the day's tasks but also safety issues, changes in



For further information:
Website (www.grupoacs.com)
Construction Projects
Construction projects awarded

plan, and instructions. Such preventative measures take their cue from the corporate objective "everyone safe every day," which aims to ensure optimum safety in the workplace for all employees.



© Thiess.



4.2. INDUSTRIAL SERVICES

THE INDUSTRIAL SERVICES AREA OF THE ACS GROUP IS ONE OF THE MAIN GLOBAL COMPETITORS IN APPLIED INDUSTRIAL ENGINEERING



AN INDUSTRY MODEL

The activity of the Industrial Services area of the ACS Group is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructure.

Thanks to the large group of companies via which the Industrial Services area carries out its activities, it is now

one of the main global competitors in applied industrial engineering, with projects in over 60 countries.

The activities carried out by the ACS Group's Industrial Services area are grouped into two basic business lines: **Industry Support Services** and **EPC Projects**.

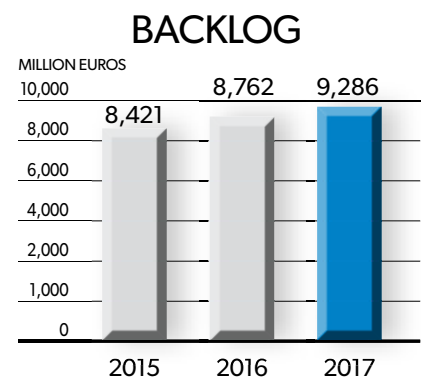
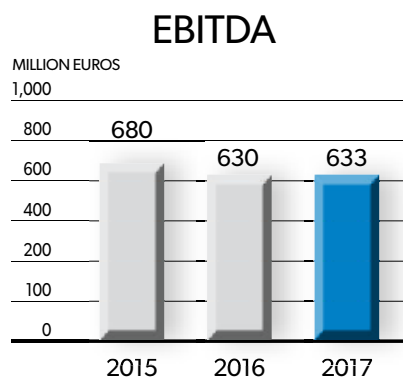
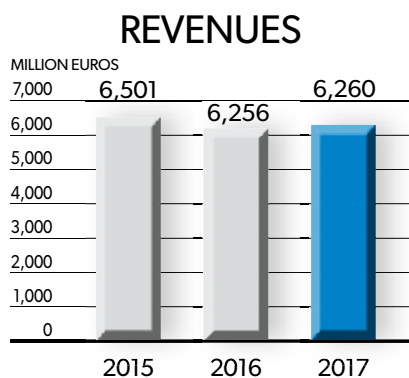
REVENUES
6,260
MILLION EUROS

EBITDA
633
MILLION EUROS



BACKLOG
9,286
MILLION EUROS

NET PROFIT
319
MILLION EUROS



6.33
-7% VS 2016
FREQUENCY INDEX*

277,983
+17.4% VS 2016
ENERGY CONSUMPTION (MWh)

90,740
+6% VS 2016
TOTAL EMISSIONS (tCO₂)

17.5
R&D INVESTMENT (MN €)

27.1
HEALTH AND SAFETY INVESTMENT
(MN €)

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



INDUSTRY SUPPORT SERVICES

Industry Support Services focus on industrial maintenance contracts and services, as well as support services for customers' operational activities that, in turn, includes three areas of activity:

- **Networks:** electricity, gas and water network maintenance services and activities, in which the ACS Group has over 80 years' experience.
- **Specialised Facilities and Constructions:** covering construction, installation and maintenance activities for high-voltage electricity lines, telecommunications systems, railway installations, electricity facilities, mechanical assemblies, platforms and marine artefacts and heating and cooling systems.
- **Control Systems:** activities for installing and operating control systems for industrial and municipal services, noteworthy among that are traffic and transport control systems and systems for the comprehensive management of public infrastructures and industrial plants.

EPC PROJECTS & RENEWABLE ENERGY: GENERATION

The ACS Group's Integrated Projects business is focused on executing "turnkey" projects in which it designs, constructs and commissions projects related to the energy sector (electricity generation, also standing out for the execution of projects related to renewable energy, assets related to the oil and gas sector, among others) and engineering applied to industry and sectors such as healthcare, education and social services.

It is also worth highlighting the ACS Group's experience promoting and participating in concession assets, related mainly to energy, such as wind farms, thermal solar plants (either with a central tower or with parabolic trough collectors, and with molten salt energy storage technology) transmission lines, purification plants and desalination plants.

REVENUES
3,345
MILLION EUROS

BACKLOG
5,183
MILLION EUROS

REVENUES
2,922
MILLION EUROS

BACKLOG
4,103
MILLION EUROS





INVESTMENT PROJECTS AT 31 DECEMBER 2017

WIND FARMS	Number of wind farms	Installed capacity (MW)	ACS Group average stake
WIND FARMS IN OPERATION	4	142.8 MW	49%
WIND FARMS IN DEVELOPMENT	1	50.0 MW	60%
WIND FARMS IN PERMITTING PHASE	3	1,051.8 MW	88%
THERMAL SOLAR PLANTS	Number of plants	Installed capacity (MW)	ACS Group average stake
THERMAL SOLAR PLANTS IN OPERATION	1	110	37%
THERMAL SOLAR PLANTS IN CONSTRUCTION	1	100	20%
PHOTOVOLTAIC PLANTS	Number of plants	Installed capacity (MW)	ACS Group average stake
PHOTOVOLTAIC PLANTS IN OPERATION	1	0.1 MW	100%
PHOTOVOLTAIC PLANTS IN CONSTRUCTION	5	150.0 MW	100%
PHOTOVOLTAIC PLANTS IN DEVELOPMENT	1	120.0 MW	100%
PHOTOVOLTAIC PLANTS IN PERMITTING PHASE	17	1,231.8 MW	100%
ELECTRICITY TRANSMISSION ASSETS	Number	Kilometers	ACS Group average stake
TRANSMISSION LINES *	12	6,547	49%
ELECTRICAL SUBSTATIONS	2		75%
OTHER INVESTMENT PROJECTS	Number	Capacity	ACS Group average stake
DESALINATION PLANTS IN OPERATION	2	272,000 m ³ /day	59%
DESALINATION PLANTS IN CONSTRUCTION	1	100,000 m ³ /day	40%
DESALINATION PLANTS IN DEVELOPMENT	1	86,400 m ³ /day	50%
WATER TREATMENT PLANTS IN OPERATION	31	1,774,715 m ³ /day	99%
WATER TREATMENT PLANTS IN CONSTRUCTION	1	33,264 m ³ /day	100%
IRRIGATION PROJECTS	1	52,500 ha	60%
COMBUSTION CYCLE	1	223 MW	50%

*Includes transmission lines in permitting phase, development and construction.

INDUSTRIAL SERVICES



These activities are distributed among the various enterprises that compose the companies that head up the industrial services activity: the Cobra Group and Dragados Industrial, two sector-leading business groups with more than 50 years of demonstrated experience.

Likewise, the Industrial Services activity has a growing presence in European and Middle Eastern countries, where in recent years it has been awarded important projects. Similarly, the Group is consolidating its presence in areas such as North America, Africa and countries in the Asia-Pacific region.

The ACS Group is a leader in Industrial Services in Spain and one of the main competitors in Latin America, where it has extensive experience and a stable presence in the development of turnkey projects and the provision of services, particularly in Mexico and Peru, two countries in which it holds a leadership position.

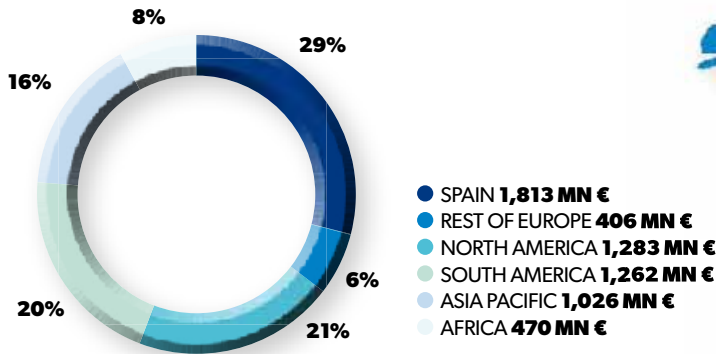


For further information:
5.5. Areas of activity evolution:
Industrial Services

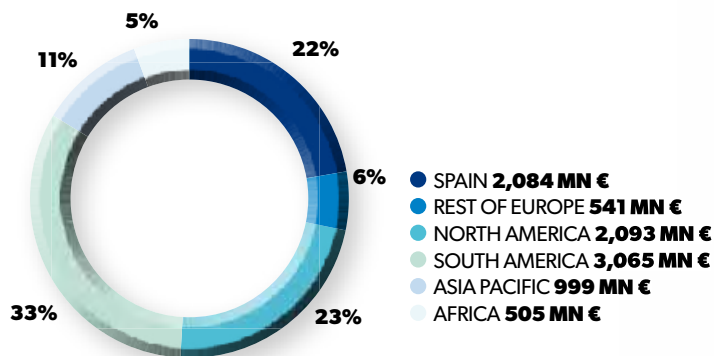


THE ACS GROUP'S INDUSTRIAL SERVICES ACTIVITY IN 2017

2017 REVENUES BREAKDOWN BY GEOGRAPHICAL AREAS







2017 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



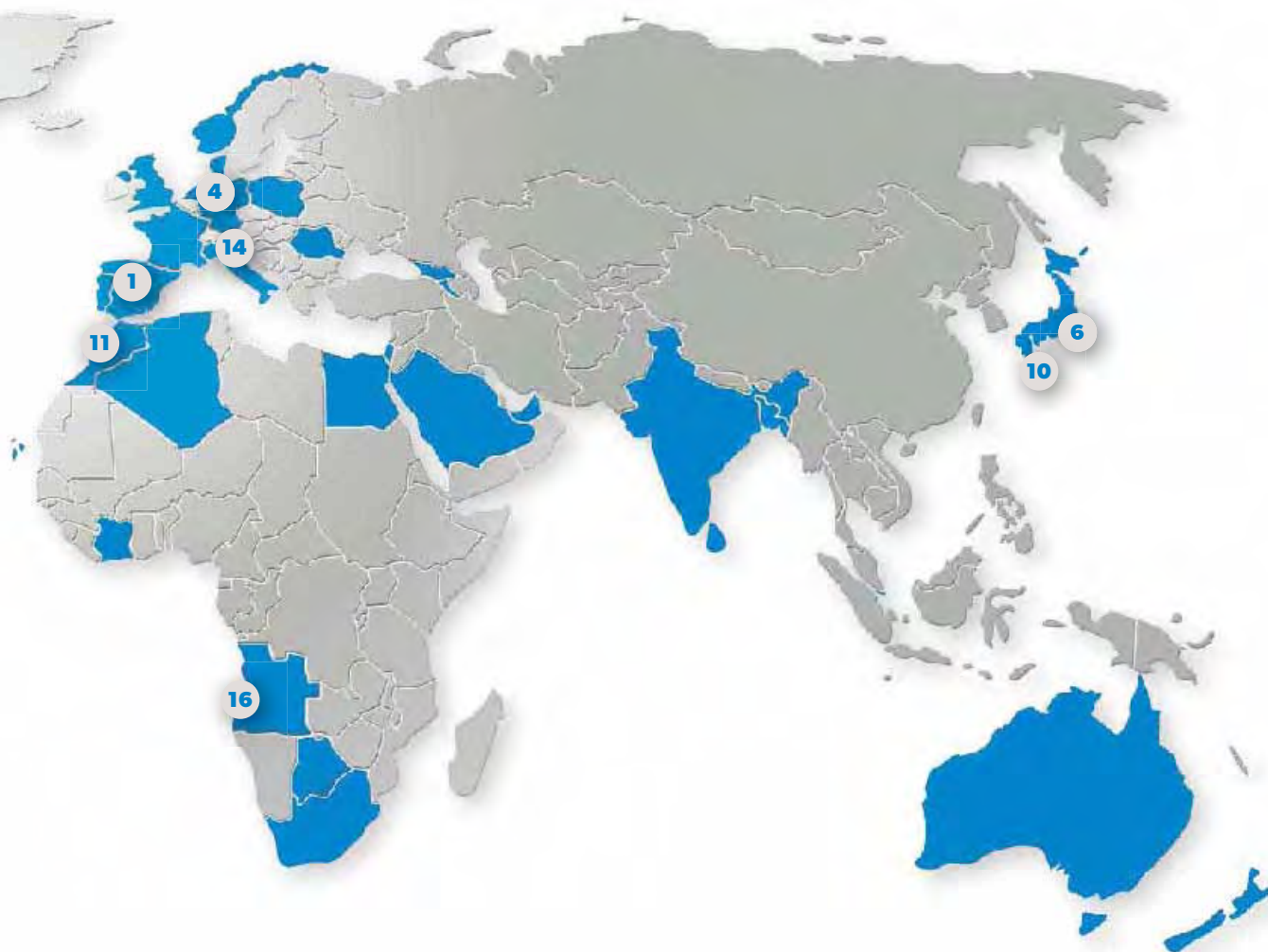
2017 REVENUES BREAKDOWN BY COUNTRY (MN €)

SPAIN	1,813
MEXICO	943
SAUDI ARABIA	613
BRAZIL	445
UNITED STATES	330
PERU	274
SOUTH AFRICA	264
JAPAN	211
PORTUGAL	149
CHILE	112
UNITED ARAB EMIRATES	93
EGYPT	92
ALGERIA	74
GERMANY	68
ARGENTINA	64
GUATEMALA	62
COLOMBIA	55
URUGUAY	55
OTHERS	543

* Main countries where the Industrial Services area reported ongoing projects or new awarding projects.

EPC PROJECTS 
 SPECIALISED PRODUCTS 
 CONTROL SYSTEMS 
 NETWORKS 

MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING INDUSTRIAL SERVICES ACTIVITY*



MAIN AWARDS IN 2017

1	EUROPE Project for the EPC construction of photovoltaic plants in Spain with a total installed capacity of 1,550 MW.	VALUE 1,100 MILLION EUROS	7	SOUTH AMERICA Desalination plant construction for Spence mine in Chile.	VALUE 165 MILLION EUROS	13	SOUTH AMERICA Project to optimize the supply of drinking water and sewerage of North Lima (Peru).	VALUE 53 MILLION EUROS
2	SOUTH AMERICA Works for the modernization of the Talara refinery consisting of the execution of auxiliary units and complementary works (Peru).	VALUE 780 MILLION EUROS	8	SOUTH AMERICA Design, construction, operation and maintenance of the Gamboa water treatment plant (Panama).	VALUE 111 MILLION EUROS	14	EUROPE Award of two contracts for the installation and maintenance of medium and low voltage electrical networks for Enel in the regions of Liguria and Piedmont (Italy).	VALUE 52 MILLION EUROS
3	NORTH AMERICA Project for the construction of a sour gas compression platform in the Ku Maloob Zaap oilfield in the Bya of Campeche (Mexico).	VALUE 607 MILLION EUROS	9	NORTH AMERICA Maintenance services for the highway section between Matehuala and Saltillo in the state of Nuevo León (Mexico).	VALUE 98 MILLION EUROS	15	SOUTH AMERICA Design, construction and equipment of the Montero hospital in Bolivia.	VALUE 51 MILLION EUROS
4	EUROPE Project Dolwin 6 consisting in construction of a platform for an HVDC offshore converter in the German North Sea (Germany).	VALUE 336 MILLION EUROS	10	ASIA PACIFIC Project for the expansion of the Oita photovoltaic plant (Japan).	VALUE 76 MILLION EUROS	16	AFRICA Construction and equipment of the new 250 bed hospital of Kuito (Angola).	VALUE 46 MILLION EUROS
5	NORTH AMERICA Contract for the installation and maintenance of the photovoltaic plants of Santa Maria and Otejana with an installed capacity of 165 MW and 125 MW respectively in Chihuahua and Sonora (Mexico).	VALUE 247 MILLION EUROS	11	AFRICA Engineering, purchase, construction and commissioning of the Jorf Lasfar cogeneration plant associated with a sulfuric acid plant, with two steam turbines of 60 MW each (Morocco).	VALUE 71 MILLION EUROS	17	SOUTH AMERICA Contract for the construction and supply of checkpoints on the Bolivian highways network.	VALUE 18 MILLION EUROS
6	ASIA PACIFIC EPC project for the construction of a photovoltaic plant in Matsuzaka with an installed capacity of 100 MW (Japan).	VALUE 197 MILLION EUROS	12	SOUTH AMERICA Project for the expansion of the potable water treatment capacity of the General Belgrano treatment plant (Buenos Aires, Argentina).	VALUE 64 MILLION EUROS			



KEY BUSINESS STRATEGIES

INTERNATIONAL PRESENCE

In the coming years, it will continue to consolidate its leadership position and situation in the countries in which it already has a strong presence, combined with sustainable expansion towards new markets with significant growth potential.

PERMANENT ADAPTATION TO ACCELERATED MARKET EVOLUTION

Such growth requires consolidation of its position as a world leader thanks to continuous technological innovation, monitoring of technological developments and modifications in the needs of actual and potential clients and in technical excellence in service provision.

CONCESSIONARY ACTIVITIES

There is an increasing number of industrial infrastructure projects in many parts of the globe that require the participation of the Contractor in the financial structuring of the project; our experience and reputation in projects such as these enables our activities to grow in areas such as renewable energies, electricity and water transmission infrastructures, etc.



BUSINESS IN 2017

1. PRESENCE IN MARKETS WITH PROSPECTS FOR GROWTH

In 2017, the Industrial Services area of the ACS Group continued to consolidate its activities in geographical areas where it had less presence. Besides maintaining a solid presence in Spain, the Industrial Group continued to consolidate its presence in several European countries with specific and ongoing activities.

In North America, a high level of activity was maintained, mainly in Mexico, along with a significant consolidation in the Andean Zone, Brazil and the Southern Cone, Central America and the Caribbean Region, adapting to evolutions in the development of industrial infrastructures in the countries there in line with their economic situation and political circumstances.

Interesting projects are under way in the Middle East and other countries in the Asia-Pacific zone, such as Japan, where the Industrial Services area has been awarded major projects for photovoltaic plants such as the projects in Bangladesh and Singapore. It also maintains a presence in countries such as Malaysia, New Zealand and Australia, with good prospects for growth thanks to the positive situation of the economies in the region. Commercial efforts continue in Africa for different areas and the commercial drive in such areas intensified in 2017. The first fruits of all this work are being harvested in the form of major projects such as the one obtained in 2017 for the co-generation plant of Jorf Lasfar in Morocco.



2. POSITIONING IN STRATEGIC ACTIVITY SECTORS

A number of activities carried out by Industrial Services show highly positive signs of growth. Examples are renewable energies, energy efficiency services and flexibility services for balancing electrical systems and safe electricity supply.

The data taken from previous years once again confirms the growing role of energy and environmental sustainability in the social priorities of advanced countries. For example, many large energy corporations are making strategic moves towards renewable energies and sustainability, while more traditional oil producers such as the UAE and Saudi Arabia are launching renewable energy projects. In this regard, the Industrial Services area of the ACS Group is very well-positioned: with regard to generation, it is a leading company in executing thermal solar and wind projects under the EPC system and it has a growing presence in large PV projects around the world, in addition to being a benchmark company in small hydro projects in Latin America and the development of biomass plants. In relation to technological progress, the main objectives for

these projects focus on reducing the cost of solar and offshore wind power, as well as combining various renewable sources to increase the flexibility and integration of renewable energy in electricity systems. Incipient advances were made in 2017 in marine wind energy, and such efforts should be consolidated in the coming years. Other advances made in renewable energies can be seen in the form of the adjudication of more than 1,500 MW of photovoltaic power in 2017 for installation in Spain; the facilities shall be completed in the next few years. The growing presence of intermittent sources in the most advanced electricity systems requires flexible solutions that enable them to maintain a balance and provide safe, high-quality supplies. Here our group also occupies an excellent starting point, thanks to our experience in major AC and DC transport lines. The adjudications of transmission lines obtained in 2016 in Brazil by CYMI and Cobra mean that the ACS Group consolidates its position as the largest contractors of transmission lines in the country. In other areas of activity that provide flexible services, such as expansion of the so-called “electricity



highways” or the worldwide generation of smart meters, have enabled companies in the industrial sector to achieve a notable presence in a large number of markets.

With regard to energy efficiency, its main activities are focused on sustainable mobility. Furthermore, it is a global leader in urban and motorway traffic management technology that, together with its role as a provider of support services to electric and communication utilities, allows it to participate in activities with significant growth potential, such as smart cities or the development of electric vehicle charging networks.

On the other hand, the experience and capacity of the Industrial Services area to execute projects will ensure that it continues to consolidate its position in concession projects, in the field of energy (renewable energy, electricity transport, sustainable transport), as well as the environment (desalination, purification, filtering plants and irrigation projects).

Likewise, the Industrial Services business will continue to implement projects related to the development and exploitation of hydrocarbons, a field in which the ACS Group’s Industrial Services business has significant experience and recognition in the sector.



For further information:
5.5. Areas of activity evolution:
Industrial Services





MAIN PROJECTS

MODERNISATION PROJECT FOR THE TALARA REFINERY

CLIENT
PETROPERU

PROJECT EXECUTION DATE
2018 - 2020

LOCATION
Talara (Peru)

TYPE OF CONTRACT
Integrated projects

VALUE
€ 780 MILLIONS

COMPANIES INVOLVED IN THE PROJECT
Cobra Instalaciones y Servicios, S.A. in a consortium with Sinohydro Corporation Limited (80% CIS + 20% Sinohydro).



For further information:
Webpage (www.grupo.acs.com)
Industrial Services Projects
Industrial Services Awarded contracts

Engineering, supply, construction and commissioning of the Auxiliary Units and Ancillary Works of the Talara Refinery Modernisation Project (TRMP) in the city of Talara (Piura Region, Peru).

The main aims of the TRMP are as follows:

- Reduce the sulphur content of the petrol, diesel and LPG fuels to a maximum of 50 ppm.
- Increase the profitability and competitiveness of the Talara Refinery, increasing the crude processing capacity from 65,000 to 95,000 barrels a day (BPD), processing heavy crude and converting waste products of the processing units into saleable products.

The scope of the projects includes:

- Auxiliary Units:
 - Production plants of hydrogen and nitrogen.
 - Production and storage plant for sulphuric acid.

- Seawater collection, desalination and treatment plant.
- Water and evacuation distribution and treatment systems.
- Co-generation plant.

- Ancillary Works:
 - Caustic treatment unit for turbine A1.
 - Spent caustic treatment plant.
 - Construction and fitting out of tanks.
 - Asphalt dispatch system.
 - Supply of catalysts, chemicals and lubricants.
 - Implementation of new laboratory.
 - Training simulator (OTS).
 - Vibrations monitoring system (System One).
 - Fire-fighting systems and fire-proofing works.
 - Modernisation of electrical system.
 - Integration of telecommunications systems.
 - Dock dredging.
 - Construction of buildings for logistics, maintenance, technical areas, fire fighting station and training.



DOLWIN 6 HVDC GRID CONNECTION – HVDC CONVERTER PLATFORM

CLIENT
Tennet

PROJECT EXECUTION DATE
2017-2023

LOCATION
Manufacturing: Puerto Real (Spain)
Installation: North Sea (Germany)

TYPE OF CONTRACT
Integrated projects

VALUE
€ 336 MILLIONS

COMPANIES INVOLVED IN THE PROJECT
Dragados Offshore, S.A.

Dragados Offshore, in a consortium agreement with Siemens, is the head of the EPCIC for the HVDC conversion platform of the Dolwin 6 project for Tennet.

The system, with 900 megawatts of power, consists of an offshore HVDC conversion platform in the German North Sea and an inland HVDC substation in the Emden region.

The offshore conversion platform transforms the electrical energy from the wind turbines that enters via high voltage AC 155 kV cables and high voltage DC 320 kV cables,



For further information:
Webpage (www.grupo.acs.com)
Industrial Services Projects
Industrial Services Awarded contracts

for export to the inland substation. The platform shall be connected to the existing Dolwin Beta platform.

Dragados Offshore is responsible for the design, supply, construction, transport and installation of the platform and the Jacket, while the work to be carried out by Siemens is the design and supply of the HVDC units of both substations and the development of the inland substation. They shall jointly commission the installations for subsequent testing and start-up.



COMPREHENSIVE MANAGEMENT SYSTEM OF TUNNELS FOR WATERVIEW CONNECTION TUNNEL



For further information:
Webpage (www.grupo.acs.com)
Industrial Services Projects
Industrial Services Awarded contracts

CLIENT

NZ TRANSPORT AGENCY (NZTA)

PROJECT EXECUTION

DATE

2011-2017

LOCATION

Auckland (New Zealand)

TYPE OF CONTRACT

Control Systems

VALUE

€ 44 MILLIONS

COMPANIES INVOLVED IN THE PROJECT

Sice

June 2017 saw the inauguration of the Waterview Connection Tunnel in New Zealand, which, in the words of the Prime Minister, Bill English, "is one of the most important infrastructure developments to take place in New Zealand. The Waterview tunnel was opened to traffic in July, completing the 48km ring motorway.

SICE executed the design, supply, installation and start-up of the ITS systems and electro-mechanics for a 5km section of three-lane highway and a 2.5 km dual-tube tunnel, along with the SIDERA software to control the traffic (ATMs) and field devices (PMCS). The SICE solution

enables the NZ Transport Agency to maintain its current operational concept of network operations via interconnection of the SICE solution with its current back-office system. The most advanced C2C technology has been used along with the results of the two most recent OCMS projects carried out by SICE for RMS in New South Wales, Australia.

After inaugurating the tunnel, the Well-Connected and SICE Partnership started a new 10 year contract for operation and maintenance of the tunnel and the 5km of motorway.





METROTENERIFE

04 ♿

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10 ANIVERSARIO
1977-2017



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4.3. SERVICES

THE SERVICES AREA COMPRISED CLECE WHICH IS A BENCHMARK COMPANY IN SERVICES FOR PEOPLE



ACTIVITIES GEARED TOWARDS PROVIDING SERVICES TO SOCIETY

In 1992 Clece was born, a project that focused initially on cleaning and which sought to offer high-quality services to companies and institutions. At present the company has 74,317 people, which makes it the third largest private company by number of employees; it has grown its service portfolio with more than 30 different activities, grouped into three large blocks: services for buildings, services for the environment and services for people, where Clece is now a benchmark in basic service provision in developed societies, such as social and educational services, which now make up the larger part of the company's revenue (about 40%); and it has

consolidated its model in countries such as Portugal and the UK.

But the company's success in recent years is not only due to a constantly growing and diversified business model, but also to its providing solutions to the new needs of citizens and organisations. From the development of dependency services in Spain and the UK, to activities linked to sustainability of cities and their surroundings such as environmental protection and energy efficiency, plus the inclusion of collectives at risk and a comprehensive vision of care of the elderly and infant education, focused on the people we care for.

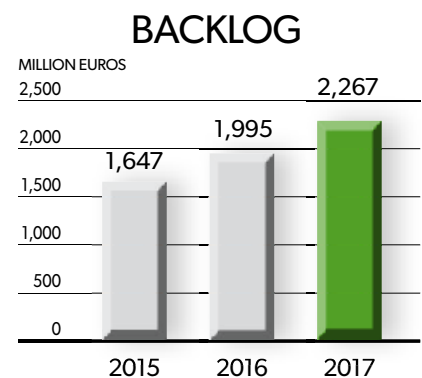
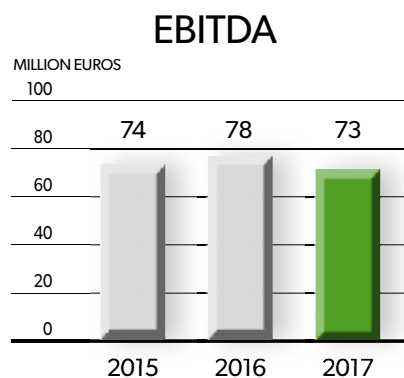
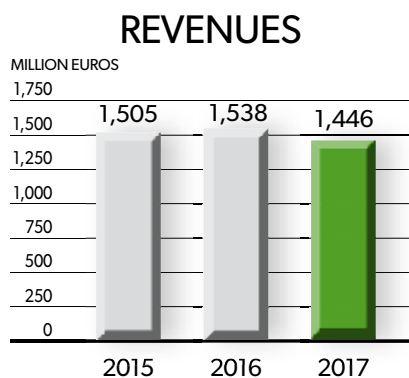
REVENUES
1,446
MILLION EUROS

EBITDA
73
MILLION EUROS



BACKLOG
2,267
MILLION EUROS

NET PROFIT
37
MILLION EUROS



10.2%
OF EMPLOYEES BELONGS
TO VULNERABLE GROUPS

>1.2
MILLION
ATTENDED PEOPLE

186
CENTERS FOR
VULNERABLE GROUPS

247
RETIREMENT
HOMES

200
CHILDREN
SCHOOLS

5,500
BUILDING MAINTENANCE
CONTRACTS

318
NUMBER OF COURSES OD
ACTIVITIES OF PUBLIC AWARENESS
DEVELOPED

350
COLLABORATION
AGREEMENTS WITH NON-PROFIT
INSTITUTIONS AND ORGANIZATIONS



The company structures its activity in three fundamental areas:

SERVICES FOR PEOPLE

They cover the assistance needs and resources for certain groups, such as the elderly, dependent individuals, individuals with disabilities or children from ages 0 to 3, including services such as eldercare; management of nursery schools or food services for communities.

SERVICES FOR BUILDINGS

They include services necessary for the optimal operation of any property, such as maintenance, energy efficiency, cleaning, security, logistics and ancillary services.

SERVICES FOR THE CITY AND THE ENVIRONMENT

They encompass activities related to the preservation and care of public spaces such as managing public lighting, including investing in changing the lighting, environmental services and airport services.

Under the motto of “be a company of people for people”, all its current activities are strongly focused on society. Every day Clece directly attends hundreds of thousands of people with the aim of improving their quality of life, their personal development and social integration. It works to maintain the buildings where millions of citizens live and work and make them more efficient. It also cares for the environment, by maintaining green spaces and the streets of many cities and protecting the natural heritage. In short, a combination of services that enable Clece to have a presence in the final part of the value chain of the infrastructure business, the one closest to people. By doing so Clece becomes a key player in the global strategy of the ACS Group and its commitment to local environments where it does its work. Its infrastructure management and maintenance activities ensure the presence of the ACS Group throughout the value chain of the infrastructure business. Its markedly social emphasis helps the Group to understand society’s real needs, and enables it to identify opportunities in the Group’s wide-ranging business activities

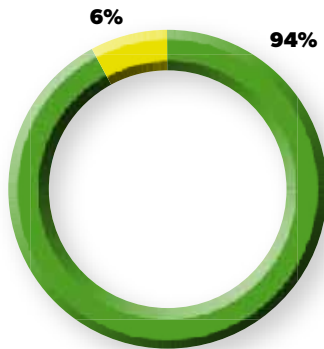
The presence of Clece in countries where it operates (Spain, Portugal and the UK) is characterised by deep penetration and major capillarity, reaching areas via the Clece brand itself or through other local companies (CCS, All Care, Heath Lodge, Nдавant, Zaintzen, etc.) and sectors (Talher, Koala, Cavall de Cartró, Multiservicios Aeroportuarios, Clece Seguridad, etc.)

The company also provides the ACS Group with a strong social dimension. Thanks to Clece’s structure philosophy and activities, it reaches areas that administrations or the third sector cannot get to, and goes beyond the activities developed for administrations to generate employment opportunities for persons in vulnerable situations.

At the end of 2017, the company integrated 7,547 people, more than 10% of the workforce, from collectives at risk of social exclusion, victims of gender violence, persons with functional disabilities or young trainees. To overcome this integration challenge, Clece keeps a close and ongoing relationship with the third sector, and has signed over 350 collaboration agreements with not-for-profit institutions and organisations.

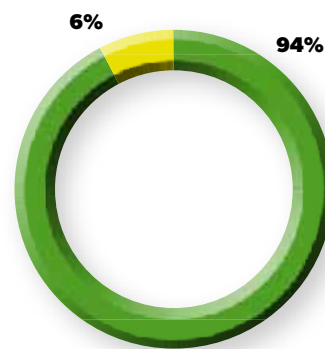
SERVICE ACTIVITY OF THE ACS GROUP IN 2017

2017 REVENUE BREAKDOWN BY GEOGRAPHICAL AREAS



● SPAIN **1,361 MN €**
● REST OF EUROPE **85 MN €**

2017 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



● SPAIN **2,136 MN €**
● REST OF EUROPE **131 MN €**

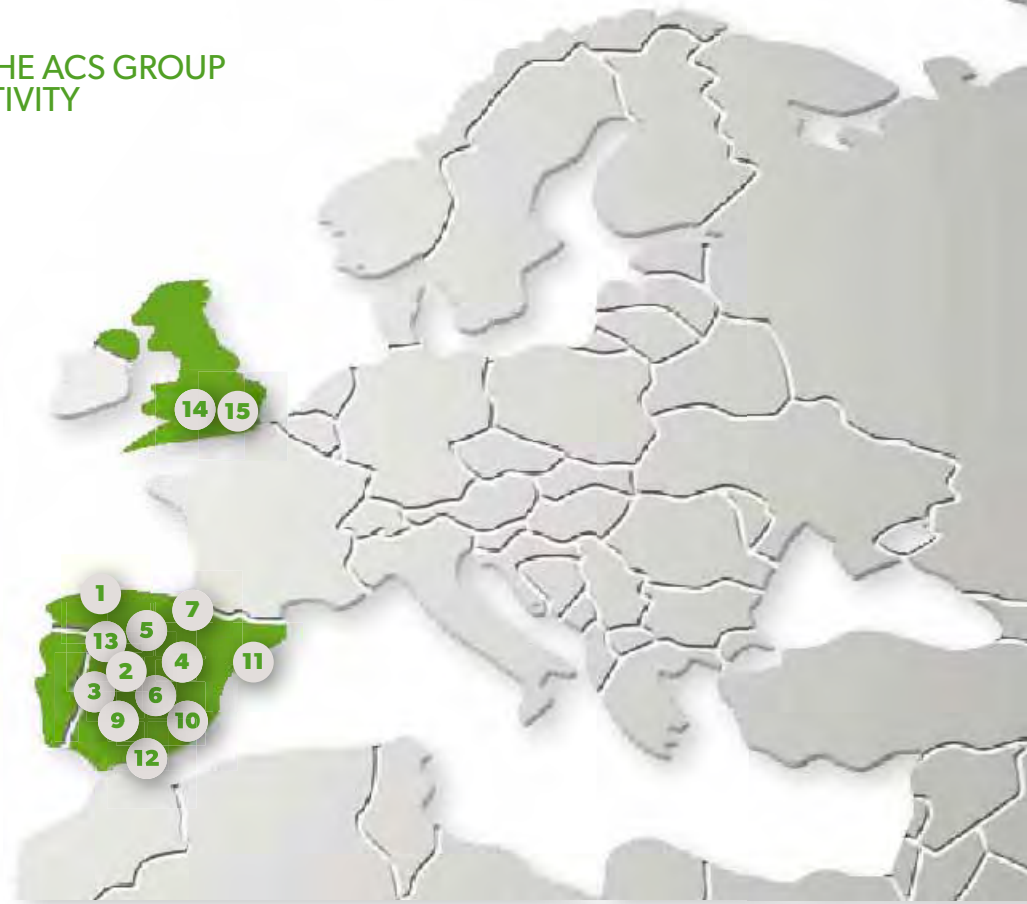
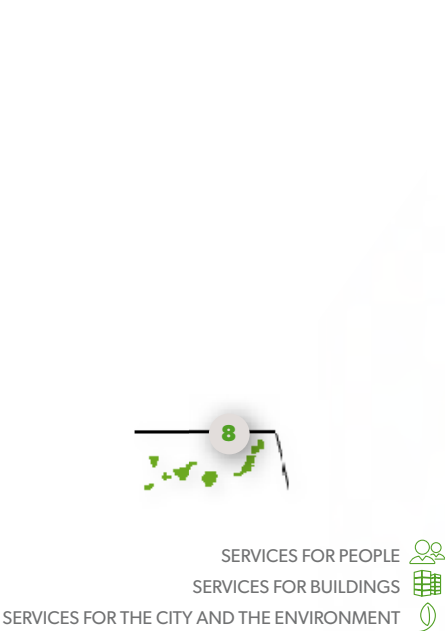
2017 REVENUE BREAKDOWN BY COUNTRIES (MN €)

SPAIN	1,361
UNITED KINGDOM	66
PORTUGAL	19






MAIN COUNTRIES WHERE THE ACS GROUP DEVELOPS ITS SERVICES ACTIVITY



2017 MAIN AWARDS

1 SPAIN  Renewal of the service contract for people with reduced mobility at the airports of Barcelona, Reus, Santiago, Asturias, Palma de Mallorca, Ibiza and Menorca (Spain).	VALUE 88 MILLION EUROS	7 SPAIN  Contract for the facility management of "El Villar" retirement home in Corella (Navarra, Spain).	VALUE 31 MILLION EUROS	13 SPAIN  Contract for the cleaning service at the Renault factory in Valladolid (Spain).	VALUE 17 MILLION EUROS
2 SPAIN  Renewal and extension of the cleaning service contract for Madrid subway stations (Spain).	VALUE 71 MILLION EUROS	8 SPAIN  Contract for home help service for the city of Santa Cruz de Tenerife (Spain).	VALUE 30 MILLION EUROS	14 UNITED KINGDOM  Social contracts in Warwickshire County Council, Solihull, Coventry Council, Leicester City, Northamptonshire County Council (United Kingdom).	VALUE 17 MILLION EUROS
3 SPAIN  Renewal of the contract for the cleaning service in the facilities of the General Directorate of the Police (Spain).	VALUE 42 MILLION EUROS	9 SPAIN  Extension of the cleaning service contract for the facilities of the Ministry of Defense (Spain).	VALUE 21 MILLION EUROS	15 UNITED KINGDOM  Extension of contract for home help service in Durham County (United Kingdom).	VALUE 12 MILLION EUROS
4 SPAIN  Cleaning services contract for Miguel Servet Hospital (Zaragoza, Spain).	VALUE 36 MILLION EUROS	10 SPAIN  Cleaning, disinfection, disinfestation and disinfestation services in Ciudad Real (Spain).	VALUE 19 MILLION EUROS		
5 SPAIN  Contract for the facility management of Burgos Archbishop retirement home (Spain).	VALUE 32 MILLION EUROS	11 SPAIN  Extension of the home help service contract at the Barcelona City Council (Spain).	VALUE 19 MILLION EUROS		
6 SPAIN  Renewal of the cleaning services contract for Ramon y Cajal and Niño Jesus Hospitals (Madrid, Spain).	VALUE 31 MILLION EUROS	12 SPAIN  Extension of the home help service contract for Malaga (Spain).	VALUE 18 MILLION EUROS		

ACTIVITIES IN 2017

1. PROMOTION OF INTERNATIONALISATION

The company's inclusion of internationalisation as part of its strategy makes it one of its main lines of growth, expanding its areas of activities and exporting its business and management model to its target markets.

