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Report on Corporate Responsibility



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commitment



3.1

The ACS Group and Corporate Responsibility

Corporate responsibility, part of the Group's vision and strategy

Although some of its companies have been operating for over half a century, ACS is still very young. In record time, ACS has become a worldwide reference in the promotion, development, construction and management of infrastructures and services. ACS's success rests on three basic pillars:

- **Corporate culture** focused on meeting clients' needs, establishing relationships of mutual trust by means of efficient organisation and dynamic and enterprising management.
- **Competitive advantages** based on the high quality of its human team, technical excellence and consistent innovation in each project.
- An ongoing quest for **shareholder profitability**.

ACS maintains a vision based on its undertaking to aid in the development of the societies in which it is present by pursuing improved wellbeing and the sustainable growth of these societies, and contributing to this objective by means of:

- The development of infrastructures, civil works, industrial facilities, energy plants, telecommunications systems and waste treatment and purification plants.
- The provision of services in the fields of integral management of urban, logistic and industrial infrastructures.
- Active participation in sectors essential to the economic and social development of any developed country such as infrastructures and energy.





Commitments of the ACS Group

Throughout the history of ACS, there has been ongoing concern for the achievement of sustainable and responsible growth. This commitment to sustainable development is instilled in each of the Group's activities, each of the investments it promotes and each of the decisions it takes.

The ACS Group's relationship with the environment and with its stakeholders is based on **strategic commitments**, which can be defined as follows:

- Sustainable growth of societies it serves, consistently applying the values of its quest for excellence and respect for human rights.
- Improvement of social wellbeing through the creation of respectable and fairly compensated employment, while abiding by internationally recognised labour rights and laws.
- Respect for the environment and culture through the application of the necessary measures and techniques.
- Transparent and rigorous communication of its policies and activities so that accurate, reliable and accessible information is available to all agents.

The Company's strategic commitments rest on the corporate responsibility policy of ACS, which emphasises **five commitments to action**:

1. **Commitment to the value creation**, distributing the wealth created among its shareholders, clients, suppliers and among the society as a whole.
2. **Commitment to information transparency**, so that those who have a relationship with the Company have accurate, reliable and accessible information available to them and are able to form an exact opinion of the ACS Group.
3. **Commitment to research, development and innovation** with a view to the future, profitable growth and the quality of its products and services.

4. **Commitment to the natural environment**, implementing programs and procedures which contribute to minimizing the impact of the ACS Group's activities.

5. **Commitment to individuals and the social environment** through the creation of employment, wealth and the contribution to the wellbeing and prosperity of the societies in which it operate.

The different activities of ACS are in line with these commitments, which are integrated into its processes, activities and plans.



The ACS Group's response to the challenge of corporate responsibility

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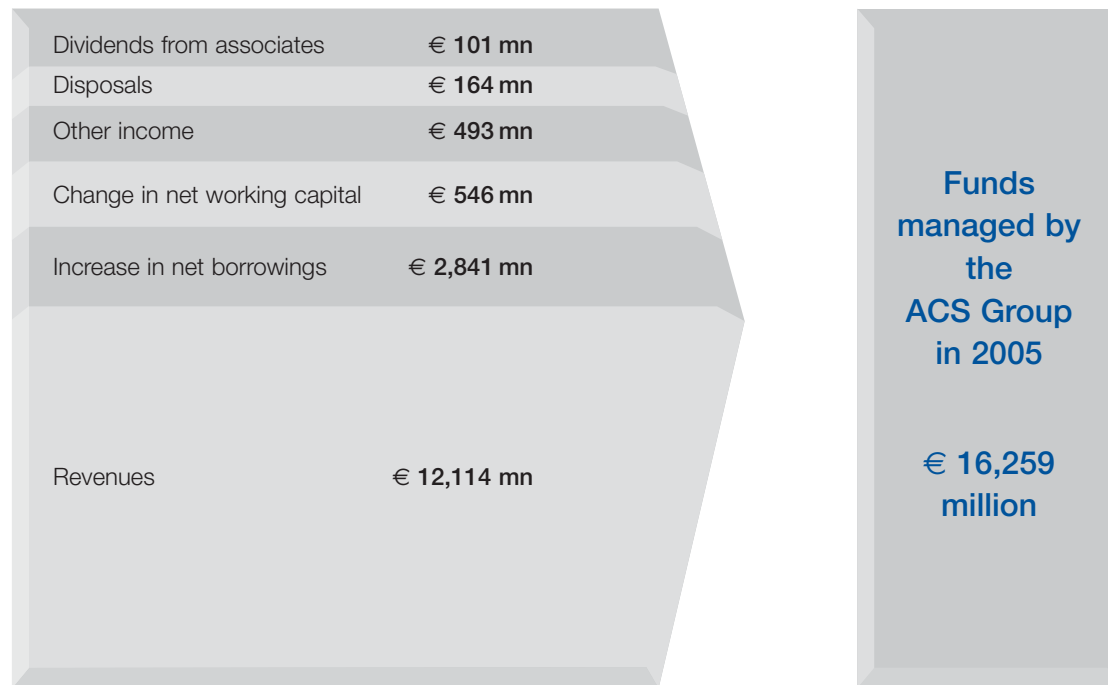
Commitment to the Creation of Value

The ACS Group makes its commitment to sustainability a reality, firstly by guaranteeing high quality operations and financial soundness and efficiency.

Also, in line with the Group's values and strategic principles, it must adopt behavioural principles, constantly improve, publicly report on its performance and progress, and foster the participation of shareholders and other stakeholders in its business decisions.

Distribution of wealth

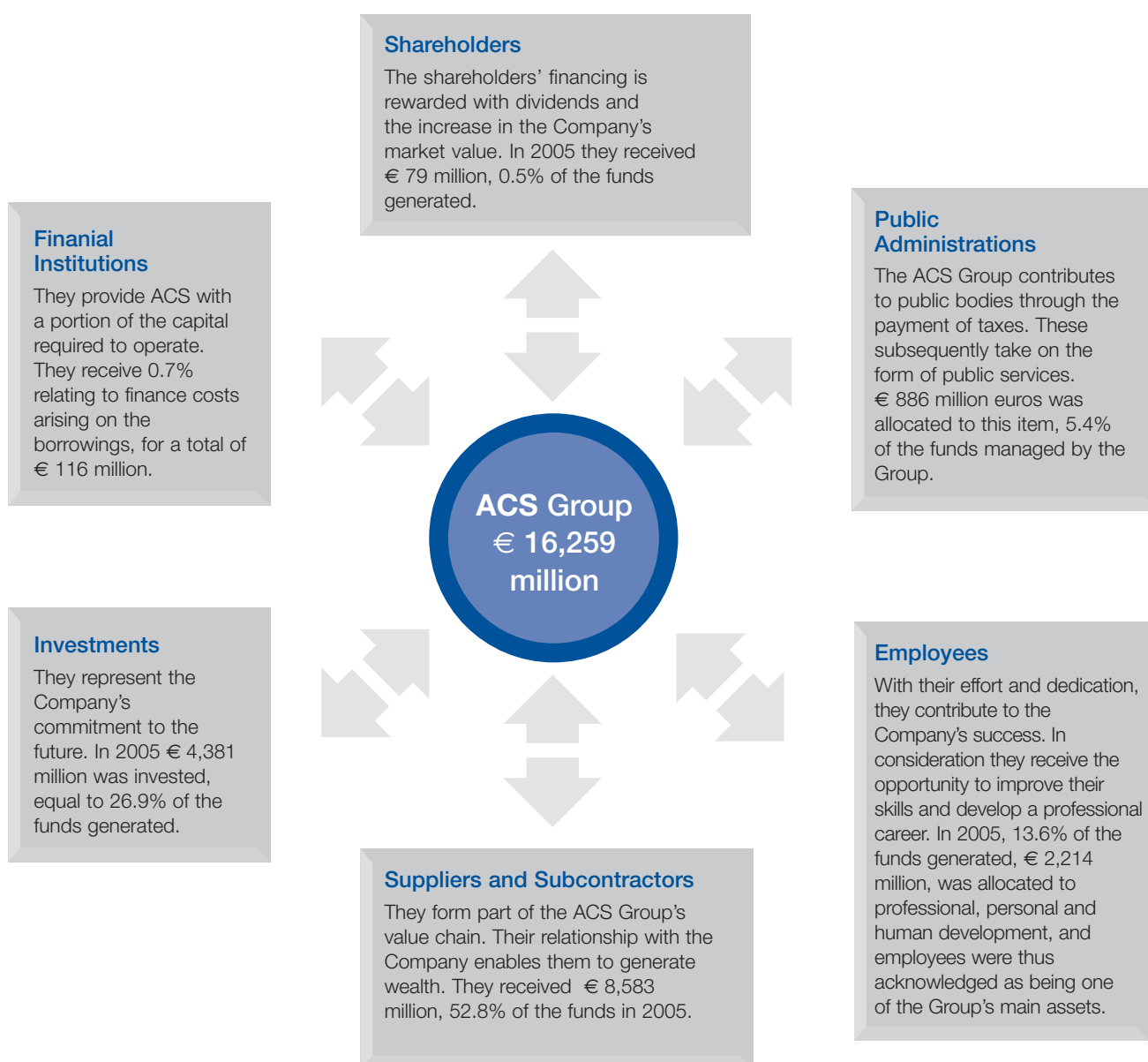
Shareholder profitability is the main objective of ACS, and all of its activities are aimed in this direction.