In 2013, Clece commenced operations in the UK via the company Clece Care Services (CCS), focusing its strategy on developing business in the areas of social and airport services. In this region Clece had a workforce of over 3,319 employees in 2017, distributed in 12 companies, revenues of 65.5 million euros and a portfolio of over 100 million euros.

There is a growing demand for social services caused by an ageing population. To date, a total of 10 companies specialising in home care for the elderly have been acquired and integrated and a further two were established. At present there are 21 offices registered to provide this type of service distributed throughout the UK. The 3,000 working there provide

over 60,000 hours a week in care for more than 5,000 service users. CCS provides its services via contracts with Local Government and the National Health Service (NHS).

In the area of airport services, the UK is one of the most important interconnection hubs for Asia and America and is therefore constantly growing. To date, CCS has focused its development on services for people with reduced mobility in airports (PRM), and aircraft cleaning services. The airports where it currently provides its services are Heathrow, Gatwick, Luton, Manchester, and Belfast City.



For further information:
5.6. Areas of activity
evolution: Services



NOTEWORTHY PROJECTS

HOSPITAL CLEANING SECTOR

CLIENT

Public Hospital Management Bodies (Sermas, lcs, Sescam, Sergas, etc.)

PROJECT EXECUTION DATE

Ongoing project

LOCATION

Throughout Spain

TYPE OF CONTRACT

Cleaning services management contracts

VALUE

€ 219.8 M annual revenues in sanitary cleaning

COMPANIES INVOLVED IN THE PROJECT

CLECE, NDAVANT, LIREBA

Clece is an undeniable leader in the Spanish hospital cleaning market and via its services it manages over 90 hospitals and over 40,000 beds with a work force of more than 10,000 professionals.

The company is present in the main hospitals of the country, which include the University Hospitals of Valle Hebrón and Bellvitge in Barcelona, La Fé in Valencia; the University Hospital of Santiago de Compostela; the Hospitals of Segovia; Virgen de las Nieves in Granada, Doctor Negrín in Las Palmas and La Candelaria in Tenerife. This trend increased in 2017 with major adjudications at a value of 200 million euros:

- "Hospitales del Servicio Madrileño de Salud" (SERMAS) for 31 months at a revenues of 56 million euros: Centres of Ramón y Cajal, Niño Jesús, La Princesa; Príncipe de Asturias; Getafe and El Escorial.
- Miguel Servet University Hospital in Zaragoza, for 4 years and 36 million euros revenues.
- Ciudad Real Hospital, for 4 years and 19 million euros revenues.
- Poniente (Almeria) Hospital, for 3 years and 8 million euros revenues.
- Palencia Hospital, for 3 years and 8 million euros revenues.
- Can Misses Hospital in Ibiza, for 4 years and 7 million euros revenues.



For further information:
Webpage (www.grupo.acs.com)
Services Projects
Services Awarded contracts

Experience and innovation are clear differentiating values for Clece. The company's progress in hospital cleaning can be traced back to its origins. With projects such as the cleaning work of the Regional Hospital of Melilla, which commenced in 1990 and continues to the present day without a break. Over this period, Clece has maintained a commitment to innovation, introducing outstanding technological advances:

- Robot XENEX: disinfection robot that uses Xenon gas lamps to generate high-intensity flashes of UV-C radiation. A unique device that, in a maximum time of 15 minutes, can achieve almost totally aseptic conditions in any space and eradicate contagion from any virus or bacteria, drastically reducing nosocomial infections in the hospital environment.
- Own IT management system for service operations, which records all kinds of control data with an electronic device (Tablet or Smartphone) in real time.
- Cleaning machines with autonomous navigation systems that improve performance, with monitoring and tracking systems to ensure process traceability.
- Autonomous uniform dispensing machines, to enable control and monitoring of stock and of all personalised clothing deliveries made by users.

MORE THAN 10,000
PROFESSIONALS
PROVIDING
SERVICES

MORE THAN 40,000
PATIENTS ATTENDED
EVERY DAY

BACKLOG
CONTRACTED
IN 2017:
198.5 M€

5. THE FINANCIAL MANAGEMENT IN 2017

- 5.1. CONSOLIDATED FINANCIAL STATEMENTS
- 5.2. CONSOLIDATED BALANCE SHEET OF THE ACS GROUP
- 5.3. NET CASH FLOWS OF THE ACS GROUP
- 5.4. AREAS OF ACTIVITY EVOLUTION: CONSTRUCTION
- 5.5. AREAS OF ACTIVITY EVOLUTION: INDUSTRIAL SERVICES
- 5.6. AREAS OF ACTIVITY EVOLUTION: SERVICES





5.1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS OF THE ACS GROUP

MILLION EUROS	2016		2017		Var.
Net Revenues	31,975	100.0 %	34,898	100.0 %	+9.1%
Other revenues	462	1.4 %	321	0.9 %	-30.6%
Joint Ventures Net Results*	77	0.2 %	111	0.3 %	+44.8%
Total Income	32,514	101.7 %	35,330	101.2 %	+8.7%
Operating expenses	(23,738)	(74.2 %)	(25,363)	(72.7 %)	+6.8%
Personnel expenses	(6,752)	(21.1 %)	(7,688)	(22.0 %)	+13.9%
Operating Cash Flow (EBITDA)	2,023	6.3 %	2,279	6.5 %	+12.6%
Fixed assets depreciation	(514)	(1.6 %)	(611)	(1.8 %)	+18.9%
Current assets provisions	(64)	(0.2 %)	(42)	(0.1 %)	-35.4%
Ordinary Operating Profit (EBIT)	1,445	4.5 %	1,626	4.7 %	+12.5%
Impairment & gains on fixed assets	(20)	(0.1 %)	(15)	(0.0 %)	-24.8%
Other operating results	(111)	(0.3 %)	(170)	(0.5 %)	+54.2%
Operating Profit	1,314	4.1 %	1,440	4.1 %	+9.6%
Financial income	186	0.6 %	203	0.6 %	+9.1%
Financial expenses	(526)	(1.6 %)	(486)	(1.4 %)	-7.6%
Ordinary Financial Result	(340)	(1.1 %)	(283)	(0.8 %)	-16.8%
Foreign exchange results	(13)	(0.0 %)	(5)	(0.0 %)	-60.4%
Changes in fair value for financial instruments	66	0.2 %	244	0.7 %	+268.2%
Impairment & gains on financial instruments	(23)	(0.1 %)	(5)	(0.0 %)	-75.9%
Net Financial Result	(310)	(1.0 %)	(50)	(0.1 %)	-83.9%
Results on equity method*	(1)	(0.0 %)	27	0.1 %	n.a.
PBT of continued operations	1,002	3.1 %	1,417	4.1 %	+41.3%
Corporate income tax	(407)	(1.3 %)	(330)	(0.9 %)	-18.9%
Net profit of continued operations	596	1.9 %	1,087	3.1 %	+82.4%
Profit after taxes of the discontinued operations	421	1.3 %	0	0.0 %	n.a.
Consolidated Result	1,017	3.2 %	1,087	3.1 %	+7.7%
Minority interest	(258)	(0.8 %)	(285)	(0.8 %)	+10.2%
Minority interest from discontinued operations	(8)		0		
Net Profit Attributable to the Parent Company	751	2.3 %	802	2.3 %	+6.8%

* The Joint Ventures Net Results, which are those companies that are executing projects but managed with partners, has been included in the Total Income figure, whilst the Results on Equity Method includes the net results of the rest of affiliated companies.



5.1.1. REVENUES AND BACKLOG

Net revenues accounted for € 34,898 million, 9.1% more than those registered in the same period of the prior year, 10.7% more adjusted by the impact from the Euro revalorization, mainly due to the positive evolution of the construction activities.

Revenues breakdown by geographical areas demonstrates the diversification of the Group's revenue sources, where North America represents 44.4% of the revenues, Asia Pacific 29.3%, Spain 12.7% and the remaining regions 13.6%.

REVENUES PER GEOGRAPHICAL AREAS

MILLION EUROS	2016		2017		Var.
Spain	4,293	13.4 %	4,427	12.7%	+3.1%
Rest of Europe	2,617	8.2 %	2,539	7.3%	-3.0%
North America	14,669	45.9 %	15,483	44.4%	+5.6%
South America	1,768	5.5 %	1,754	5.0%	-0.8%
Asia Pacific	8,342	26.1 %	10,226	29.3%	+22.6%
Africa	286	0.9 %	470	1.3%	+64.4%
TOTAL	31,975		34,898		+9.1%

REVENUES PER GEOGRAPHICAL AREA (INTER AREA OF ACTIVITY ADJUSTMENTS EXCLUDED)

MILLION EUROS	CONSTRUCTION			INDUSTRIAL SERVICES			SERVICES		
	2016	2017	% Var.	2016	2017	% Var.	2016	2017	% Var.
Spain	1,194	1,280	+7.2%	1,710	1,813	+6.0%	1,424	1,361	-4.4%
Rest of Europe	2,087	2,048	-1.8%	419	406	-3.1%	112	85	-24.3%
North America	13,131	14,200	+8.1%	1,538	1,283	-16.6%	0	0	n.a.
South America	400	493	+23.2%	1,369	1,262	-7.8%	0	0	n.a.
Asia Pacific	7,404	9,199	+24.2%	938	1,026	+9.5%	0	0	n.a.
Africa	1	0	n.a.	284	470	+65.6%	2	0	n.a.
TOTAL	24,217	27,221	+12.4%	6,256	6,260	+0.1%	1,538	1,446	-6.0%

In Construction, it is worth noting the activity rebound in Asia Pacific which grew by 24.2% thanks to the positive evolution in CIMIC. Activity in North America, with the larger contribution, maintains its solid growth of 8.1%, despite the negative impact from the US dollar depreciation. Likewise, it is worth noting the recovery of the activity in Spain which experienced an increase of 7.2%.

In Industrial Services, the activity fall in North America, mainly coming from Mexico, is offset by the rebound in the domestic activity which recovered by 6.0%, as well as the positive evolution in Asia Pacific.

Services revenues decreased by 6.0% due to the sale of Sintax, thus the only activity remaining in this area is Clece, whose revenues increased by 3%.

BACKLOG PER GEOGRAPHICAL AREAS

MILLION EUROS	2016		2017		Var.
Spain	6,699	10.1 %	6,818	10.2%	+1.8%
Rest of Europe	5,322	8.0 %	5,394	8.0%	+1.4%
North America	23,896	35.9 %	25,286	37.7%	+5.8%
South America	4,389	6.6 %	4,324	6.4%	-1.5%
Asia Pacific	25,270	38.0 %	24,678	36.8%	-2.3%
Africa	950	1.4 %	581	0.9%	-38.9%
TOTAL	66,526		67,082		+0.8%

Group's Backlog stood at € 67,082 million and grew by 0.8% in the last twelve months, it is affected by the revalorization of the euro against

the remaining currencies. Without this impact of € 5,272 million, Backlog growth stands at 8.8%

BACKLOG PER GEOGRAPHICAL AREA

MILLION EUROS	CONSTRUCTION			INDUSTRIAL SERVICES			SERVICES		
	2016	2017	% Var.	2016	2017	% Var.	2016	2017	% Var.
Spain	2,837	2,599	-8.4%	1,954	2,084	+6.6%	1,908	2,136	+12.0%
Rest of Europe	4,943	4,723	-4.5%	291	541	+85.8%	87	131	+49.7%
North America	22,057	23,194	+5.2%	1,839	2,093	+13.8%	0	0	n.a.
South America	2,245	1,260	-43.9%	2,144	3,065	+42.9%	0	0	n.a.
Asia Pacific	23,530	23,679	+0.6%	1,740	999	-42.6%	0	0	n.a.
Africa	157	76	-51.9%	793	505	-36.3%	0	0	n.a.
TOTAL	55,769	55,529	-0.4%	8,762	9,286	+6.0%	1,995	2,267	+13.6%

Construction Backlog remained practically stable due to aforementioned currency variation impact which amounts to over € 4,400 million. Excluding this effect, Backlog grew by 7.6%.

Industrial Services experienced solid growth in its Backlog of 6.0%, thanks to the positive evolution of the order intakes in the last twelve months, mainly

of energy projects in Europe and South America. It is worth noting the recovery of the domestic Backlog which grew by 6.6% with respect last year.

Clece's Backlog increased by 13.6% thanks to the positive evolution of the domestic Backlog and the progressive increase of the international market contribution.

5.1.2. OPERATING RESULTS

EBITDA accounted for € 2,279 million, showing an increase of 12.6% compared to 2016. EBIT accounted for € 1,626 million, growing by 12.5%

with respect to the prior period. Both margins improved by 20 basis points.

OPERATING RESULTS

MILLION EUROS	2016	2017	Var.
EBITDA	2,023	2,279	+12.6%
<i>EBITDA Margin</i>	6.3%	6.5%	
Depreciation	(514)	(611)	+18.9%
Construction	(444)	(547)	
Industrial Services	(41)	(40)	
Services	(27)	(24)	
Corporation	(1)	(1)	
Current assets provisions	(64)	(42)	-35.4%
EBIT	1,445	1,626	+12.5%
<i>EBIT Margin</i>	4.5%	4.7%	



5.1.3. FINANCIAL RESULTS

The ordinary financial result decreased by 16.8%. Financial expenses dropped by 7.6% mainly due to the reduction of the average gross debt and the renegotiation of the corporate syndicated loan.

It is worth noting the significant reduction of financial expenses related to debt which decreased by 8.4%. The remaining financial expenses from guarantees and others are also significantly reduced compared to the previous year, despite the increase in the activity to which these expenses are linked.

On the other hand, financial income increased by 9.1%, both those relating to cash and equivalents and those from dividends and financial income of associates.

Regarding the net financial result, the item of "Impairment non current assets results" includes the effect of the revaluation of the option over 4.8 million shares of MásMóvil at market value; this effect amounts to € 219 million and largely compensates other extraordinary results included in "other results" item.

FINANCIAL RESULTS

MILLION EUROS	2016	2017	Var.
Financial Income	186	203	+9,1%
Financial Expenses	(526)	(486)	-7,6%
Resultado Financiero Ordinario	(340)	(283)	-16,8%
Construction	(159)	(143)	-10,4%
Industrial Services	(64)	(59)	-8,0%
Services	(13)	(7)	-45,0%
Corporación	(105)	(75)	-28,4%

FINANCIAL EXPENSES

MILLION EUROS	2016		2017		Var.
Financial Expenses related to Debt	367	70 %	336	69 %	-8.4%
Related to gross debt	350	67 %	320	66 %	-8.5%
Related to debt linked to AHS	17	3 %	15	3 %	-6.9%
Financial Expenses related to Warranties	68	13 %	54	11 %	-21.7%
Other Financial Expenses	91	17 %	97	20 %	+6.1%
TOTAL FINANCIAL EXPENSES	526	100 %	486	100 %	-7.6%

FINANCIAL INCOME

MILLION EUROS	2016		2017		Var.
Related to Cash & Equivalents	65	35 %	83	41 %	+27.1%
Dividends and financial income from associates	82	44 %	85	42 %	+3.0%
Others	38	21 %	35	17 %	-8.3%
TOTAL FINANCIAL INCOME	186	100 %	203	100 %	+9.1%

FINANCIAL RESULTS

MILLION EUROS	2016	2017	Var.
Ordinary Financial Result	(340)	(283)	-16.8%
Foreign exchange Results	(13)	(5)	-60.4%
Impairment non current assets results	66	244	+268.2%
Results on non current assets disposals	(23)	(5)	-75.9%
Net Financial Result	(310)	(50)	-83.9%

5.1.4. NET PROFIT ATTRIBUTABLE TO THE PARENT COMPANY

ACS Group Net Profit in 2017 reached € 802 million, 6.8% higher than the prior year. In comparable terms, this growth would be of 15.5% not taking into account the contribution of Urbaser

in the prior period nor the impact in exchange rates variation.

The effective corporate tax rate stands at 25.8%.

NET PROFIT BREAKDOWN

MILLION EUROS	2016	2017	Var.
Construction	311	387	+24.4%
Industrial Services	305	319	+4.6%
Services ⁽¹⁾	27	37	+38.4%
Corporation	52	59	+14.2%
Comparable Net Profit (ex Urbaser) ⁽²⁾	694	802	+15.5%
Urbaser	57	0	n.a.
TOTAL Net Profit	751	802	+6.8%

(1) Excludes Urbaser.

(2) Adjusted by F/X effect the Net Profit increases by 17%



5.2. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET OF ACS GROUP

MILLION EUROS	2016		2017		Var.
Intangible Fixed Assets	4,412	13.2 %	4,264	13.4 %	-3.4%
Tangible Fixed Assets	1,839	5.5 %	1,606	5.0 %	-12.7%
Investments accounted by Equity Method	1,532	4.6 %	1,569	4.9 %	+2.4%
Long Term Financial Investments	2,485	7.4 %	1,704	5.3 %	-31.4%
Long Term Deposits	7	0.0 %	8	0.0 %	+25.4%
Financial Instruments Debtors	67	0.2 %	52	0.2 %	-22.3%
Deferred Taxes Assets	2,324	7.0 %	2,043	6.4 %	-12.1%
Fixed and Non-current Assets	12,666	37.9 %	11,247	35.3 %	-11.2%
Non Current Assets Held for Sale	549	1.6 %	411	1.3 %	-25.1%
Inventories	1,407	4.2 %	1,020	3.2 %	-27.5%
Accounts receivables	10,988	32.9 %	10,753	33.7 %	-2.1%
Short Term Financial Investments	1,813	5.4 %	1,559	4.9 %	-14.0%
Financial Instruments Debtors	98	0.3 %	393	1.2 %	+300.3%
Other Short Term Assets	224	0.7 %	178	0.6 %	-20.4%
Cash and banks	5,655	16.9 %	6,319	19.8 %	+11.8%
Current Assets	20,734	62.1 %	20,634	64.7 %	-0.5%
TOTAL ASSETS	33,400	100 %	31,881	100 %	-4.5%
Shareholders' Equity	3,563	10.7 %	3,959	12.4 %	+11.1%
Adjustments from Value Changes	11	0.0 %	(216)	(0.7 %)	n.a.
Minority Interests	1,393	4.2 %	1,421	4.5 %	+2.0%
Net Worth	4,968	14.9 %	5,164	16.2 %	+4.0%
Subsidies	4	0.0 %	4	0.0 %	+0.8%
Long Term Financial Liabilities	4,907	14.7 %	5,161	16.2 %	+5.2%
Deferred Taxes Liabilities	1,188	3.6 %	1,020	3.2 %	-14.2%
Long Term Provisions	1,655	5.0 %	1,567	4.9 %	-5.3%
Financial Instruments Creditors	70	0.2 %	48	0.2 %	-31.3%
Other Long Term Accrued Liabilities	110	0.3 %	104	0.3 %	-5.6%
Non-current Liabilities	7,934	23.8 %	7,903	24.8 %	-0.4%
Liabilities from Assets Held for Sale	318	1.0 %	221	0.7 %	-30.6%
Short Term Provisions	1,028	3.1 %	903	2.8 %	-12.1%
Short Term Financial Liabilities	3,782	11.3 %	2,879	9.0 %	-23.9%
Financial Instruments Creditors	63	0.2 %	68	0.2 %	+7.2%
Trade accounts payables	14,864	44.5 %	14,279	44.8 %	-3.9%
Other current payables	443	1.3 %	464	1.5 %	+4.8%
Current Liabilities	20,498	61.4 %	18,813	59.0 %	-8.2%
TOTAL EQUITY & LIABILITIES	33,400	100 %	31,881	100 %	-4.5%

NOTE: 2016 figures have been restated according to the accounting rules as a result of the termination of the PPA resulting from the acquisition of UGL



5.2.1. NON-CURRENT ASSETS

Intangible assets which amount to € 4,264 million include goodwill from past strategic transactions, of which € 1,389 million come from the acquisition of HOCHTIEF in 2011 and € 743 million from ACS's merger with Dragados in 2003.

The balance of the investments held by equity method includes various holdings in associated companies

from HOCHTIEF, stake in Saeta Yield and several Iridium Concessions.

The outstanding balance of non-current financial assets decreased due to the short-term reclassification of € 100 million pending collection from Urbaser and € 200 million of the credit to MásMóvil.

5.2.2. WORKING CAPITAL

In the last 12 months, the net working capital has decreased its credit balance by € 312 million. This variation is mainly due to the revalorization of the derivative linked to MasMóvil shares and accounted as short term asset and the € 248 million impact from the exchange rate variations.

The operating working capital variation improved by € 192 million.

The balance of commercial discount and securitization at end of 2017 amounted to € 1,150 million.

WORKING CAPITAL EVOLUTION

MILLION EUROS	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Var. 16-17
Construction	(2,562)	(1,764)	(2,077)	(1,969)	(2,691)	(129)
Industrial Services	(1,167)	(940)	(939)	(865)	(977)	190
Services	5	10	5	28	(33)	(38)
Corporation	43	82	242	108	332	288
TOTAL	(3,681)	(2,613)	(2,769)	(2,698)	(3,369)	312



5.2.3. NET DEBT

Net debt stood at € 153 million, € 1,061 million lower than the outstanding balance 12 months ago thanks to the positive evolution of the funds from operations. Excluding non-recourse debt, net debt stands at a net cash position of € 42 million by end of 2017.

Net debt linked to assets held for sale amounted to € 162 million, 27.3% lower than the prior period.

NET DEBT DECEMBER 31, 2017

MILLION EUROS	Construction	Industrial Services	Services	Corporation/ Adjustments	ACS Group
LT loans from credit entities	1,042	382	181	1,198	2,803
ST loans from credit entities	700	584	150	50	1,485
Debt with Credit Entities	1,743	966	331	1,249	4,288
Bonds	1,607	0	0	1,591	3,198
Non Recourse Financing	179	16	0	0	195
Other financial liabilities*	379	97	145	(262)	359
Total Gross Financial Debt	3,907	1,079	476	2,578	8,040
ST* & other financial investments	741	73	226	527	1,567
Cash & Equivalents	4,594	1,608	85	33	6,319
Total cash and equivalents	5,335	1,681	311	560	7,887
NET FINANCIAL DEBT	(1,428)	(602)	165	2,018	153
NET FINANCIAL DEBT (previous year)	(586)	(702)	319	2,183	1,214

(*) Debt and credit with associates are included in "Other financial liabilities" and "ST financial investments".

5.2.4. NET WORTH

ACS Net worth accounts for € 5,164 million by period-end, showing an increase of 4.0% since December 2016.

HOCHTIEF as well as minority interests included in the balance of the German company, mainly related to minority shareholders of CIMIC Holdings.

The balance of minority interests includes both the equity participation of minority shareholders of

NET WORTH

MILLION EUROS	2016	2017	Var.
Shareholders' Equity	3,563	3,959	+11.1%
Adjustments from Value Changes	11	(216)	n.a
Minority Interests	1,393	1,421	+2.0%
Net Worth	4,968	5,164	+4.0%

5.3. NET CASH FLOWS OF ACS GROUP

NET CASH FLOWS

MILLION EUROS	2016			2017			Var.	
	Total	HOT	ACS exHOT	Total	HOT	ACS exHOT	TOTAL	ACS exHOT
Cash Flow from operating Activities (Gross)	1,514	744	770	1,908	1,135	772	+26.0%	+0.3%
Cash Flow from Operating Activities before Working Capital	1,397	909	488	1,672	1,158	514	+19.6%	+5.1%
Operating working capital variation	(21)	264	(285)	192	213	(21)		
Net CAPEX	(332)	(187)	(144)	(372)	(252)	(120)		
Net Operating Cash Flow from continuing activities	1,045	986	59	1,492	1,119	373	+42.8%	+535%
Net Operating Cash Flow from discontinued operations (*)	(68)	0	(68)	0	0	0		
Financial Investments/Disposals	926	(613)	1,539	63	(43)	106		
Other Financial Sources	(65)	(13)	(53)	(21)	(17)	(4)		
Free Cash Flow	1,837	361	1,476	1,534	1,059	475	-16.5%	-68%
Dividends paid	(326)	(133)	(193)	(297)	(141)	(156)		
Intra group Dividends	0	(92)	92	0	(120)	120		
Treasury stock acquisition	(131)	(78)	(52)	(195)	0	(195)		
Total Cash Flow generated / (Consumed)	1,380	57	1,323	1,042	799	243	-24.5%	n.a.

*Correspond to Urbaser



5.3.1. OPERATING ACTIVITIES

Cash Flow from Operating Activities before working capital amount to € 1,672 million, improving by 19.6% respect to 2016. The recovery in the construction activity as well as the improvement of financial expenses have contributed to the positive evolution of the operating cash flow.

Operating working capital has an impact of € 192 million of cash inflow in 2017, mainly coming from Construction activities.

5.3.2. INVESTMENTS

The total investments of the ACS Group amounted to € 915 million, while divestments amounted to € 607 million, resulting in a net positive cash flow balance for investing activities of € 308 million.

Net operating CAPEX amounted to € 372 million and mainly corresponds to the acquisition of machinery for contract mining and TBMs for civil works projects from CIMIC.

INVESTMENTS BREAKDOWN

MILLION EUROS	Operating Investments	Operating divestments	Net capex	Project / Financial Investments	Financial Divestments	Net Project / Financial investments	Total Net Investments
Construction	426	(142)	284	122	(226)	(105)	180
Dragados	69	(37)	32	2	(20)	(18)	14
Hochtief	357	(106)	252	72	(29)	43	294
Iridium	0	0	0	48	(177)	(129)	(129)
Services	28	(7)	20	11	(57)	(47)	(26)
Industrial Services	88	(23)	65	248	(158)	90	156
Corporation & others	2	0	2	(9)	7	(3)	(1)
TOTAL	544	(172)	372	371	(434)	(63)	308



The main financial and project investments and divestments by business areas are:

a) Construction

Investment correspond to concession projects from Iridium amounting to € 48 million (among them, Los Libertadores in Chile) as well as financial investments in HOCHTIEF, including the acquisition of minorities in UGL amounting to € 20 million.

The divestment include of € 177 million from Iridium and mainly correspond to the sale of 80% stake in the Hospitals in the Balearic Islands and various highway concessions in Chile (Nueva vía del Mar y Ruta del Canal) and Greece (Jónica, Central Greece). Likewise Dragados and HOCHTIEF Europe sold financial assets for € 50 million.

b) Industrial Services

In the Industrial Services area, financial investments amounted to € 248 million corresponding to investments in transmission lines in Brazil and various renewable energy projects, both wind farms and PVs.

Divestments correspond to the sale of two wind farms in Portugal to Saeta Yield.

c) Services

Investments correspond to the acquisition of Clece Care UK.

Financial divestments in Services correspond mainly to the sale of Sintax completed in February 2017 for a total amount of € 55 million.

5.3.3. OTHER CASH FLOWS

The Group has paid € 297 million of dividends in cash which practically corresponds to ACS scrip dividend paid in February and July. As well as the dividends paid by HOCHTIEF and CIMIC to its minorities in 2017.

Likewise, € 195 million have been devoted to the acquisition of treasury stock for the scrip dividend paid in 2017.



5.4. AREAS OF ACTIVITY EVOLUTION: CONSTRUCTION

Construction revenues accounted for € 27,221 million representing an increase of 12.4%. This evolution is mainly due to the progressive activity recovery in CIMIC and also backed by the positive evolution of the rest of HOCHTIEF and Dragados.

EBITDA accounted for € 1,620 million, increasing by 15.4% compared to 2016. Margin over revenues stood at 6.0%, improving by 20bp.

EBIT accounted for € 1,044 million, and grew by 14.8%. The depreciation of assets from the acquisition of HOCHTIEF (PPA) accounted for € 72.4 million in the period, the same figure as that of the comparable period.

Construction Net Profit reached € 387 million which implies a 24.4% increase due to a positive operating performance across the companies and lower financial expenses.

Revenues in Asia Pacific grew by 24.2% and in North America by 8.1%, the latter ones impacted by the Exchange rate variations of over € 400 million.

Backlog at the end of the period stood at € 55,529 million, practically neutral compared to 2016. Backlog adjusted by the revalorization of the euro against the main currencies grows by 7.6%, that is, around € 4,400 million.

CONSTRUCTION

MILLION EUROS	2016	2017	Var.
Revenues	24,217	27,221	+12.4%
EBITDA	1,405	1,620	+15.4%
<i>Margin</i>	5.8%	6.0%	
EBIT	909	1,044	+14.8%
<i>Margin</i>	3.8%	3.8%	
Net Profit	311	387	+24.4%
<i>Margin</i>	1.3%	1.4%	
Backlog	55,769	55,529	-0.4%
<i>Months</i>	25	23	
Net Investments	343	155	n.s
Working Capital	(2,562)	(2,691)	+5.0%

REVENUES PER GEOGRAPHICAL AREAS

MILLION EUROS	2016	2017	Var.
Spain	1,194	1,280	+7.2%
Rest of Europe	2,087	2,048	-1.8%
North America	13,131	14,200	+8.1%
South America	400	493	+23.2%
Asia Pacific	7,404	9,199	+24.2%
Africa	1	0	n.a.
TOTAL	24,217	27,221	+12.4%

BACKLOG PER GEOGRAPHICAL AREAS

MILLION EUROS	2016	2017	Var.
Spain	2,837	2,599	-8.4%
Rest of Europe	4,943	4,723	-4.5%
North America	22,057	23,194	+5.2%
South America	2,245	1,260	-43.9%
Asia Pacific	23,530	23,679	+0.6%
Africa	157	76	-51.9%
TOTAL	55,769	55,529	-0.4%

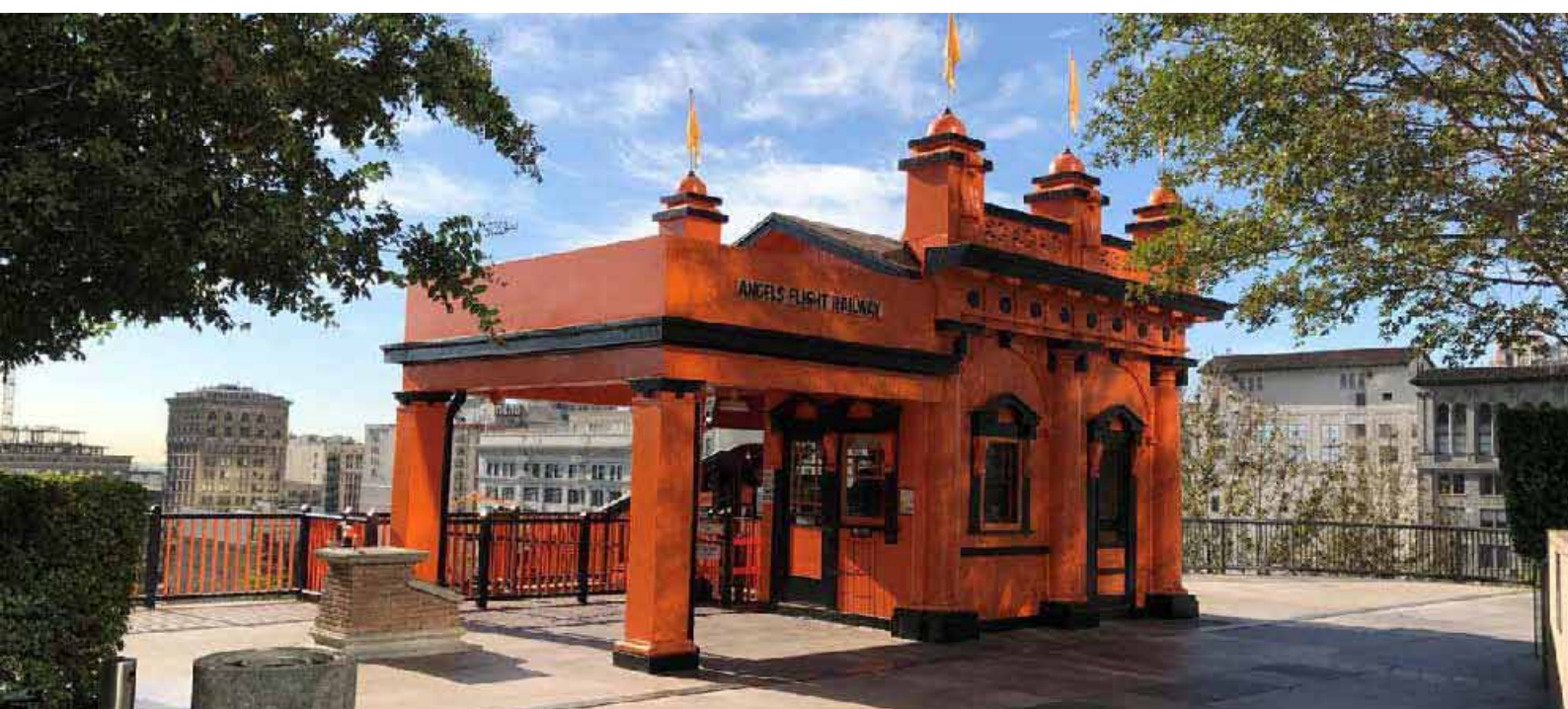
MILLION EUROS	DRAGADOS			IRIDIUM			HOCHTIEF (ACS contr.)			ADJUSTMENTS		TOTAL		
	2016	2017	% Var.	2016	2017	% Var.	2016	2017	% Var.	2016	2017	2016	2017	% Var.
Revenues	4,236	4,498	+6.2%	72	92	+27.2%	19,908	22,631	+13.7%	0	0	24,217	27,221	+12.4%
EBITDA	296	313	+5.6%	4	14	n/a	1,104	1,294	+17.2%	(0)	(0)	1,405	1,620	+15.4%
<i>Margin</i>	7.0%	7.0%		n.a	n.a		5.5%	5.7%				5.8%	6.0%	
EBIT	218	231	+6.1%	(10)	(1)	+90.6%	774	886	+14.5%	(72)	(72)	909	1,044	+14.8%
<i>Margin</i>	5.1%	5.1%		n.a	n.a		3.9%	3.9%				3.8%	3.8%	
Net Financial Results	(25)	(68)		(7)	(11)		(20)	(30)		0	0	(52)	(109)	
Equity Method	0	1		15	18		(1)	4		(1)	(1)	12	23	
Other Results & Fixed Assets	(81)	(20)		(3)	(3)		(131)	(36)		(0)	(0)	(215)	(59)	
EBT	111	144	+28.9%	(5)	3	n/a	621	824	+32.7%	(73)	(73)	654	897	+37.1%
Taxes	(8)	(31)		13	1		(187)	(241)		22	22	(160)	(249)	
Minorities	(3)	(4)		(0)	0		(203)	(280)		23	22	(183)	(262)	
Net Profit	101	109	+7.8%	8	4	-47.6%	230	302	+31.3%	(28)	(28)	311	387	+24.4%
<i>Margin</i>	2.4%	2.4%		n.a	n.a		1.2%	1.3%				1.3%	1.4%	
Backlog	12,678	10,885	-14.1%	-	-		43,092	44,644	+3.6%	-	-	55,769	55,529	-0.4%
<i>Months</i>	36	29					23	22				25	23	

Note: The column "Adjustments" includes the PPA adjustments, the PPA depreciation and the tax and minorities from both.

Dragados increased its revenues by 6.2% and EBITDA margin remains practically stable at 7.0%. Net Profit increases by 7.8% up to € 109 million.

HOCHTIEF showed significant growth across its operating figures thanks to the recovery in CIMIC as well as the positive evolution in HOCHTIEF America and HOCHTIEF Europe, which continue to deliver sustainable growth.

HOCHTIEF 's contribution to net profit of ACS, after deducting minority interests, amounted to € 302 million, 31.3% higher compared to the same period of the previous year, in proportion to its average stake in the period which stood at 71.8%.



HOCHTIEF AG

MILLION EUROS	AMERICA			ASIA PACIFIC			EUROPE			HOLDING		TOTAL		
	2016	2017	% Var.	2016	2017	% Var.	2016	2017	% Var.	2016	2017	2016	2017	% Var.
Revenues	10,906	11,839	+8.6%	7,303	9,077	+24.3%	1,597	1,609	+0.8%	103	106	19,908	22,631	+13.7%
EBIT	224	265	+18.7%	559	668	+19.6%	(1)	14	n.a	(8)	(62)	774	886	+14.5%
<i>Margin</i>	2.0%	2.2%		7.7%	7.4%		-0.1%	0.9%		0.0%	0.0%	3.9%	3.9%	
Net Financial Results	(11)	(12)		(24)	(63)		2	17		13	28	(20)	(30)	
Equity Method	0	0		(1)	4		(0)	0		0	0	(1)	4	
Other Results & Fixed Assets	(8)	1		(102)	(31)		19	1		(40)	(8)	(131)	(36)	
EBT	204	254	+24.7%	432	579	+34.0%	19	33	+74.0%	(34)	(42)	621	824	+32.7%
Taxes	(50)	(51)		(127)	(182)		(7)	(9)		(4)	1	(187)	(241)	
Minorities	(26)	(40)		(88)	(122)		1	0		0	(0)	(113)	(162)	
Net Profit	128	163	+26.9%	217	275	+26.7%	12	24	+90.3%	(37)	(41)	320	421	+31.3%
<i>Margin</i>	1.2%	1.4%		3.0%	3.0%		0.8%	1.5%				1.6%	1.9%	

By areas of activities of HOCHTIEF, it is worth highlighting:

a) Growth in America where revenues went up by 8.6% and net profit by 26.9%. The main factors backing this positive behavior are the good performance of the activities of Turner and Flatiron, the increasing demand and measures introduced to improve operating efficiency.

b) In Europe, after a long process of transformation and adaptation to the reality of the central

European construction market, the positive trend of the margins and results is confirmed.

c) Asia Pacific (CIMIC), as already mentioned, experienced a substantial activity recovery growing by 24.3%, thanks to the significant recovery both in construction, mainly in tunneling projects, and contract mining activities as well as the integration of UGL with the according impact in operating results.



5.5. AREAS OF ACTIVITY EVOLUTION: INDUSTRIAL SERVICES

Industrial Services revenues accounted for € 6,260 million. The slowdown of the Mexican market and the negative impact from the exchange rate are offset by the rebound in the domestic market as well as the increasing activity in the Asiatic and Southafrican market.

EPC projects grew by 3.3% thank to the development of international project mainly in Middle East and Japan as well as the growth in various countries in South America, while Support Services activities decreased by 2.4%.

INDUSTRIAL SERVICES

MILLION EUROS	2016	2017	Var.
Revenues	6,256	6,260	+0.1%
EBITDA	630	633	+0.6%
<i>Margin</i>	10.1%	10.1%	
EBIT	579	586	+1.2%
<i>Margin</i>	9.3%	9.4%	
Net Profit	305	319	+4.6%
<i>Margin</i>	4.9%	5.1%	
Backlog	8,762	9,286	+6.0%
<i>Months</i>	17	18	
Net Investments	19	156	n.a
Working Capital	(1,167)	(977)	-16.3%





REVENUES PER GEOGRAPHICAL AREAS

MILLION EUROS	2016	2017	Var.
Spain	1,710	1,813	+6.0%
Rest of Europe	419	406	-3.1%
North America	1,538	1,283	-16.6%
South America	1,369	1,262	-7.8%
Asia Pacific	938	1,026	+9.5%
Africa	284	470	+65.6%
TOTAL	6,256	6,260	+0.1%

BACKLOG PER GEOGRAPHICAL AREAS

MILLION EUROS	2016	2017	Var.
Spain	1,954	2,084	+6.6%
Rest of Europe	291	541	+85.8%
North America	1,839	2,093	+13.8%
South America	2,144	3,065	+42.9%
Asia Pacific	1,740	999	-42.6%
Africa	793	505	-36.3%
TOTAL	8,762	9,286	+6.0%

REVENUES BREAKDOWN BY ACTIVITY

MILLION EUROS	2016	2017	Var.
Support Services	3,425	3,345	-2.4%
Networks	460	558	+21.4%
Specialized Products	2,069	1,898	-8.3%
Control Systems	897	889	-0.9%
EPC Projects	2,796	2,888	+3.3%
Renewable Energy: Generation	44	34	-23.6%
Consolidation Adjustments	(10)	(7)	
TOTAL	6,256	6,260	+0.1%
International	4,546	4,447	-2.2%
% over total revenues	72.7%	71.0%	

BACKLOG PER ACTIVITY

MILLION EUROS	2016	2017	Var.
Support Services	4,791	5,183	+8.2%
Networks	558	500	-10.4%
Specialized Products	2,974	3,364	+13.1%
Control Systems	1,259	1,320	+4.8%
EPC Projects	3,926	4,103	+4.5%
Renewable Energy: Generation	45	0	-
TOTAL Backlog	8,762	9,286	+6.0%
International	6,808	7,202	+5.8%
% over total Backlog	77.7%	77.6%	

Backlog grew by 6.0% up to € 9,286 million with a strong negative impact from the exchange rate; not considering this impact, Backlog grew by 15%. International Backlog represents 77.6% of the total amount. The Backlog does not include the recent award of the PVs in Spain.

It is worth noting the excellent performance in South America, with a growth of 42.9% mainly thank to the awards in energy projects in Brazil and Peru, as well as the progressive recovery of the Backlog in Spain and the boost in contracting

activity in the rest of Europe which grows by 85.8%. The Mexican Backlog is reactivated with a growth of 12.5%.

EBITDA accounted for € 633 million with a stable margin that stood at 10.1%.

EBIT stood at € 586 million, with a 9.4% margin, 10 bp higher than in 2016.

Net profit accounted to € 319 million, 4.6% higher than 2016.

5.6. AREAS OF ACTIVITY EVOLUTION: SERVICES

Revenues decreased by 6.0% due to the sale of Sintax. Without this effect, that is considering only Clece in both periods, revenues increased by 2.8%.

EBITDA accounted for € 73 million and declined by 5.3% due to the aforementioned sale of Sintax. Considering only Clece, EBITDA increased by 4.9%.

Net profit amounted to € 37 million which includes the capital gain from the sale of Sintax in February 2017, while the figure in 2016 includes the contribution of Urbaser as discontinued operations for € 57 million.

Services Backlog corresponds to Clece and accounts for € 2,267 million, equivalent to over 18 months of production and increasing by 13.6% compared to the prior period.

SERVICES

MILLION EUROS	2016	2017	Var.
Revenues	1,538	1,446	-6.0%
EBITDA	78	73	-5.3%
<i>Margin</i>	5.0%	5.1%	
EBIT	48	48	-1.2%
<i>Margin</i>	3.2%	3.3%	
Net Profit	84	37	-55.3%
<i>Margin</i>	5.4%	2.6%	
Backlog	1,995	2,267	+13.6%
<i>Months</i>	16	19	
Net Investments	(1.117)	(26)	n.a.
Working Capital	5	(33)	n.a.

REVENUES BREAKDOWN

MILLION EUROS	2016	2017	Var.
Facility management	1,407	1,446	+2.8%
Logistics	131	0	n.a.
TOTAL	1,538	1,446	-6.0%

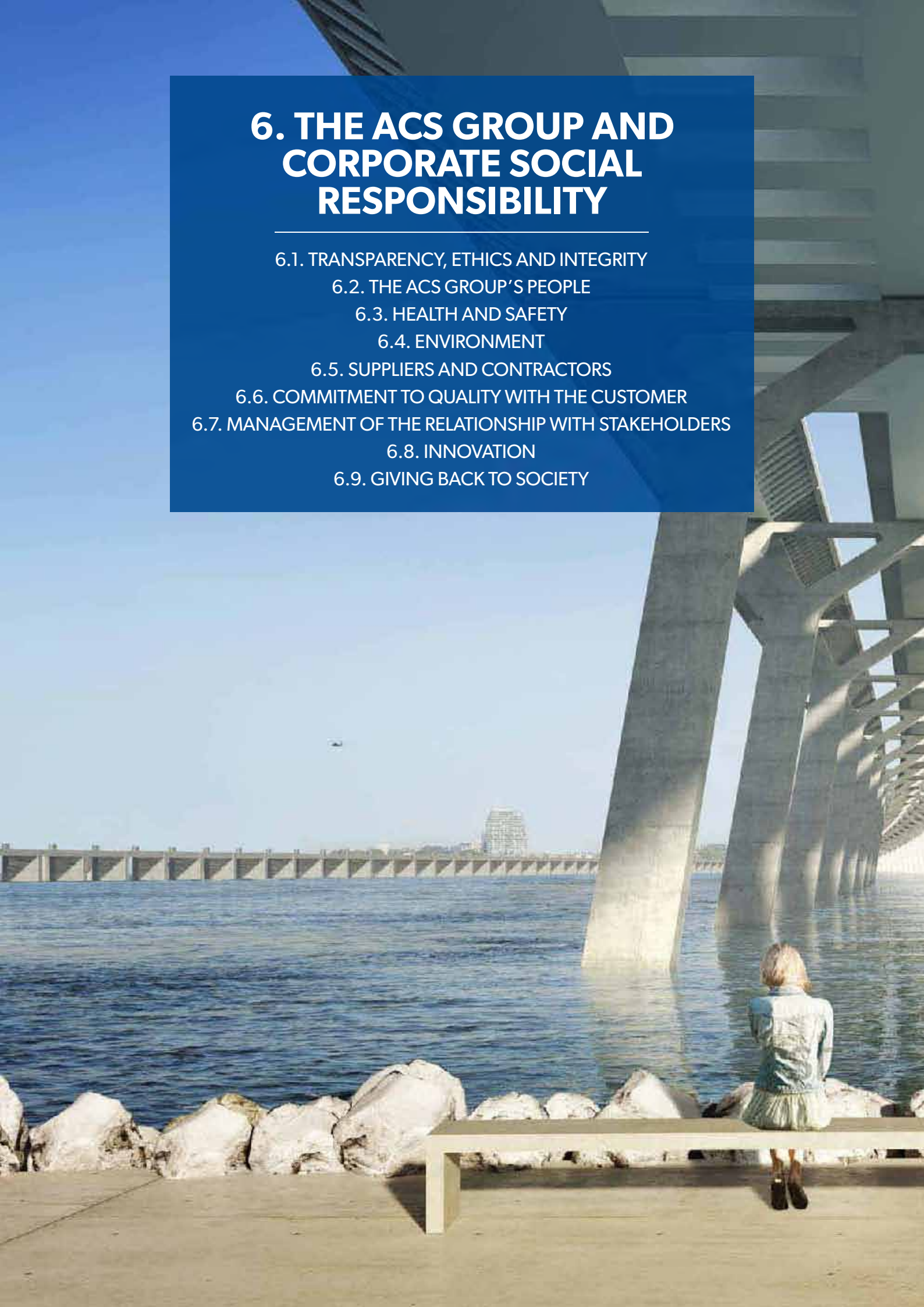
BACKLOG PER GEOGRAPHICAL AREAS

MILLION EUROS	2016	2017	Var.
Spain	1,908	2,136	+12.0%
Rest of Europe	87	131	+49.7%
TOTAL	1,995	2,267	+13.6%



6. THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

- 6.1. TRANSPARENCY, ETHICS AND INTEGRITY
- 6.2. THE ACS GROUP'S PEOPLE
- 6.3. HEALTH AND SAFETY
- 6.4. ENVIRONMENT
- 6.5. SUPPLIERS AND CONTRACTORS
- 6.6. COMMITMENT TO QUALITY WITH THE CUSTOMER
- 6.7. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS
- 6.8. INNOVATION
- 6.9. GIVING BACK TO SOCIETY





THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

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

In this context of operational decentralisation, there are many different companies within the ACS Group

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

NON-FINANCIAL INFORMATION AND DIVERSITY REQUIREMENTS*

	Chapter
Description of the Group's business model.	3.1. Creating value
Description of the applicable group policies in regards to environmental and social matters, as well as that which relates to staff, respecting human rights and combating corruption and bribery.	6. The ACS Group and Corporate Social Responsibility
Procedures applied for the identification and assessment of risks, the respective verification and control, as well as the measures taken.	7. The ACS Group's Risk Management 9.2. Identification of material aspects
Main risks and the management thereof, in relation to the Group's business activities, including its trade relations, products or services.	7. The ACS Group's Risk Management 9.2. Identification of material aspects
Key indicators of non-financial results and outcomes of the policies:	
Environmental	
Current and foreseeable impacts of business activities on the environment	6.4. Environment
Current and foreseeable impacts of business activities on health and safety	6.4. Environment
Energy consumption and efficiency	6.4.2 Efficient use of resources
Greenhouse gas emissions	6.4.1 Climate Change
Emissions of other pollutants	6.4.2 Efficient use of resources
Water consumption	6.4.2 Efficient use of resources
Social and staff related	
Measures taken to ensure gender equality	6.1. Transparency, ethics and integrity 6.2. The ACS Group's people. Diversity.
Working conditions and application of the fundamental Conventions of the ILO	6.2. The Group's people
Social dialogue	6.7. Management of the relationship with Stakeholders
Respect for trade union rights/ trade union relations and respecting the workers' right to be informed and consulted	6.2. The Group's people
Occupational health and safety	6.3. Health and Safety
Dialogue with local communities and the measures adopted to ensure the protection and development of these communities	6.7. Management of the relationship with Stakeholders 6.9. Giving back to society
Respect for human rights	
Prevention of human rights violations	6.1. Transparency, ethics and integrity
Measures to mitigate, manage and repair the abuses possibly committed	6.1. Transparency, ethics and integrity 6.9. Giving back to society
Combating corruption and bribery	
Existing anti-corruption and anti-bribery tools (anti-corruption policies, procedures and standards)	6.1. Transparency, ethics and integrity

* Non-financial and diversity information provided in accordance with the Royal Decree-Law 18/2017.

6.1. TRANSPARENCY, ETHICS AND INTEGRITY

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

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

THE ACS GROUP'S CODE OF CONDUCT

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

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

- **Integrity:** Among its employees, the ACS Group promotes the recognition of behavior consistent with loyalty and good faith, which are demonstrated by fulfilling the following principles: loyalty to the company, abiding by the law, honest management, fair competition, fiscal responsibility and confidentiality.
- **Professionalism:** the ACS Group's employees and executives should be recognised for their high level of professionalism based on proactive and efficient and customer-centric performance focused on excellence, quality, innovation and willingness to provide service. In this regard, their behaviour must be based on the following principles: quality and innovation, customer mindedness, use and protection of company assets, impartiality and objectiveness in relationships with third parties and transparency.

- **Respect for others and for the environment:**

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



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

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

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

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

Development of the basic principles for enforcing the Code of Conduct in the 2017 financial year:

Criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001).

After nearly two years of work and fruit of the consensus of leading experts representing respective interest groups within the scope of criminal compliance, the Spanish Association for Standardization (UNE), published on May 18, 2017 the Spanish Standard - UNE 19601 Criminal Compliance Management Systems.

This Spanish Standard establishes the requirements to implement, maintain and continuously improve a criminal compliance management system in organizations, with the objective being to prevent crimes in the respective context from being committed and to reduce the criminal risk, through the promotion of a culture based on ethics and compliance.

Among the requirements, the Standard establishes that organizations must:

- Identify, analyze and assess the criminal risks.
- Provide the suitable and sufficient financial resources to achieve the objectives of the model.
- Use procedures to inform of potentially criminal behavior.
- Adopt disciplinary actions if there are breaches of the components of the management system.
- Monitor the system through an administrative body of criminal compliance.
- Create a culture in which the compliance policy and management system are integrated.



Since 2013, the ACS Group has been working on international standardization projects such as ISO 37001 regarding bribery management systems, which was published in October 2016. In the 2017 financial year, this document was incorporated into the Spanish catalog of standards such as UNE-ISO 37001, following the adoption of the official translation into Spanish of the standard by ISO (International Standardization Organization).

The system that establishes the UNE 19601 contains the so-called High Level structure, common to all international ISO standards for management systems, by which it can be integrated into other management systems; for example, those described in UNE-ISO 19600 Compliance Management Systems or UNE-ISO 37001.

For this reason, during the 2017 financial year, the ACS Group has made extensive efforts to develop and adapt its internal bylaws and its compliance management systems in order to prepare the main subsidiaries of the respective divisions of Construction, Services, Concessions and Industrial Services to undergo the independent external audit procedures with the aim being to obtain the certificates for the criminal compliance management systems (UNE 19601) and the anti-bribery management systems (UNE-ISO 37001).

The final step of this procedure is, as a supplement to the certifications of each of the divisions, for the Group's parent company, ACS, Actividades de Construcción y Servicios, S.A., which may be subjected to an external audit process within the financial year 2018, in order to obtain the respective certificates, to implement a criminal compliance management system to prevent crimes from being committed and to reduce the criminal risk in the ACS Group, thus improving the implementation of a culture based on ethics and compliance.



DIVERSITY POLICY

The ACS Group considers that the diversity in terms of the skills and points of view of the members of the administrative, managerial and supervisory bodies of the companies facilitates a better understanding of the organizational structure and the company's business. This diversity allows the members of the respective bodies to exercise constructive criticism of management decisions and be more receptive to innovative ideas. In this manner, diversity contributes to effective oversight of the management and a satisfactory governance of the company.

That is why the Appointments Committee of the ACS Group's parent company proposed to the Board of Directors on December 19, 2017, for its approval, that the Diversity Policy of the ACS Group, must be complied with by all divisions of the Group.

By which the ACS Group undertakes to promote all measures necessary to ensure equal opportunities and avoid any kind of discrimination in the selection process, not only for the members of the governing bodies, but also for any job position.

The Management of the various ACS Group companies will implement the measures necessary to ensure that the selection and promotion of employees is based on an objective criteria of merit and ability.

The Board of Directors of the ACS Group, through the Appointments Committee, shall ensure that the procedures for the selection of members of all the Group's administrative bodies, as well as that of the two management levels immediately below them, and the intermediate level positions, promote gender diversity, in order to expand the representation of women in the administrative and management bodies of the ACS Group in the next five years, in an attempt to balance the presence of women and men.

Specifically, the Board of Directors of the ACS Group's parent company, through the Appointments Committee, will ensure that the various divisions of the ACS Group implement the corporate strategies for the identification and training of female talent, while promoting supportive actions specific to women.



CODE OF CONDUCT MONITORING COMMITTEE

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

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

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

- Promoting the dissemination, knowledge of and compliance with the Code in each and every Group company.

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



Monitoring
Committee
Regulations



ETHICAL CHANNEL

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

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

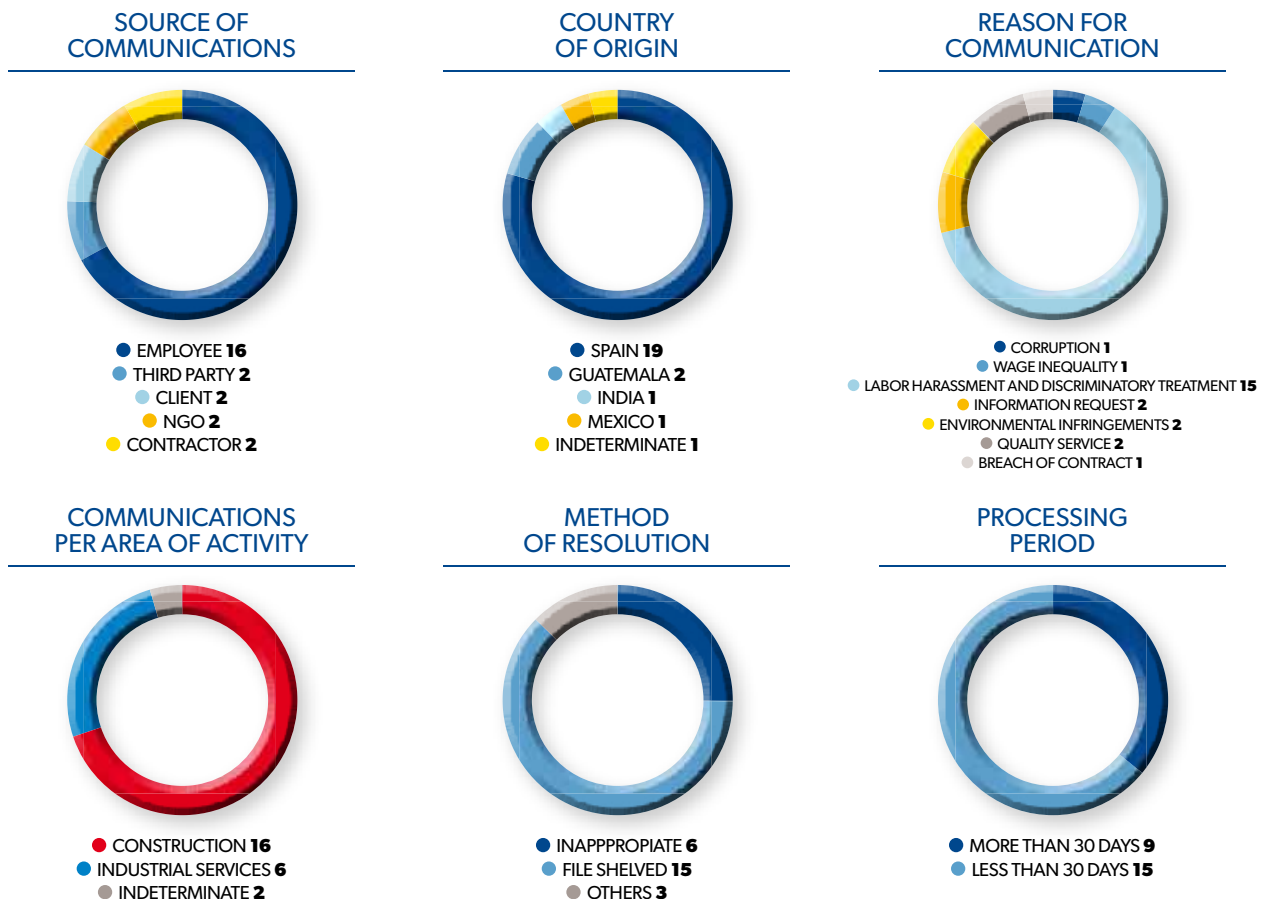
The employees and executives of the ACS Group must expressly research the Code of Conduct, as well as the Ethical Channel and how it works, knowledge of which is an integral part of the contractual relationship.

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

In 2017, a total of 24 communications were received, which gave rise to the registration of a total of eight cases, three of which have been for investigative purposes, one for information, while three have resulted in inadmissible complaints or information requests and one has not been able to be processed due to it involving an anonymous complaint.



The details of the proceedings are as follows:





HUMAN RIGHTS POLICY

For the ACS Group, its commitment as a business to respecting human rights according to the ethical principles and the corporate culture that guide the performance of its activities and the achievement of its goals, is a key aspect.

The ACS Group, in accordance with its Human Rights Policy, undertakes to assume its responsibility to respect human rights. This includes a due diligence process to identify, prevent, mitigate and account for how it addresses the impact of its business activity on human rights, as a process that will provide for the repair of all the negative impacts on human rights that it has caused or has contributed to the cause.

The systems established by the company for the management of its compliance systems take the regulatory aspects related to human rights into account, such as the workers' rights, financing of terrorism, hate crimes, corruption of minors, public health, etc. In fact, the company considers issues relating to the existence of a formal and documented commitment to the Universal Declaration of Human Rights in the principles for action of the Group's Code of Conduct.

The standard establishes that organizations must, for example, identify and assess their risks, take disciplinary action, oversee the compliance system and create a culture in which the company's compliance policy and management system is integrated. For this reason, during 2017 the company has worked to develop and adapt its internal standards and management systems.



TRAINING

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

	2016	2017
Coverage of training plans regarding Human Rights, Ethics, Integrity or Conduct (% of employees)	89.8%	97.9%
Number of courses with content regarding Human Rights, Ethics, Integrity or Conduct	384	479
Number of employees trained in courses on Human Rights, Ethics, Integrity or Conduct during the year	42,593	35,352
Training hours per trained employee *	2.2	2.2

*In 2016 and 2017 this indicator reached a coverage of 88.9% and 89.35% of employees respectively, which provides the basis by which the training hours were calculated per employee.

TRANSPARENCY AND FISCAL CONTRIBUTION

In 2015, the ACS Board of Directors approved the corporate fiscal policy, in accordance with which it aims to establish a collaborative relationship with the tax authorities based on mutual trust and transparency. Furthermore, the Group undertakes, to abstain from creating artificial corporate structures unrelated to the Company's business activity for the sole purpose of reducing its tax payments or that which creates a lack of transparency, nor to perform transactions between related companies that aim to reduce the respective tax base and artificially transfer profit to territories with low tax rates.

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



In particular, in Spain in 2010, ACS signed the Code of Best Tax Practices promoted by the Spanish tax authorities (Agencia Estatal de la Administración Tributaria) and, in application thereof, complies with the requirements established in relation to fiscal transparency and voluntarily provides the information required to do so, with special emphasis on the Group's international composition, including information related to tax havens.

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

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

In December 2017, once submitted the relevant statements of tax on profits for the respective countries with establishments in 2016, ACS has submitted to the Spanish tax authority, the country by country disclosure statement corresponding to the said year, in which, in accordance with the international regulation, detail is provided, among other data, regarding the income, profits and taxes generated by the Group in each country.

In accordance with this disclosure statement, the tax amount declared before the respective tax authorities amounted to € 229 million, which represents an effective tax rate of 24.7% compared to the accounting profit before taxes and income (loss) based on the equity method (not affected by the disclosure statement) of the 2016 year. It should be noted that this amount differs from the line-item for tax expenses for the Profit and Loss account due

to the impact of the accounting entries for deferred tax assets and liabilities and provisions, for which the detailed information is provided for in the Annual Financial Statements.

In particular, in accordance with information detailed country by country, the profit is not subject to taxation due to it pertaining to companies located in tax havens, as qualified by the Spanish laws, as being zero. The same result is deduced based on the list of non-cooperative jurisdictions adopted by the European Union in 2017.

Also, if the comprehensive list of 55 countries or jurisdictions is considered, comprising that which is commonly referred to as the "gray list" of the European Union, approved in 2017, they have contributed, based on the above-mentioned information stated in 2016, a profit of € 119 million, resulting in taxes equal to € 37 million. The majority of this profit has been generated by the construction business activity in Hong Kong, where there has been an effective tax rate of 16.3%.

With regard to the 2017 financial year, it is estimated that the global effective tax rate of the group will be similar.

On the other hand, to assess the overall tax contribution made to the Public Administrations, not only the taxation on profits should be considered, but also the other taxes or social charges incurred in the respective jurisdictions, with it being pertinent to emphasize, given the Group's type of business activity, those relating to its own staff, in which case it is appropriate to consider both social charges that are legally assumed by the company, which have amounted to € 958 million, as well as the charges and taxes, withheld from wage payments which are owed by the respective employee, also being transferred to the Public Administrations, which have exceeded € 1,400 million. The sum of both types results in a transfer of funds equivalent to six times what has been transferred as distribution of profits to the shareholders of ACS.

6.2. THE ACS GROUP'S PEOPLE

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

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

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



The ACS Group is an active advocate of human and labor rights, as recognized by various international bodies. The company promotes, respects and protects the freedom from trade unions and the right of association of its workers. It also provides formal channels of dialogue for maintaining relationships with workers and in the majority of the group there are minimum periods required for the advance notice of significant operational changes.



STAFF OF THE ACS GROUP AT YEAR END

182.269



WOMEN

41.2%

AS % OF THE ACS GROUP'S TOTAL



MEN

58.8%

AS % OF THE ACS GROUP'S TOTAL



4,925
GRADUATES

1,842
EMPLOYEES WITH A
MANAGEMENT POSITION

17,433
GRADUATES

9,357
EMPLOYEES WITH A
MANAGEMENT POSITION

3,768
PERSONNEL WITH
DIPLOMAS

113
SENIOR MANAGEMENT POSITIONS

5,211
PERSONNEL WITH
DIPLOMAS

918
SENIOR MANAGEMENT POSITIONS

6,233
NON-GRADUATE LINE
PERSONNEL

16.9% **9.2%**
TOTAL STAFF
TURNOVER VOLUNTARY
TURNOVER

16,924
NON-GRADUATE LINE
PERSONNEL

18.5% **10.9%**
TOTAL STAFF
TURNOVER VOLUNTARY
TURNOVER

4,682
ADMINISTRATION STAFF

42 YEARS
AVERAGE AGE

4,657
ADMINISTRATION STAFF

41 YEARS
AVERAGE AGE

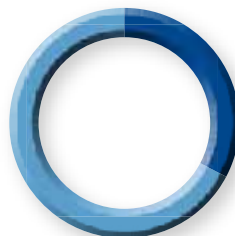
55,468
OTHER STAFF

6.9 YEARS
AVERAGE SENIORITY

62,968
OTHER STAFF

6.2 YEARS
AVERAGE SENIORITY

BREAKDOWN BY TYPE OF CONTRACT



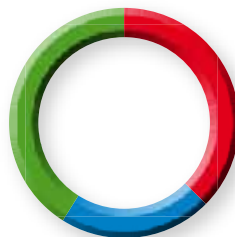
● FULL-TIME CONTRACTS **34%**
● PART-TIME CONTRACTS **66%**

EMPLOYEES BREAKDOWN BY GEOGRAPHICAL AREAS



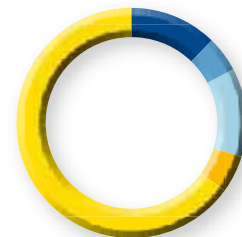
● EUROPE **60.4%**
● AMERICA **18.5%**
● ASIA **12.3%**
● AFRICA **0.2%**
● OCEANIA **8.6%**

EMPLOYEES BREAKDOWN BY ACTIVITY AREA*



● CONSTRUCTION **37%**
● INDUSTRIAL SERVICES **22%**
● SERVICES **41%**

EMPLOYEES BREAKDOWN BY PROFESSIONAL CATEGORY



● GRADUATES **12%**
● PERSONNEL WITH DIPLOMAS **5%**
● NON-GRADUATE LINE PERSONNEL **13%**
● ADMINISTRATION STAFF **5%**
● OTHER STAFF **65%**

* Not including 53 employees from Corporate.

6.2.1. DIVERSITY

In the basic principles contained in the Code of Conduct of the Group there is an emphasis on equal opportunities, non-discrimination and respect for human and labor rights, which are also important factors in promoting the professional and personal development of all the employees of the ACS Group. Therefore, the ACS Group rejects any type of discrimination, in particular that which is based on age, sex, religion, race, sexual orientation, nationality or disability.

During the 2017 year the ACS Group has approved its Diversity Policy through which it undertakes to promote all measures necessary to ensure equal opportunities and avoid any kind of discrimination in the selection process, not only for the members of the governing bodies, but also for any job position. Under this Policy, the Management of the various ACS Group companies will implement the measures necessary to ensure that the selection and promotion of the Group's employees is based on an objective criteria of merit and ability, while not tolerating any type of discrimination.

Specifically, the Board of Directors of the ACS Group, through the Appointments Committee, will ensure that the various divisions of the ACS Group implement the corporate strategies for the identification and training of female talent, while promoting supportive actions

specific to women. The Management of the various ACS Group companies will continuously identify female talent within the company while empowering them through training and development programs or other mechanisms to provide them with promotions to executive positions or that of leadership and management, so that they may reach their maximum potential within the company.

The aim of this Diversity Policy is for the selection procedures for members of all the administrative bodies of the Group, as well as of the two management levels immediately below them, and the positions of intermediate level, to promote gender diversity, as well as that of experiences and knowledge and do not suffer from implicit biases that may involve any type of discrimination and, in particular, to ensure the inclusion of all qualified women candidates at all stages of the process, in order to expand the representation of women in the management and administrative bodies of the ACS Group in the next five years, in an attempt to balance the representation of women and men.

In regards to this aspect, It is worth noting that, in recent years, the ACS Group's commitment to the representation of women in the working world and their professional development, has materialized, as since 2012 the number of women in executive positions has increased by 86%.



II DRAGADOS GROUP'S EQUALITY PLAN

In the Dragados Group the principle of equal treatment and equal opportunities between women and men is assumed, while ensuring that the workplace offers the same opportunities for income and professional development at all levels. With this commitment serving as the basic principle in each and every one of the areas in which our Group's business activity is conducted, an Equality Plan and a Harassment Protocol was created and signed in the 2010 year. The commitment to this principle, has given rise to the negotiation and signing in April 2017, of the Equality Plan II and the New Protocol for the Prevention and Handling of Harassment cases, which applies to, Dragados, Tecsa, Geocisa, Vias and Construcciones, Drace Infraestructuras, Iridium and Comunidades Gestionadas.

The Dragados Group understands that promoting equality is positive for all the parties concerned, from the perspective of the individual and the company. They provide for improved utilization of the skills and talent of each professional and contribute to the creation of a better working environment, increasing the level of motivation, performance and commitment.

With this firm belief, and its commitment in regards to this aspect, the Equality Plan II covers the following

areas of activity: Selection and recruitment, salary, training, shift and time of work, professional promotion, conciliation, prevention and handling in cases of harassment, health and prevention of occupational risks and gender-based violence.

The new Protocol for the Prevention and Handling of Cases of Harassment, seeks to establish measures to prevent and avoid situations of sexual harassment in the enterprise and facilitate the ability to identify any situation involving workplace, sexual or gender-based harassment, as well as any form of discriminatory treatment.

The company is firmly committed to this matter and obtaining the expected result, for which it understands that it will only be possible with the involvement and collaboration of the entire staff. Therefore, to this end, to foster the knowledge and involvement of the staff, the Dragados Group, both in the first Plan, as in Equality Plan II and the Harassment Protocol, has promoted its dissemination through the Intranet of the respective companies. It has also developed specific training for the matter, which is delivered in different modalities in order to reach all groups in the company, which in the year 2017 represents 96% of the employees of the Dragados Group, which have trained on this matter.



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

of local employees and executives. In addition, the ACS Group is strongly committed to the inclusion of people from vulnerable groups into the workforce.

WORKFORCE INCLUSION OF VULNERABLE GROUPS IN CLECE

Clece Social is the social project of the Clece Group, which expresses its commitment to the people. A commitment which is not considered to be a duty of the company or a strategy designed for social responsibility, but rather something inherent to its origin and its development: a company of people for the people.

Among its objectives is to promote equal opportunities through the inclusion of people from disadvantaged groups, mainly persons with disabilities, persons at risk of social exclusion, women experiencing gender-based violence, victims of terrorism and unemployed youth.