At the same time, maximizing shareholder profitability is compatible with the creation of wealth for all stakeholders that are involved in the production process or that interact with the Company. The trust of concurrent stakeholders is critical to the sustaining of the Group's long-term growth and profitability.

Through its activities, the ACS Group generates added value which is distributed to those stakeholders who take part in its creation.

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





Value for clients

The ACS Group has a base of clients of common characteristics that unequivocally shape the Company's strategy in each activity area.

The Group's clients are mainly public administrations and large corporations in industrial sectors ranging from the environment to energy generation. In view of the nature of its clients, ACS is required to strive in order to reach a high degree of quality and to guarantee their satisfaction.

Permanent contact is maintained with clients during the performance of its contracts, and feedback is requested from clients so as to be aware of their opinion of the work carried out and to gain insight on potential improvements. Special emphasis is also placed on the quality of processes and resources are dedicated to the development of activities which allow for the application of the most adequate and advanced techniques in all areas.



Quality

The ACS Group continually invests in the innovation and development of productive processes, as well as the improvement of work systems and methods, in order to adapt to the increasing specialization of the clients to which our services are directed.

The ACS Group has accepted the challenge to foster high quality standards, backed by the best professionals and the most advanced techniques available. In order to confront this reality and meet the expectations of its clients, the ACS Group has defined the following principles in relation to quality:

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

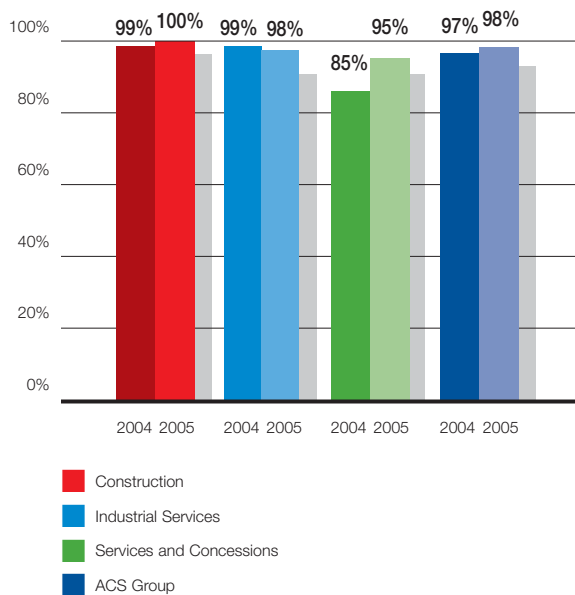
Each of ACS activities on which improvement processes may be implemented has its own management system which allows for independence and self-control, and which in terms of quality, also fosters the Group's policy of decentralization and specialization.

These management systems assure that the products are developed in accordance with contractual terms, legal requirements or regulations, and the company's standards in order to guarantee client satisfaction.

98% of the production of the ACS Group in 2005 took place under quality systems based on ISO 9001 standards and certified by acknowledged external organizations



Quality certified production



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

To this end, the Group allocates over 30 million euros a year and assigns a team of over 500 staff members to plan appropriate procedures whose purpose is to improve the quality of all products and services, to supervise and correct the initiatives required to meet these objectives, and to train staff in accordance with present and future needs.

The ongoing improvement of the system and the follow-up of its application are carried out through the Quality Committee, which is responsible for its evaluation and revision on the basis of the contributions of each of the Group companies. These companies simultaneously apply procedures to monitor client satisfaction.

This entire process would be incomplete without the contributions of the Group employees. Given their commitment to excellence, they assume their share of responsibility in the Company's system.





Value for shareholders

At December 31, 2005, the share capital of the ACS Group amounted to € 176,436,567, represented by 352,873,134 ordinary shares with a par value of € 0.50 each, all of the same class and series. ACS shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

In 2005 the ACS stock was revalued by 61.9%, greatly exceeding the average market revaluation, which based on the IBEX35, rose by 18.2%

The value of the ACS shares has multiplied by 16 times in the last ten years, which amounts to an annual increase of 32%. In the same period, the average revaluation of the IBEX35 was 13.2%

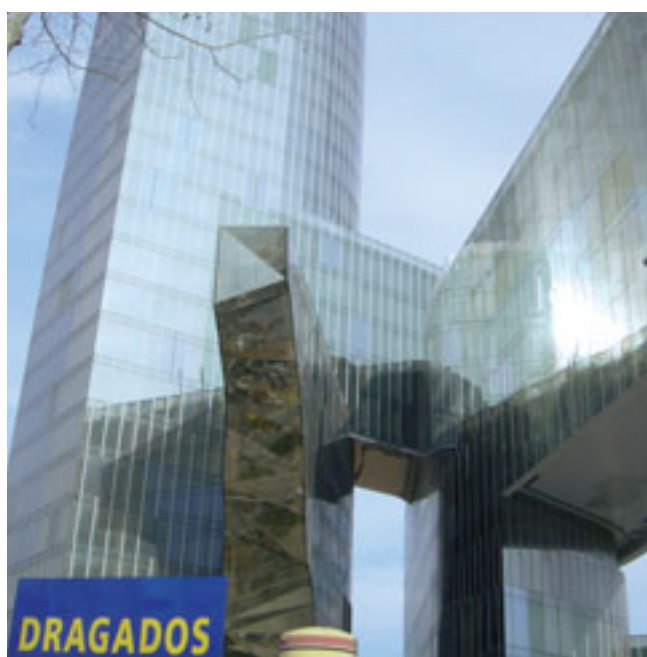
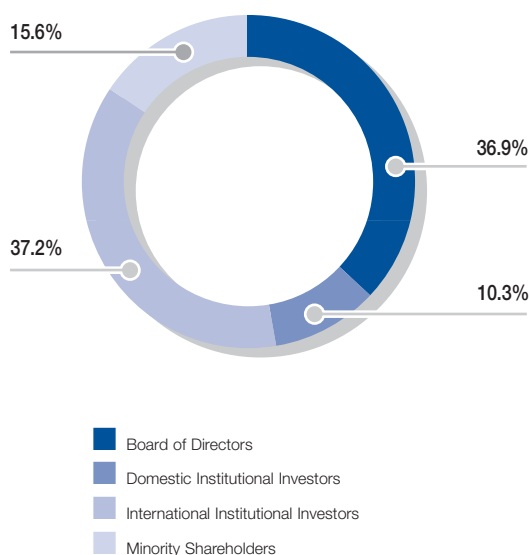
| The ACS Stock | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Closing price | € 1.85 | € 7.39 | € 11.22 | € 7.85 | € 8.37 | € 9.13 | € 10.22 | € 12.90 | € 16.80 | € 27.21 |
| Revaluation of ACS stock | 8.20% | 300.36% | 51.76% | -30.04% | 6.58% | 9.16% | 11.86% | 26.26% | 30.23% | 61.96% |
| Revaluation of IBEX 35 | 41.97% | 40.75% | 35.58% | 18.35% | -21.75% | -7.82% | -28.11% | 28.27% | 17.37% | 18.20% |
| Maximum in period | € 1.85 | € 7.86 | € 11.46 | € 12.94 | € 10.73 | € 11.15 | € 12.33 | € 13.13 | € 17.13 | € 27.30 |
| Minimum in period | € 1.50 | € 1.80 | € 7.01 | € 7.09 | € 5.70 | € 7.08 | € 8.86 | € 9.88 | € 12.55 | € 16.80 |
| Average in period | € 1.67 | € 4.62 | € 9.26 | € 9.39 | € 8.88 | € 9.64 | € 10.20 | € 11.80 | € 14.60 | € 22.39 |
| Total volume of shares (thousands) | 17,537 | 55,721 | 153,705 | 149,388 | 187,860 | 155,171 | 190,174 | 238,933 | 312,483 | 401,440 |
| Average daily volume of shares (thousands) | 70 | 226 | 620 | 598 | 751 | 621 | 761 | 956 | 1,245 | 1,568 |
| Total effective traded (€ millions) | 5 | 53 | 239 | 1,402 | 2,661 | 1,496 | 1,949 | 2,847 | 4,563 | 8,989 |
| Daily average effective (€ millions) | 0.02 | 0.21 | 0.96 | 5.61 | 10.64 | 5.99 | 7.80 | 11.39 | 18.18 | 35.11 |
| Number of shares (millions) | 140.57 | 127.46 | 143.39 | 164.90 | 192.18 | 192.18 | 192.18 | 355.58 | 352.87 | 352.87 |
| Stock market capitalization at period end (€ millions) | 260 | 942 | 1,609 | 1,294 | 1,608 | 1,755 | 1,963 | 4,587 | 5,928 | 9,602 |



Since the ACS Group's stock is in the form of bearer shares, there is no register of company shareholders. According to the most recent data available, there were 61,288 ACS shareholders in May 2005. The average investment per shareholders in May 2005 was 5,767 shares, which based on the 2005 year-end share price, represents an average of € 156,930. Free-float capital exceeds 67%.

| Name of Investee | % Direct Ownership | Number of Shares Directly Owned | % Indirect Ownership | Number of Shares Indirectly Owned | % Total | Number of Controlled Shares |
|------------------------------------|--------------------|---------------------------------|----------------------|-----------------------------------|----------------|-----------------------------|
| Corporación Financiera ALBA, S.A. | 0.00% | 0 | 17.93% | 63,266,134 | 17.93% | 63,266,134 |
| Corporación Financiera ALCOR, S.A. | 0.26% | 932,880 | 10.35% | 36,506,074 | 10.61% | 37,438,954 |
| Inversiones VESAN, S.A. | 7.55% | 26,624,918 | 0.00% | 0 | 7.55% | 26,624,918 |
| Rest of the Board of Directors | 0.46% | 1,618,641 | 0.65% | 2,309,550 | 1.11% | 3,928,191 |
| Total Board of Directors | 8.27% | 29,176,439 | 28.93% | 102,081,758 | 37.20% | 131,258,197 |
| Floating Capital | | | | | 62.80% | 221,614,937 |
| Total | | | | | 100.00% | 352,873,134 |