Whereby, in 2017, 10.2 % of the Clece Group's staff (7,547 persons) belonged to one of these groups.

To achieve this goal, during the 2017 year, Clece has signed agreements with more than 17 associations,

foundations and social entities. These entities, along with the more than 352 entities which they have worked with from previous years, serves Clece as a source for the recruitment of disadvantaged groups, with the objective being to help with/promote access to the working world for these types of individuals.

In the same manner, during 2017 Clece has continued by hosting its VI Forum on inclusion, in Palma de Mallorca under the slogan "Employment, a door to inclusion" with the participation of different agents involved in the occupational inclusion of people with disabilities.



Inclusion&Employment Project



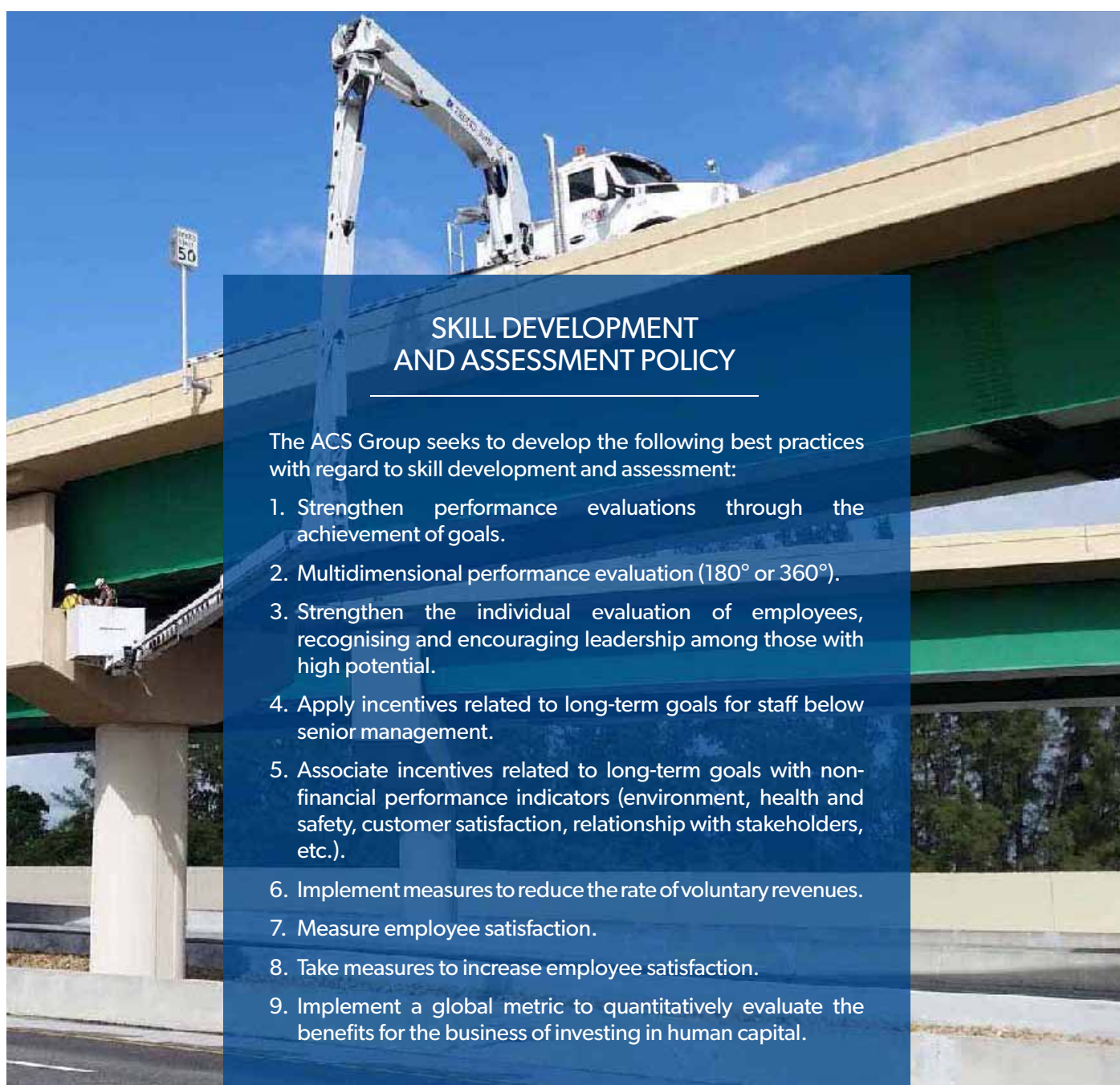
6.2.2. SKILL DEVELOPMENT

COMMITMENT TO PROFESSIONAL DEVELOPMENT

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

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

	2016	2017
Employees covered by a formal system of professional development	88.8%	94.2%
Employees subject to performance evaluation processes	31.1%	30.7%
Employees covered by variable compensation systems	92.9%	98.1%



SKILL DEVELOPMENT AND ASSESSMENT POLICY

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

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

DRAGADOS EVALUATION AND TALENT PLAN

During 2017, a coordinated project was carried out among the Human Resource Departments of DRAGADOS USA and DRAGADOS , with the objective being to identify the internal talent of the company and evaluate the staff hired in regards to a series of professional skills.

The involvement in this Plan by the different North American construction companies of the Group, will in turn allow for the joint decision making when it comes to anticipating the staffing requirements in order to meet the demands of each company.

The self-imposed requirement to know the professional situation of our workers, in order to confront an increasingly competitive international market and be able to offer, a response adapted to the expectations and satisfaction of the workforce, has made this project possible.

Some 250 workers from the departments of Production, Finance, Human Resources and the

Legal Department who occupy key positions in the company have participated. After taking a test and a personal interview, the combined result of both tests has made it possible to obtain general information on the worker. This information is based on the specific experience of the worker in certain departments, the roles and responsibilities developed, the level of professional competence that they possess, their professional aspirations and their level of preparedness to assume new positions and responsibilities at a given time.

It has also made it possible to compare the average results obtained at the respective skill level with the average of the same indicators in the construction sector in the USA, providing an even more complete and enriching analysis.

The results obtained allow us to make decisions when faced with possibility of internal staff changes, vertical and horizontal promotions, preparing plans adapted for succession and adapting the training and development programs.



DRAGADOS YOUNG TALENT PROGRAM

DRAGADOS interest in favoring and promoting young talent and to offer them their first initiation into the world of work by a leading company in the construction sector, has allowed, during 2017, the expansion of this project to include young talents from universities in the USA and Canada.

This year, 108 new graduates in Civil Engineering, Industrial Engineering and Graduates in Administration and Finance with a high level of English, learning potential and motivation for international projects were hired. The international dimension that the company has acquired in recent years has highlighted the need to train talented staff, which will in turn acquire versatile experience. The recent graduates have been hired both for national projects, as well as international projects by the branches of the American subsidiaries of Dragados.

The recent graduates represent the following degrees:

PROMOTING YOUNG TALENT 2017

	Spain	Canada	USA	TOTAL
Civil Engineering	22	10	47	79
Bus. Admin. and Finance	14	3	12	29
Total	36	13	59	108

A specific training plan has been established for this group, which is adapted to the respective professional profile along with a monitoring and evaluation plan where each participant will be assigned a mentor in Human Resources and another at their place of work.

The main idea is for them to acquire a global development by gaining experience in the respective departments of the company, in the case of the technical staff in the production, technical office, quality control and environmental departments and in the case of administrative staff, at the construction site and in the office.

The specific training plan allows them to be trained on the company's main management systems, occupational risk prevention, construction methods, skills and inter-cultural diversity.

The interest and support of the company in the hiring of recent graduates, is also reinforced by surveys such as the "Most attractive employer" conducted by the International company Universum, specialized in brand development as an employer. DRAGADOS placed 12th of the 50 most attractive engineering / computer companies to work for, according to 22,000 university students in Spain.

TRAINING PLANS

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

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

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

	2016	2017
Total class hours given	1,637,102	2,171,539
Class hours per employee (based on total employees)	10.2	12.5
Employees participating in training activities	70,584	83,870
Class hours per employee (based on total employees trained)	23.2	25.9
Investment in training (Millions of €)	23.0	29.2
Investment per employee in training (based on the total number of employees) (€)	135.3	160.2
Investment per employee in training (based on total employees trained) (€)	325.6	348.2

6.3. HEALTH AND SAFETY

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

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

Although each Group company is managed independently, the great majority of them share common principles in the management of their employees' health and safety.

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

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

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

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

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

In addition, a 76.6 per cent of the workers of the ACS Group are represented by formal committees of safety and health for management and employees. In companies representing 64.8% of the Group's workers, the collective bargaining agreements with the unions cover matters related to health and safety, and in these, 75.5% of health and safety matters are covered.



6.3.1. TRAINING

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

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

	2016	2017
Employees who have received training on safety and health during the year (%)	65.3%	69.6%
Employees who have received training in occupational safety and health throughout their career with the company (%)	99.4%	99.9%



6.3.2. SAFETY STATISTICS

This ongoing effort made by all ACS Group companies in relation to health and safety is evident year after year in the continued improvement in the loss rates that have decreased for all areas of activity.

Although the construction and industrial services businesses continue to improve in the majority

of indicators, the services business that, because of the nature of the activity, has a higher incident rate and frequency, recorded a small increase. Given the weight of the service activity within the Group based on the number of employees, such increases have a considerable impact on the global indicators of the Group.

	2014*	2015	2016	2017
Percentage of total employees covered by the certification OHSAS 18001	83.3%	82.8%	85.5%	87.9%
Investment in Safety and Health (€ mn)	129	128	142	173
Spending per employee on safety (€)	804.5	754.2	838.0	949.9

* In 2014 includes Urbaser.

Accident rate indices Employees	2014*	2015	2016	2017
Frequency	15.20	13.04	13.73	12.12
Construction	2.41	3.29	3.02	2.64
Industrial Services	11.14	9.89	6.81	6.33
Services	42.69	28.80	32.74	31.16
Severity	0.38	0.37	0.38	0.33
Construction	0.08	0.09	0.11	0.07
Industrial Services	0.31	0.33	0.17	0.17
Services	1.02	0.79	0.87	0.85
Incident rate	37.38	24.62	25.85	23.12
Construction	9.47	7.65	7.01	6.13
Industrial Services	22.55	20.36	14.25	13.02
Services	65.10	41.15	46.79	44.52

* In 2014 Services includes Urbaser.



Health and Safety Glossary

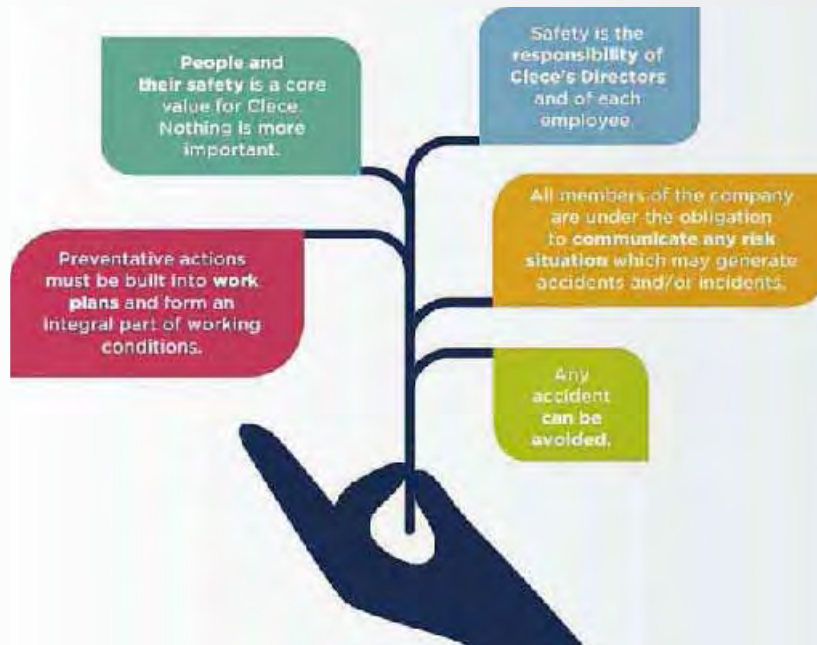
Frequency Rate: Number of accidents that have occurred during the working day per 1 million hours worked.

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

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

TRAINING, ROLES AND RESPONSIBILITIES FOR SAFETY AND HEALTH AT CLECE

In 2015 Clece established its commitment to safety, which is based on 5 fundamental principles:



That commitment is embodied in the health and safety policy of the company, which forms the basis for the management of health and safety in the company.

To comply with the second point and article 1 of the Regulation of the Prevention Services, which states: "integrating prevention at all hierarchical levels of the company involves the empowerment of all of them and in turn their assumption of the obligation to include the prevention of risks in any activity that they perform or delegate and in all the decisions taken," an objective is established:

To provide training on the integration of prevention and communicate the respective roles and responsibilities to all the managers of the company: department heads, foremen, designees and managers.

Our most important motivation is that our workers are company's most important asset.

Our goals are:

- The integration of prevention,
- The promotion of the preventive culture
- The decrease in the accident rate.

Each and every one are responsible for the safety of the workers starting with the senior management of the organization.

The company's Prevention Management Manual, which establishes the Health and Safety management procedures within Clece SA, defines, according to the company's organizational chart, the roles and responsibilities of all the respective hierarchical levels.

During these courses the importance of the integration of prevention in all activities and decisions taken is communicated to the department heads, in addition to the roles and responsibilities that are assigned to them.

They are also informed of the liabilities that can be caused by non-compliance with this policy, both for the company and for the worker.

Data on the courses taught:

	2015	2016	2017	TOTAL
Number of courses	7	38	26	71
Participants	98	675	392	1,165
Training hours	490	3,375	1,960	5,825

COBRA'S HEALTH AND SAFETY INTERNATIONAL CONFERENCE CALL PROGRAM

The project was born as an initiative of Cobra's CEO Mr. José M^a Castillo in the first quarterly meeting of the Safety Committee of the Cobra Group in 2017. As a sign of visible leadership and commitment to safety, the CEO of Cobra along with the HR Director, Mr. Fernando Arce and Mr. César Baena from the Prevention Department, they are addressed to all staff (internal and subcontracted) of each country with large corporate areas. Initially, the most significant incidents and accidents are briefly informed of as a lesson learned and then the Management reinforces the messages of the Cobra policy:

- Safety is of utmost importance, there is nothing greater in value than a person's life.
- All work must be performed in a manner that is 100% safe, when in doubt, stop the work.

- The working procedures must be complied with and enforced in a safe manner.
- Proper planning and organization of the daily work is a basic factor in risk prevention.
- Promoting and maintaining professional training is key in terms of safety.
- Each worker is 100% responsible for his/her safety and the safety of their co-workers, which requires participation.

During the 2017 year, 10 teleconference sessions were held with a total of 23,159 attendees pertaining to projects in 10 Latin American countries.



BASIC SAFETY PROCEDURES WHEN WORKING IN AND AROUND A CPB MOBILE PLANT

In 2017, with the objective being to address safety at the work sites, the contractor CPB launched a campaign to reinforce the safety requirements working in a mobile plant. The dangers and risks of these type of projects (such as trucks, excavators, cranes and/or other tools) must be recognized and managed in a safe manner.

The campaign addressed a series of essential behaviors that all staff working in these type of plants must take into account, such as staying out of the plant's area of operation and within pedestrian walkways, communicate and stop movement when entering the respective area of operation and stay behind the barriers arranged for this purpose, when refueling.

Those responsible for the project undertook to disseminate the campaign through the placement of posters with a QR Code which provided access through mobile devices, to a video with practical examples of how to safely operate in the plant and its surroundings.

ACCIDENT RATE INDICES EMPLOYEES SUBCONTRACTORS

The spreading of the risk prevention culture among suppliers, contractors and collaborating

companies is another of the Group's basic lines of action in this subject. Details on the control and management efforts in this area are included in this document in the Suppliers section.

Contractors	2014*	2015	2016**	2017**
Frequency	9.36	4.74	3.16	3.34
Construction	8.84	9.99	4.46	4.58
Industrial Services	2.40	1.90	1.36	1.60
Services	151.67	0.00	0.00	0.00
Severity	0.14	0.05	0.09	0.11
Construction	0.06	0.07	0.13	0.10
Industrial Services	0.06	0.04	0.04	0.13
Services	2.80	0.00	0.00	0.00

*In 2014 Services includes Urbaser. Following the sale of Urbaser, the only company included under the Services activity was Clece from 2015 to 2017. Given that Clece does not work with subcontractors, the indicators of the Services activity drop to zero.

** In 2016 and 2017 the data for HT Asia Pacific is included in Construction.



6.4. ENVIRONMENT

96.8%

IMPLEMENTATION OF
AN ENVIRONMENTAL
MANAGEMENT SYSTEM

76.4%

IMPLEMENTATION
OF THE ISO
14001 CERTIFICATION

15.9%

IMPLEMENTATION
OF OTHER
CERTIFICATIONS

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

- Commitment to complying with the laws.
- Commitment to pollution prevention.
- Commitment to continuous improvement.
- Commitment to transparency, communication and training of Group employees, suppliers, customers and other stakeholders.

In order to articulate and deploy a policy based on these environmental commitments, the most

significant ones are identified at the corporate level, according to their impact on the environment and the external requirements, which are then contrasted with the management systems of each company and the environmental priorities in each business activity.

Then, in a specific and operational manner, the main environmental measures are linked to three key risks:

- The fight against climate change.
- Efficient use of resources.
- Respect for biodiversity.

For each of these priorities, objectives and improvement programs are established for each company or groups of companies. The responsibility for overseeing the environmental performance of the ACS Group falls upon the Environmental department of each group of companies.





6.4.1. CLIMATE CHANGE

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

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

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

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

In 2017 the ACS Group reduced its emissions, considering the period from 2015 to 2017, in both absolute and relative terms (based on revenues) in all activities. A significant part of this reduction was due to the sale of Urbaser, at the end of the year, which was the Group company with the highest emissions. The ACS Group's emissions intensity therefore dropped by 65% compared to 2014, therefore bringing the Group closer to reaching its climate change targets. ACS Group companies have carried out initiatives in 2017 to reduce CO₂ emissions, with an estimated emission savings of 19,682 tons of CO₂, resulting from initiatives such as the LIFE Huellas project of the company Vías, which is an analysis tool that supports decision making aimed at the planning of railway works, which optimizes each work considering, in addition to cost and time, the environmental impact.



For further information:
3.3 Which addresses the sector's
challenges and opportunities

CO ₂ emissions by area of activity (tCO ₂ eq)	2014*	2015	2016	2017
ACS GROUP'S TOTAL	16,584,914	8,454,528	7,019,256	5,831,059
Scope 1	5,492,986	3,101,441	2,104,164	2,366,580
Scope 2	363,767	255,510	242,506	368,021
Scope 3***	10,728,161	5,097,577	4,672,586	3,096,457
Emissions intensity (total emissions/revenues)	487	272	240	181
CONSTRUCTION: TOTAL EMISSIONS**	12,370,617	8,333,390	6,910,850	5,716,511
Scope 1	5,213,013	3,031,124	2,045,914	2,306,152
Scope 2	292,503	226,452	219,263	336,866
Scope 3	6,865,102	5,075,813	4,645,673	3,073,492
Emissions intensity (total emissions/revenues)	496.4	358.3	313.6	230.3
INDUSTRIAL SERVICES: TOTAL EMISSIONS	136,365	98,965	85,583	90,740
Scope 1	99,199	54,476	44,326	46,676
Scope 2	13,412	22,725	16,430	24,604
Scope 3	23,754	21,764	24,827	19,459
Emissions intensity (total emissions/revenues)	21.8	15.4	14.8	15.1
SERVICES: TOTAL EMISSIONS	4,077,932	22,173	20,737	23,808
Scope 1	180,773	15,841	13,924	13,752
Scope 2	57,853	6,333	6,813	6,551
Scope 3	3,839,306	ND	ND	3,506
Emissions intensity (total emissions/revenues)	1,426.1	16.1	14.7	16.5

* In 2014 Services includes Urbaser.

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

*** Scope 3 emissions include those calculated for employee travel. In HOCHTIEF and CIMIC they include those calculated referring to the Supply Chain (Cement, Timber, Waste and Steel). In 2017, the emissions for Scope 3 include Clece's travel data.

PLAN TO REDUCE CLECE'S CARBON FOOTPRINT

In line with the objective established in the 20-20 Plan of the ACS Group for rationalization and efficient use of energy products, Clece is committed to calculating the company's carbon footprint annually in order to identify areas for improvement and establish measures to reduce it.

Clece performs the calculation of the direct, indirect and associated emissions in relation to the rendering of its services (scope I, II and III). As a result of this analysis, it has established an emissions reduction plan.

For direct emissions (scope I), action has been taken such as the replacement of fleets and machinery with hybrid or electric technologies, conducting preventive maintenance programs and the implementation of good driving practices.

For the emissions associated with the rendering of services (scope III), it promotes the execution of energy efficiency actions in the centers in which the maintenance is performed. Measures are implemented such as the renovation of lighting, the installation of presence detectors, the renovation of boilers, heat pumps and other equipment, the implementation of telemanagement measures and energy management systems based on ISO 50,001, or the implementation of renewable energies.

The monitoring of the plan is performed annually through the inventories of greenhouse gases, which Clece and Talher verify annually through the accredited agency AENOR.



● SCOPE 1 **10%**
● SCOPE 2 **2%**
● SCOPE 3 **88%**

TOTAL
42,676 tCO_{2e}

SCOPE 1
4,312 tCO_{2e}

SCOPE 2
807 tCO_{2e}

SCOPE 3
37,557 tCO_{2e}



6.4.2. EFFICIENT USE OF RESOURCES

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

ENERGY CONSUMPTION

Energy is one of the main resources used by ACS Group companies. The energy consumption of

the Group is influenced by the weight of the works carried out during the year, whereby given the strong diversification of the group certain activities are more energy intensive. However, by observing the trend since 2014, a decrease in the Group's energy intensity by 55% can be seen, as a result of the sale of Urbaser, and by 20% since 2015, the year in which Urbaser's consumption was no longer considered. The different companies of the ACS Group are carrying out different initiatives in order to promote conservation and efficiency.

Energy consumption (kWh)	2014*	2015	2016	2017
ACS Group's Total	22,255,997,182	12,491,323,013	8,868,113,189	9,957,472,145
Construction	20,844,103,319	12,098,557,642	8,547,226,929	9,595,936,618
Industrial Services	442,222,531	301,060,332	235,766,578	277,983,109
Services	969,671,332	91,705,040	85,119,682	83,552,418
ACS Group Energy intensity (kWh/mn EUR in Revenues)	653,637	402,453	303,604	308,523

* In 2014 Urbaser was included.



DRAGADOS' BEST PRACTICES MANUAL

The responsibility of Dragados in regards to the environment for each one of its activities is reflected in the development of three Best Practices manuals available to its employees. These manuals have been developed according to the type of activity: offices, works or in permanent centers.

These manuals are available to all employees and contractors, in the construction sheds and bulletin boards. The workers are the main players involved in the development and implementation of practices that are more respectful of the environmental, with the support and guidance of the senior management of the company.

The management is responsible for implementing the necessary training processes and providing the adequate means for the conducting of the activities. For this reason Dragados promotes the environmental awareness of its workers on a regular basis, in accordance with the needs of the project and the respective environment, through specific training or awareness campaigns.

The Manuals include the considerations and best practices to be implemented in regards to four common environmental aspects such as water, energy, raw materials and waste. In addition, the specific manuals for works and permanent centers have additional scopes of action such as noise, dust, vibration, biodiversity, traffic or people, which are priority issues for the respective operations.



EFFICIENT USE OF WATER RESOURCES

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

The ACS Group has adequate measurement systems (at the project, company and corporate level), which provide detailed knowledge of the main sources of consumption, information that enables the Group to implement the most appropriate efficiency measures for each case. Then in 2017, the source of 98% of the total water consumption of the ACS Group was identified, which considers that, within this scope, 71 % of the water was collected from the surface (sea, rivers, lakes, etc.), 3% of the water was collected from wells and groundwater sources, 10 % of the water consumed is recycled or reused, and the remaining 16 % comes from the municipal network or other private or public sources.

It is noteworthy of mention that the Group also performs exhaustive control on the quality of the water discharged into the environment, in order to ensure the discharges do not have significant effects and always comply with that stipulated by law. In addition, during the 2017 year, 3,180,042 m³ of water were returned to the environment at the same or better conditions in terms of quality, than when it was extracted.

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

Efficient use of water resources	2014*	2015	2016	2017
TOTAL ACS GROUP				
Total water consumption (m ³)	28,324,846.7	34,171,672.2	45,485,640.3	63,167,930.6
Wastewater discharges (m ³)	9,456,047.8	11,803,032.4	15,340,485.1	23,631,302.4
Volume of water reused or recycled (m ³)	ND	5,171,994.3	5,428,101.7	6,255,045.4
Ratio: m ³ of water consumed / Revenues (€ mn)	831.9	1,101.0	1,557.2	1,957.2
CONSTRUCTION				
Total water consumption (m ³)	8,917,733.0	14,212,769.3	13,631,804.0	13,410,495.7
Wastewater discharges (m ³)	739,519.2	630,250.8	808,495.5	641,248.3
Volume of water reused or recycled (m ³)	ND	5,171,634.3	5,427,801.7	6,253,157.3
Ratio: m ³ of water consumed / Revenues (€ mn)	831.9	611.2	618.5	540.4
INDUSTRIAL SERVICES				
Total water consumption (m ³)**	13,446,247.5	19,958,902.9	31,853,836.3	49,112,384.9
Wastewater discharges (m ³)	7,528,438.8	11,172,781.6	14,531,989.6	22,990,054.1
Volume of water reused or recycled (m ³)	ND	360.0	300.0	1,888.1
Ratio: m ³ of water consumed / Revenues (€ mn)	2,144.8	3,115.2	5,525.6	8,170.1
SERVICES				
Total water consumption (m ³)	5,960,866.2	0.0	0.0	645,050.0
Wastewater discharges (m ³)	1,188,089.8	0.0	0.0	0.0
Volume of water reused or recycled (m ³)	ND	0.0	0.0	0.0
Ratio: m ³ of water consumed / Revenues (€ mn)	2,084.7	0.0	0.0	446.2

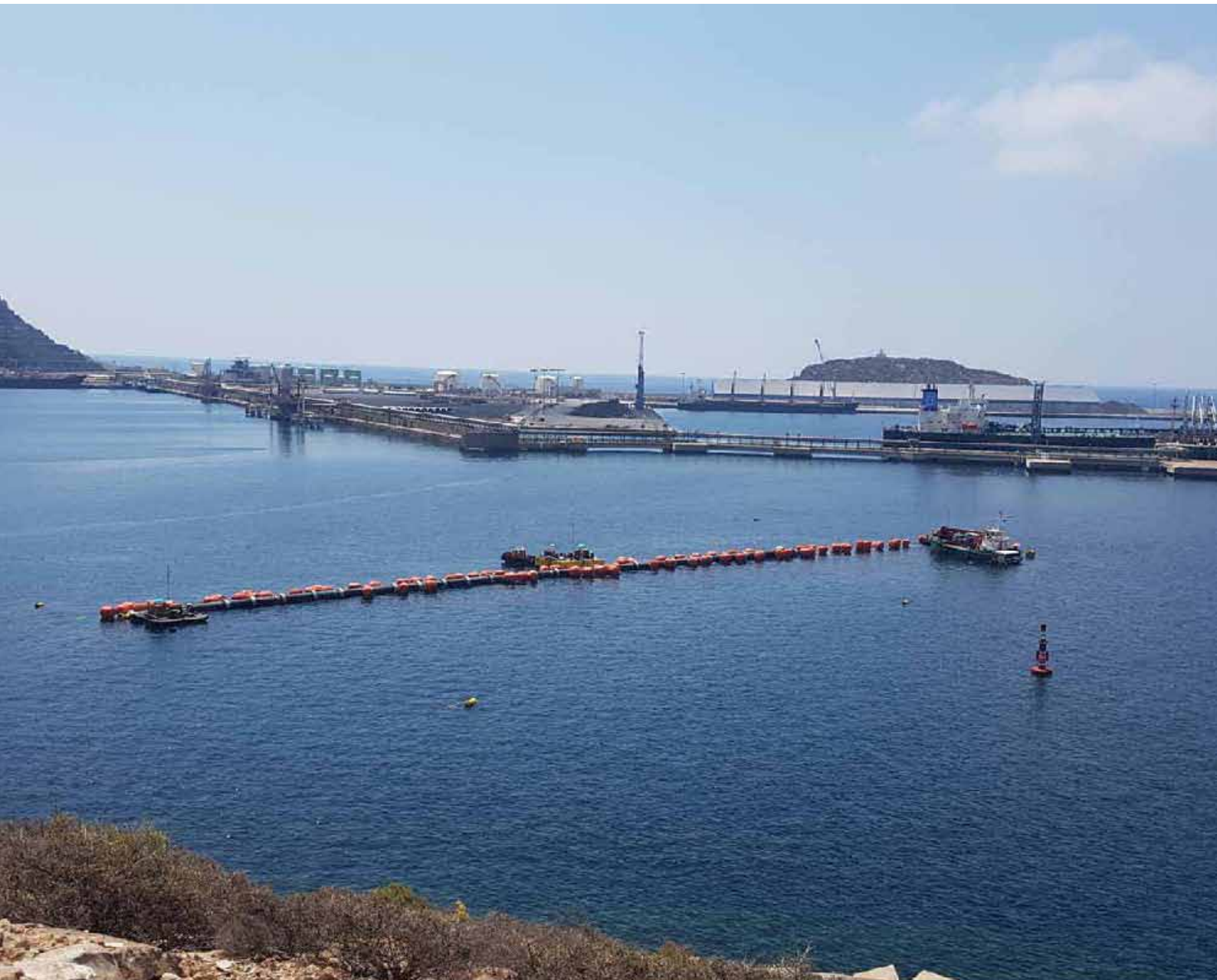
* In 2014 Services includes Urbaser.

** In 2016 total water consumption of Industrial Services included 31,638,607 m³ litres from Tedagua compared to the 18,107,550 m³ in 2015, due to the start-up of the Escomberas desalination plants. In 2017 the increase in Industrial Services is due to the plant operating at 100% for the entire year.

WATER CONSERVATION PROGRAM AT BALIKPAPAN SUPPORT FACILITY

To meet operational requirements at Thiess' Balikpapan Support Facility, the team tackled the challenge of achieving more environmentally-friendly, cost-effective clean water sources. They developed a regional-first water conservation program comprising rainwater collection and the upgrading of the facility's Wastewater Treatment Plant (WWTP).

On average, 5KL/day of water can now be reused from the WWTP and 40KL/day of water can be collected from the rainwater tank, delivering a total additional intake of 45KL/day of fresh water. Groundwater consumption has reduced from 30KL per day to 10KL per day. Water handling and sourcing fresh water costs have been reduced by 81% without any additional use of potable water.



WASTE MANAGEMENT

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

Waste is managed in accordance with the regulations in force in each country. The facilities have the corresponding authorisations for producers of hazardous waste, which allow for their recording, inventory taking, storage and management. The non-hazardous waste generated is reused at the production site or collected by

an authorised manager for treatment, recycling or reclamation or, failing this, for disposal in controlled dumps.

The ACS Group also generates other hazardous waste or waste specifically regulated that must be treated, respectively, by an authorised hazardous waste manager or by an Integrated Waste Management System. Hazardous waste is, in general, delivered to authorised waste managers in accordance with the legislation in force. During the 2017 year, the ACS Group companies have transported 0.02% of the total hazardous waste internationally.

Waste management	2014*	2015	2016	2017
ACS Group				
Non-hazardous waste sent for management (t)	4,032,274	4,408,470	2,877,029	9,342,325
Hazardous waste sent for management (t)	171,643	310,993	50,888	126,622
CONSTRUCTION				
Non-hazardous waste sent for management (t)**	3,864,620	4,354,210	2,826,402	9,253,713
Hazardous waste sent for management (t)	152,935	308,848	49,255	125,812
INDUSTRIAL SERVICES				
Non-hazardous waste sent for management (t)	149,790	54,260	50,599	88,513
Hazardous waste sent for management (t)	2,312	2,141	1,618	747
SERVICES				
Non-hazardous waste sent for management (t)	17,864	ND	28	99
Hazardous waste sent for management (t)	16,396	5	15	63

* In 2014 Services includes Urbaser.

** In 2017, Hochtief's non-hazardous waste has increased from 2,095,029 tons to 8,736,708 tons, mainly due to the increase in large projects involving tunnels operated by Hochtief Asia Pacific.



SUSTAINABLE CONSTRUCTION

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

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



Materials
policy

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

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

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

Since 2000, a total of Hochtief 749 projects have been registered and certified in accordance with the respective certifications in terms of efficient construction.

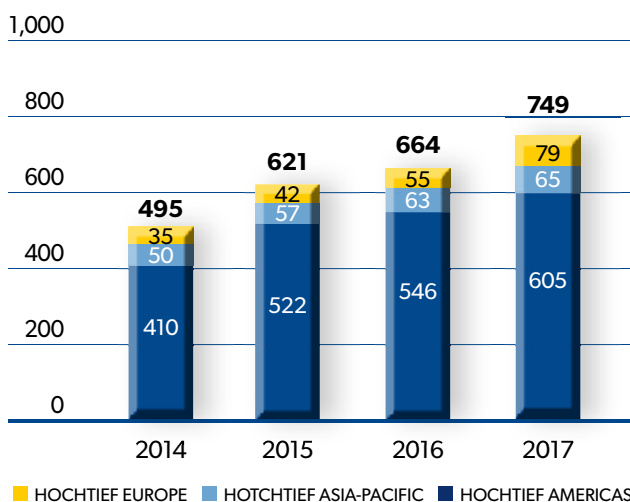
Turner mainly adopts the LEED standard. While, CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) and LEED in its construction activities, while HOCHTIEF mainly adopts the DGNB, LEED and BREEAM certifications in Europe.

Similarly, 27 projects were certified in terms of efficient infrastructure since 2013 (CEEQUAL, ISCA and Greenroads).

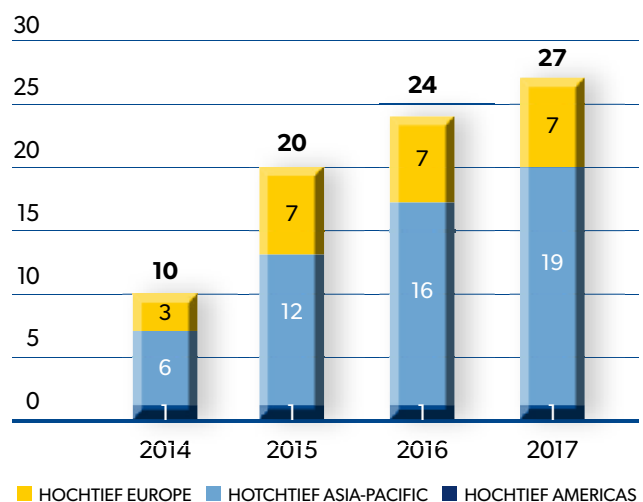
Also, during the 2017 year, Dragados has begun the certification of various building projects.

The ACS Group companies also develop projects aimed at reducing the consumption of construction materials, as well as its reuse and recovery. For example, in 2017 Drace Infraestructuras began an R&D project aimed at the recovery of slag from the steel mill in order to be utilized as a partial replacement of cement in the manufacture of prefabricated buildings and other components of concrete. In 2017 the tests were performed in the laboratory, which analyzed the respective compositions and mixtures, as we have now initiated the process for the manufacture of prototypes of different components in our Factory in Sagunto, for the relevant testing and assessment of the commercial use of the research and development executed. It is also working on projects for the development of new materials to improve the energy efficiency of buildings.

GREEN BUILDINGS OF HOCHTIEF*



GREEN INFRASTRUCTURE OF HOCHTIEF**



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

DRAGADOS' BRIMEE PROJECT

The R&D project “BRIMEE: Cost-effective and sustainable Bio-Renewable Indoor Materials with high potential for customization and creative design in Energy Efficient buildings” approved in the call EeB.NMP.2013-2: Safe, energy-efficient and affordable new eco-innovative materials for building envelopes and/or partitions to provide a healthier indoor environment, has been co-financed by the European Union within the 7th Framework Program and has developed over four years since July of 2013.

The main objective of the project, has been the development of a new generation of insulation materials that improve the energy efficiency of buildings, avoiding the emission of harmful substances and acting as a buffer for indoor pollutants. The material solutions developed within the scope of the BRIMEE project are made with a Nano-Crystalline Cellulose (NCC) based foam and reinforced with a bio-based resin, which provides self-extinguishing characteristics in addition to thermal insulation.

The NCC is a residual bi-product left over from the paper manufacturing process available in large quantities, which is why its alternative applications are of great environmental value.

In the Cabezas de San Juan factory, DRAGADOS installed the NCC panels manufactured in the project through the use of a prototype production line. The NCC panels were installed as an insulating component on some of the walls of the modules and also the rock wool insulation. Through a monitoring system and a set of sensors installed both inside and outside the building, values of thermal transmittance, temperature and humidity were obtained that could be correlated with those corresponding to the behavior of the rock wool, proving that thermal insulation effects the NCC has, being similar in behavior to that of other insulating materials existing in the market but with the added benefit of solving an environmental problem.

SUSTAINABLE CONSTRUCTION BY DRAGADOS

Following the demand of the customers in the field of sustainable building and in line with the commitments set out within the ACS Group, Dragados is increasingly building construction projects in accordance with the criteria of sustainability.

In 2018, the building projects for which the LEED and BREEAM certificates are required to have been obtained, have increased; while as of February 2018, 17 works of this type were under construction representing a value of more than € 400 million and another 17 are in the bidding process.

A notable example of this type of project is the BREEAM construction and certification project of a new logistics warehouse of 60,000 m² for Amazon in El Prat de Llobregat, Barcelona. The BREEAM certification has been obtained for the logistics warehouse, which was classified as being Excellent (74%), which even exceeded the customer's requirements.



6.4.3. BIODIVERSITY

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

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

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



ENVIRONMENTAL MANAGEMENT PLAN M11

A report from 2013 indicated that at the Scarawalsh roundabout, north of Enniscorthy on the M11, there are approximately 15,000 traffic movements and up to 2,000 of these are heavy-duty vehicles. This amount of traffic has had and continues to have a negative impact on the population of Enniscorthy in regards to the following aspects:

- Noise.
- Traffic congestion.
- Quality of air due to vehicles stuck in traffic.
- The local economy is suffering due to the unavailability of easy access in and out of the city.

Due to this, the Transport Infrastructure department of Ireland decided to avoid the municipality of Enniscorthy, when it ordered the construction of the M11 highway from the end of the Gorey encircling highway in Clogh to the city of Scurlockbush, south of Enniscorthy. The project also includes a by-pass of the N30 west of Enniscorthy and a highway connecting with the N80, which is the main highway to New Ross, which serves to further reduce the traffic congestion in the city.

The strong commitment and motivation to protect the environment impacted by this project in which Dragados is working, will remain when the works are completed. Qualified specialists are hired to provide advice on environmental matters and we take measures using the best available techniques to reduce our impact on the environment, thus taking measures to design and build the works in accordance with the highest standards.

The mitigation measures can be divided into the following areas:

• **Flora**

Within the confines of the project, two non-native plant species have been identified, Japanese Knotweed and Himalayan Balsam, whereby strict controls to prevent their spread have been implemented.

• **Wildlife**

Specific mitigation measures are taken for each of the species that inhabit the construction areas, for example: badgers, otters, bats, birds, etc. Mitigation measures includes marginal planting at balancing ponds as well as planting woodland hedgerows and grassland; creating new artificial habitats for the animals to relocate in,... all made after consultation with the relevant ecologists.

• **Noise and vibrations**

The noise and vibration are constantly monitored in the project with 27 noise and vibration stations designated for areas where the blasting is performed. If any control indicates that the noise or vibration levels have exceeded the acceptable thresholds indicated in the contract, then the plant or equipment causing the noise / vibration is immediately and appropriate measures would be taken. To date, the acceptable thresholds have not been exceeded.

• **Streams**

Methods have been implemented to control the runoff of mud and the suspended solids from entering watercourses, in addition, mud levies have been installed along with other ditches to control the flow. Expert ecologists are controlling the streams on a weekly basis in order to ensure no problem occurs during the progress of the works.

• **Archeology**

To protect and identify any historical or archaeological site discovered in the project, the Irish Archaeological Consultancy was contracted to work in the project and to do a continuous monitoring. It will serve as a liaison with the National Monuments Service in Ireland in case of any finding, that will be immediately inform.

6.5. SUPPLIERS AND CONTRACTORS

99.2%

ADHERENCE WITH THE ACS GROUP'S CODE OF CONDUCT

97.7%

ANALYSIS OF THE LABOR STANDARDS AND PRACTICES OF SUPPLIERS AND SUBCONTRACTORS

99.4%

EVALUATION OF CERTIFICATION IN ENVIRONMENTAL ASPECTS

100%

EVALUATION OF CERTIFICATION IN QUALITY ASPECTS

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

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

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

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

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

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

In the first instance, the customer determines the type of suppliers through contracts, as well as the

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

If suppliers of services and materials are directly contracted by the ACS Group, whether through a central purchasing department or in a decentralised manner by construction managers, detailed management and control processes are defined, which have the following points in common in all Group companies:

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



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

SUPPLIER APPROVAL SYSTEMS

Companies representing 98.7% of the ACS Group's procurement expenses have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which

is subsequently used by the construction managers of the projects and provides them with information on the suitability or otherwise of a supplier to fulfil the intended task. The main concepts used for approving suppliers are as follows:

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

Level of implementation of the non-financial criteria in the suppliers approval (% of ACS Group purchases)	2016	2017
Adherence with the ACS Group's Code of Conduct	96.1%	99.2%
Evaluation of adherence with international standards in relation to human rights and labor rights	83.2%	90.1%
Evaluation of certification in quality aspects (ISO9001)	99.1%	100.0%
Evaluation of certification in environmental aspects (ISO14001, EMAS or equivalent)	98.3%	99.4%
Analysis of the labor standards and practices of suppliers and subcontractors	97.5%	97.7%



ADVANCES IN THE ACS GROUP'S PURCHASING MANAGEMENT

In line with the objectives established in the ACS Group's 2020 Plan, a significant number of group companies are making progress in terms of supply chain management and the inclusion of the non-financial criteria in their procurement processes.

Thus, during the 2017 year, companies such as Geocisa, Dossa and Sice, have implemented changes to its procedures and internal bylaws in order to make progress in this regard. The main advances have been made in the following areas:

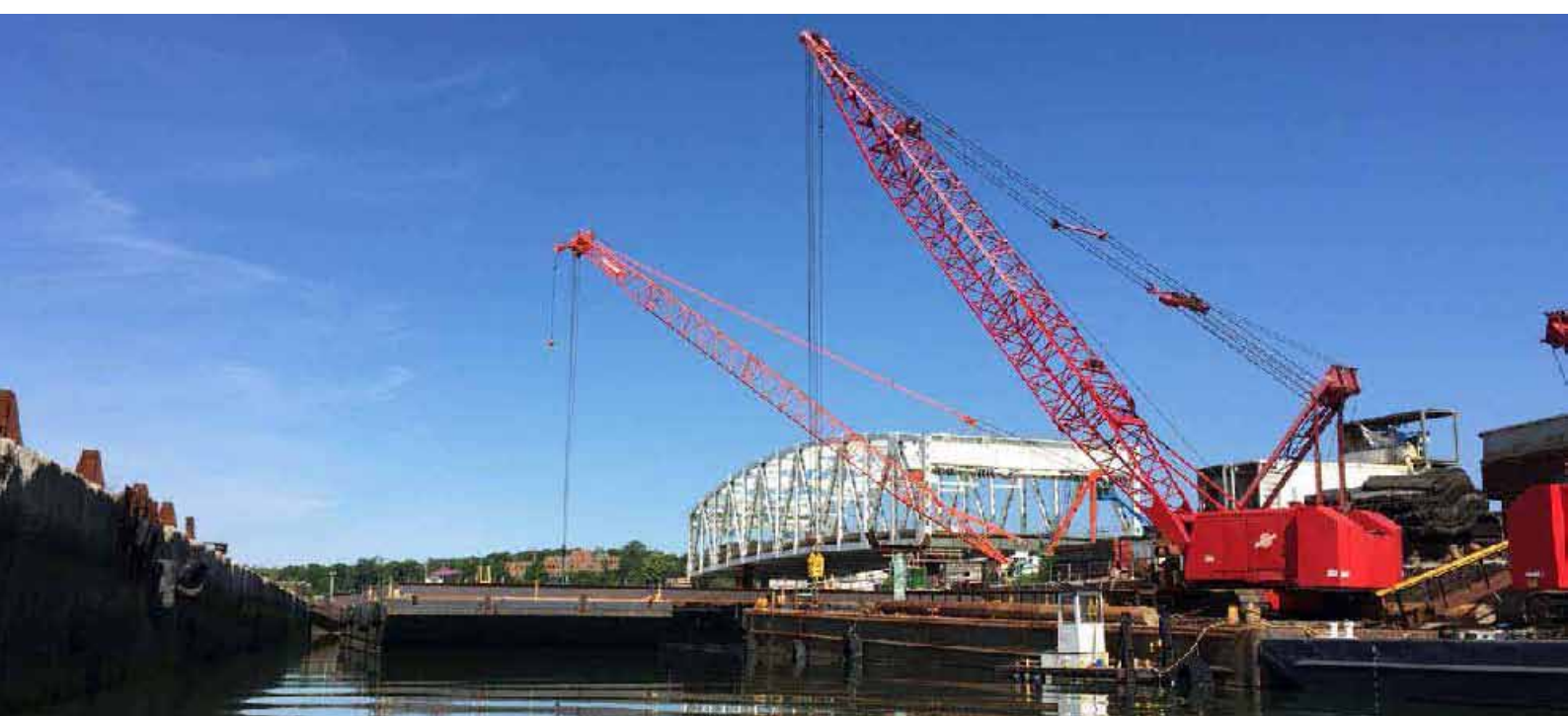
- The inclusion of the CSR criteria in the approval of suppliers and contractors. Among other criteria, the following is taken into consideration:
 - Adherence to international initiatives regarding this matter such as the United Nations Global Compact or that which provide for specific certifications such as SA8000 or others.
 - The existence of commitments or policies of specific actions taken by the Supplier/Contractor with respect to aspects of labor rights and compliance in regards to environmental, social or ethical matters.
- The establishment of criticality levels for the most relevant suppliers, using criteria such as the volume

of purchases made, the complexity of the work or previous experience, as well as the possible impact of deviations in the schedule, project finances or risk in terms of safety and the environment.

- The performance of follow-up audits for critical suppliers and contractors.

During 2017, the new commitments began to be implemented, thereby sending the approval questionnaires with the additional CSR section, and performing the corresponding audits of the most important suppliers. Advances are also being made in the control of the links in the supply chain, although it is identified as a challenge, for which continued efforts are required.

In addition, in 2017 the ACS Group's subsidiary Hochtief, has started a collaborative effort with the sustainable rating agency EcoVadis to advance sustainability and transparency in its supply chain. During 2018, the analysts of EcoVadis assessed 100 strategic partners, specifically in regards to sustainability, including environmental protection, labor and human rights, fair trade practices and supply chains. Where risks are identified, supplier development measures will be developed, which may also occur if they receive a negative assessment once the business relationship is established.



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

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

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

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

ANALYSIS OF CRITICAL SUPPLIERS

The ACS Group's companies carry out an analysis to identify critical suppliers in their supply chains. The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers.

Therefore, companies that represent 94.9% of the Group's procurement expenses have determined processes to identify critical suppliers. As a result of these processes, the main data from the analysis of critical suppliers is as follows:

- Companies representing 83.06% of suppliers have performed this analysis.
- Of these, 5.9% are considered critical suppliers.
- These suppliers represent 37.5% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key customer to their business activity.

Likewise, given the importance of the supply chain analysis for risk management, ACS Group companies have begun to identify critical suppliers of their direct suppliers.

AVERAGE PAYMENT PERIOD TO SUPPLIERS

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

	2016	2017
	Days	
Average payment period to suppliers	82	65
Ratio of payments made	84	66
Ratio of payments pending	78	64
	Thousands of Euros	
Total payments made	2,626,562	2,403,985
Total payments pending	1,613,286	1,494,087

6.6. COMMITMENT TO QUALITY WITH THE CUSTOMER

83.0%

PRODUCTION
CERTIFIED IN
ACCORDANCE
WITH ISO 9001
CONSTRUCTION

94.8%

PRODUCTION
CERTIFIED IN
ACCORDANCE
WITH ISO 9001
INDUSTRIAL SERVICES

96.0%

PRODUCTION
CERTIFIED IN
ACCORDANCE
WITH ISO 9001
SERVICES

86.8%

PRODUCTION
CERTIFIED IN
ACCORDANCE
WITH ISO 9001
TOTAL ACS GROUP

6.6.1. QUALITY IN OUR ACTIVITIES

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

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

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

In order to move forward in this regard, most Group companies have a quality management system. These systems are audited on a regular basis to verify compliance therewith in conformity with the benchmark standard, customarily ISO 9001.

The improvement targets customarily set are as follows:

- Obtain and expand the scope of the certifications, especially with regard to developing a new technique or expanding activities to a new geographical area.
- Implement tools to improve management.
- Improve specific performance indicators.
- Improve the training of supervisors, operators and works managers.
- Increase customer satisfaction indices, reducing complaints due to problems in execution and incidents.
- Comply with delivery periods, adjusting to quality expectations.
- Investment in measures to promote and improve quality.



Production certified in accordance with ISO 9001

	2016	2017
Construction	86.9%	83.0%
Industrial Services	94.5%	94.8%
Services	96.0%	96.0%
ACS Group's Total	89.7%	86.8%

Other management indicators

	2016	2017
Number of Quality Control audits	1,582	1,440
Number of Quality Control Audits per million of Euros	0.078	0.061
Investment in measures to promote and improve Quality*	3.6	3.7
Intensity of investment in measures to promote and improve Quality (investment in Euros / Millions of Euros in Revenues)	175.79	156.55

* In 2016 and 2017 these indicators achieved a level of approximately 57% and 55% of the Group's revenues, respectively, and these ratios were therefore calculated based on this revenue.



6.6.2. CUSTOMER RELATIONS

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

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

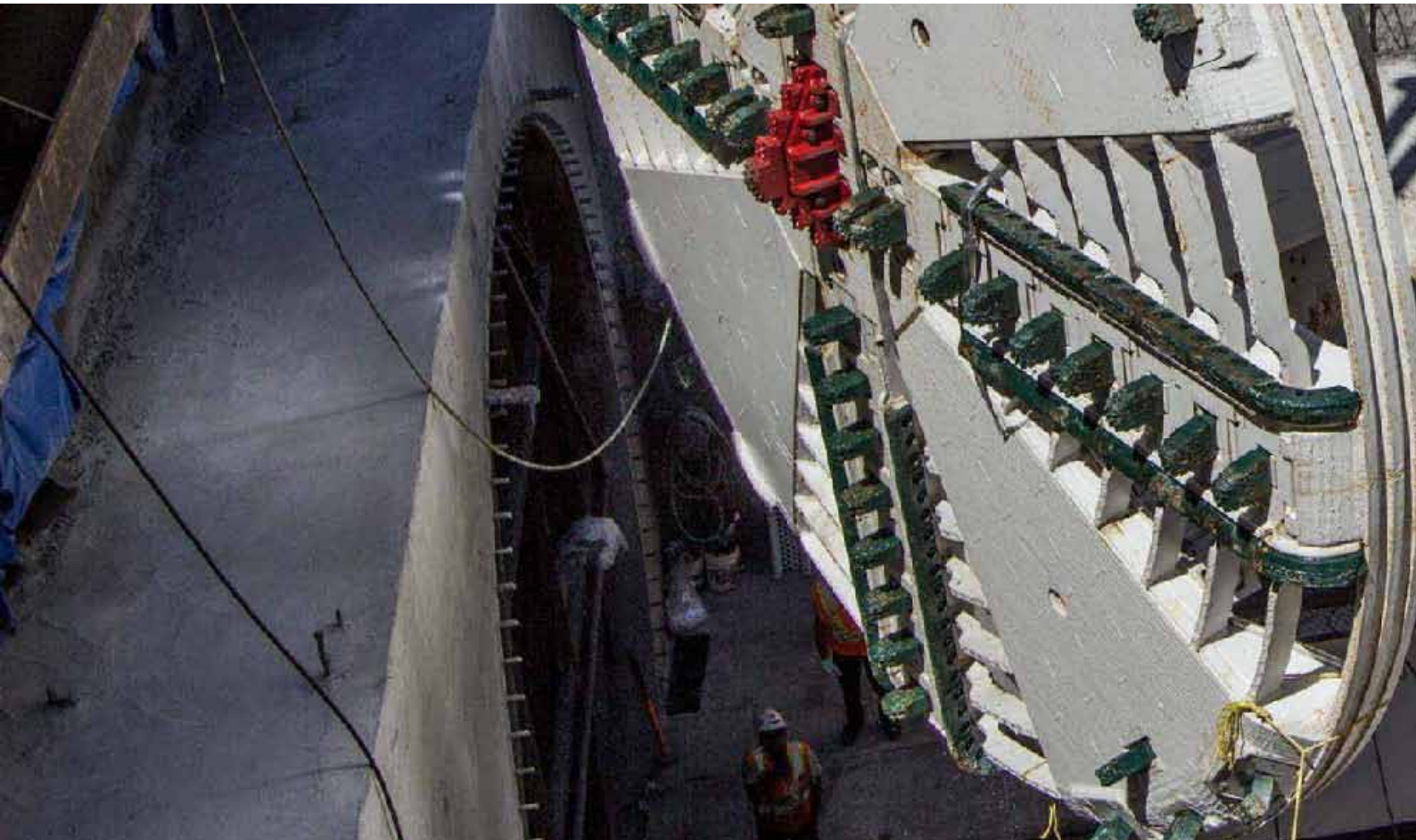
- Focus on problem solving.
- Customer relationship feedback.
- Information on the ACS Group's capabilities.
- Identification of future needs and opportunities for collaboration.

FOLLOW-UP AND COMMUNICATION

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

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

Similarly, computerised customer relationship management (CRM) systems are gradually being implemented to collect information relating to customers, in order to facilitate analysis and the carrying out of actions to improve satisfaction. In 2017 ACS Group companies representing 80.9% of revenues have implemented a computerized CRM system.



CUSTOMER SATISFACTION

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

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

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

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

Main Management Indicators - Customers	2016	2017
Number of customer satisfaction surveys received*	1,000	1,138
Responses from "satisfied" or "very satisfied" customers as a percentage of the total surveys RECEIVED (%)	92.6%	87.3%

* In 2016 and 2017 these indicators reached a coverage of 31.64% and 29.66% of revenues, respectively.



6.7. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

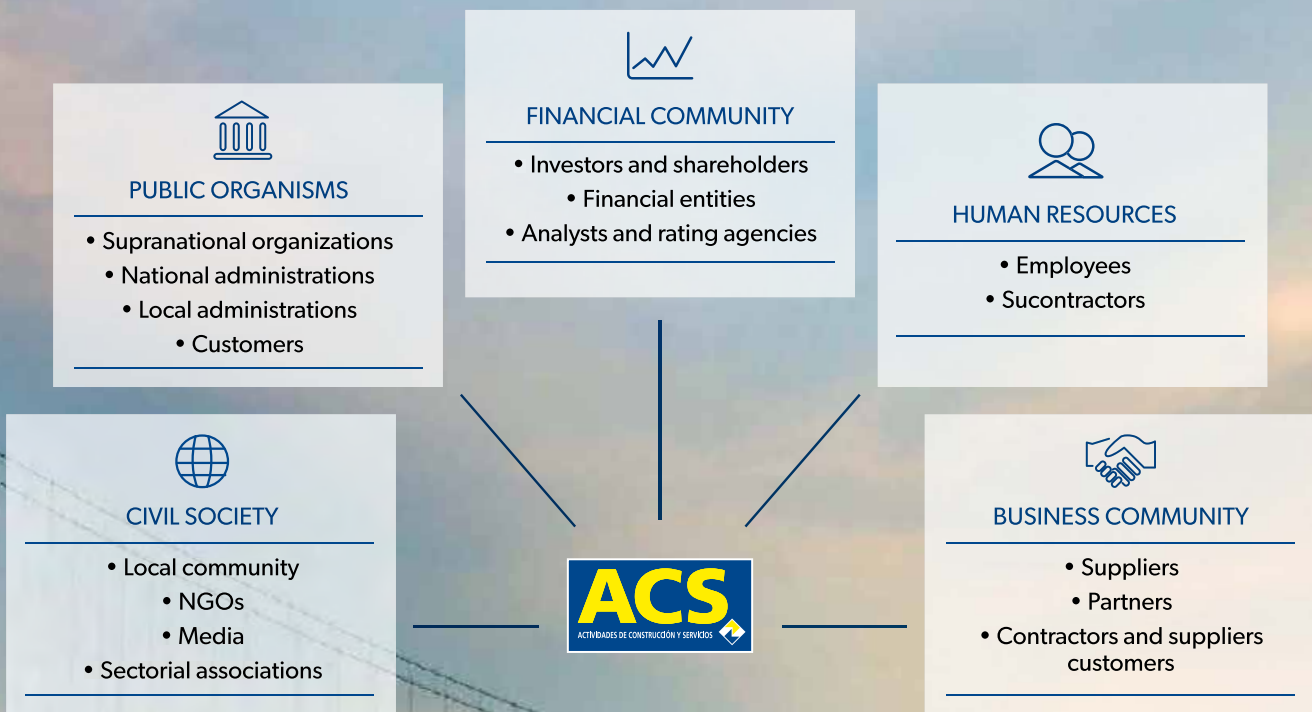
[102-42], [102-43]

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives or that may be affected by its activities. The ACS Group's basic principles for action in relation to its stakeholders and the environment are based on complying with the Spanish and international legislation in force, and fulfilling the corporate social responsibility commitments voluntarily subscribed to by the ACS Group.

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

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

[102-40]





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

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

* The ACS Group made no financial or in kind contributions to political parties in 2017. The subsidies received by the ACS Group in 2017, as shown in the Group's consolidated balance sheet, included in the economic financial report published together with this report, totaled € 4.07 million.

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

It should be noted that within the framework of the definition of material aspects of this report, the ACS Group consulted its stakeholders in the 2016 year, in order to identify those areas of the company's management, that they considered to be most important. The results of the survey are provided in point 9.2. Identification of material aspects. Likewise, during the year the main subsidiaries of the various

divisions of Construction, Services and Concessions, as well as Industrial Services have been working to undergo independent external audit procedures in order to obtain certificates of criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001), whereby, in particular for the latter, the procedures for relations with certain interest groups are included.

COMMITMENT TO INFORMATION TRANSPARENCY

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

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

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

Transparency Indicators	2016	2017
Website		
Visits to the website	412,119	351,168
Page views	1,432,829	1,104,324
% of new visitors	4%	3%
Shareholders and Investors		
Meetings organized by Investor Relations Department	271	282
Calls/emails from attending shareholders	473	595

• Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.

• Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.

• Contributing to the make-up of a positive corporate image which helps to achieve business objectives and commercial activity.

• Maintaining a fluent relationship with external agents, particularly with representatives of the media.

• All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

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

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



6.8. INNOVATION

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

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

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

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

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

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

THE ACS GROUP INVESTED €30 MILLION IN TOTAL, IN RESEARCH, DEVELOPMENT AND INNOVATION IN 2017⁹.

IN 2017, THE ACS GROUP HAD 128 PROJECTS UNDERWAY AND REGISTERED 6 PATENTS. OVER THE LAST 10 YEARS, GROUP COMPANIES HAVE REGISTERED A TOTAL OF 64 PATENTS.*

9. This indicator reached a coverage of 52.93% of revenues in 2017.



6.8.1. CONSTRUCTION

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

In accordance with the targets established by the head companies, at the end of 2017 the ACS Group's

construction companies had a total of 73 projects in progress¹⁰. A total of €11.5 million was invested in 2017 in order to conduct its R&D activities.¹⁰

¹⁰ The figure represents a coverage of approximately 32% of Construction revenues due to the fact that Hochtief Asia Pacific data is not incorporated.

EXPANSION OF BIM CAPABILITIES AT HOCHTIEF

Building information modeling (BIM) is the digital tool of the future for the execution of projects. The design and construction of projects using BIM is what customers in many countries are currently demanding. The methodology is based on actively connecting all the people participating in a project using 3D computer models that can be detailed with additional information, such as deadlines, costs and utilization.

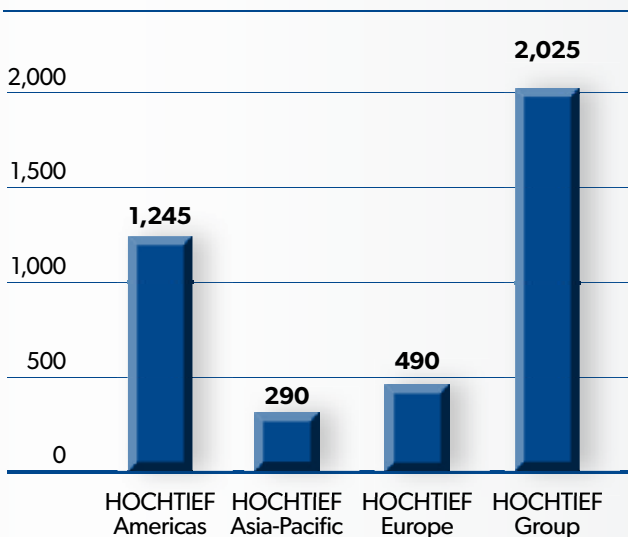
Based on this model, project participants can also calculate the carbon footprint and possible savings.

HOCHTIEF recognized this potential from the outset and founded the company HOCHTIEF

ViCon GmbH, which specializes in these methods. The objective is for HOCHTIEF ViCon to be the BIM expert for all of HOCHTIEF. This is the reason why the HOCHTIEF Academy together with ViCon will promote the expansion of its course offerings on this subject in 2018. The US subsidiary Turner undertakes almost all its projects with BIM. In Australia, the demand for BIM is also on the rise: in December 2017, the companies CIMIC CPB Contractors, Leighton Asia, UGL, Sedgman, Pacific Partnerships and EIC Activities were the first companies in Australia and Asia to win the Kitemark Certification for its exceptional services using BIM in planning and construction. Awarded by the British Standards Institution (BSI), the distinction serves as an international benchmark in the field for the services of digital engineering and project implementation. In Europe HOCHTIEF has a significant influence on BIM, which it has focused its attention on. HOCHTIEF ViCon collaborates with several universities on the training of future users of BIM. In addition, the employees of the company are part of the committee that is working together with the federal government to create the phases of the BIM plan for Germany. An increasing number of customers, in particular from the public sector, are requesting BIM Applications, which opens up opportunities for HOCHTIEF due to its experience in the market.

Thus, in 2017 the number of completed projects accumulated using BIM increased to 2,025 projects (compared to 1,562 in 2016) and the number of employees trained on the subject stands at 819 (390 in 2016), all of which is in response to meeting the needs of the customers, while offering sustainable products and services and, therefore, improve its position in the market.

NUMBER OF HOCHTIEF GROUP PROJECTS DELIVERED USING BIM UP TO 2017





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VIAS' TUNNEL CURIOSITY PROJECT

One of the main objectives of VIAS in recent years has been the improvement of the maintenance processes of the railway superstructure and infrastructure. This objective has been addressed through successive developments aligned with predictive maintenance strategies, which have led to it positioning itself as an outstanding technological leader in this field. The Tunnel Curiosity project "Development of unmanned vehicle capable of multiple inspections in railway tunnels," financed by CDTI through the *Innterconecta* program, is part of this strategic line. It proposes the development of an automated inspection system that integrates data collection systems and information processing resources that allow for the identification of the various defects previously defined, while replacing the current methodologies with a single platform, thus reducing time, improving reliability of the diagnosis of the failures and optimizing the management of the information, which promises a significant improvement in the maintenance processes.

In order to carry out this ambitious project, work has primarily been carried out on the aspects related to the characterization of the defects of the railway and the related infrastructures (with special emphasis on the tunnels), and later on the data collection and processing systems, followed by the assembly of the respective systems, as well as the partial validation under different scenarios. The project includes the identification and integration of new technologies that are suitably adapted for the variety of inspections to be performed. With regard to the inspection of the railway superstructure and geometric quality, the Track Geometry Measuring System - TGMS equipment has been integrated, which is an innovative system that makes it possible to perform versatile geometric control of the track in an effective manner. Other lines of the project are the automatic cataloging of defects in the rail according to the standard UIC Code 712-R_2002 Rail Defects and the development of new dynamic inspection techniques.

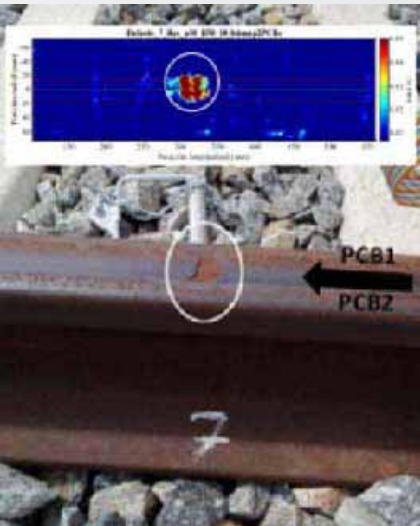
Additionally, the technique proposed by Vías for the early identification of surface damage is the PMFL (Pulsed Magnetic Flux Leakage) method. To apply this technique to the rail, which is already known in other sectors, it has been necessary to design a suitable prototype for product development, with the objective being for it to work at certain speeds and to improve the sensitivity to surface and sub-surface defects by detecting and determining the geometry of the cracks. This technique can be very useful for detecting oblique cracks in the rails of the high-speed tracks.

The methodology that has been proposed in the project, through the instrumentation of the maintenance vehicles themselves, allows for the recording of the dynamic response that these detect while in movement, while varying and adjusting the sampling frequency, the filtering frequency and the location of the the sensors, in order to collect all the necessary information and as a final step, cataloging the defects in an automatic manner.

On the other hand, for the inspection of the tunnel lining we have worked on the integration of conventional techniques in a combined manner (LIDAR, imaging, thermography, etc.), together with adequate lighting systems, whereby tests have been conducted in the tunnel of *A Pobra de San Xiao*, tunnel number 3 of the Construction Project "*Variante de San Julián*" in the province of Lugo.

Significant progress has been made in the processing of the data from the multiple sensors inside a railway tunnel, which has been validated by a significant number of laboratory tests. Innovative algorithms have been implemented that facilitate the selection and obtaining of information of interest from the large volume of data obtained by all the sensors. To complete the functionality it is intended to apply algorithms for real-time decision making by making use of the latest techniques developed for the pattern recognition application and that of neural networks, known as Deep Learning, which provides the system with a semi-intelligent capacity to translate the information into valid data, which may be utilized in conjunction with the patterns or rules that allow the system to learn from itself based on the cumulative experience.

The actual environments in which the technology is being validated are found in the Olmedo high-speed track maintenance base (Valladolid) and in the Quejigares and Archidona tunnels of the Antequera-Granada high-speed line (involving two tunnels of different types: the Quejigares tunnel is a 55 m² two-way section, built with a tunnel boring machine, while the Archidona tunnel, representing a section of 85 m², is a single-track tunnel, excavated by using conventional methods).



Detection of defects in a previously defined rail .



DRAGADOS' INFRARISK PROJECT

The "INFRARISK R&D project: Novel indicators for identifying critical INFRAstructure at RISK from natural hazards", co-funded by the European Commission within the scope of the 7th Framework Program, started in October 2013 and was completed in September 2016. The project, structured under the research priority "ENV-2013.6.4-4 Towards Stress Tests for critical infrastructures against natural hazards", has as its objective, the development of reliable stress tests to establish the resilience of critical European transport infrastructure networks against extreme events of low frequency and large impact (also referred to as black swans) and thus facilitate decision making that will allow for the development of a robust and resilient infrastructure, along with the improved protection of the existing infrastructures. The type of events analyzed during the project have been earthquakes, floods and landslides, as well as cascade effects produced by the linking of several of these events as a cause of a natural catastrophe.

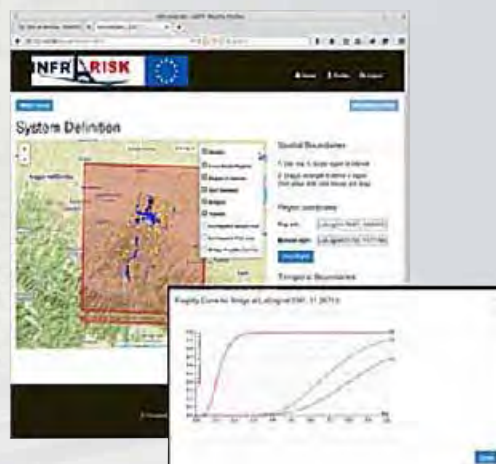
By using the tools developed in the project, it is possible to create different scenarios that allow for the assessment of the level of risk to which the transport infrastructure networks are subjected to. The results of the tests contribute to the creation of infrastructures that have a higher level of safety, both in the design and construction stages, and to the well-informed decision-making process in regards to the protection of those that already exist, for example through the prioritization of maintenance actions or the adaptation of the infrastructure to new requirements.

During the development of the project, the following activities, among others, have been performed:

- Identification of critical European infrastructures and assessment of the types of risk to which they are exposed.
- Development of a database of historical events that have caused major failures in critical infrastructures.
- Determination of fragility curves and vulnerability functions for a variety of events and critical infrastructures through the use of probabilistic analytical methods.

- Development of tools for the prediction and simulation of extreme events and failures in infrastructures.
- Spatiotemporal modeling of structural behavior and natural risks, while taking into account the temporal and spatial variability with respect to the critical infrastructure network.
- Quantification of the impact of a single event on the network of critical infrastructures and analysis of the vulnerability of networks independent of the critical infrastructures as a result of a series of events and their associated cascading effects.
- Definition of stress tests for multi-risk scenarios.

The results of the project have been validated through case studies conducted on selected locations of the transport infrastructures (road and rail) of the TEN-T Network (European Transport Network). Finally, in order to provide training on the knowledge of the developed tool and on its use for the analysis models, audiovisual training activities have been designed for the purposes of identifying the problem, the decision making, the use of the technical methods developed and the analysis of results.





6.8.2. INDUSTRIAL SERVICES

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

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

At the end of 2017, the industrial services companies of the ACS Group had a total of 52 projects underway. A total investment of €17.5 million was allocated to executing the projects.



COBRA'S GRIDSOL PROJECT

The generation of electricity has grown considerably led by photovoltaic solar energy and wind energy, which have become competitive with the conventional power plants. However, these two types of renewable energy are lacking in terms of manageability, which requires the configuration of costly and polluting conventional backup power plants to guarantee a reliable supply and the stability of the electricity grid.

To address these needs for flexibility, the GRIDSOL project serves to develop an innovative solution led by COBRA, within a consortium formed by 10 partners from 5 European countries (Spain, Germany, Denmark, Italy and Greece).

The project presents a new concept which serves to increase the penetration of renewable energy in a sustainable manner within the grid: "Smart Renewable Hub".

Smart Renewable Hub is a flexible hybrid power plant that combines a set of synchronous and asynchronous generators through.

- Concentrated solar energy: parabolic cylinder, tower or multiple towers.
- Photovoltaic Solar Power.
- Wind.
- Biomass.

Together with the battery power storage system, is the thermal energy storage and HYSOL, which consists of a biogas or gas turbine with a heat recovery system.

To make this hybridization possible, GRIDSOL developed the "DOME" Dynamic Output Manager of Energy. This

advanced control system distributes electricity in a single output according to the availability and cost-effectiveness of each technology.

The concentrated solar power with thermal energy storage and HYSOL provide distribution capacity and stability, along with an internal backup which serves to ensure the supply.

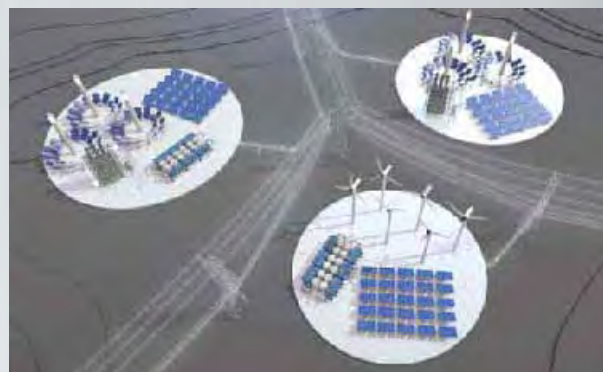
The photovoltaic solar power and wind power offer economic electricity during certain periods of the day and the Batteries facilitate the inclusion of renewable energies by offsetting the periods without wind and/or sun.