Breakdown of the ownership of share capital by type of investor



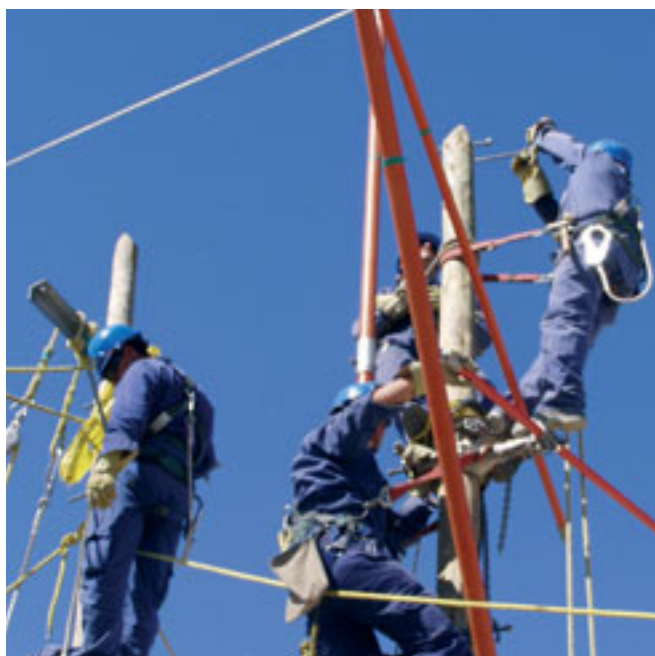
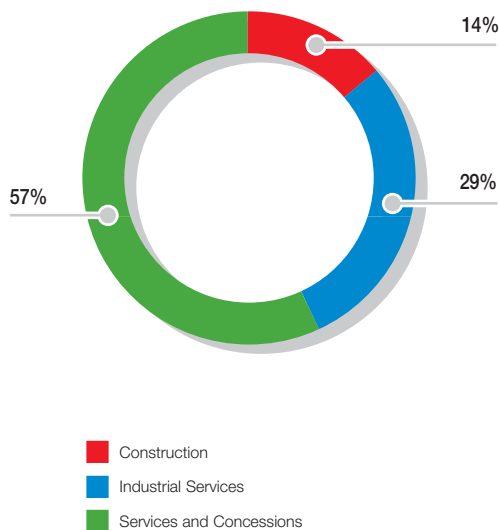


Value for employees

All prevention labour risk policies and ACS Group employee professional and personal development support reflect our acknowledgement that they are the company's principal asset.

At December 31, 2005 the ACS had 113,273 employees, representing 0.6% of the working population of Spain. Of these employees, 17% provided services in the international area. Personnel expenses totalled € 2,214 million. ACS also provides its employees with the highest level of training. The Annual Training Plan comprises over half a million hours of study in courses and studies relating to all its activities.

Breakdown of employees by activity area



In 2005, the ACS Group created over 5,500 net jobs

| Breakdown of Staff | 2004 | 2005 |
|----------------------|---------------|---------------|
| Spain | 88,387 | 94,140 |
| Rest of Europe | 2,528 | 2,939 |
| Africa | 3,153 | 2,139 |
| America | 13,449 | 13,883 |
| Rest of the World | 231 | 172 |
| International | 19,361 | 19,133 |



Value for suppliers

Relying on a strong supply chain is key to the ACS Group's operations in all production areas. The establishment of lasting and firm agreements with its suppliers leads to increased efficiency and the improvement of operations. Therefore, the ACS Group works towards the strengthening of its relationships with suppliers on a daily basis.

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

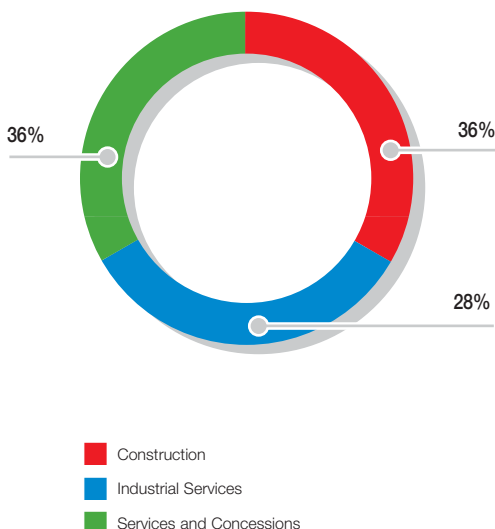
The ACS Group's daily effort to improve its relationship with suppliers is evidenced by the different production areas' decentralisation capacity. The trust placed on the work of its suppliers makes it so that less supervision is required and supports the idea that each Group company should make its own decisions regarding the manner in which to increase efficiency and profitability.

Of the funds managed by the ACS Group, in 2005 almost 53%, € 8,583 million, have been allocated to its suppliers and subcontractors

Management of suppliers

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

Procurements by activity area



3.3

Commitment to Information Transparency

The ACS Group maintains an information transparency policy whose general objective is to assure that its activity is as open as possible, and that the interest of its clients and the company's other stakeholders is respected. The ACS Group is committed to total rigour in the information transmitted, especially with respect to media.

The value of information transparency

The objectives of the ACS Group's commitment to information transparency are as follows:

- Increasing the value of the ACS brand and of its different companies and businesses.
- Projecting the Group's business reality and assuring that the Group is recognized as being sound and well managed inside and outside of Spain.
- Contributing to the makeup of a positive umbrella corporate image which aids in the achievement of business objectives and commercial activity.
- Transmitting the Companies' overall corporate strategies externally as well as those specific to each of the Companies' business areas.
- Maintenance of a fluent relationship with external agents, particularly with media representatives.

The ACS Group maintains a close relationship with the media representatives who habitually follow the recent developments of the sector. It also maintains several channels of communication for the fluent reporting of the Company's corporate information, both through the department's daily contact with journalists and press releases, and through press conferences held by the Chairman of the ACS Group with journalists in 2005.

In 2005 the Chairman of the ACS Group received the "Premio Tintero" (Tintero Award) given annually by the Asociación de Periodistas de Información Económica (Economic Journalist's Association -APIE). This award acknowledges those business people who most facilitate the reporting work performed by the economic press and who best manage their relationship with the media.

The ACS website: Channel for information transparency

The website www.grupoacs.com is one of the ACS Group's most important channels of external communication. The Group has established the following objectives in regard to the development and maintenance of its website:

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

ACS website is visited by a daily average of 720 users, with over 14,500 pages viewed

| | Total 2005 | Daily Average |
|--|------------|---------------|
| Visits to www.grupoacs.com webpage | 262,699 | 720 |
| Viewed pages | 5,296,472 | 14,519 |



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

The measures aimed at promoting information transparency affect the Company's reputation, the extension of its corporate values and technical capacities and the broadcasting of its business success. In 2005, this has been reflected in the more than one hundred citations and acknowledgements of the ACS Group in different forms of domestic and international media, of which most noteworthy were the following:

- One of the ten most respected and valued Spanish companies and the leader in this respect in the construction sector, according to a 2005 survey of the most admired companies worldwide conducted by PWC and Financial Times.
- One of three largest European construction companies by stock market capitalization in 2005, according to the survey conducted by the newspaper "Expansion".
- One of the fifteen best companies in terms of corporate governance, according to the first Observatory of Corporate Governance and Information Transparency carried out in 2005 by the Foundation of Financial Studies.
- One of the twenty most reputable Spanish companies, according to the 2005 Monitor Español de la Reputación Corporativa (Spanish Monitor of Corporate Reputation - Merco) on the one hundred most reputable and prestigious Spanish companies.
- Florentino Pérez, Executive Chairman of ACS was considered to be one of the ten most highly valued Spanish chairmen insofar as capacity of leadership, management and prestige, according to the 2005 Merco Report on the one hundred most reputable executives in Spain. Additionally, Florentino Pérez was considered to be one of three European business leaders with the best reputation in 2005, according to the magazine "Business Week".
- One of three best and most profitable European companies, according to the Standard & Poor's Europe 350 index published by the magazine "Business Week".
- One of the four leading contractors worldwide, according to the 2005 survey of the Top Global Contractors conducted by the prestigious US magazine specializing in

engineering and construction, Engineering News-Record (ENR).

- Worldwide leader in the promotion and development of infrastructure-concession projects according to a 2005 survey of the US magazine Public Works Financing, a reference publication in the sector.
- Leader in construction in Spain and one of the few Spanish companies included in the list of the top 400 companies worldwide, according to a 2005 survey of the US magazine "Forbes".
- One of the twenty leading port operators worldwide through the subsidiary Dragados SPL, according to the last annual report published in September 2005 by the firm Drewry, a consultant specializing in port-logistics.
- Award for the Best Business Initiative granted by the newspaper "La Gaceta de Los Negocios" given the investment made by ACS in Unión Fenosa, a transaction that was also acknowledged by the weekly publication "Inversión" as one three best financial transactions made in 2005.