Therefore, the Smart Renewable Hubs select and combine the most appropriate technologies in order to deliver an optimal configuration at each location. Each possible solution considers the requirements of the market and the grid, provides auxiliary services and alleviates the pressure on the operator of the electrical system.

In this context, GRIDSOL represents a major step forward in the integration of renewable energy sources thanks to the flexible generation that it enables. Thus demonstrating, the suitability of the smart renewable energy hubs for continental and island grids, for the purposes of achieving an energy system that is more stable, reliable and clean.

For further information:

- Project website: www.gridsolproject.eu
 - Video of the project: www.youtube.com/watch?v=ZE5AI-GXvto
-





Ulla Viaduct.

AQUILON PROJECT: LATERAL-WIND PREDICTION IN THE HIGH SPEED LINES OF SICE

High-speed trains are inevitably exposed to lateral winds, in particular when exiting tunnels or viaducts. The lateral-wind influences the running behavior of the trains, which drastically deteriorates the operational safety. SICE in collaboration with ADIF has developed a system capable of predicting the direction and strength of the wind in the viaduct of Ulla in stretch of the Atlantic Axis (Eje Atlántico), between Santiago and Vigo in Galicia.

With the Aquilón application in the Command Post at Ourense, operators receive real-time lateral wind prediction alarms for this viaduct and can take speed reduction measures and transfer them to the train.

The solution uses information from three weather stations that measure wind direction and speed along with barometric pressure, temperature, relative humidity and the dew point.

The algorithm makes a 10-minute prediction and offers information on the current alarm levels and for the next 10 minutes, in addition to historical data and trend graphs.

To this end, a wind characterization study was conducted on the Ulla viaduct and its surroundings, based on the data from the stations installed on the viaduct and the historical data of the stations of the Spanish Meteorological Agency (Agencia Española de Meteorología).

It has been verified that the prediction vs actual values demonstrate a sufficiently reliable level of precision.

In the respective implementation of the Ulla Viaduct, alarm thresholds have also been defined along with temporary speed limitations (TSL) have been defined for the respective types of trains, based on the ADIF documentation (MPGI File 3 "Countermeasures against wind gusts") and the Experimental Instructions C No. 15 "Specifications for the circulation of trains with very strong winds."



ETRA'S WISEGRID PROJECT

WiseGRID (Wide scale demonstration of Integrated Solutions and business models for European smartGRID) is a European project that is under the framework of Horizon 2020.

H2020 is a project in which 21 partners from 8 different countries work together, for which ETRA R&D, the technology and innovation company of GRUPOETRA, is the coordinator.

WiseGRID promotes a virtuous circle between three key aspects in future electricity distribution networks: storage technologies, renewable energy systems (RES) and the large-scale incorporation of the electric vehicle as a key player in the energy ecosystem and mobility.

To this end, WiseGRID provides 9 technological solutions that will provide added value to all stakeholders of the energy ecosystem, from the distribution network operators to the end users - who become electricity prosumers. The 9 tools are:

- **WG Cockpit:** An application that allows operators of small networks of distribution (or microgrids) to better manage their infrastructures and promote expanded use of the renewable energy distributed.
- **WiseCOOP:** This tool is aimed at small retailers and user cooperatives, which helps them increase the share of renewables within their current energy mix.
- **WiseCORP:** Product destined to managers of public or private buildings and facility managers, which helps achieve a more efficient management of these infrastructures.

- **WiseHOME:** Product aimed at small prosumers who want to have greater control of their consumption and energy generation.

- **WG STaaS / VPP:** Tool that will increase the use of batteries distributed in the electrical system through its aggregation in the form of a VPP (Virtual Power Plant).

- **WG RESCO:** This product will provide assistance to users who want to install units of renewable energy generation in their homes without needing to own them.

- **WiseEVP:** Tool designed to control and manage a fleet of electric vehicles or a set of charging points.

- **WG FastV2G:** Recharge station that will allow for fast charging and the injection of energy into the grid.

- **WG IOP:** Platform that will manage the information flows between the respective WiseGRID products in a safe and stable manner.

The Integrated WiseGRID solution will be deployed and evaluated in five large-scale pilot prototypes in Crevillent (Spain), Flanders (Belgium), Terni (Italy), Kythnos and Mesogia (both in Greece).



6.8.3. SERVICES

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

As of December 31, 2017, there were 3 ongoing research and development projects, in which € 0.8 million were invested.



6.9. GIVING BACK TO SOCIETY

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

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


SOCIAL ACTION

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

- To drive forward the business and its sustainability
- To improve the recognition and reputation of the company.
- To increase the satisfaction of the employees and associates.
- To help improve the society in which the ACS Group operates

This policy is based around an Action Plan, which sets out the procedures for application in its various business areas. It has been drawn up in accordance with the guidelines and recommendations of the London Benchmarking Group (LBG), includes the experience accumulated over the years by the ACS Foundation and addresses social initiatives of ACS Group companies.

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

 For further information: Contribution of ACS' activities in complying with the SDGs. 3.4 And contributes with its business activity, which serve to fulfill the global objectives.

 The ACS Group's Social Action Policy

THE ACS GROUP'S SOCIAL ACTION POLICY	RESPONSIBLE PARTIES	FORMS OF CONTRIBUTIONS	TYPES OF CONTRIBUTIONS
	GROUP COMPANIES	INVESTMENTS IN THE COMMUNITY	IN KIND
	ACS FOUNDATION	TRADE INITIATIVES	CASH
		PHILANTHROPIC DONATIONS	<ul style="list-style-type: none"> • Corporate v • Citizen awa • Environmen • Efficiency • Road safety • Support for
			<ul style="list-style-type: none"> • Elimination of access for d people with • Education a • Rehabilitati • Scientific an • Sponsorship and institutio • Support for • Support for • Developme



SCOPES OF ACTION	GEOGRAPHICAL AREAS	MONITORING	REPORTING
<ul style="list-style-type: none"> volunteerism awareness mental awareness / Workplace hazards NGOs and community organizations of barriers and universal disabled people and reduced mobility and defense of the environment on of historical heritage monuments and technical research o of other foundations ns cultural activities sports activities nt cooperation 	<hr/> <p>ALL COUNTRIES WHERE ACS OPERATES</p> <hr/>	<hr/> <p>INTERNAL MONITORING, MONITORING COMMITTEE, ACHIEVEMENTS AND IMPACT ASSESSMENT</p> <hr/>	<hr/> <p>RSC REPORT FOR THE ACS GROUP</p> <hr/> <hr/> <p>ACS FOUNDATION ANNUAL REPORT</p> <hr/>

6.9.1. SOCIAL ACTION OF ACS GROUP COMPANIES

6.9

CASH FUNDS AND CONTRIBUTION IN KIND ALLOCATED TO SOCIAL ACTION (MN €)

3,792

NUMBER OF VOLUNTEERS (EMPLOYEES)

405

NUMBER OF FOUNDATIONS OR NGOS THAT RECEIVED AID / SUPPORT DURING THE YEAR

9,638

HOURS THE EMPLOYEES HAVE SPENT AS VOLUNTEERS DURING THE WORKING DAY

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

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

Main Indicators of Social Action by Group Companies

	2016	2017
Cash funds allocated to Social Action (€ M)	6.2	5.7
Monetary estimate of the contributions in kind allocated to Social Action (€ M)	0.9	1.2
Estimation of the number of people benefited by social action	50,248	95,639
Number of courses or citizen awareness activities conducted (road safety, environment, efficiency, social integration, etc...)	372	373
Number of volunteers (employees) that have participated in these awareness-raising activities	5,022	3,792
Number of foundations or NGOs that received aid / support during the year	384	405
Number of events (conferences, exhibitions, sporting events, etc...) sponsored during the year.	60	114
Time that employees have spent this year volunteering during the workday (h)	7,988	9,638

BY TYPE OF ACTION



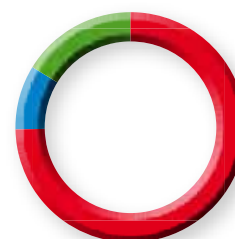
- INVESTMENT IN COMMUNITY **20%**
- COMMERCIAL INITIATIVES **9%**
- PHILANTHROPIC DONATIONS **71%**

BY TYPE OF CONTRIBUTION



- CASH FUNDS **83%**
- IN-KIND **17%**

BY BUSINESS AREA



- CONSTRUCTION **75%**
- INDUSTRIAL SERVICES **9%**
- SERVICES **16%**

HOCHTIEF'S BRIDGES TO PROSPERITY (B2P)

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

In 2017, HOCHTIEF succeeded in collaborating with the non-governmental organization Bridges to Prosperity (B2P) to build pedestrian bridges in remote areas of impoverished countries. The focus of this sponsorship is aimed at building and maintaining habitable spaces.

Crossing rivers that increase their flow rate or even overflow in the rainy season, the bridges now built in collaboration with B2P provide the local population with a safe way to access educational facilities, medical treatment and markets. HOCHTIEF and its companies have been working with B2P since 2010 and the

initiative has been successfully expanded throughout the Group. Three bridges were completed this year: In 2017, Flatiron completed two bridges in Nicaragua; while HOCHTIEF and CIMIC built one in Rwanda.

For each project, a team of employees travels to the region to build a footbridge in two weeks. It also trains the local population so that they can perform repairs by themselves in the future. This is how HOCHTIEF ensures sustainable growth and the transfer of knowledge.

HOCHTIEF employees involved can expand their networks and strengthen their ties with the company for the long term. To date, 244 employees have worked on projects with B2P. Local assistants, subcontractors and suppliers in the areas where these projects are built also benefit from our commitment. They receive a fair salary and specialized training on how to maintain bridges in the future.

HOCHTIEF documents this commitment and follows up on key figures, so that the sustainable social benefits are quantifiable.

ACCORDING TO B2P'S ESTIMATES, THE 23 BRIDGES BUILT BY HOCHTIEF HAVE ENABLED:

12,453

CHILDREN HAVE HAD SAFE ACCESS TO EDUCATIONAL CENTERS

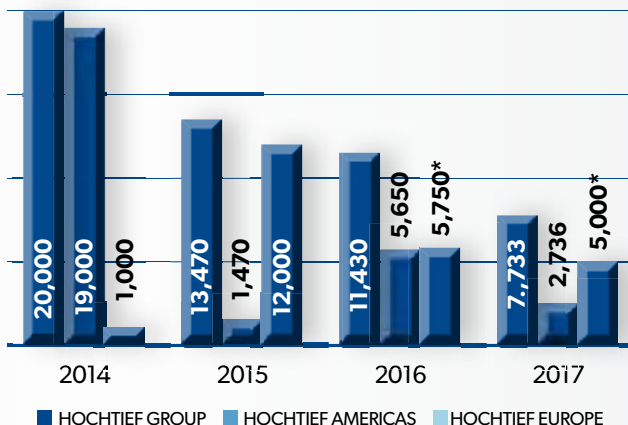
24,906

PEOPLE HAVE HAD BETTER ACCESS TO MEDICAL CARE

103,800

PEOPLE FROM THE LOCAL COMMUNITY TO BENEFIT FROM THESE 23 BRIDGES BUILT

NUMBER OF PEOPLE WHO BENEFIT FROM B2P BRIDGES CONSTRUCTED BY HOCHTIEF



* Incl. HOCHTIEF Asia-Pacific.

FOOTBRIDGES CONSTRUCTED BY HOCHTIEF AND B2P, BY COUNTRY

HOCHTIEF Americas (flatiron, Turner, E.E. Cruz)	Realized projects
Honduras	1
Guatemala	1
El Salvador	2
Nicaragua	13
HOCHTIEF Europe	
HOCHTIEF Asia-Pacific	
Rwanda	6
TOTAL HOCHTIEF Group	23

CLECE'S III COMPROMISO AWARDS

Clece's 2017 Compromiso Awards [Commitment Awards] were dedicated to combating gender violence. The Awards have recognized the work of social organizations and non-profit organizations that help women victims of gender violence.

During this gala, which was attended by 300 people, the contribution to combating gender violence was rewarded for three areas of action:

- **Best Projects:**

One-hundred and thirty-nine (139) projects were evaluated considering the social value and scope of the proposed initiatives. Three projects were awarded, which received a prize of € 10,000: the Asociación Deméter for Equality, the Fundación ARED and the Fundación Novafeina.

- **Best Journalistic Work:**

The journalistic work which had violence against women as its theme was also recognized with an award and a cash prize of € 7,000: that was awarded to two journalists Arturo Checa from Las Provincias and Chelo Tuya from El Comercio, which tied.

- **The Jury's Special Award:**

To the most prominent Personality in this fight was presented to Spanish MP Carmen Quintanilla Barba and special mentions was given to film maker Icíar Bollaín and also the Society Section of the EFE Agency.

One of the surprises of the gala was the announcement of the commitment by Clece to hire a woman victim of gender violence for each of the projects presented by the non-profit entities for the category of Best Social Project, which corresponds to 139 new hires.



SUPPORT FOR THE COMMUNITIES DAMAGED BY EARTHQUAKES IN ISTMO, ENERGÍAS AMBIENTALES DE OAXACA S.A. DE C.V.

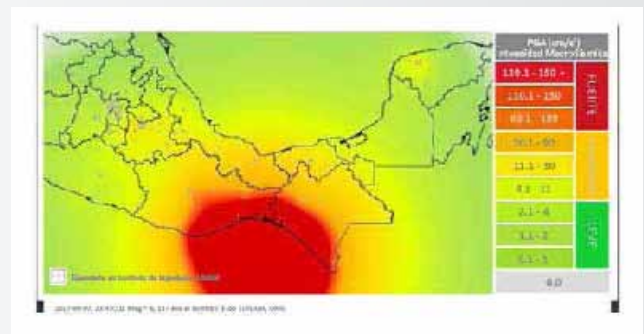
In the early hours of September 7, 2017, an earthquake with a magnitude of 8.2 on the Richter scale was recorded in the Gulf of Tehuantepec, 137 kilometers southwest of Pijijiapan (Chiapas). Hundreds of communities were affected by the earthquake in the states of Chiapas, Tabasco and Oaxaca. In particular, the town of Juchitán de Zaragoza was the most affected.

On September 19 another earthquake was recorded, with a magnitude of 7.1 on the Richter scale on the state border between the states of Puebla and Morelos.

In the days following the earthquake and the multiple aftershocks that occurred, up to 12 workers of the company were mobilized to help meet the basic needs of the most affected populations and communities in the area. From the 9th to the 21st of September the workers collaborated by assisting

with the distribution of food, water, medicines, cleaning supplies, mats, tents, etc.

Assistance was also provided with demolition and debris removal tasks. The company's machinery and vehicles were utilized for these tasks, such as one backhoe, a dump truck and one truck.



6.9.2. SOCIAL ACTION OF THE ACS FOUNDATION

The objective of the Foundation is to integrate and manage the ACS Group's efforts in matters involving patronage and cultural, institutional, sporting or environmental sponsorships, awards and scholarships, training and research, charity and similar activities, at the national and international levels, while providing greater social involvement.

The Social Action of the Foundation allows the ACS Group to give back a portion of its profits to society, in order to collaborate in improving the quality of life of the citizens.

Various programmes are therefore carried out focus on this objective:

- Improvement in the quality of life of people with physical or sensory disabilities, or in a situation of dependence, through three sub-programs:
 - Universal Accessibility.
 - Training, workforce inclusion and social integration.
 - Inclusion in sports.
- Defence of and support for good practices in relation to the environment.
- Collaborations with institutions in the field of innovation, engineering, science, economics and law.
- Contribution to the dissemination, restoration and maintenance of buildings belonging to Spain's artistic heritage.

IMPROVEMENT OF ACCESSIBILITY IN THE HISTORIC BUILDING OF THE UNIVERSITY (*ESCUELAS MAYORES*) AND IN THE *COLEGIO MAYOR FONSECA* (SALAMANCA, SPAIN)

On the occasion of the celebration of the eighth centenary of the Universidad de Salamanca, the ACS Foundation and the University signed, on October 27, 2017, a Public-Private Partnership for the improvement of accessibility in the Historic Building of the University (*Escuelas Mayores*) and in the *Colegio Mayor Fonseca*.

The projects for the concerted execution of the works were commissioned by the ACS Foundation and have been developed in coordination with the Directorate of the Technical Department of the University, always under the criteria of total respect for the Historical Heritage, giving priority, at all times, to keeping the architectural elements intact.

In relation to the historic building of the University known as *Escuelas Mayores*, which is currently where

the office of the Dean is located, it should be noted that it is the main building of the University, for which the start of construction was ordered by Pope Luna in 1411 and was not completed until 1533. The spectacular facade of the building is the most representative image of the University. Architecturally, the building is organized around a trapezoidal courtyard surrounded by bays, now on two floors, through which the different areas were accessed.

The renovations carried out in this building in order to be visited by all people, irrespective of their ability, are as follows:

- Wooden ramp for access by way of the rear facade.
- Burying the stone steps that provide the access to each classroom of the cloister.

• Placement of an elevator with light-weight steel construction and transparent glass enclosure in the rear patio to provide access to the first and upper floors.

Regarding the *Colegio Mayor Fonseca*, the building listed as an Asset of Cultural Heritage and its construction began in 1521, it is noteworthy that it is a Renaissance building that was designed by Diego de Siló, Alava and Rodrigo Gil de Ontañón; was founded by Mr. Alonso Fonseca as one of the four major *Colegios Mayores*, being a large complex built around a splendid courtyard.

In this case, the renovations have been as follows:

- Recovery of an ancient ramp parallel to the front facade.
- Implementation of various removable ramps and some

- Cultural support by making Contributions to the promotion, rehabilitation and maintenance of the buildings of the Spanish Artistic Heritage, as well as support for the entities that improve the cultural level of the people.

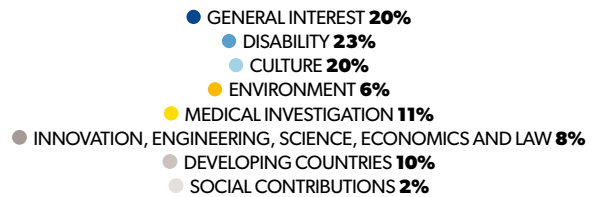
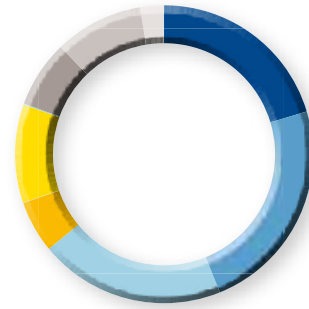
- Support for research, mainly medical research, including rare diseases.

- Cooperation for development and technical assistance, for the purpose of supporting the development objectives and respecting human rights, through collaboration with competent bodies.

- Social collaboration with stakeholders.

In 2017, the ACS Foundation spent €4.68 million in monetary assistance to entities, which increased by 5.6% with regard to 2016.

FOUNDATION BUDGET BREAKDOWN BY CATEGORY (M€)



permanent, carried out in situ by modifying the pavement in addition to the installation of small wedges.

- Demolition of the toilets and installation of new accessible toilets.

- New elevator to make the upper floor accessible.

- Renovation of one dormitory on the first floor in order to make it accessible, as well as the reconfiguration of its access, bathroom, furniture and lighting.

With certainty, the ACS Foundation maintains in these works in Salamanca as well as any those that sponsors, the priority criterion that, whenever possible, the interventions should be reversible and in any case always with the minimum impact on the Monument.



7. THE ACS GROUP'S RISK MANAGEMENT





DUAL SYSTEM OF RISK CONTROL AND SUPERVISION

The ACS Group conducts its business activities in a variety of sectors, countries and socio-economic and legal environments that involve exposure to different levels of risk inherent in the businesses in which it operates.

ACS Group's risk control system is based on a range of strategic and operational actions which serve to mitigate these risks and comply with the objectives established by the Board of Directors. It is the Corporation's responsibility to define the basic guidelines, in order to standardize the operating criteria in each of the divisions, so that an adequate level of internal control is ensured. The companies and divisions that comprise the Group are in charge of developing the necessary and appropriate internal regulations so that, depending on the peculiarities of the respective business activity, the internal controls are implemented to ensure its optimal operating level.

In order to respond to the need for a global and homogeneous risk management system, the Corporation has established a model that includes the identification, evaluation, classification, assessment, management and monitoring of risks at the Group level and that of the operational divisions. With these risks identified, a schedule of risks is prepared which is regularly updated based on the respective variables

that comprise it and the areas of business activity that comprise the Group.

The risk control systems use the decentralized model characteristic of the Group, which allows each business unit to exercise its policies of control and assessment of risks under certain basic principles. These principles are as follows:

- Definition of the maximum risk thresholds that are acceptable for each business according to its expected characteristics and profitability, which are implemented upon entering into the respective contract.
- Establishment of identification, approval, analysis, control and information procedures for the respective risks of each business area.
- Coordination and communication so that the policies and procedures for the risks of the areas of business activity are consistent with the Group's global risk policy.

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.

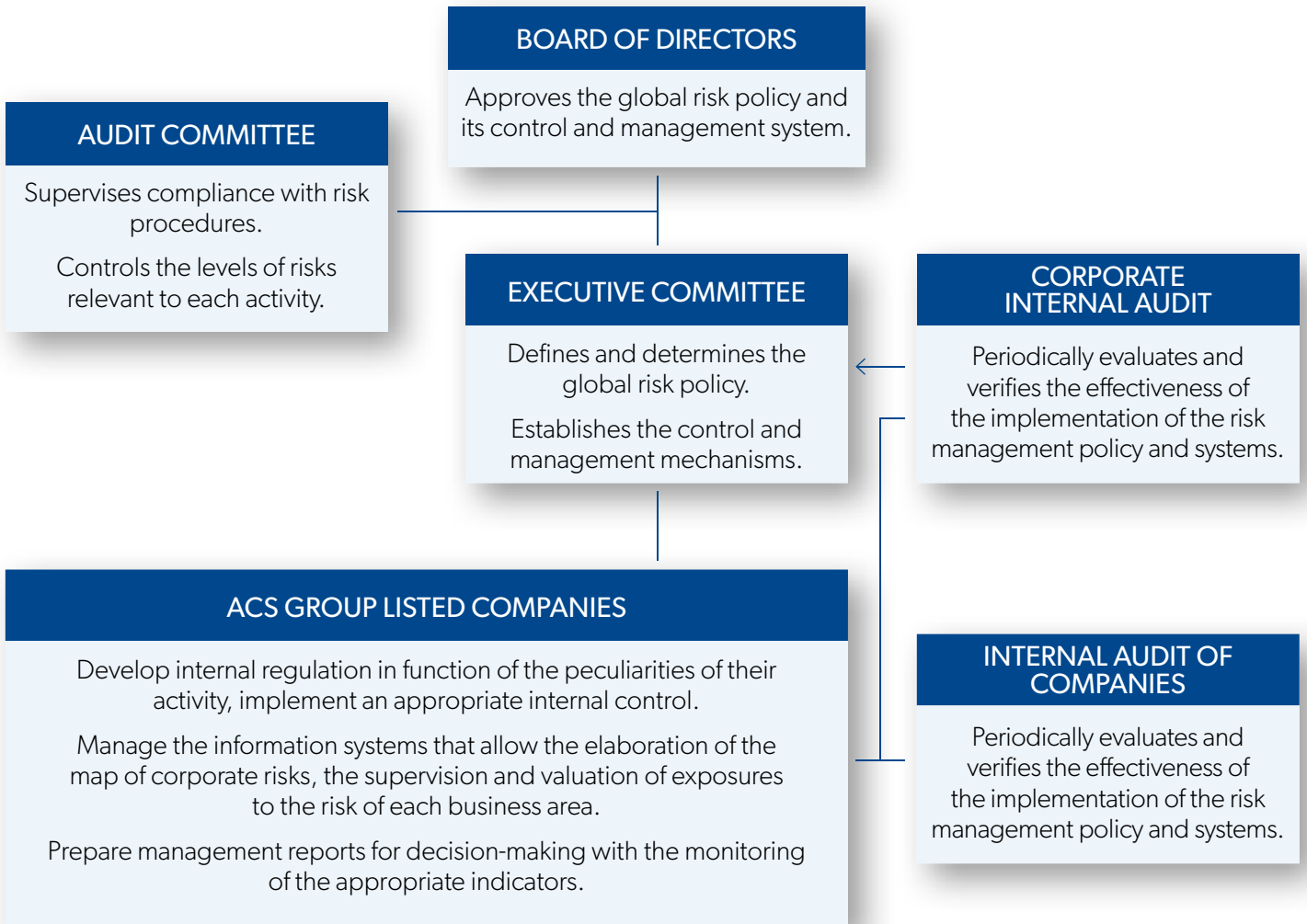
Of particular importance are the systems related to the controls in the bidding, contracting, planning and management of the works and projects, the quality management systems, as well as that of environmental management and human resources.



For further information:
[Risk management policy](#)



GOVERNANCE OF THE RISK FUNCTION





The Risk Management System of the ACS Group identifies and assesses various risk scenarios grouped into two categories:

CORPORATE RISKS

Are that which affect the Group as a whole and the publicly traded Company in particular.

REGULATORY RISKS

Derived from the reliability of the published Financial Information, the litigation of the company, the regulatory regulations of the Securities Market, the data protection law, the possible changes in national and international tax regulations and in terms of civil liability regarding the integrity of the assets.

FINANCIAL RISKS

Are that which include the level of indebtedness, the liquidity risk, the risks derived from the fluctuation in the exchange rates, the risks derived from the fluctuation in the interest rates, the risks coming from the use of financial derivative instruments, investment risks and exposure to equity risk relating to investments made in publicly-traded companies.

INFORMATION RISKS

Are both the reputational risks that may affect the Group's image, as well as that of the transparency and relationship with analysts and investors.

STRATEGIC RISKS

Are that which may arise as a result of opting for a certain strategy, which could directly or indirectly influence, in a significant manner, the achievement of the ACS Group's long-term objectives.

REPUTATIONAL RISKS

Are those with a potential negative impact that may affect the Group's image, such as that of transparency and relations with analysts, investors and the respective stakeholders with expectations regarding the behavior of the Company and the Group.

BUSINESS RISKS

Are that which specifically affect each of the businesses and vary depending on the uniqueness of each business activity.

OPERATIONAL RISKS

Include the risks related to the contracting and bidding processes for works and projects, the planning and control of the execution of the various works and projects, the relationship with the client and that which involves credit, the quality of the product, as well as the environmental, purchasing and subcontracting risks.

NON-OPERATIONAL RISKS

Include risks related to prevention, workplace safety and health, Human Resources, compliance with specific laws and taxation applicable to the businesses, reliability of the accounting and financial information and the management of the financial resources and the indebtedness.



In addition to the risks inherent to the different businesses in which its activity is carried out, the ACS Group is exposed to various financial risks, whether due to changes in the interest rates or exchange rates, liquidity risk or credit risk.

a) The risks derived from changes in interest rates, which impact cash flows are mitigated by securing rates through financial instruments that cushion the respective fluctuation.

b) The management of the exchange rate fluctuation risk is performed by taking debt in the same operating currency as that of the assets that the Group finances abroad. For the coverage of net balances in currencies other than the Euro, the Group contracts a variety financial instruments in order to cushion the exposure to the exchange rate risk.

c) The highlights in the period regarding the financial risks related to liquidity are as follows:

- ACS, Actividades de Construcción y Servicios, SA has obtained a long-term BBB and A-2 short-term credit rating ("investment grade"), with a stable outlook, from the Standard & Poor's agency. Likewise, Hochtief and Cimic obtained the same credit rating in this period.
- The renewal of the issuance of the Euro Commercial Paper (ECP) program for € 750 million and the Euro Medium Term Note Program (EMTN Program) for € 1,500 million.
- The substantial modification of the syndicated loan in the amount of € 2,150 million and extension until the year 2022 with a reduction in the financial cost.
- The issuance by Hochtief of corporate bonds amounting to € 500 million that have served to

refinance the corporate bond maturing in March 2017, thus diversifying the maturity profile of its financial obligations with terms of five, seven and ten years.

- The renewal of Cimic's syndicated loan in the amount of 2,600 million Australian dollars and extension until the years 2010 and 2022.
- The renewal of the credit facility and collateral of Hochtief in the amount of € 1,700 million until August 2022.
- The formalization by ACS, Actividades de Construcción y Servicios, SA of a Negotiable European Commercial Paper (NEU CP) program for a maximum amount of € 300 million, with a maximum issue term of 365 days.
- The renewal of the syndicated loan by Dragados, S.A. and its participated Dragados Construction USA, Inc. for 270 million US dollars on June 29 of 2017 with maturity in five years.

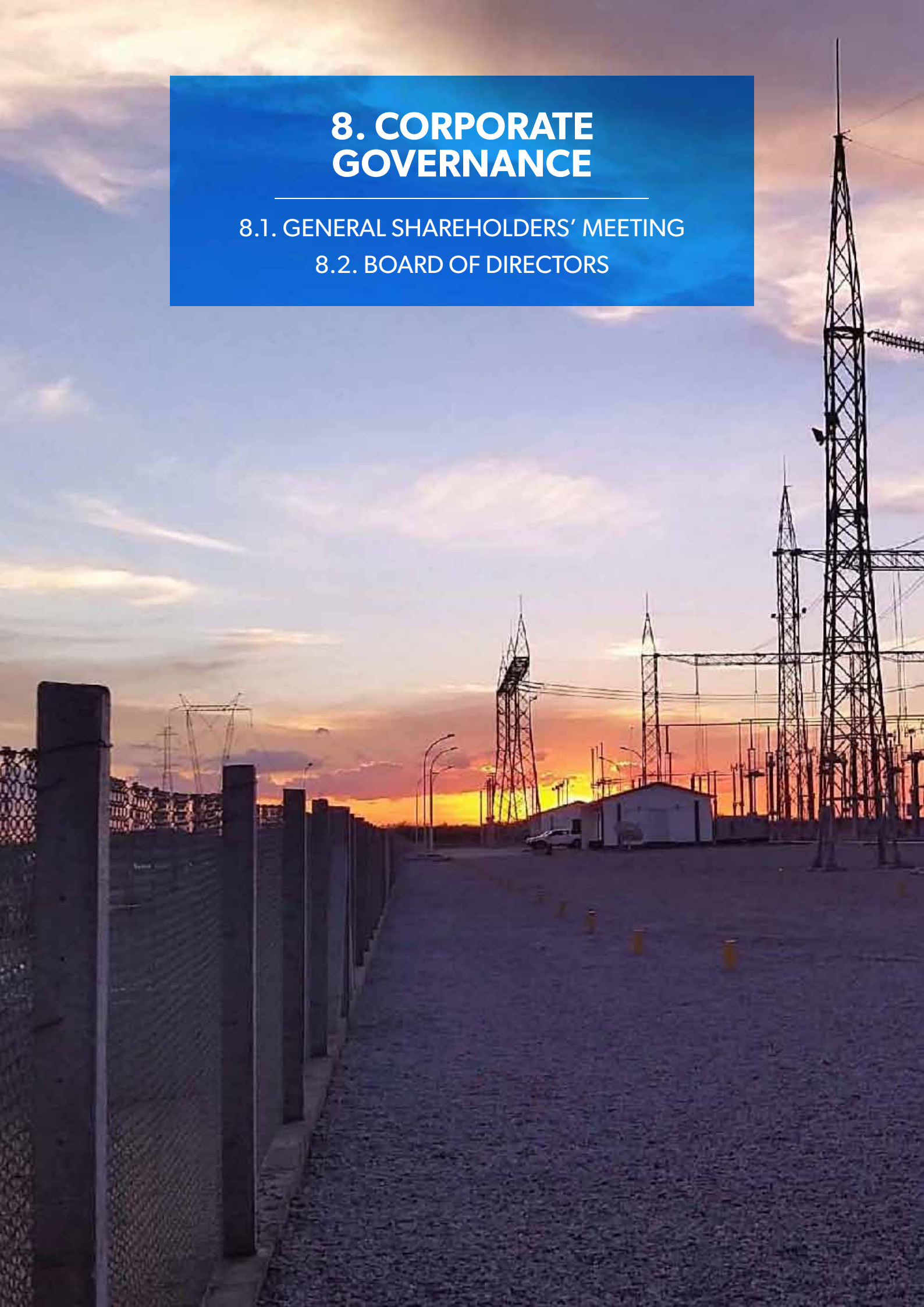
In the Corporate Governance Reports and the Consolidated Financial Statements of the ACS Group (www.grupoacs.com), greater detail is provided on the risks and the instruments under its control. Likewise, the Annual Report of HOCHTIEF (www.hochtief.com) details its own risks and control mechanisms.

For the next six months, starting as of the balance sheet date of the financial statements referred to in this document, the ACS Group, based on the information currently available, expects to face situations of risk and uncertainty similar to those of the Second half of 2017 year, especially those derived from the internationalization of the Group's business activities.

8. CORPORATE GOVERNANCE

8.1. GENERAL SHAREHOLDERS' MEETING

8.2. BOARD OF DIRECTORS





THE CORPORATE GOVERNANCE OF THE ACS GROUP

The ACS Group, following the latest recommendations of the benchmark entities such as the Spanish Securities Market Commission and the best practices in corporate governance, has adopted a governance model consisting of the following bodies:

ANNUAL GENERAL MEETING

The General Meeting is the supreme body of expression of the will of the Company, and its decisions, adopted in accordance with the provisions of the Bylaws, bind all shareholders. It is responsible for the approval of the annual financial statements, the allocation of the profit/loss and the approval of the corporate management. Also the appointment and replacement of the officers, as well as any other positions that may be determined by the Law or the Bylaws.

BOARD OF DIRECTORS

The Board has the broadest powers to represent the company and manage it as a supervisory body that controls its activity, in addition to directly assuming the responsibilities and decision-making regarding the management of the businesses. Its management is subjected to the approval of the Annual General Meeting.

COMMITTEES DESIGNATED BY THE BOARD

EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
Committee designated by the Board of Directors, which can exercise all the powers of the Board of Directors except for those that can not be delegated or those that the Board considers to be solely under its mandate.	Committee designated by the Board of Directors to which is responsible for the duties related to the accounting controls and risk management, including the oversight of the compliance with the corporate governance rules, the internal codes of conduct and that of the corporate social responsibility policy.	Committee designated by the Board of Directors, which is responsible for nominating the Directors and Secretary of the Board, appointment of Senior Executives and the issues related to gender diversity in the Board of Directors.	Committee designated by the Board of Directors that is responsible for the control of the remuneration of the directors and senior managers.

The good governance model of the ACS Group, as well as the composition, operation and duties of the governing corporate bodies are stated in the Group's corporate Bylaws.

In this manner, the Group has rules on the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, senior management or significant shareholders.

RULES RELATING TO THE GOOD GOVERNANCE OF THE ACS GROUP



Corporate Bylaws



Rules Governing the General Meeting



Rules of conduct in securities markets



Bylaws Governing the Board of Directors



Diversity Policy



8.1. GENERAL SHAREHOLDERS' MEETING

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the parent company of the ACS Group, is a company publicly-traded in Spain, which as of December 31, 2017, has capital stock amounting to € 157,332,297, represented by 314,664,594 shares with a nominal value of €0.5 per share, fully subscribed and paid up, all of which are of a single class with equal rights.

The General Meeting is the supreme body of expression of the will of the Company, and its decisions, adopted in accordance with the provisions of the Corporate Bylaws, bind all shareholders, including those absent, dissenting and abstaining.

The General Meeting is composed of all the holders of at least one hundred shares, whether present or represented. The owners or holders of less than one hundred shares can be grouped in order to arrive at that number, being represented, either by one of them, or by another shareholder who owns by itself the number of shares necessary to be part of the General Meeting.

The announcement of the convening of the General Shareholders' Meeting will be published simultaneously in the Official Gazette of the Commercial Register (Boletín Oficial del Registro Mercantil), on the company's website and on the website of the Spanish Securities Market Commission (Comisión Nacional del

Mercado de Valores), stating all the regulations which govern the following subject-matters:

- Supplement to the notice of the convening and presentation of new proposals for agreement.
- Rights of attendance and vote and register of shareholders.
- Voluntary Representation.
- Appointment or revocation of the representative and notification to the company, both in writing and by electronic means.
- Conflict of interests of the representative.
- Public request for representation and exercise of the right to vote by the officers in the event of public request for representation.
- Voting in advance remotely.
- Special information instruments: corporate website and shareholders' online forum.

From the same date of publication of the convening of the General Meeting, until the fifth day before it, including the one which the first convening is scheduled, shareholders may request in writing the information or clarifications they deem necessary or formulate in writing the questions that they deem pertinent about the subject-matter included in



the agenda, as well as that which pertains to the information accessible to the public that would have been provided by the company to the Spanish Securities Market Commission since the last general meeting took place, or with the auditor's report on the company's financial statements. The board of directors will be obligated to provide the information in writing by the day of the general meeting.

All these requests for information may be made by delivering the petition at the registered office or by sending it to the company by mail correspondence or by means of electronic communication or by calling in remotely. Valid requests for information, clarifications or questions made in writing along with the answers provided in writing by the board of directors will be included in the company's website.

In addition to the written requests for information, during the General Meeting, shareholders may verbally request the information or clarifications that they deem necessary concerning the matters included in the agenda or in relation to the information made available to the public furnished by the Company to the Spanish Securities Market Commission after the execution of the last General Meeting, or the auditor's report on the Company's financial statements. If it is not possible to satisfy the shareholder's rights at

this time, the Board of Directors will be obligated to provide the information in writing within seven days, following the completion of the Meeting.

From the publication of the convening notice and until the general meeting is held, the company will continuously publish on its website www.grupoacs.com the following information, which every shareholder can, in a likewise manner, examine at the headquarters, or obtain in an immediate and free manner:

- All documents or agreements that are submitted for the vote or consideration of the board and, in particular, the managers' and auditor's reports as well as that of the independent experts.
- The system and forms for voting by proxy, the forms for delegating the vote and the means to be used so that company can accept an electronic notification from the designated representations.
- The procedures and forms established for making the vote remotely.

The measures adopted by the Group to encourage attendance at the Board Meeting are reflected in the attendance percentages.

	2013	2014	2015	2016	2017
Total Quorum	75.25%	70.21%	73.23%	70.00%	64.45%
Quorum shareholders present	20.19%	7.31%	7.52%	6.85%	1.90%
Quorum of shareholders represented	55.06%	62.90%	65.71%	63.15%	62.54%



8.2. BOARD OF DIRECTORS

The composition of the Board of Directors is based on the principle of proportionality, by which, within the Board the interests of all groups of shareholders of ACS are represented.

The mission of the members of the independent and external advisory counsel is to represent the interests of the floating capital within the Board of Directors. The Chairman of the Board of Directors, Mr. Florentino Pérez, is also the CEO of ACS.

The General Meeting, for the purposes of the Board of Directors, serves to establish the exact number of Board members, while also appointing the individuals who will occupy those positions. As

of December 31, 2017, the ACS Board of Directors consisted of 18 members. The Company considers the composition of the Board of Directors to be adequate to represent the interests of the majority and minority shareholders. In this regard, we must also consider that a significant part (three of the four) of the other external board members are directors who, although due to the legal regulation for exceeding the maximum term of 12 years, prevent the consideration of independent members, they are considered to be directors who, considering their personal and professional conditions, can perform the respective duties without being conditioned by relations with the company or its group, its significant shareholders or its directors.



For further information:
Composition of the Board
of Directors of ACS
1. Management Bodies

MATRIX OF COMPETENCES OF THE BOARD OF DIRECTORS

	Executive Chairman	CEO	Vice chairman 1	Vice chairman 2	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12	Board Member 13	Board Member 14
EXPERIENCE																		
Sectorial	●	●	●	●	●			●		●	●		●	●		●	●	●
International	●	●		●				●	●		●		●			●	●	●
Academic	●			●		●	●		●	●	●	●	●		●	●		
Public administration	●					●	●		●	●		●	●	●		●	●	●
KNOWLEDGE																		
Accounting and finance	●	●	●	●	●			●	●		●		●	●				●
Risks	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Operations	●	●	●	●	●					●			●				●	
Legal and fiscal						●	●	●	●		●			●		●		●
Technology and digital transformation		●						●										●
Human resources	●	●	●	●				●		●		●	●		●	●	●	●

DUTIES

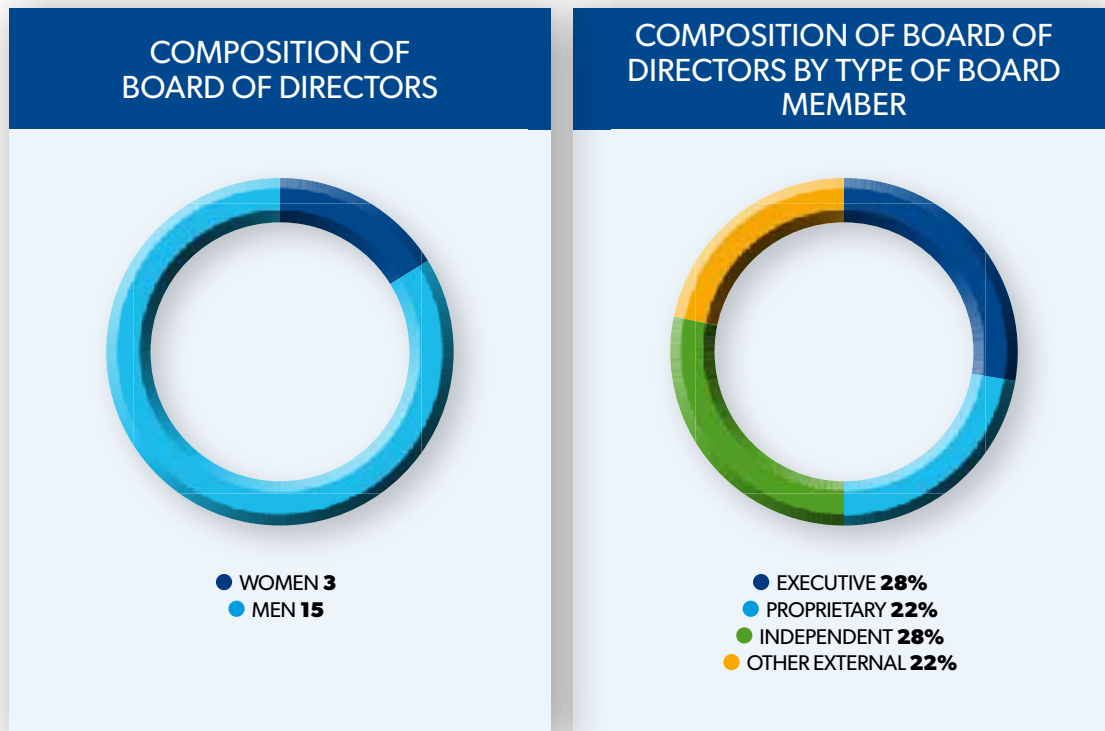
The Board assumes the duties of representation and administration of the company, as the highest supervisory and control body of its activity. It includes among its non-delegable duties, among others¹¹, the following:

- The investment and financing policy.
- The definition of the structure of the group of companies.
- The Corporate Governance policy.
- The Corporate Social Responsibility policy.
- The approval of the financial information.
- The Strategic or Business Plan, the management objectives, and the annual budgets.
- The remuneration policy and performance evaluation of senior managers.
- The control and risk management policy, including the auditors, and the supervision of the internal information and control systems.
- The dividend policy, as well as that which pertains to the company's treasury stocks and interests
- The related-party transactions, except in those cases provided for by the Bylaws.
- The determination of the tax strategy of the Company.

The principles governing the composition of the Board and its functioning can be revised in the Corporate Governance Report prepared annually by the ACS Group.







11. The complete list of non-delegable duties can be found in article 5 of the Bylaws Governing the Board of Directors.





8.2.1. DELEGATED COMMITTEES

EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
 <p>6 MEMBERS 9 MEETINGS</p> <ul style="list-style-type: none"> EXECUTIVE 50% PROPRIETARY 17% OTHER EXTERNAL 33% 	 <p>5 MEMBERS 6 MEETINGS</p> <ul style="list-style-type: none"> INDEPENDENT 60% PROPRIETARY 20% OTHER EXTERNAL 20% 	 <p>6 MEMBERS 6 MEETINGS</p> <ul style="list-style-type: none"> INDEPENDENT 33% PROPRIETARY 17% OTHER EXTERNAL 50% 	 <p>7 MEMBERS 6 MEETINGS</p> <ul style="list-style-type: none"> INDEPENDENT 43% PROPRIETARY 43% OTHER EXTERNAL 14%
<p>The Executive Committee will exercise, by delegation of the Board of Directors, all the powers that correspond to it except those, which by law or bylaws, are non-delegable in nature. Nevertheless, the Board of Directors may bring attention to and decide on any matter within its competence and, on its behalf, the Executive Committee may submit to the Board of Directors any matter that, despite being within its competence, considers to be necessary or advisable that the Council decides on it.</p>	<ul style="list-style-type: none"> Supervise the internal control, internal audit and risk management systems Supervision of the Internal Auditing function Supervise the process of preparation and presentation of the mandatory financial information. Suggest proposals for selection, appointment, re-election and replacement of the external auditor. <ul style="list-style-type: none"> Interaction with the external auditor for the continuous improvement of internal controls and financial information. Oversight of the compliance with the company's internal codes of conduct and corporate governance rules. <ul style="list-style-type: none"> Review, monitoring and supervision of the Corporate Social Responsibility Policy. Coordination of the non-financial information report. 	<ul style="list-style-type: none"> Evaluate and define the necessary competences, knowledge and experience for the Board of Directors. <ul style="list-style-type: none"> Submit to the Board of Directors proposals for the appointment of the Directors. <ul style="list-style-type: none"> Proposals for the appointments of senior managers, especially those who will be part of the Group's Steering Committee, as well as the conditions of their contracts. Ensure gender diversity in the Board. 	<ul style="list-style-type: none"> Compensation scheme for the Chairman of the Board of Directors and other senior executives of the Company. <ul style="list-style-type: none"> The distribution among the members of the Board of Directors of the global remuneration agreed upon in the General Meeting. When appropriate, the establishment of the supplemental remuneration and other supplements that correspond to the Executive directors for their duties in this regard. Remuneration of the Directors. <ul style="list-style-type: none"> Multi-year plans that can be established depending on the value of the share, as are the options plans for shares.

8.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the members of the Board is defined by a general policy approved by the Board as a whole, in accordance with the recommendations of the Remuneration Committee, which during the 2017 year was distributed as follows:

	2017
Remuneration paid to the board of directors (thousands of Euros)	33,785
Amount of total remuneration accumulated by current directors corresponding to pension rights (thousands of Euros)	68,612
Amount of total remuneration accumulated by former directors corresponding to pension rights (thousands of Euros)	0
Total remuneration received by senior management (thousands of Euros)	29,047

The detail of the remuneration received by the Board of Directors, as well as the criteria for its determination, are published in the Annual Remuneration Report.

During the 2017 Annual General Meeting, the remuneration of the Board was approved with 59.26% of the votes in favor, based on the votes cast.

	Number	% over total
VOTES CAST	202,787,036	64.44%
OPPOSING VOTES	81,642,060	40.26%
VOTES IN FAVOUR	120,180,140	59.26%
ABSTENTIONS	964,836	0.48%



Annual Report on
Directors' Remuneration



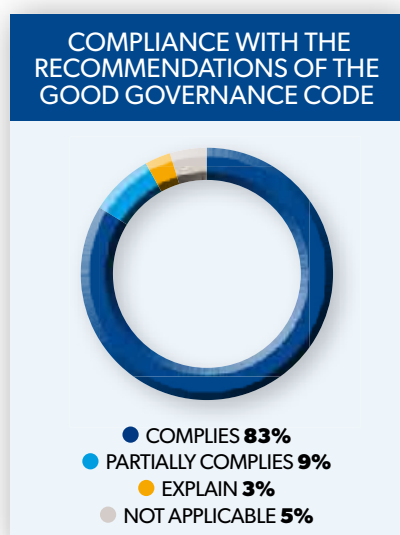
8.2.3. GOOD GOVERNANCE

During the 2017 year, the parent company of the ACS Group continued to carry out the task of adapting its internal regulatory body to the changes introduced in 2015, in the legal system applicable to publicly-traded corporations, by Law 31/2014 of December 3, which amended the Capital Companies Law for the improvement of the corporate governance, as well as the New Code of Good Governance of Publicly Traded Companies, approved by the CNMV on February 24, 2015. As in the Royal Decree-law 18/2017, of November 24, by which the Directive 2014/95 / EU is transposed of the European Parliament and that of the Council, of October 22, 2014, amending the Directive 2013/34 / EU with regard to the disclosure of non-financial information and information on diversity.

Within the innovations that were introduced during the year 2017, the amendments to the Bylaws and the rules governing of the Board of Directors are highlights.

During 2017, the following changes were of particular importance:

- Replacement of the Nomination and Remuneration Committee, with the Nomination Committee and the Remuneration Committee.
- Significant changes in the remuneration policy to adapt them to the current international Corporate Governance standards.
- Appointment of José Eladio Seco as Lead Coordinator.
- Approval by the Board of Directors of the Diversity Policy that affects not only the members of the administrative bodies, but rather of any job position.





9. APPENDICES

9.1. REPORTING PRINCIPLES

9.2. LIST OF MATERIAL ASPECTS

9.3. CSR APPENDICES

9.4. ECONOMIC-FINANCIAL APPENDIX

9.5. AWARDS, RECOGNITIONS AND MEMBERSHIPS

9.6. WE WOULD LIKE TO KNOW YOUR OPINION





9.1. REPORTING PRINCIPLES

This is the ACS Group's first integrated report, prepared in accordance with the principles established in the International Integrated Reporting Council (IIRC¹²).

This integrated report contains the financial and non-financial information deemed relevant for the stakeholders of the ACS Group. The information relating to material aspects regarding nonfinancial information was reported in accordance with the GRI Standards of the Global Reporting Initiative, including additional information applicable and required for the Construction and Real Estate sector supplement. This Report has been prepared in accordance with GRI standards : Exhaustive option. This non-financial information was verified by an independent third party, which includes the assurance letter on page 246-247 of this document.

With regard to the Group's financial and management information, the Annual Integrated Report addresses the recommendations of the Spanish National Securities Market Commission included in the guidelines for preparing directors' reports for listed companies, Royal Decree-Law 18/2017 on the disclosure of non-financial information and diversity information.

The main material aspects that are identified as relevant and those addressed in this report are as follows (in order of priority):

- Integrity and responsibility.
- Efficient management of resources.
- Climate change as global concern.
- Protection of human rights.
- Zero accidents target.
- Interest in local communities.
- Social role played by infrastructure.
- Developing local talent.
- Responsible supply chain.
- Tools and new financing models.
- Resilient infrastructure.

The ACS Group applied to the following criteria to prepare this report:

PRINCIPLES TO DETERMINE THE CONTENT OF THE REPORT

Inclusion of stakeholders: the ACS Group ensures its management of material aspects is in line with the expectations of its stakeholders. The Group therefore has dialogue mechanisms adapted to its relationship with each of its stakeholders (indicated in section 6.8 this report). In line with this commitment, in 2016 the Group also carried out a materiality review process in which 2,819 queries were carried out with stakeholders in order to include their opinion on material aspects concerning the Group. ACS Group considers this analysis is valid at the current reporting date.

Context of sustainability: The purpose of this report is to explain the management 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 areas.

Relevance: The ACS Group has analysed the material aspects, the methodology and results of which can be consulted in 9.2. of this report, which has enabled it to understand which aspects are relevant to the ACS Group and its stakeholders.

Exhaustiveness: In the process of preparing this report, the coverage and scope thereof was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2017, without omitting information of relevance to our stakeholders.

[102-48], [102-49]

The scope of the report was determined along with its content. In 2016 and 2017, ACS Group companies took part in transformation processes that have involved organisational and administrative changes, which represents a change in the scope of certain indicators. Appendix 9.3.3 indicates the scope and coverage of each of the indicators reported. In addition, if there are any significant changes in coverage, they must be indicated in these chapters.

The relevant issues, the indicators included herein and the matters covered by the 2017 Annual Integrated Report offer an overview of the significant impacts on the economic, social and environmental fields and on the ACS Group's activities.

12. For more information, see the website of the International Integrated Reporting Council <http://integratedreporting.org/>

[102-46]

PRINCIPLES TO DETERMINE THE QUALITY OF THE REPORT

Accuracy and clarity: This report contains 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. In addition, the use of technical terms, the meaning of which may be unknown to stakeholders has been avoided as much as possible.

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

[102-46], [102-48], [102-49]

Comparability: As far as possible, the information included in this report has been organised in such a

manner that stakeholders may interpret the changes undergone by the ACS Group with respect to previous years. Certain figures for 2016 have been recalculated with the same scope as those reported in 2017 so that, whenever possible, they can be more comparable. It was not possible to recalculate the figures retroactively for certain indicators; in these cases, the reported data is presented historically for information purposes.

Reliability: The reliability of the information included in this 2017 Annual Integrated Report with regard to corporate social responsibility was checked by KPMG, the firm responsible for its verification. The assurance report can be found on page 246-247.

Punctuality: The ACS Group must report the Group's performance on an annual basis. This report includes the Group's actions in 2017 in the economic, social and environmental fields and its activities.



9.2. LIST OF MATERIAL ASPECTS

[102-46], [102-47]

In accordance with the principles established by the GRI Standards to determine the content of the report, in 2017 the ACS Group carried out a process of updating the analysis of material aspects that was carried out in 2016 and 2015 for the purpose of providing more in-depth information on the aspects identified. From this review, and considering the regulatory changes introduced in the area of non-financial information reporting and diversity, as well as sectoral perspectives, ACS Group has concluded that this materiality analysis made in 2015 and updated in the year 2016 is still valid for the ACS Group during the year 2017, although it is specifically affected on the risks associated with each of the issues relevant identified.

For the preparation of the initial analysis of 2015 relevant issues an external desk study was carried out using public sources and benchmark international bodies in order to prepare the initial analysis of material aspects. This study analysed the main competitive environments in which the ACS Group has a presence, identifying the risks and opportunities of the various countries of operation that the Group had to address.

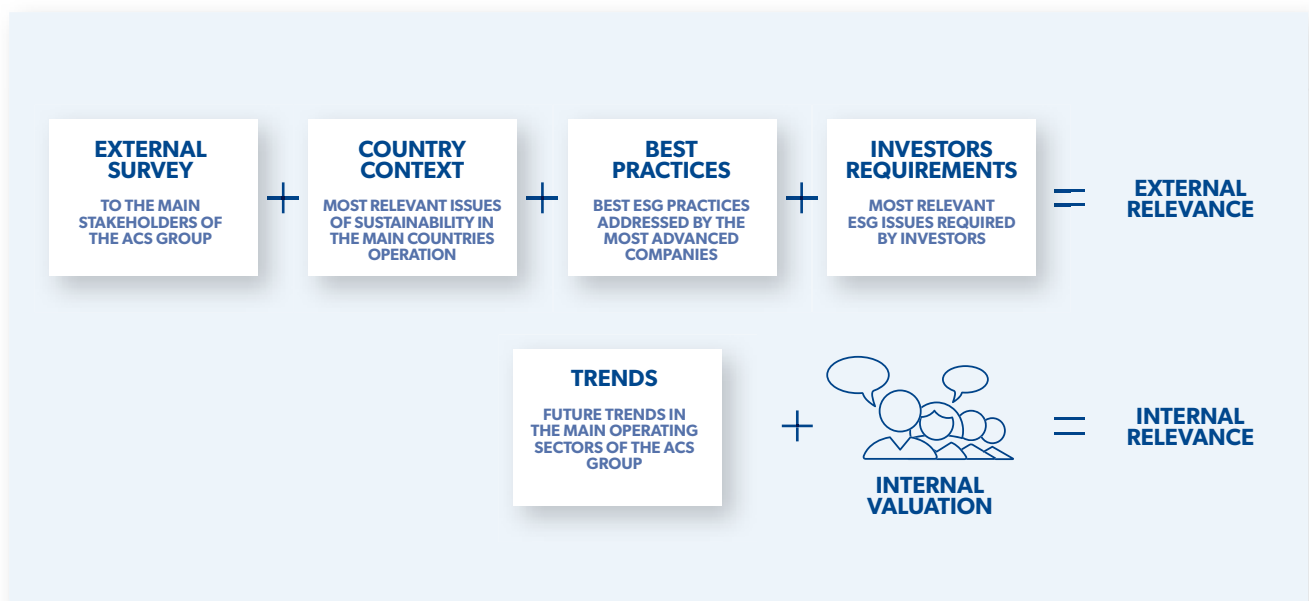
In addition, from an external perspective, the main financial and non-financial aspects evaluated by investors when taking investment decisions were

considered, and the performance of the main companies in the sector with regard to these aspects was also analysed.

For the internal assessment analysis, in order to strengthen the identification and prioritisation of the material aspects, interviews were carried out with executives from the various ACS Group companies and the Corporate Unit, ensuring that the different operating activities and environments were represented. These interviews took an in-depth look at the main risks and opportunities of the business, the Group's future strategy, the implications on the value chain and the performance and position of the various companies with regard to corporate social responsibility, among other matters.

[102-44]

In the process of updating the analysis carried out in 2016, the implications of the various aspects for the Company were reviewed and the opinion of stakeholders was included. A total of 2,819 representatives of interested parties of the ACS Group and of the various Group companies were therefore consulted, broken down into the following categories: customers, suppliers, employees, shareholders, social agents, institutions and other stakeholders. Each of them was asked about the importance of the various aspects identified.



[102-44], [102-47]

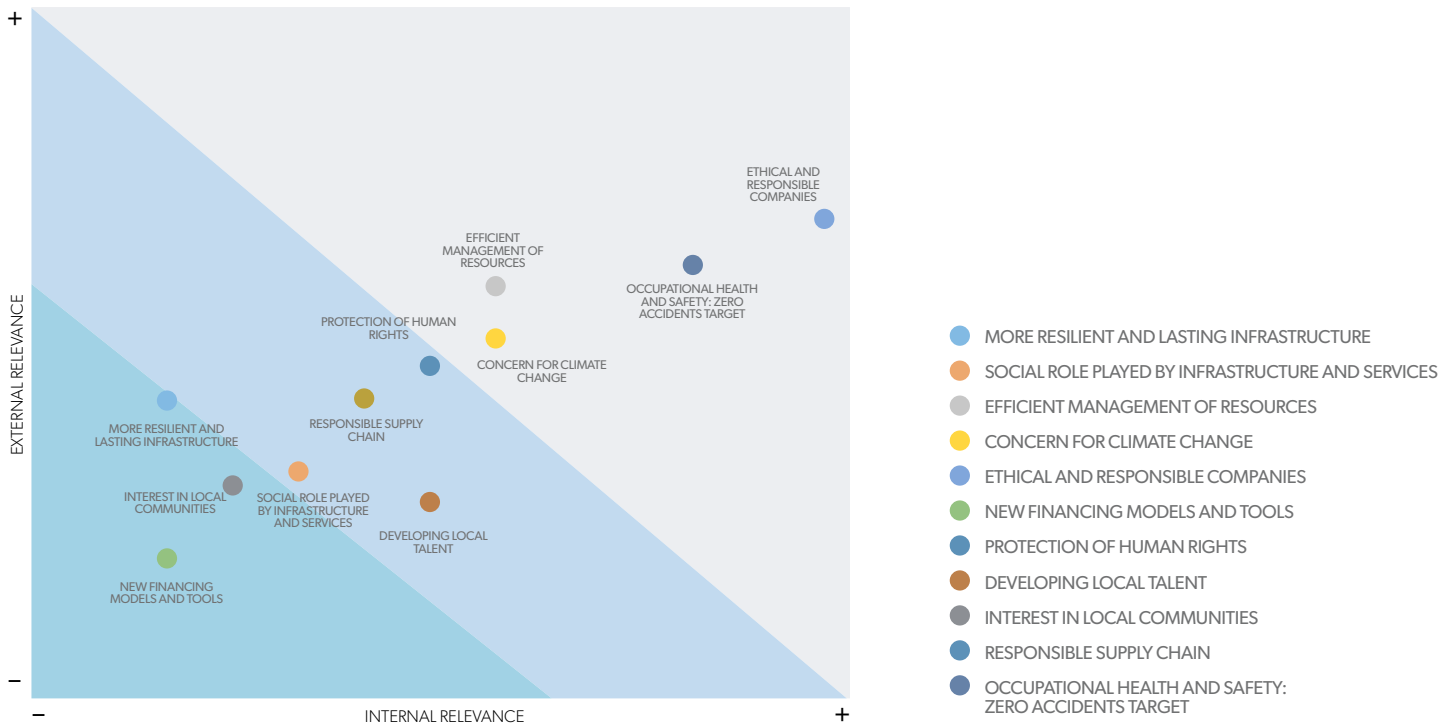
IMPORTANT OF/CONCERN FOR THE ASPECTS BY STAKEHOLDERS

Suppliers, partners and contractors	Customers	Institutions	Employees	Community
Integrity, transparency and ethics	Occupational health and safety: Zero accidents target	Integrity, transparency and ethics	Occupational health and safety: Zero accidents target	Integrity, transparency and ethics
Occupational health and safety: Zero accidents target	Integrity, transparency and ethics	More resilient and lasting infrastructure	Integrity, transparency and ethics	Occupational health and safety: Zero accidents target
Responsible supply chain	Efficient management of resources	Occupational health and safety: Zero accidents target	Efficient management of resources	Efficient management of resources
Efficient management of resources	More resilient and lasting infrastructure	Efficient management of resources	Protection of human rights	More resilient and lasting infrastructure
Protection of human rights	Responsible supply chain	Protection of human rights	More resilient and lasting infrastructure	Protection of human rights
More resilient and lasting infrastructure	Protection of human rights	Responsible supply chain	Responsible supply chain	Responsible supply chain
Social role played by infrastructure and services	Social role played by infrastructure and services	Social role played by infrastructure and services	Social role played by infrastructure and services	Social role played by infrastructure and services
Concern for climate change	Developing local talent	New financing models and tools	Interest in local communities	New financing models and tools
Interest in local communities	Interest in local communities	Concern for climate change	Developing local talent	Developing local talent
Developing local talent	Concern for climate change	Developing local talent	Concern for climate change	Interest in local communities
New financing models and tools	New financing models and tools	Interest in local communities	New financing models and tools	Concern for climate change

[102-47], [103-1]

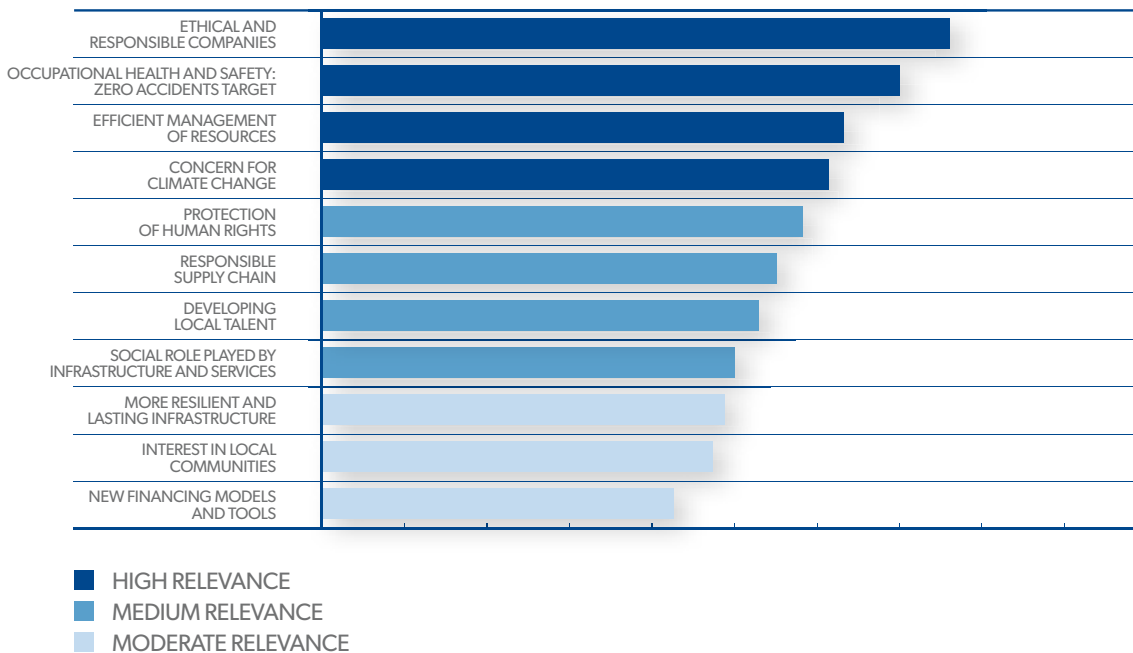
The results of weighting the topics identified both at an internal and external level have been used to design a materiality matrix representing the results obtained in accordance with their external and internal relevance, identifying the 11 material aspects for the ACS Group, which are detailed as follows:

MATERIALITY MATRIX



[102-47], [102-44]

The 11 material aspects identified in the materiality matrix have been ordered in a hierarchy according to their global relevance, as shown in the following table:



The importance of the material aspects was also identified for each of the main countries in which the Group operates and for each of its business areas, taking into consideration the importance of the following individual sub-aspects. The material aspects identified, the individual sub-aspects evaluated and the ESG (Environment, Social and Governance) risks associated that are answered in this report are briefly described below:































[102-46], [102-44], [102-47]

Material aspect	Definition	Individual sub-aspects	ESG risks associated answered in the Report
Ethical and responsible companies	The markets and the company demand companies, the management of which is responsible and transparent and the values of which are based on the pillars of equality, diversity, and ethical and transparent management.	<ul style="list-style-type: none"> • Compliance systems and policies • Corporate governance and senior executives • Tax policy and transparent reporting systems • Transparency and integrity in tender processes • Whistleblowing channels and ethical queries 	<ul style="list-style-type: none"> • Transparency in corporate management • Ethical performance and integrity • Legal and fiscal compliance • Staff management
Efficient management of resources	The lack of resources and increased demand for energy, water, etc., jeopardise the availability of these resources and other essential aspects to guarantee sustainable development. Production models need to innovate and evolve so that these resources are properly managed. This area is particularly important in countries such as Spain, the United States or Australia, which account for a high percentage of the Group's companies.	<ul style="list-style-type: none"> • Customer awareness through efficient management of resources • Efficiency in managing water resources • Innovation and technology as a driver of efficiency • Use of efficient, respectful and lasting materials • Circular economy: recycle and reuse 	<ul style="list-style-type: none"> • Shortage of water resources and raw materials • Polluting emissions • Waste production • Soil contamination • Impact on biodiversity and ecosystems
Climate change is a global concern	The agreement reached during the COP 21 highlights the importance of this phenomenon on the world economy and how production and consumption models must change in order to mitigate the risks posed by climate change. This change requires the participation of governments and companies.	<ul style="list-style-type: none"> • Strategy and policies for containing climate change • Short-, medium- and long-term objectives for reducing emissions. • Contribution to the global objectives for the decarbonisation of the economy. • Renewable technologies. • Specific incentives for containment (carbon pricing). 	<ul style="list-style-type: none"> • Contribution to climate change: physical risks and regulatory risks.
Protection of human rights	If systematic breaches of human rights occur in certain countries, then protection policies must be applied in a robust and uniform manner, and they must be applied across the entire supply chain. This is particularly important for activity in emerging countries.	<ul style="list-style-type: none"> • Development of a human rights policy • Alignment of the company's human rights principles with those of its suppliers • Dialogue with communities to understand their needs • Management of risks relating to human rights • Human rights training 	<ul style="list-style-type: none"> • Compliance with Human Rights in the company and its supply chain • Maintenance of the social license to operate
Zero accidents target	Reducing the number of employee and subcontractor accidents is a priority in the infrastructure sector, where the risk of accidents is higher than in other sectors. Strict safety and health policies have to be applied to cover not only the company's own employees but also third party collaborators. Employees and third party collaborators have to be equipped with the necessary tools and training, and control systems must be defined. This is particularly important in emerging countries, where regulation is more lax.	<ul style="list-style-type: none"> • Health and safety standards, also required for the supply chain. • Zero accident policies: mitigation plans and ambitious targets to reduce frequency rates. • Responsibility of employees and contractors: training and awareness with regard to health and safety. 	<ul style="list-style-type: none"> • Occupational health and safety in the group • Occupational health and safety of contractors

Material aspect	Definition	Individual sub-aspects	ESG risks associated answered in the Report
Interest in local communities	The community's interests must be aligned with those of the company, and this should be considered a key factor for the success of any project. It is important to evaluate the activity's environmental and social impact, contribute to the well-being of local communities and encourage proactive dialogue. This is particularly important in emerging countries.	<ul style="list-style-type: none"> • Social and environmental impact assessments of projects • Proactive dialogue with the community and communication tools • Contribution to the well-being of local communities 	<ul style="list-style-type: none"> • Maintenance of the social license to operate • Environmental, social and ethical performance during operations • Impact of operations on the economy and the surrounding society
Social role played by infrastructure	Infrastructure plays a crucial social role in developing communities, and companies that operate in this field have to adopt a strategy of embracing and adapting to changes taking place in society; this is particularly important in countries that have less developed infrastructure systems.	<ul style="list-style-type: none"> • Analysis of migratory movements. • Promotion of innovation (smart cities, information technologies, sustainable mobility, and connectivity). • Sustainable urban planning and services adapted to citizens. 	<ul style="list-style-type: none"> • Capacity of the infrastructures to satisfy the economic and social development of the surrounding communities • Compliance with new requirements towards infrastructures (technological and sustainability) • Security in the use of infrastructures
Developing local talent	Companies are expected to contribute to the economic and social development of the countries in which they operate, by generating jobs, boosting the social fabric and transferring know-how. This is particularly important in emerging countries. Local contracting also represents cost savings.	<ul style="list-style-type: none"> • Spanish and local content in countries in which it operates, both in the workforce and in suppliers. • Contribution to economic development and job creation. • Transfer of knowledge to the local business fabric. • Strategies for attracting and retaining talent 	<ul style="list-style-type: none"> • Impact of operations on the economy and the surrounding society • Maintenance of the social license to operate
Responsible supply chain	Companies' responsible behaviour must be applied to all their collaborators and across the entire supply chain, which is especially important in emerging countries.	<ul style="list-style-type: none"> • Classification, assessment and approval of suppliers based on risk. • Implementation of systems for measuring compliance with responsible objectives for suppliers. • Establishment of corrective measures in the case of non-compliance by suppliers. • Preparation of procedures and codes for suppliers. 	<ul style="list-style-type: none"> • Environmental, social and ethical performance by the group's supply chain
Tools and new financing models	With the reduction in public spending, it is necessary to adapt to the new ways of financing infrastructure developments, where private finance plays an increasingly more important role. This is particularly important in developed countries.	<ul style="list-style-type: none"> • Public-private alliances • Search for local partners • Sustainable financing • Financial solvency and robustness 	<ul style="list-style-type: none"> • Financing requirements for infrastructure projects • Regulatory context
Resilient infrastructure	Due to increasingly common extreme weather phenomena and lower availability of resources for funding, infrastructure companies will have to seek solutions to make their projects more resilient and more lasting. It has become evident that this topic is particularly important in the American continent.	<ul style="list-style-type: none"> • Making customers aware of lasting construction (project planning) • Infrastructure adaptation and maintenance • R&D in the development of sustainable solutions (i.e., materials). 	<ul style="list-style-type: none"> • Adaptation of infrastructure to extreme weather events • Compliance with new requirements towards infrastructures (in terms of sustainability)

[102-44], [102-47], [103-1]

These matters have been identified as relevant for the ACS Group, but the relevance of each of these topics has also been identified for each of the Group's businesses (Construction, Industrial Services and Services), the results of which are shown below:

Aspect	Relevance in business (Construction, Industrial Services and Services)		
Ethical and responsible companies			
Efficient management of resources			
Climate change is a global concern			
Protection of human rights			
Zero accidents target			
Social role played by infrastructure			
Interest in local communities			
Developing local talent			
Responsible supply chain			
Tools and new financing models			
Resilient infrastructure			