Communication and transparency of information reported to markets

Shareholders' right to information is detailed in several parts of the Shareholders' General Meeting By-laws. Hence, in order for the Shareholders' Meeting to properly serve the function for which it was designed, the Board of Directors of the Group makes available to all shareholders, prior to each Shareholders' Meeting, all information which is legally required to be provided to them, in addition to information, that is not legally required to be provided, reasonably should be made available given the interests of the company and of the shareholders and their desire to develop criteria. In this sense, the Group makes every effort to duly respond to the requests formulated by shareholders for the purposes of the General Shareholders' Meeting, regardless of whether said requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardized.

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

Information reported to the market

The main channel used by the ACS Group to provide the market with data on its performance and principal undertakings are the Communications to the Spanish Stock Market Commission.

Throughout 2005, 33 Communications were made, of which 28 were "Relevant Facts" and the rest were "Other Communications". Of all the Communications made, 6 corresponded to the Company's results and publications.

Additionally, in 2005, the Group made over 100 corporate presentations at specialized events held in Europe and the USA, as well as numerous meetings with institutional investors.

Financial information

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



3.4

Commitment to Research, Development and Innovation

Substantial changes are currently being made in most production processes in which the ACS Group is involved. Specialization and technical means have increased, and the projects have become challenges not only financially and logistically, but also in terms of technology. Furthermore, society demands that the companies make an ongoing effort to improve technologically and rewards the companies that do so through social acknowledgement.

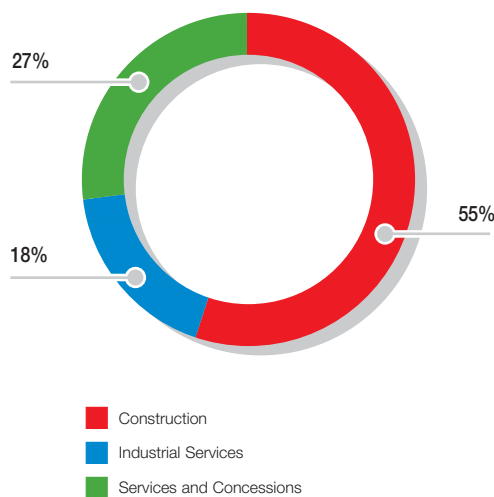
Accordingly, the ACS Group resolutely invests in research, development and innovation to improve its efficiency, productivity, production techniques and the safety of its employees.

Throughout its history, the ACS Group has worked in a planned manner in the fields of Scientific Research, Development and Technologic Innovation. This effort has given rise to tangible results: the obtainment of new and improved materials and products; and the design of more efficient production processes and systems which allow for an improvement in the services provided to the society.

In 2005 the ACS Group invested over 22 million euros in projects relating to research, development and innovation

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

Investment in R&D&i by business area



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

| Construction | Industrial Services | Services |
|--|--|--|
| <ul style="list-style-type: none"> - Analysis of structural behaviour - Measurement and increase in the durability and safety of construction projects - Increase in the safety of employees - Efficiency in logistic and production processes - New construction materials and techniques - Improvement in project design development and presentation techniques | <ul style="list-style-type: none"> - Improvement of the technology supplier relationship management processes - New control software design and development processes - New technologies in the area of support services to heavy and energy industries - Renewable energies - Efficiency in response processes and methods under situations requiring a rapid response | <ul style="list-style-type: none"> - Environmental development and quality of life to improve services for citizens - New emerging technologies - Development and management of the transport of goods and passengers |



Construction

In 2005, research, development and innovation were focused on areas relating to the structural behaviour of the constructions, with new constructing and design processes, and with the application of new emerging technologies.

Investments in this connection in the construction area amounted to € 12.5 million.

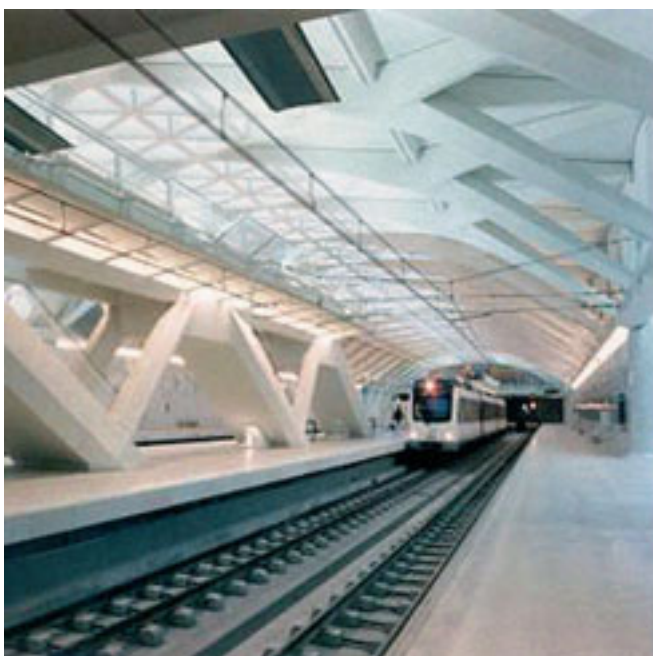
The ACS Group's Commitment to R&D&i guarantees the continuity of its innovative and technologically advanced business model, converting it into a reference for the rest of the sector

Research and Development

37 projects relating to the development of new construction techniques and work methodologies directly applicable to the improvement of efficiency and quality were developed.

Some of these were backed by the European Union as part of its Sixth Research Framework Program or by the Central or Regional Governments, as part of either the National Research Plan or the Autonomous Regions programs for R&D&i.

Noteworthy was the award at the end of 2005 of the integrated European I3CON project for the Industrialised, Intelligent, and Integrated Construction. This is a project led by DRAGADOS, together with 27 other European organizations from 11 countries, which is to last four years. Also notable is the ROBOT@CWE project being developed in collaboration with the US National Aeronautics and Space Administration (NASA) and the National Robotic Laboratory of Japan, whose objective is the application of robots which perform special high technology work in construction.



Main R&D projects undertaken in 2005

- **FUTERESPACIO:** intelligent management of construction processes.
- **HABITAT 2030:** Building materials and parts
- Dynamic three-dimensional measurement techniques applied to infrastructures.
- **ENABLE:** For awareness in Europe working towards innovation and sustainable development.
- **MANUBUILD:** Development of open industrialised construction of building systems.
- **REPCOR:** Strategies for the repair of concrete structures affected by the corrosion of their frames.
- **DESORCIÓN:** Research on highly efficient techniques for the decontamination of land.
- **ARFRISOL:** Bioclimatic architecture and solar cooling for building.
- **VALLE 01:** Project for the research of road design by means of interactive virtual reality technologies.



Innovation

In 2005 various actions aimed at the obtainment of new and technologically improved production products and processes were executed. Noteworthy are the following:

1. Vibration absorption system for slender structures.
2. Moulded glass plates for skylights.
3. Steel mirror façades.
4. New bridge shifting techniques.
5. Optimization of the modulation of façade panels most in line with the pre-existing building and which follow the correct prefabrication techniques
6. Optimal GRC panel solutions, for the purpose of achieving maximum thermal isolation.
7. Definition and design of a new model of railway sleepers.
8. Application of increased reality to the creation of virtual models.
9. Improvement of the total railway dismantling process.
10. System for the unloading and positioning of tracks on railways.
11. Application of light concrete with fibres in the construction of viaducts.
12. New joint system for bridge floors.
13. High quality concrete for slender structural items.
14. New products for the manufacturing of higher quality concrete.

ACS also participates in several of the most innovative domestic and international scientific and technical forums, where experts from the ACS Group, and particularly from DRAGADOS, have an active role. Worthy of mention are the following:

- ENCORD - European Network for Organisations for Research and Development which is chaired by DRAGADOS.
- ECTP - European Construction Technological Platform, in which DRAGADOS led the Strategic Area of Underground Works in 2004 and 2005.
- Spanish Technological Construction Platform (PTEC - Construcción 2030) in which DRAGADOS is an active member of the Strategy Committee, of the Permanent Commission, and is coordinator of the strategic line of Underground Works.
- COTEC Foundation for Innovation, of which ACS is a sponsor.
- AENOR standardization committees and the groups that develop the European standards or Eurocodes.
- Technology and R&D&i Commissions together with SEOPAN, or the Teaching and Research Commission of the School of Civil Engineering.
- Collaboration with various organizations in Spain and other EU countries, such as University Carlos III of Madrid and the University of Cantabria; Industrial Engineering and Civil Engineering Schools of Madrid; Instituto Eduardo Torroja of CSIC; and the Center of the Technological Network of the Autonomous Government of the Basque country (EUVE).
- Several European forum thematic networks: E-CORE, GEOTECHNET, DIFI and SAMCO, within others.



Case Study Underground works: the multidimensional city and Tunconstruct

Current society presents mobility challenges requiring improvements in the transport network and in services for the citizen, and which forces the demand for railways, motorways, channels and urban transport systems resolving the current traffic congestion to be prioritized.

DRAGADOS has actively taken part in the construction of the some of the main domestic and international underground infrastructures, completing over 400 projects in 14 countries on four continents.

The policies of the Spanish and European Union authorities include a revaluation of underground spaces, both for the improvement of connections between urban space, and for the implementation of measures to resolve the complex problems currently affecting the urban areas.

DRAGADOS, the leader in underground construction, is involved in the main innovation initiatives and carries out several types of activities with respect to underground construction. Inter alia, there are currently two R&D projects under development in Spain and Europe: The Multidimensional City and Tunconstruct.



The Multidimensional City, led by DRAGADOS, is the only project within this field approved by the Spanish Ministry of Education and Science in 2005, and groups together 35 organizations in all of Spain. Its four-year budget amounts to more than fifty million. The objective of this project is to develop new underground space construction processes using intelligent materials, integrated highly efficient and sustainable processes with little environmental effect.

The integrated European project TUNCONSTRUCT, backed by the European Union as part of the Sixth Research Framework program groups together organizations and countries from eleven countries, with a budget of 26 million for four years. DRAGADOS leads one of the four sub-projects and several work packages. Its objective is to make European technology the worldwide leader in terms of competitiveness and efficiency for the construction of tunnels, and to offer new generation services from design to operation and maintenance throughout the full life cycle of the infrastructures.

Within these projects, new technologies for construction are being developed. These come from the field of the exploration and production of hydrocarbons and allow for in-depth knowledge of the lands, the development of new customized materials which adapt to the changing circumstance of the surroundings, new environment and land modelling and behaviour simulation systems which allow contract work to be performed under difficult circumstances with greater assurances, and systems providing for the usage of the geothermal energy and residual heat arising from the various activities by recycling the marginal products generated.

These projects aim to develop the technologies required to enable underground works to be undertaken in a competitive profitable and safe manner on any land and under any circumstance, with extensive freedom as to size and shape, minimum consumption of resources, and in the least period of time possible, by automating processes and increasing the efficiency thereof. Lastly, the development of underground works with minimal effect on the environment is sought, thus improving the company's technological level and the satisfaction of clients and users.



Industrial Services

Industrial Services works are related to technological improvements in the electricity area, the technological evolution of offshore platforms and urban control systems.

The total investment in R&D&i by the Industrial Services area exceeded € 4 million in 2005.

Research and Development

In terms of the investment made, noteworthy in 2005 was the research and development relating to oil operations, particularly offshore. These projects were led by the ACS Group through Dragados Offshore, and included the following:

- Development and implementation of a new radiographic inspection process at Dragados Offshore.
- Development and implementation of a new process for the optimization and control of cost management and for the management of documentation in offshore construction projects.
- Development of a new fire prevention system adapted specifically to the yard and construction workshops at Dragados Offshore.

Another significant area of research in 2005 is related to the efficient generation of electricity, and particularly coal boilers, whose improvement was a significant environmental and technological challenge. Noteworthy are the following projects:

- Development of an optimal new sulphur removal technology selection and integration process at coal boilers.
- Design of an optimal boiler model with supercritical vapour parameters using coal as fuel.
- Design and development of an Electrical Area Management System of an engineering project.

- Design and development of a new large industrial project documentary management process.
- Design and development of a system for the improvement of processes involved in the overall management of distributed industrial projects.
- Design and development of a system for the optimization of maintenance in the stoppages at any type of industrial plant.

Lastly, also significant was the ACS Group companies efforts with respect to urban control systems, taking into consideration that in 2005, a total of 39 development and innovation projects were undertaken, most distinguishable of which were the following:

- Consolidation of the basic areas of business in this activity (traffic, transport and access control) through the development of new products and solutions.
- Development of new business areas which are expected to expand in the immediate future such as massive video coding systems and control systems in new urban means of passenger transport.
- Active participation in EU projects, leading technological development projects in all activity areas.

All these activities have resulted in 27 projects invested in by the ACS Group, 4 projects subsidized by the Technical Research Promotion Program (PROFIT) of the Ministry of Industry, Commerce and Tourism and 8 projects backed as part of the European Union's Sixth R&D&i Framework Project.

Innovation

Noteworthy are two technological advances promoted by the ACS Group in order to improve control and safety systems at electricity plants

- Development of a system for the identification, follow-up and maintenance of electrical parts;
- New electricity plant refrigeration system with sea water supply by vacuum.



Case Study Dragados Offshore, “Prototype Oil Platform”

The increasing demand for oil foreseen in upcoming years has led to an increase in the exploration of new deposits. Extracting crude oil in locations with added natural, climatic or orographic complications requires a significant technological effort in relation to prospecting, extraction, transport and storage techniques. Oil and support services companies are required to evolve in accordance with this sector's new challenges.

Dragados Offshore is one of the most advanced companies in the world in terms of oil sector support services. It is present in Spain, Europe, North Africa, the Middle East and South America and dedicates a large amount of resources to the research and development of techniques and equipment to resolve the complex needs of its customers.



The objective of the “Prototype Oil Platform” was to design a normalized modular oil platform adaptable as required for each specific case of usage, including the design, construction, assembly, transport and installation phases thereof.

The project deals with the development of a type of platform and the construction, assembly and installation of this prototype platform. This involves a new oil platform project execution process, on the basis of which different types of platforms can be constructed by adapting them to their location, through the optimization of a series of parameters and functions.



Services and Concessions

Research and development efforts in this area focus on two main activities: the improvement of procedures and technology relating to the management of urban solid wastes and the reduction of CO₂ emissions.

The total investment in this regard exceeded € 6.2 million in 2005.

Research and Development

In 2005 four projects were developed in the areas of urban solid waste and the reduction of CO₂ emissions. These projects were as follows:

1. Pilot plant and demonstration project for the treatment and elimination of derivatives of silicon in dump biogas recovery processes.
2. Design, financing, construction and start-up of a pioneer Plastic Waste Energy Recovery Plant in Spain.
3. Participation in the TEVER project: analysis and state of the art emerging urban waste recovery technologies.
4. Research and development project for new uses of recycled aggregates aimed at reducing CO₂ emissions, recovery of polluted land and re-usage as an aggregate for construction.

Innovation

This initiative resulted in four specific innovations relating to the efficient and clean management of urban solid wastes.

- Research of variables for the acceleration of biogas production in USW dumps and implementation of a pilot experiment.

- Design and development of an innovative anaerobic digestion model in the dry biomethanization of USW.
- Development of a dynamic measurement and control system to improve composting processes in organic waste tunnels.
- Elimination of heavy metals in sludge and in the compost obtained at USW treatment plants.

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





Case Study "Research for the elimination of siloxanes in dump gases"

The ACS Group is pioneer in a multitude of techniques relating to environmental services, the management of solid urban waste and the transformation of dump gases into energy. These activities developed by Urbaser, require ongoing investments in research and development, which gives rise to advances each year in those areas that increase the efficiency of recycling or the treatment of waste.

In 2005 a project was developed in order to resolve problems relating to the gases emitted in urban waste management processes both at dumps and at treatment plants. Different forms of silicone are currently used to supply silicone to dump gas.

The waste arising from these silicones reach dumps, where they are converted to gas form (siloxanes) during the physical and chemical processes and are detected in small quantities (10-40 mg/Nm³) in dump gas.

The energy recovered from dump gases by means of the combustion thereof in gas motors is complicated when this gas contains organic compounds of silicone, since these gas compounds transform into silicone oxides (SiO₂) in a solid state and dissolve into the oil leading to friction and deposits which may cause considerable damage to valves and pistons. Maintenance and repair costs increase considerably, both due to the costs relating to possible damages, and the increase in the frequency in which oil is changed. This entails a decrease in the availability of the facility which may put the viability of the operation of the plants recovering the biogas produced into danger.

The project undertaken in 2005 commenced with the initial installation of a multipurpose column through which the gas to be treated was passed. This column was designed in such a manner that it versatile when performing various basic operations, and was used to attempt to reduce the concentration of dump gas silicone compounds to appropriate levels.

In 2005, absorption tests were performed in the multipurpose column, and the gas to be treated was put into direct contact with an absorbing liquid. The objective was to transfer the dump gas silicone compounds to the absorbent liquids and for these compounds then to be retained by the liquid.

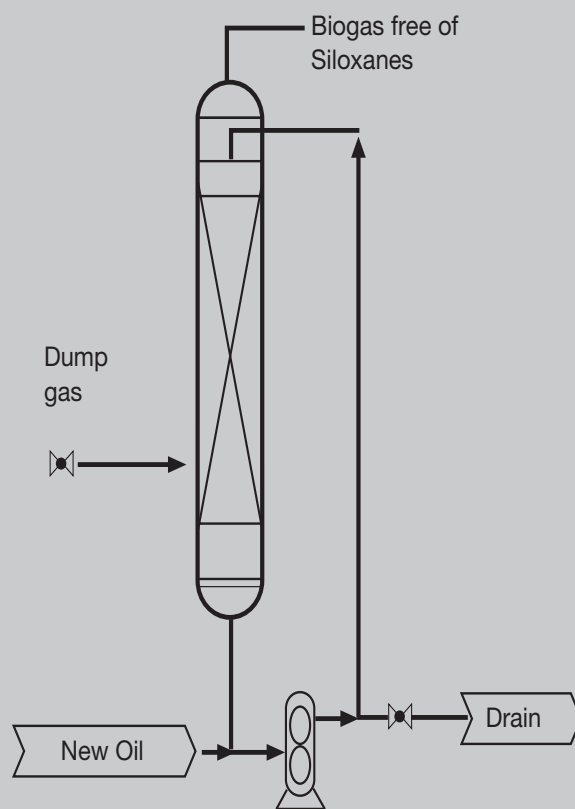
The results obtained showed that the absorber used has the capacity to retain silicone compounds, but the absorption process has not yet been optimized. To achieve this optimization, it is necessary to continue testing both with this absorber and other types of absorbers, varying the process conditions (pressure, temperature, flow, etc.) and the configuration of the multipurpose column.

Given the excellent results of this research, a pilot plant will be constructed which will enable the simultaneous performance of various basic operations (cooling-condensation, absorption, adsorption) which can lead to positive results for the purification of biogas. The new plant will allow for quicker development of the experiments, and consequently, the obtainment of conclusions in a lesser period of time.