 CONSTRUCTION

 INDUSTRIAL SERVICES

 SERVICES



9.3. CSR APPENDICES

9.3.1. GRI CONTENT INDEX



GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
GRI 101: 2016 Basis				
GRI 102: General Disclosures 2016				
Organizational profile	102-1 Name of the organization	9		Yes (246-247)
	102-2 Activities, brands, products, and services	24-25		Yes (246-247)
	102-3 Location of headquarters	254		Yes (246-247)
	102-4 Location of operations	24-25		Yes (246-247)
	102-5 Ownerships and legal form	43,216		Yes (246-247)
	102-6 Markets served	28-29		Yes (246-247)
	102-7 Scale of the organization	24-25		Yes (246-247)
	102-8 Information on employees and other workers	146-147		Yes (246-247)
	102-9 Supply chain	174-177		Yes (246-247)
	102-10 Significant changes to the organization and its supply chain	40-41		Yes (246-247)
	102-11 Precautionary Principle or approach	208-211		Yes (246-247)
	102-12 External initiatives	253		Yes (246-247)
	102-13 Membership of associations	183		Yes (246-247)
Strategy	102-14 Statement from senior decision-maker	12-13		Yes (246-247)
	102-15 Key impacts, risks, and opportunities	208-211;231-232		Yes (246-247)
Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	139-140		Yes (246-247)
	102-17 Mechanisms for advice and concerns about ethics	143		Yes (246-247)
Governance	102-18 Governance structure	214-215		Yes (246-247)
	102-19 Delegating authority	16-17,219		Yes (246-247)
	102-20 Executive-level responsibility for economic, environmental and social topics	219-220		Yes (246-247)
	102-21 Consulting stakeholders on economic, environmental, and social topics	228-233		Yes (246-247)
	102-22 Composition of the highest governance body and its committees	16-17		Yes (246-247)
	102-23 Chair of the highest governance body	16-17		Yes (246-247)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
Governance	102-24 Nominating and selecting the highest governance body	218-219		Yes (246-247)
	102-25 Conflicts of interest	219		Yes (246-247)
	102-26 Role of the highest governance body in setting purpose, values, and strategy	218-219		Yes (246-247)
	102-27 Collective knowledge of highest governance body	218-219		Yes (246-247)
	102-28 Evaluating the highest governance body's performance	218-219		Yes (246-247)
	102-29 Identifying and managing economic, environmental, and social impacts	218-219		Yes (246-247)
	102-30 Effectiveness of risk management processes	218-219		Yes (246-247)
	102-31 Review of economic, environmental, and social topics	Economic: at least quarterly, Social and Environmental: at least annually		Yes (246-247)
	102-32 Highest governance body's role in sustainability reporting	218-219		Yes (246-247)
	102-33 Communicating critical concerns	143, 182-183		Yes (246-247)
	102-34 Nature and total number of critical concerns	143		Yes (246-247)
	102-35 Remuneration policies	220-221		Yes (246-247)
	102-36 Process for determining remuneration	220-221		Yes (246-247)
	102-37 Stakeholders' involvement in remuneration	220-221		Yes (246-247)
	102-38 Annual compensation ratio	Not available	We do not have management and collection systems for this indicator for this data at country level. Measures to improve this aspect will be taken.	No
	102-39 Percentage increase in annual compensation ratio	Not available	We do not have management and collection systems for this indicator for this data at country level. Measures to improve this aspect will be taken	No

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
Stakeholder engagement	102-40 List of stakeholder groups	182-183		Yes (246-247)
	102-41 Collective bargaining agreements	70		Yes (246-247)
	102-42 Identifying and selecting stakeholders	182-183		Yes (246-247)
	102-43 Approach to stakeholder engagement	182-183		Yes (246-247)
	102-44 Key topics and concerns raised	228-233		Yes (246-247)
Reporting practice	102-45 Entities included in the consolidated financial statements	9		Yes (246-247)
	102-46 Defining report content and topic Boundaries	227-228; 231-232		Yes (246-247)
	102-47 List of material topics	228-233		Yes (246-247)
	102-48 Restatements of information	226-227		Yes (246-247)
	102-49 Changes in reporting	226-227, 242		Yes (246-247)
	102-50 Reporting period	9		Yes (246-247)
	102-51 Date of most recent report	Last report 2016		Yes (246-247)
	102-52 Reporting cycle	Annual		Yes (246-247)
	102-53 Contact point for questions regarding the report	254		Yes (246-247)
	102-54 Claims of reporting in accordance with the GRI Standards	226-227		Yes (246-247)
	102-55 GRI content index	234-239		Yes (246-247)
	102-56 External assurance	246-247		Yes (246-247)
Material Topics				
Zero accidents target				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	154		Yes (246-247)
	103-3 The evaluation of the management approach	154		Yes (246-247)
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management worker health and safety committees	154,240		Yes (246-247)
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	156,240		Yes (246-247)
	403-3 Workers with high incidence of high risk of diseases related to their occupation	240		Yes (246-247)
	403-4 Health and safety topics covered in formal agreements with trade unions	240		Yes (246-247)
G4 Sector Disclosure: Construction and Real Estate	CRE6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	156		Yes (246-247)
Developing local talent				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	151-153		Yes (246-247)
	103-3 The evaluation of the management approach	151-153		Yes (246-247)
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	153		Yes (246-247)
	404-2 Programs for upgrading employee skills and transition assistance programs	151-153		Yes (246-247)
	404-3 Percentage of employees receiving regular performance and career development reviews	151		Yes (246-247)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
Responsible supply chain				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	174-177		Yes (246-247)
	103-3 The evaluation of the management approach	174-177		Yes (246-247)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	52		Yes (246-247)
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	22,8%		Yes (246-247)
	308-2 Negative environmental impacts in the supply chain and actions taken	174-177		Yes (246-247)
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	15,3%		Yes (246-247)
	414-2 Negative social impacts in the supply chain and actions taken	174-177		Yes (246-247)
Interest in local communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	198-199		Yes (246-247)
	103-3 The evaluation of the management approach	198-199		Yes (246-247)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	4,59%		Yes (246-247)
	413-2 Operations with significant actual and potential negative impacts on local communities	0% revenues Group		Yes (246-247)
G4 Sector Disclosure: Construction and Real Estate	CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken.	No
Management of resources				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	160		Yes (246-247)
	103-3 The evaluation of the management approach	160		Yes (246-247)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	241		Yes (246-247)
	301-2 Recycled input materials used	241		Yes (246-247)
	301-3 Reclaimed products and their packaging materials	241		Yes (246-247)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	164		Yes (246-247)
	302-2 Energy consumption outside of the organization	241		Yes (246-247)
	302-3 Energy intensity	164		Yes (246-247)
	302-4 Reduction of energy consumption	164-165		Yes (246-247)
	302-5 Reductions in energy requirements of products and services	169		Yes (246-247)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
GRI 303: Water 2016	303-1 Water withdrawal by source	166		Yes (246-247)
	303-2 Water sources significantly affected by withdrawal of water	166		Yes (246-247)
	303-3 Water recycled and reused	166		Yes (246-247)
GRI 306: Emissions and waste 2016	306-1 Water discharge by quality and destination	166		Yes (246-247)
	306-2 Waste by type and disposal method	168		Yes (246-247)
	306-3 Significant spills	6 significant spills		Yes (246-247)
	306-4 Transport of hazardous waste	168		Yes (246-247)
	306-5 Water bodies affected by water discharges and/or runoff	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken.	No
G4 Sector Disclosure: Construction and Real Estate	CRE1 Building energy intensity	Not available	Partial information. Pag: 170	No
	CRE2 Building water intensity	Not available	Partial information Pag: 170	No
	CRE5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken.	No
	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	170		Yes (246-247)
Climate change is a global concern				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	160		Yes (246-247)
	103-3 The evaluation of the management approach	160		Yes (246-247)
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	161		Yes (246-247)
	305-2 Energy indirect GHG emissions (Scope 2)	161		Yes (246-247)
	305-3 Other indirect GHG emissions (Scope 3)	161		Yes (246-247)
	305-4 GHG emissions intensity	160		Yes (246-247)
	305-5 Reduction of GHG emissions	160		Yes (246-247)
	305-6 Emissions of ozone-depleting substances (ODS)	241		Yes (246-247)
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	241		Yes (246-247)
G4 Sector Disclosure: Construction and Real Estate	CRE3 Greenhouse gas emissions intensity from buildings	Not available	Partial information Pag: 170	No
	CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity	160		Yes (246-247)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissiones	External verification
Protection of human rights				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	144		Yes (246-247)
	103-3 The evaluation of the management approach	144		Yes (246-247)
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	175-177		Yes (246-247)
	412-2 Employee training on human rights policies or procedures	144		Yes (246-247)
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	175-177		Yes (246-247)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	175-177		Yes (246-247)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	144		Yes (246-247)
Ethical and responsible companies				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	139-140		Yes (246-247)
	103-3 The evaluation of the management approach	139-140		Yes (246-247)
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	140-141		Yes (246-247)
	205-2 Communication and training about anti-corruption policies and procedures	140-141		Yes (246-247)
	205-3 Confirmed incidents of corruption and actions taken	Not detected		No
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	ACS Group Consolidated Annual Accounts : page 149		Yes (246-247)
Social roe of infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	57		Yes (246-247)
	103-3 The evaluation of the management approach	57		Yes (246-247)
Resilient infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	178-179		Yes (246-247)
	103-3 The evaluation of the management approach	178-179		Yes (246-247)
Tools and new financing models				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	228-233		Yes (246-247)
	103-2 The management approach and its components	64		Yes (246-247)
	103-3 The evaluation of the management approach	64		Yes (246-247)

9.3.2. ADDITIONAL INDICATORS

HEALTH AND SAFETY

	2014*	2015	2016	2017
Total number of hours worked	513,085,380	326,382,593	312,750,167	352,524,032
Total number of accidents with employee time off	7,798	4,256	4,294	4,273
Fatal accidents (own employees)	9	10	7	1
Fatal accidents (contracted employees)	8	3	6	2
Total number of cases of occupational diseases (employees)	32	35	46	53
Frequency rate for occupational disease (employees)	0.062	0.107	0.147	0.150
Total number of cases of occupational diseases (contractors)	0	0	0	0
Frequency rate for occupational disease (contractors)	0	0	0	0
Percentage of days lost through absenteeism	2.3%	2.1%	2.3%	2.0%

*2014 figures include Urbaser.

(403-1)(403-3)(403-4) HEALTH AND SAFETY INDICATORS	2016	2017
Total ACS Group	2016	2017
Percentage of workforce represented on formal joint health and safety committees for management and employees	75.66%	76.60%
Workers with a profession that has a high incidence or risk of illness	11,046	14,862
Health and safety issues covered in official agreements with trade unions	76.75%	75.15%
Construction		
Percentage of workforce represented on formal joint health and safety committees for management and employees	84.20%	83.25%
Workers with a profession that has a high incidence or risk of illness	10,043	13,976
Health and safety issues covered in official agreements with trade unions	37.10%	37.90%
Industrial Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	79.65%	83.15%
Workers with a profession that has a high incidence or risk of illness	1,003	886
Health and safety issues covered in official agreements with trade unions	92.98%	93.86%
Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	66.80%	66.80%
Workers with a profession that has a high incidence or risk of illness	0	0
Health and safety issues covered in official agreements with trade unions	100.00%	100.00%

TRANSPARENCY

	2016	2017
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.) * (€)	695,100	523,843

*The ACS Group made no financial or in kind contributions to political parties neither in 2016 nor 2017.

ENVIRONMENT

(301-1 and 301-2) Total materials used and percentage of recycled materials	2016	2017
Total wood purchased (m ³)	415,326	1,212,403
Percentage of certified Wood*	1.5%	0.5%
Total steel purchased (t)	1,117,594	548,994
Percentage of recycled Steel*	29.6%	9.3%
Total concrete purchased (m ³)	5,897,361	4,099,606
Percentage of cement/concrete with recycled aggregate	0.0%	0.7%
Total recycled glass (m ²)	32,635	77,332
Percentage of recycled glass*	0.0%	0.7%

* Scope of data of 13.30% revenues in 2016 and of 9.13% revenues in 2017.

(302-1) Energy consumption by source	2014*	2015	2016	2017
Total ACS Group				
Petrol + Diesel (million litres)	2,117	1,187	831	923
Natural gas (m ³)	401,980	400,930	275,696	360,909
Natural gas (kWh)	110,989,144	27,296,944	22,164,387	22,671,327
Biofuel (million litres)	n.d.	0	0	0
Electricity (MWh)	860,105	532,927	491,425	655,285
Electricity from renewable sources (MWh)	n.d.	28,786	25,313	28,738
Construction				
Petrol + Diesel (million litres)	2,016	1,162	810	902
Natural gas (m ³)	266,690	279,111	271,472	329,430
Natural gas (kWh)	771,403	92,100	833,895	694,977
Biofuel (million litres)	n.d.	0	0	0
Electricity (MWh)	571,585	418,975	400,275	533,108
Electricity from renewable sources (MWh)	n.d.	27,229	23,776	26,629
Industrial Services				
Petrol + Diesel (million litres)	39	21	17	18
Natural gas (m ³)	135,289	121,818	4,223	31,480
Natural gas (kWh)	135,541	204,844	15,492	0
Electricity (MWh)	54,298	89,119	64,433	96,488
Electricity from renewable sources (MWh)	n.d.	1,557	1,537	2,101
Services				
Petrol + Diesel (million litres)	62	4	4	4
Natural gas (m ³)	0	0	0	0
Natural gas (kWh)	110,082,200	27,000,000	21,315,000	21,976,351
Electricity (MWh)	234,221	24,834	26,717	25,689
Electricity from renewable sources (MWh)	n.d.	0	0	8

* 2014 figures include Urbaser.

	2014	2015	2016	2017
Amount of significant atmospheric emissions, in kg, of Ozone Depleting Substances	n.d.	n.d.	1,332,000	1,145,935
Amount of significant atmospheric emissions, in kg of NOx	n.d.	n.d.	505,040	530,851
Amount of significant atmospheric emissions, in kg, of Sox,	n.d.	n.d.	6,138	8,549
Amount of significant atmospheric emissions, in kg, of other significant atmospheric emissions,	n.d.	n.d.	980	855

9.3.3. SCOPE OF THE DATA

[102-49]

TRANSPARENCY, ETHICS AND INTEGRITY

% of employees	2016	2017
Number of communications received and handled by the Ethics Channel	100.0%	100.0%
Scope of the training plans regarding human rights, ethics, integrity or conduct (% of employees)	92.93%	97.33%
Number of courses given with content involving human rights, ethics, integrity or conduct	92.93%	97.33%
Number of employees trained in human rights, ethics, integrity or conduct content during the year	92.93%	97.33%
Training hours per trained employee	88.90%	89.35%
Value contributions to associations	16.82%	18.14%

HEALTH AND SAFETY

% of employees	2016	2017
Employees who have received health and safety training during the year (%)	99.84%	100.00%
Employees who have received health and safety training during their career with the company (%)	99.84%	100.00%
Percentage of workforce represented on formal joint health and safety committees for management and employees	99.84%	100.00%
Workers with a profession that has a high incidence or risk of illness	91.06%	100.00%
Health and safety issues covered in official agreements with trade unions	78.70%	75.69%

% of employees	2014	2015	2016	2017
Percentage of total employees covered by OHSAS 18001 certification	100.00%	100.00%	99.84%	100.00%
Total number of hours worked (employees)	100.00%	100.00%	99.84%	100.00%
Total number of accidents with time off (employees)	100.00%	100.00%	99.84%	100.00%
Total number of working days lost (employees)	100.00%	100.00%	99.84%	100.00%
Total number of hours worked (subcontractors)	70.30%	75.05%	91.06%	90.96%
Total number of accidents with time off (subcontractors)	70.30%	74.71%	91.06%	90.96%
Total number of working days lost (subcontractors)	70.30%	74.47%	91.06%	90.96%
Deaths (employees)	100.00%	100.00%	99.84%	100.00%
Deaths (contractors)	70.30%	79.32%	99.84%	96.56%
Investment in health and safety (millions of euros)	78.33%	100.00%	99.84%	100.00%
Total number of cases of occupational diseases (employees)	73.80%	79.32%	77.88%	94.40%
Total number of cases of occupational diseases (subcontractors)	70.30%	75.05%	73.90%	70.96%

ENVIRONMENT

% of revenues	2017
Implementation of an environmental management system	98.25%
Implementation of ISO 14001 certification	98.25%
Implementation of other certifications	98.25%
Projects registered and certified as per efficient construction certifications	100.00%

% of revenues	2014	2015	2016	2017
Petrol (million litres)	98.44%	99.38%	97.17%	98.25%
Diesel (million litres)	98.44%	99.38%	97.17%	98.25%
Natural gas (m ³)	98.44%	99.38%	97.17%	98.25%
Natural gas (kWh)	98.44%	99.38%	97.17%	98.25%
Biofuel (million litres)	n.d.	32.43%	80.10%	82.37%
Electricity (MWh)	98.44%	99.38%	97.17%	98.25%
Electricity from renewable sources (MWh)	n.d.	32.43%	87.47%	87.99%
Direct greenhouse gas emissions not associated with the use of fuels (Scope 1 process emissions) (tCO ₂ eq)	98.44%	32.43%	13.92%	16.29%
Business travel: total km travelled on short-haul flights (< 500 km)	98.44%	99.38%	92.49%	98.25%
Business travel Air: total km travelled on medium-haul flights (500 km < X < 1,600 km)	98.44%	99.38%	92.49%	98.25%
Business travel Air: total km travelled on long-haul flights (> 1,600 km)	98.44%	99.38%	92.49%	98.25%
Business travel Total km travelled in private vehicles for business purposes	98.44%	99.38%	97.17%	98.25%
Business travel Total km travelled by train	98.44%	99.38%	92.49%	98.25%
Business travel Total km travelled by boat	98.44%	99.38%	97.17%	98.25%
Others (tCO ₂ eq)	98.44%	99.38%	97.17%	98.25%
Amount of significant atmospheric emissions, in kg, of Ozone Depleting Substances	n.d.	n.d.	82.91%	86.17%
Amount of significant atmospheric emissions, in kg, of NO _x	n.d.	n.d.	78.62%	91.37%
Amount of significant atmospheric emissions, in kg, of SO _x	n.d.	n.d.	77.40%	81.67%
Amount of significant atmospheric emissions, in kg, of other significant atmospheric emissions	n.d.	n.d.	78.62%	91.37%
Efficient use of water resources				
Drinking water consumption (m ³)	64.40%	63.84%	97.17%	98.25%
Non-drinking water consumption (m ³)	32.20%	32.43%	97.17%	98.25%
Waste water discharged (m ³)	32.20%	32.43%	97.17%	98.25%
Volume of reused water (m ³)	n.d.	99.38%	97.17%	98.25%
Waste management				
Non-hazardous waste sent for management (t)	98.44%	99.38%	97.17%	98.25%
Hazardous waste sent for management (t)	98.44%	95.01%	97.17%	98.25%

Materials (% of Group procurements)	2016	2017
Total wood purchased (m ³)	85.57%	87.34%
Percentage of certified wood	13.30%	9.13%
Total steel purchased (t)	85.88%	89.10%
Percentage of recycled steel	58.74%	8.00%
Total concrete purchased (m ³)	85.88%	90.23%
Percentage of cement/concrete with recycled aggregate	13.30%	8.00%
Total recycled glass (m ²)	13.30%	9.13%
Percentage of recycled glass	13.30%	9.13%

COMMITMENT TO QUALITY WITH THE CUSTOMER

% of revenues	2017
Production certified under ISO 9001: Total ACS Group	97.62%
Number of quality audits	97.62%
Investment in measures to promote and improve quality	54.47%
Number of customer satisfaction surveys received	29.66%
Customer responses that are "satisfied" or "very satisfied" out of the total number of surveys received (%)	29.66%

SUPPLIERS AND CONTRACTORS

% of Group procurements	2016	2017
Companies that have a formal system for approving suppliers and subcontractors	100.00%	100.00%
Adherence to the ACS Group Code of Conduct	99.69%	100.00%
Adherence to standards for the fulfilment of ethical, social and environmental commitments	100,00%	100,00%
Certification in quality aspects (ISO 9001)	100,00%	100,00%
Certification in environmental aspects (ISO14001, EMAS or similar)	100.00%	100.00%
Analysis of labour standards and practices of suppliers and contractors	100.00%	100.00%
Suppliers identified as critical	35.84%	99.37%
Critical suppliers. % of total	53.01%	99.37%

ACS GROUP EMPLOYEES

Total % of employees	2016	2017
Total employees	100.00%	100.00%
Employees by nationality (nationals of the corporate headquarters/foreigners)	80.56%	97.33%
Employees by area of activity	100.00%	100.00%
Personnel by professional category and area of activity	100.00%	100.00%
Types of contract	100.00%	100.00%
Personnel by professional category and gender	100.00%	100.00%
Personnel by geographical area	100.00%	100.00%
Average age (men)	81.43%	97.33%
Average age (women)	81.43%	97.33%
Average seniority (men)	81.43%	97.33%
Average seniority (women)	81.43%	97.33%
Of the employees reported, number of women with a management position (construction/project manager or similar and superior)	92.93%	97.33%
Of the employees reported, number of men with a management position (construction/project manager or similar and superior)	92.93%	97.33%
Of the employees reported, number of women management positions	81.43%	97.33%
Of the employees reported, number of men management positions	92.93%	97.33%
Employees covered by a formal professional development system	92.93%	97.33%
Employees subject to performance evaluation processes	92.93%	97.33%
Employees covered by variable remuneration systems	92.93%	97.33%
Total revenues for women	92.93%	97.33%
Total revenues for men	92.93%	97.33%
Voluntary revenues for women	92.93%	97.33%
Voluntary revenues for men	92.93%	97.33%
Employees trained	92.93%	97.33%
Total teaching hours given	92.93%	97.33%
Investment in training (millions of euros)	92.93%	97.33%

INNOVATION

% of revenues	2017
Investment in research, development and innovation by the ACS Group	52.93%
Number of innovation projects in progress in 2017 of the ACS Group	52.93%
Number of patents registered by the ACS Group in 2017	52.93%
Number of patents registered by the ACS Group over the last ten years	52.93%

GIVING BACK TO SOCIETY

% of employees	2016	2017
Investment in social action by Group companies	92.93%	97.11%
Budget allocated by the Foundation	100.0%	100.0%

9.3.4. ASSURANCE REPORT



KPMG Asesores, S.L.
Pº. de la Castellana, 259 C
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.)

To the Management of Actividades de Construcción y Servicios, S.A.

In accordance with our engagement letter, we performed a limited assurance review on the non-financial information contained in the Integrated Annual Report of Actividades de Construcción y Servicios, S.A. (hereinafter ACS) for the year ended 31 December 2017 (hereinafter "the Report"). The information reviewed corresponds to the indicators referred in the GRI Index.

Management responsibilities

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), in its comprehensive option, and the Construction and Real Estate Sectoral Supplement, as detailed in section 102-54 of the GRI Content Index of the Report. It is also responsible for compliance with the Materiality Disclosure Service, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for determining ACS's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

These responsibilities include the establishment of appropriate controls that ACS management consider necessary to enable that the preparation of indicators with a limited assurance review would be free of material errors due to fraud or errors.

Our responsibility

Our responsibility is to carry out a limited assurance review, and to express a conclusion based on the work performed, referring exclusively to the information corresponding to 2017. We conducted our engagement in accordance with Standard ISAE 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the Standard ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board (IAASB) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Limited assurance over limited assurance indicators

Our limited assurance engagement consisted of making enquiries of management and persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Verification of ACS's processes for determining the material issues, and the participation of stakeholder groups therein.

- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across the business of ACS.
- Evaluation through interviews concerning the consistency of the description of the application of ACS's policies and strategy on sustainability, governance, ethics and integrity.
- Risk analysis, including searching the media to identify material issues during the year covered by the Report.
- Review of the consistency of information comparing GRI Universal Standard Disclosures with internal systems and documentation.
- Analysis of 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.
- Visit to the headquarters of Mutua Madrileña construction site selected based on a risk analysis considering quantitative and qualitative criteria.
- Review of the application of the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), requirements for the preparation of reports in accordance with comprehensive option.
- 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.
- Verification that the financial information reflected in the Report was audited by independent third parties.
- Contrasting the information of HOCHTIEF reflected in the Report with the one included in the Annual Report of HOCHTIEF, which has been assured by an independent third party.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Review Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that Integrated Annual Report of Actividades de Construcción y Servicios, S.A. for the year ended 31 December 2017 have not in all material respects, been prepared and presented in accordance with the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), in its comprehensive option, and the Construction and Real Estate Sectoral Supplement, as detailed in section 102-54 of the GRI Content Index of the Report, including the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

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

Purpose of our report

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for ACS in relation to its Integrated Annual Report and for no other purpose or in any other context.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

21 March 2018

9.4. ECONOMIC-FINANCIAL APPENDIX

9.4.1. TREASURY SHARES

At December 31, 2017, the ACS Group had 3,756,460 treasury shares on its balance sheet, representing 1.2% of its share capital. The detail of the transactions performed in the year is as follows:

	2016		2017	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of period	9,898,884	276,629	4,677,422	120,981
Purchases	4,669,903	107,081	5,958,630	199,337
Revenues	(3,125,000)	(85,567)	-	-
Retirement	(6,766,365)	(177,162)	(6,879,592)	(199,543)
At end of period	4,677,422	120,981	3,756,460	120,775



9.4.2 IRIDIUM CONCESSIONS PORTFOLIO

Concession - description	Stake	Consolidation Method	Country	Activity	Phase	Units	Expiry date	Total investment	ACS Group Investment (Mn €)
Autovía de La Mancha	75.0%	E.Q.	Spain	Highways	Operation	52	Apr-33	128	21
Reus-Alcover	100.0%	E.Q.	Spain	Highways	Operation	10	Dec-38	69	16
Santiago Brión	70.0%	E.Q.	Spain	Highways	Operation	16	Sep-35	118	14
Autovía de los Pinares	63.3%	E.Q.	Spain	Highways	Operation	44	Apr-41	95	17
Autovía Medinaceli-Calatayud	100.0%	Global	Spain	Highways	Operation	93	Dec-26	183	24
Autovía del Pirineo (AP21)	100.0%	E.Q.	Spain	Highways	Operation	45	Jul-39	226	81
Autovía de la Sierra de Arana	40.0%	E.Q.	Spain	Highways	Construction	39	Jul-41	200	2
EMESA (Madrid Calle 30)	50.0%	E.Q.	Spain	Highways	Operation	33	Sep-40	185	35
Eje Diagonal	100.0%	E.Q.	Spain	Highways	Operation	67	Jan-42	405	154
A-30 Nouvelle Autoroute 30	12.5%	E.Q.	Canada	Highways	Operation	74	Sep-43	1,286	19
Capital City Link (NEAH)	25.0%	E.Q.	Canada	Highways	Operation	27	Sep-46	1,018	12
FTG Transportation Group	12.5%	E.Q.	Canada	Highways	Operation	45	Jun-34	518	3
Windsor Essex	33.3%	E.Q.	Canada	Highways	Operation	11	Feb-44	847	7
Signature on the Saint-Lawrence Group General Part	25.0%	E.Q.	Canada	Highways	Construction	3	Nov-49	1,615	0
CRG Waterford - Southlink	33,33% (Waterford) 16,5% (Souhlink)	E.Q. / N.C.	Ireland	Highways	Operation	23	Apr-36	321	22
CRG Portlaoise - Midlink	33,33% (Portlaoise) 16,5% (Midlink M7/M8)	E.Q. / N.C.	Ireland	Highways	Operation	41	Jun-37	328	23
N25 New Ross Bypass	50.0%	E.Q.	Ireland	Highways	Construction	14	Feb-43	169	0
M11 Gorey - Enniscorthy	50.0%	E.Q.	Ireland	Highways	Construction	32	Jan-44	253	0
Sper - Planestrada (Baixo Alentejo)	15.1%	N.C.	Portugal	Highways	Operation	347	Dec-38	445	15
A-13, Puerta del Tamesis	25.0%	E.Q.	United Kingdom	Highways	Operation	22	Jul-30	269	7
SH288 Toll Lanes-Texas	2.0%	E.Q.	USA	Highways	Construction	17	Aug-67	826	0
Portsmouth Bypass	40.0%	E.Q.	USA	Highways	Construction	35	Dec-53	464	0
US 181 Harbor Bridge	50.0%	-	USA	Highways	-	-	-	789	0
Highway 427	50.0%	E.Q.	Canada	Highways	Construction	11	Sep-50	236	0
I595 Express	50.0%	E.Q.	USA	Highways	Operation	17	Feb-44	1,339	87
Total highways (km)						1,118		12,333	559
Línea 9 Tramo II	10.0%	N.C.	Spain	Railways	Operation	11	Oct-42	879	7
Línea 9 Tramo IV	10.0%	N.C.	Spain	Railways	Operation	11	Sep-40	612	6
Metro de Arganda	8.1%	N.C.	Spain	Railways	Operation	18	Dec-29	149	3
ELOS - Ligações de Alta Velocidade	15.2%	N.C.	Portugal	Railways	Construction	167	Aug-05	1,637	3
Rideau Transit Group (Ligth RT Ottawa)	40.0%	E.Q.	Canada	Railways	Construction	13	Jun-48	1,334	0
Crosslinx Transit Solutions	25.0%	E.Q.	Canada	Railways	Construction	20	Sep-51	3,621	0
Angels flight	86.5%	Global	USA	Railways	Operation	n.a.	Apr-47	2	1
Ottawa Phase II variation	33.0%	E.Q.	Canada	Railways	Construction	n.a.	Dec-19	326	0
Metro de Lima Línea 2	25.0%	E.Q.	Perú	Railways	Construction	35	Apr-49	4,168	25
Total railways (km)						274		12,726	45
Cárcel de Brians	100.0%	Global	Spain	Jails	Operation	95,182	Dec-34	108	14
Comisaría Central (Ribera norte)	100.0%	Global	Spain	Police Station	Operation	60,330	May-24	70	13
Comisaría del Vallés (Terrasa)	100.0%	Global	Spain	Police Station	Operation	8,937	Mar-32	17	3
Comisaría del Vallés (Barberá)	100.0%	Global	Spain	Police Station	Operation	9,269	Apr-32	20	4
Los Libertadores	100.0%	Global	Chile	Border Facility	Construction	32,011	Nov-30	75	8
Public facilities (m2)						205,729		289	42
Hospital Majadahonda	11.0%	N.C.	Spain	Hospitals	Operation	749	Jul-35	257	4
Nuevo Hospital de Toledo, S.A.	33.3%	E.Q.	Spain	Hospitals	Construction	760	Mar-45	286	4
Hospital Son Espases	9.9%	N.C.	Spain	Hospitals	Operation	987	Oct-39	305	3
Hospital de Can Misses (Ibiza)	8.0%	N.C.	Spain	Hospitals	Operation	297	Oct-42	129	2
Public facilities (number of beds)						2,793		977	13
Intercambiador Plaza de Castilla	4.4%	N.C.	Spain	Transfer Station	Operation	59,650	Feb-41	174	1
Intercambiador Príncipe Pío	8.4%	N.C.	Spain	Transfer Station	Operation	28,300	Dec-40	66	1
Intercambiador Avda América	12.0%	N.C.	Spain	Transfer Station	Operation	41,000	Jun-38	114	2
Transfers stations (m²)						128,950		354	4
Iridium Aparcamientos(1)	100.0%	Global	Spain	Parkings	Operation	15,715	2058	49	47
Serrano Park	50.0%	E.Q.	Spain	Parkings	Operation	3,297	Dec-48	130	21
Total parkings (number of places)						19,012		179	68
TOTAL CONCESSIONS								26,858	731

(1) Cover main contracts managed by Iridium Aparcamientos.

9.4.3. ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with that established in commercial law, the Annual Corporate Governance Report, which forms an integral part of the 2017

directors' report, is attached by reference and is available on the CNMV's website.

9.4.4. GLOSSARY

The ACS Group presents its results in accordance with International Financial Reporting Standards (IFRS), however, the Group uses certain alternative performance measures (APM) to provide additional information that facilitates the comparability

and understanding of its financial information and the decision making and assessment of the Group's performance. The most noteworthy APMs are detailed below.

CONCEPT	DEFINITION AND COHERENCE	Dec-17	Dec-16
Market capitalisation	Num of shares at period close x price at period close	10,264	9,446
Earnings per share	Net Profit of the period / Average num of shares of the period	2.57	2.44
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	802	751
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	312.0	308.1
Backlog	Value of the contracts awarded and pending to be executed.	67,082	66,526
Gross Operating Profit (EBITDA)	Operating Profit excluding (1) D&A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures	2,279	2,023
(+) Operating Profit	Operating income - Operating expenses	1,329	1,237
(-) 1.D&A	Operating provisions and fix asset depreciation	(653)	(578)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(186)	(131)
(+) Net profit from Joint Ventures	Profit before Taxes from foreign joint ventures consolidated by Equity method. It is similar to the UTEs regime in Spain, thus it is included in the EBITDA in order to standardize the accounting criteria with the Group's foreign companies	111	77
Net Financial Debt / EBITDA	Net Financial Debt / Annualized EBITDA	0.1x	0.6x
Net Financial Debt (1)-(2)	Gross external financial debt +Net debt with group companies - Cash & Equivalents	153	1,214



CONCEPT	DEFINITION AND COHERENCE	Dec-17	Dec-16
(1) Gross Financial Debt	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other I/t non bank debt + Debt with group companies	8,040	8,689
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	7,887	7,475
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,279	2,023
Net Cash Flow	(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows	1,042	1,380
1. Cash Flow from operating activities	Adjusted Net Profit attributable + Operating working capital variation ex discontinued operations	1,863	1,376
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which don't imply an operating cash flow	1,672	1,397
Operating working capital variation	Working capital variation of the period (+/-) adjustments of non operating concepts (Ej: dividends, interests, taxes, etc)	192	(21)
2. Cash Flow from investing activities	Net investments (paid/collected) ex discontinued operations	(308)	594
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations	(915)	(1,403)
(+) Collections from divestments	Collections from operating, project and financial divestments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations	607	1,997
3. Other Cash Flows	Treasury stock sale/acquisition + Dividend payments + Other financial sources + Cash generated from discontinued operations	(513)	(591)
Ordinary Financial Result	Financial Income - Financial expenses	(283)	(340)
Net Financial Result	Ordinary financial result + Foreign exchange results + Impairment non current assets results + Results on non current assets disposals	(50)	(310)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(3,369)	(3,681)

NOTE: All financial indicators and AMPs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards
Data in million euros.

CONCEPT	USE
Market capitalisation	Value of the company in the stock exchange market
Earnings per share	Indicates the part of the net profit that corresponds to each share
Net Attributable profit	
Average num. of shares of the period	
Backlog	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods
Gross Operating Profit (EBITDA)	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks
Net Financial Debt / EBITDA	Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 5.2.3, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Gross financial debt	Level of gross financial debt at period end
(2) Cash & Equivalentents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
Net Cash Flow	Cash generated / consumed of the period
1. Cash Flow from operating activities	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
3. Other Cash Flows	
Ordinary Financial Result	Measure of assessment of the result coming from the use of financial assets and liabilities. This concept includes both income and expenses directly related with net financial debt as other non related financial income/expenses

NOTE: All financial indicators and AMPs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards.

9.5. AWARDS, RECOGNITIONS AND MEMBERSHIPS

- ACS Actividades de Construcción y Servicios was classified to be included in the 2018 Sustainability Yearbook and received the Bronze Class distinction for its excellent performance and sustainability, according to the evaluation performed by Robecosam.

- In 2017, FTSE Russell confirmed that the ACS Group had been independently evaluated in accordance with the FTSE4Good criteria and had met the requirements to become a component of the FTSE4Good index series.



- The ACS Group is a signatory to the United Nations Global Compact.

- The ACS Group supports the Carbon Disclosure Project initiative.



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

- ACS is the seven largest company in the world by revenues figures, according to the ENR magazine ranking published in August 2017. It is the second-ranking listed company worldwide on this list and the company with the most international business.

- In 2017, Harvard Business Review named Florentino Pérez, Chairman and CEO of the ACS Group, as one of the world's top 100 CEOs.

- Forbes magazine, in its February 2018 issue, included Florentino Pérez as the best CEO in Spain in 2017.

- According to the Merco monitor, in 2017 the ACS Group was one of the most highly respected companies in Spain, with Florentino Pérez considered to be one of the most highly esteemed leaders in Spain.

9.6. WE WOULD LIKE TO KNOW YOUR OPINION

As you may have observed in the preceding pages, the ACS Group is committed to transparency of information and the relationships with its various stakeholders.

The ACS Group considers the assumption of reporting principles to be a process of ongoing improvement, in which it is essential to count on the informed opinion of the various stakeholders. We would therefore greatly appreciate any feedback you may have on this report at:

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