This plant is planned to come into operation in 2006 and will involve an investment of over € 300,000.



Diagram of the operation of the column



3.5

Commitment to the Natural Environment

The development and maintenance of infrastructures, the ACS Group's main activity, leads to environmental impacts resulting from the use of materials, of energy (both at the time of construction and over the life of the different infrastructures) or from the generation of waste. It may also give rise to visual effects and effects on the landscape.

Ascertainment of the aforementioned impacts underlie the ACS Group's commitment to innovation and the development of new ideas that lead to the minimization of the environmental impact of its activities while simultaneously improving the quality of its products and services and leading to a positive effect on income.

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



In 2005 the ACS Group carried out two main activities related to its environmental policy and management systems

Environmental policy

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

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

- a) Evaluate the environmental impact of the activity of each area and establish measures to prevent or minimize these impacts.
- b) Propose alternatives to customers which favour the environment.
- c) Communicate, train and make staff and each of the project collaborators aware of environmental matters.
- d) Use natural resources in an efficient manner.
- e) Adequately manage waste, reducing the production thereof, increasing its reuse and fostering the recycling thereof.



Environmental certification by company

| ISO 14001 CERTIFICATION | 2004 | 2005 |
|--------------------------------------|------|------|
| CONSTRUCTION AREA | | |
| DRAGADOS | ■ | ■ |
| GEOCISA | ■ | ■ |
| TECSA | ■ | ■ |
| DRACE | ■ | ■ |
| VÍAS Y CONSTRUCCIONES | ■ | ■ |
| DRAVO | ■ | ■ |
| INDUSTRIAL SERVICES AREA | | |
| COBRA | ■ | ■ |
| MONCOBRA | ■ | ■ |
| ATIL COBRA | ■ | ■ |
| CME | ■ | ■ |
| EYRA | ■ | ■ |
| GRUPO ETRA | ■ | ■ |
| SEMI | ■ | ■ |
| MAESSA | ■ | ■ |
| API | ■ | ■ |
| IMES | ■ | ■ |
| DRAGADOS INDUSTRIAL | ■ | ■ |
| CYMI | ■ | ■ |
| MAKIBER | ■ | ■ |
| INTECSA-UHDE | ■ | ■ |
| INITEC | ■ | ■ |
| MASA | ■ | ■ |
| DRAGADOS OFFSHORE | ■ | ■ |
| SERVICES AND CONCESSIONS AREA | | |
| URBASER | ■ | ■ |
| VERTRESA | ■ | ■ |
| ORTO PARQUES Y JARDINES | ■ | ■ |
| SOCAMEX | ■ | ■ |
| CETRANSA | ■ | ■ |
| CONSENUR | ■ | ■ |
| TRACEMAR | ■ | ■ |
| URBASER INTERNACIONAL | ■ | ■ |
| GESTIÓN DE PROTECCIÓN AMBIENTAL | ■ | ■ |
| VALENCIANA DE PROTECCIÓN AMBIENTAL | ■ | ■ |
| CLECE | ■ | ■ |
| MULTISERVICIOS AEROPORTUARIOS | ■ | ■ |
| TALHER | ■ | ■ |
| PUBLIMEDIA SISTEMAS PUBLICITARIOS | ■ | ■ |
| SINTAX LOGISTICA | ■ | ■ |
| CONTINENTAL AUTO | ■ | ■ |

- Total Certification
- Partial certification
- In progress
- Under Study

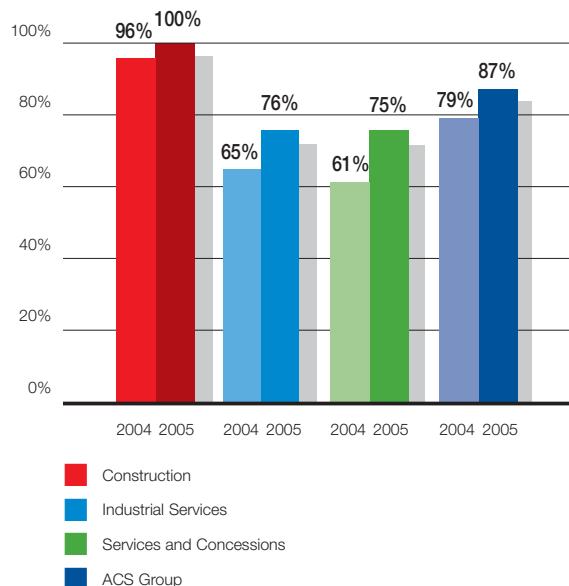
Environmental Management System

The Environmental Management System implemented at ACS requires the preparation of an Environmental Plan at each work centre.

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

At the different work centres, these objectives are set forth in the Environmental Management Program which includes the goals to be met, the measures required, the means necessary, the responsible parties and the deadlines. Currently, 79% of the Group's production takes place in companies that are environmentally certified in accordance with ISO 14001 standards.

Production under environmentally certified management systems





Construction

Main Impacts

Generation of inert waste

Excavated soil

Construction and demolition waste

Emissions to the atmosphere

Dust and particles

Gases

The main effect of Construction activities on the environment relate to the **generation of inert waste**, made up of construction and demolition waste, and excavated soil. Whereas the greater part of construction and demolition waste is produced mainly at building works, excavated soil is present in larger volumes at civil works, and mainly at infrastructure works, such as, inter alia, highways and roads.

In accordance with the guidelines of the National Construction and Demolition Waste Plan and Regional Plans, as well as the principles of the European Union's

Sixth Environmental Action Program, the measures of ACS are focused on the "3 R's: Reduce - Reuse - Recycle".

Reduction is aimed at the minimization of waste at the source, by proposing alternatives to customers which favour this reduction.

Reuse is based on the location of sites where the excess waste can be used either in other nearby works, in the restoration of weathered areas, or by third parties: These options are to be exhausted before dumping the water into controlled deposits or specific authorised dumps.

Recycling, applied to several types of construction and demolition waste, such as ceramic, petrous, wood, metal, plastic and cardboard waste is focused on building works. Furthermore, it is increasingly more common to recycle pavement or structures at civil works, by treating the aforementioned waste on-location for its subsequent use in the new infrastructures.

Another environmental impact of special significance in the construction sector is the **emissions to the atmosphere**.

Firstly, dust and particle emissions resulting from, inter alia, the demolition of buildings and structures, the movement of soil, and the circulation of machinery, are of significance. These emissions are minimized by adopting practises such as the watering of lanes, paths, entrances and exits or by limiting the speed of vehicles used on work sites.

Secondly, the use of machinery creates pollutant gas emissions (CO₂, CO, NOX, SO₂) some of which cause the greenhouse effect. To contribute to the commitment arising from the Kyoto Protocol, to reduce or limit greenhouse effect gas emissions, the ACS Group adopts practices such as the appropriate maintenance (preventive and corrective) of machinery and the correct use thereof, which allows for the reduction of emission sources.

Additionally, a number of preventive practices are adopted to eliminate or minimize other possible environmental impacts arising from the performance of works, such as the prevention of the pollution of inland maritime water and sea water; the prevention of the pollution of land resulting from the use of oils and fuels; the protection of natural species, both flora and fauna, and of course, the protection of human beings.





Environmental performance

The Construction area has unique characteristics conditioning the use of environmental indicators, since the heterogeneous nature of the activities gives rise to difficulties in measuring and comparing the data obtained and its evolution.

In the case of Dragados, the most significant impact is the production of inert waste. The results in 2005 were as follows:

| Excavated soil | 2005 | 2004 | Construction and demolition waste | 2005 | 2004 |
|-------------------------|--------|--------|-----------------------------------|--------|--------|
| Reduction of projected | 5.78% | 5.65% | Reuse to total produced | 7.75% | 3.56% |
| Reuse to total produced | 71.95% | 79.55% | Recycling to total produced | 8.18% | 5.84% |
| at own site | 86.34% | 91.51% | Deposit at dumpsite | 84.07% | 90.60% |
| at other sites | 7.82% | 2.50% | | | |
| restoration of degraded | 5.85% | 6.00% | | | |
| Deposit at dumpsite | 28.40% | 20.45% | | | |

The management of waste is completed with the segregation, storage and treatment of hazardous waste produced at the various work centres. With respect to construction and demolition waste, in 2005 there was a substantial increase in the percentage of waste reused and recycled, leading to a significant drop in the percentage of the waste dumped.

Noteworthy Initiatives in 2005

- Environmental training campaign for on-site technical employees, and covering all branches and contract work in progress.

| | |
|-------------------------------|--------|
| Number of courses | 61 |
| Number of employees attending | 1,258 |
| Training hours | 10,064 |
- Measures aimed at the recycling of construction and demolition waste, and the reuse of excavated soil, were maintained.
- In 2005 Dragados initiated contact with the Integral System of Waste Managements established to remove electric and electronic waste, in accordance with the law in force applicable thereto.

Objectives for 2006

- Increase in the recycling of construction and demolition waste in order to reach 20% recycling of total waste in 2006.
- Development of an environmental training and awareness campaign for on-site management.
- Completion of the application on intranet for the gathering of the data required to calculate environmental indicators (waste).



Case Study New Outer Port of A Coruña: A sustainable development

Project characteristics

The construction of the new outer port will lead to the greatest social and economic revolution that has occurred in a century in the city of A Coruña.

The enlargement of the port is required for several reasons:

- **Environmental problems.**

- Dangerous associated with various bulk liquids.
- Possible pollution by various bulk solids.

- **Conflict port-city.**

- **Zero capacity for interior expansion.**

- **Inexistence of land.**

The construction of the new port is essential for the following reasons:

- Given its strategic location in Europe, it will be the Atlantic port for the goods from America.
- It will allow for the attraction of new flows of containers, considered to be the port traffic of the future.
- Furthermore, the lack of space for expansion and enlargement of the port facilities would stop the city's evolution, since 25% of the city's economic activity depends on the port.
- Enlargement is not only compatible with the outer basin of El Ferrol, but rather complementary thereto, making the joint management thereof beneficial.
- It allows for an increase in land safety, since an enormous oil pipeline formed by more than a dozen pipes through which all types of oil products run may be closed off.

- The threat of dangers relating to maritime accidents is eliminated since the dumps may be enclosed in an area far from population nucleuses.

- It eliminates the continual discharge of coal and cereals that affect nearby neighbours to such an extent, give the respiratory infected caused by these discharges.

- It allows for the city to grow due to the release of current port land.

- It will allow for the berthing of large mammoth tankers that transport oil in the future.

- It will allow Galicia to be consolidated among the main port areas.

- It will increase the size of the labour market with the creation of over 15,000 jobs in the first years of operation.

Main Aggregates

- Breakwater: 3,360 m.

- Counterdike: 579 m.

- Liquid bulk cargoes:
 - 4 berths for tankers of up to 300,000 TPM.
 - Water depth: 24.5 m.

- Solid bulk cargoes: 921.5 m. quay:
 - 512 m. of 22 m. water depth. (300,000 TPM)
 - 51 m. of 20 m. water depth. (150,000 TPM)
 - 205 m. of 18 m. water depth. (150,000 TPM)
 - 153.5 m. of 16 m. water depth(100,000 TPM)

- Quay level surface of dock: 143.5 Ha.





| Prescriptions | Affected contract work | Protective and corrective measures adopted | |
|-------------------|------------------------------|--|--|
| Biological | Flora | <p>Risk of an effect on vegetable formations during the performance of the work tasks, increasing the effect of erosion and the instability of slopes and decreasing the permeability of water.</p> | <p>Re-vegetation of bare areas arising from the contract work, paying special attention to aspects such as:</p> <ul style="list-style-type: none"> - Analysis of land. - Selection of herbaceous and bush species. - Selection of sowing method. |
| | Fauna | <p>Risk of an effect on towns located in the worksite's area of influence, particularly on bird fauna in the Rosadoiro reservoir located in the industrial park of Sabón and on the colony of Cormorán in Punta Langosteira.</p> | <p>Maximize the protection of the different species with measures such as:</p> <ul style="list-style-type: none"> - The creation of passages for fauna. - Limitation of speed at port entrances. - Placement of visible items on the electrical wiring to prevent the electrocution of birds. - Signalling of protected areas (Rosadoiro Reservoir) - Deposit in closed containers of the organic waste to prevent the attraction of species. - Monitoring of the bird fauna of the Rosadoiro reservoir and the colony of Cormorán in Punta Langosteira |
| | Biocoenose | <p>Affect on the marine communities and their interaction with abiotic factors as a result of the refilling of the port area.</p> | <p>Minimize the negative effect on marine communities through the following measures:</p> <ul style="list-style-type: none"> - Establishment of an emergency plan to intervene and repair damages. - Prevent the work runoff waters from reaching the sea with a high content of suspended solids. - Granulometry of the material dumped into the sea similar to that of the area selected for dumping. - The formation of a layer of mud on the bottom will be prevented by selecting areas of higher movement where there is lesser deposition. |
| | Landscape Integration | <p>Effect of the performance of port work on the landscape of the environment.</p> | <p>Adaptation of facilities and structures to the environment through:</p> <ul style="list-style-type: none"> - Maintenance and cleaning of office areas, work shacks, machinery parks, roads, shoulders and ditches. - Appropriate location of material stocks and of the waste generated, and quick management thereof - Auxiliary structures as the entrances will be integrated with the environment to the extent possible. - Rocky slopes will be treated in order to show a natural aspect. - Planting of trees and bushes avoiding perfect lines. |



| Prescriptions | Affected contract work | Protective and corrective measures adopted | |
|---------------|--|---|---|
| Physical | Edaphic | Alteration of the natural structure of land. | Conservation and recovery of land by means of the following measures: <ul style="list-style-type: none"> - Delimitation of the work site area. - Creation of slopes to assure stability and balance under any weather conditions. - Removal and piling in optimal conditions to prevent the compacting of vegetal soil, including the sowing and fertilization thereof. - Grubing of the land to make it more permeable and for the airing thereof. - Control of all materials to be buried to prevent the contamination of the edaphic layers |
| | Atmospheric | Risk of the emission of dust into the atmosphere | Reduction of the emission of dust into the atmosphere for the maintenance of an adequate quality of air through the performance of the following activities: <ul style="list-style-type: none"> - Determination of roads and areas where dust may be emitted. - Maintenance of internal roads in optimal conditions. - During the performance of the contract work, the falling of material from great heights will not be permitted. - Limit on the speed of the vehicles on the worksite. - Watering system to decrease the emission of dust into the atmosphere. - Vehicles transporting materials off the worksite will be required to be covered. - Fitting of areas for the washing of wheels at the worksite exit. - Installation of sprinkler systems in areas where there is a high emission of dust. |
| | Hydrology | Risk of the effect on water quality of the terrestrial hydric network and in particular, on the Rosadoiro reservoir and Seixedo river. | Minimize possible dumping into the hydric network, and particularly into the Rosadoiro reservoir, through measures such as: <ul style="list-style-type: none"> - Rule out dumping into the network without the express authorization of the competent authorities. - In rainy periods, covering of the stocks of fine material to prevent the entering of solids in suspension into the stream bed. - At the crossings of fluvial streams with infrastructures, water overpasses will be relied on. |
| Human | Cultural Heritage | Affect on Castro located in Punta Cociñadoiro | Development of an Archaeological Control Project authorized by the Directorate General of Heritage, which will take into account aspects such as: <ul style="list-style-type: none"> - Programming of recovery measurements directed by archaeological technicians in order to conserve the waste found - Presence of an archaeological technician in the caution area of the inventoried deposits. - Study of the recovery of elements that be damaged as the result of the movement of machinery. |
| | Social and Economic Environment | Negative effect on the towns near to the area of influence of the worksites, with respect to the conception and performance of the contract work. | Minimize the effects on nearby populated areas with measures such as: <ul style="list-style-type: none"> - The assignment of employees with training adequate for the performance of their tasks. - Hiring to the extent possible of local workers. - Appropriate location of the vehicles and machinery to interfere minimally with other vehicles and passer-bys. - Prevent traffic problems and jams through the study of alternative routes. - Conducting of informational campaigns |
| | Sound level | Risk of sound effects on the towns of Rañobre, Suevos and the port of Suevos. | Performance of noise emission controls. If 65dB (A) is exceeded, work will only be performed during daytime hours |



Industrial Services

Main impacts

Consumption of natural resources
Generation of waste

Industrial Services focuses its environmental efforts on two key areas within the company's effort on a whole: the **efficient use of natural resources** and improvements in the **management of waste generated**. In this respect, managers are not only concerned with the reduction of waste, but also the appropriate treatment and recycling of the waste inevitably produced by the environmental management departments of each of the Group companies.

Industrial Services deals with environmental challenges in a unified manner, in its quest to be environmentally certified in accordance with ISO 14001: 2004 standards at all companies

Environmental performance

Dragados Offshore has an Integral Waste Management System. The process begins with the correct identification of wastes at source and their subsequent identification as urban, toxic and hazardous waste, and inert waste. Specific management processes are then applied for each type of waste generated.

Within their facilities, there is a network of containers and tanks distributed among all the work areas for solid waste treated as urban waste. This waste is stored at source and is transferred to a dumpsite daily by authorized waste management companies.

The hazardous waste generated is temporarily stored at source and periodically transferred to the Hazardous Waste Storage Area.

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

In 2005 4,689 tons of waste were treated, of which 1,876 were generated by Dragados Offshore, and 2,813 by subcontractors working within its facilities.

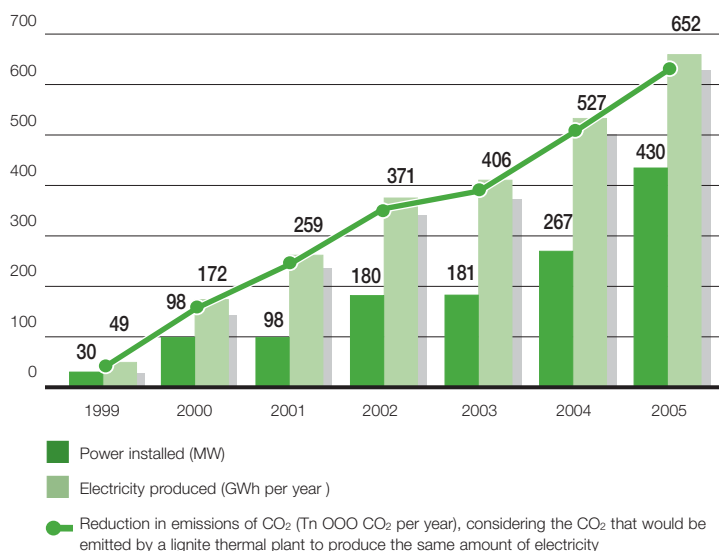




Construction and operation of wind farms

EYRA is the Group company specializing in wind power. It manages the operation of 14 wind farms with total installed power of 430 MW that generated over 652 GWh in 2005 from this renewable energy source. If this electricity had been produced by a coal boiler (e.g. lignite), 611,000 tons of CO₂ would have been emitted as a result of the combustion of this mineral.

Wind power, main figures



Noteworthy initiatives in 2005

- Testing for the replacement of dissolvent based paint processes with water based paint processes.
- Improvement in the selective collection of urban waste in workshops, assembly areas and offices at the installation of a well for the separation of greases and oils was completed at rainwater collection point 7.
- Performance of the Evaluation of the Protection of Port Facilities. Development and implementation of the Dragados Offshore Protection Plan.
- Updating of the Environmental Management System in accordance with the new ISO 14001:2004 standard (NMX-SAA-14001-IMNC-2004) at Dragados Proyectos Industriales in Mexico.
- Implementation of Environmental Management Plans. These plans affect three combined cycle plants of a total 2,400 MW.
- Preparation of a guide for the drafting of On-site Waste Management Plans for the improvement of the control of Intecsa-Uhde on the management of waste generated by subcontractors.
- Implementation of the Environmental Management Plan at MASA Puertollano, S.A.
- Implementation of various environmental initiatives at the ETRA Group including the reduction of the consumption of water and energy, the appropriate separation of waste and the reduction of accidental spills of used mineral oil.

Objectives for 2006

- Savings in the consumption of materials at all Industrial Services companies. Noteworthy were the objectives of CYMI to reduce the use of dissolvent by 50%, and to recycle 40% of rope coils, the reduction at Dragados Offshore of the consumption of water and energy or the reduction of the use of paper at INTECSA and MAKIBER.
- Certification of companies in the process of adaptation to ISO 14001:2004 standards, such as Dragados Proyectos Industriales Mexico, INITEC, MASA Puertollano and SEMI Ferroviaria.
- Definition from the supply phase of the requirements allowing for the management and delimiting of environmental responsibilities of the Industrial Services subcontractors, especially in relation to the hazardous waste generated in the construction phase of the contract works.



Services and Concessions

Main Impacts

Fuel Consumption
CO₂ Emissions
Water Treatment

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

The focus on minimization of consumption and environmental impacts is aimed in both directions. On the one hand, the company aims to reduce fuel consumption and to use bio diesel fuel in transport, as well as the reduction of emissions by treating urban solid waste instead of dumping it. On the other hand, it aims to treat the waste generated safely, both for the environment and for individuals.

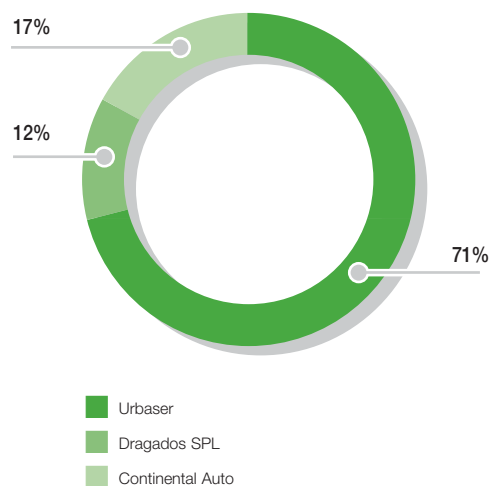
In 2005 special attention was also placed on the integral management of water as a scarce resource. The ACS Group is responsible for the supply of drinking water to over three million people in Spain, Latin America and Morocco and its treatment, and focuses on maximum efficiency and savings in the use of this extremely valuable resource.

Environmental performance

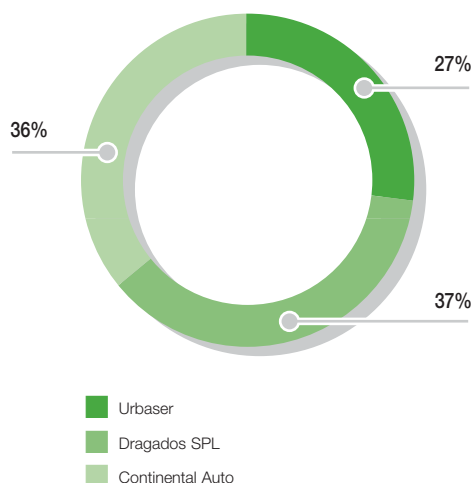
The main environmental impacts in Services and Concessions directly arise from the consumption of fuel by company and subcontracted fleets of vehicles in the collection of urban solid waste, street cleaning, the transport of passengers and integral logistic services.

| | 2004 | 2005 |
|---|-------|-------|
| Number of vehicles managed | 5,720 | 6,066 |
| Diesel fuel consumed (millions of litres) | 85.5 | 91.1 |

Breakdown of fleets of vehicles 2005



Breakdown of the consumption of fuel 2005





Additionally, through Urbaser, the ACS Group manages 63 waste treatment and recycling plants with an installed capacity of 9.52 million tons. In 2005 over 7.3 million tons were treated, the equivalent of the use of 77% of the installed capacity.

The following chart indicates consumption and waste generated, as well as the savings in CO₂ emissions achieved upon treating waste instead of directly dumping it.

With respect to the environmental impacts of the treatment of wastes, noteworthy was the reduction in 2005 by 18% of CO₂ emissions per ton of treated waste

Consumption and waste generated in the treatment of waste

| | 2004 | 2005 | Var. |
|--|--------|--------|--------|
| Consumption | | | |
| Electricity (GWh) | 109 | 127 | 16.5% |
| Water (Mn. m ³) | 1.03 | 1.17 | 13.6% |
| Diesel fuel (Mn. liters) | 7.44 | 8.51 | 14.4% |
| Natural gas (Mn. m ³) | 11.63 | 13.47 | 15.8% |
| Generation of waste (Mn. Tn) (*) | 0.56 | 0.59 | 5.4% |
| Emission of CO ₂ (Mn. Tn) | 7.90 | 8.23 | 4.2% |
| Savings in the emission of CO ₂ (Mn. Tn) | 2.97 | 3.63 | 22.2% |
| Consumption | | | |
| Consumption of electricity per treated ton (kWh/Tn) | 19.08 | 17.35 | -9.1% |
| Consumption of water per treated ton (l/Tn) | 180.28 | 159.88 | -11.3% |
| Consumption of diesel fuel per treated ton (l/Tn) | 1.30 | 1.16 | -10.8% |
| Consumption of gas natural per treated ton (m ³ /Tn) | 2.04 | 1.84 | -9.8% |
| Tons of emission of CO ₂ per ton of treated waste | 1.38 | 1.13 | -18.1% |
| Savings in the emission of CO ₂ upon treatment of USW rather than dumping (%) | 27.3 | 30.62 | 12.2% |
| Generation of waste per treated ton (Tn) (*) | 0.10 | 0.08 | -20.0% |
| Total renewable power installed (MW) | | 177 | n.a |

(*) Includes rejections of the treatment of USW received



The ACS Group is responsible for the supply and treatment of water consumed by approximately three million people in Spain, Argentina, Colombia and Morocco, i.e. around 270 million cubic metres per year. For the ACS Group, the sustainable management of water is key resource in its commitment to the environment and to sustainability.

| Management type | Habitants | Volume managed annually (m ³ /year) |
|--|-----------|--|
| Distribution of drinking water | 2,904,206 | 267,634,970 |
| Treatment/Supply of drinking water | 2,841,628 | 260,492,050 |
| Sanitary Control of drinking water | 2,974,206 | 274,209,350 |
| Maintenance and clearing of the sewage network | 3,254,206 | 267,634,970 |
| Purification of waste water | 2,619,665 | 232,446,111 |
| Management of subscribers | 3,086,475 | 284,753,470 |





Noteworthy initiatives 2005

- Savings in CO₂ emissions of over 3.6 million tons owing to the management of 63 waste treatment and recycling plants.
- Initiation of studies and commencement of projects to develop clean development mechanisms at dumps in developing countries.
- Participation in the project, construction and operation of a biodiesel plant, with a capacity of 25,000 tons per year, which will come into operation in 2006.
- Increase in the quantity of mineral oil collected from automobiles and ships (Marpol Convention), to 100,000 tons of oil waste recovered per year and 70,000 tons of waste from ports in Spain, in accordance with the Marpol Convention.
- Renewal for Continental Auto of certification according to UNE-EN-ISO 14001:2004 environmental standards and UNE-EN-ISO 9001:2000 quality standards.
- Performance of training and informational activities to reduce the environmental impact of activities carried on by Continental Auto and reach appropriate environmental performance standards.
- Effective integration of former quality, environmental and labour hazard prevention management systems into a single Integrated Management System at Continental Auto.
- Adaptation of Continental Auto's Integrated Management System to comply with the specifications of the OHSAS 18001/1999 standard.

Objectives for 2006

- Increase in the savings of CO₂ emissions by 5%.
- Decrease of 3% in the generation of in-house waste.
- Implementation of Urbaser's Research, Development and Innovation Management System to comply with the requirements of the UNE 16600 - 2: 2002 EX standard
- Implementation of the CENIT project on "Technology for the Maximum Recovery and Minimum Dumping of Urban Solid Waste", in connection with specialized companies and official and technological centres.
- Increase in the generation of energy from renewable sources.



3.6

Commitment to Individuals and the Social Environment

In essence, the ACS Group consists in a group of professionals who share a business objective based on the conviction that success should stem from the building of equal and lasting relationships with the social environment based on trust and mutually beneficial exchanges.

Although the ACS Group's main contributions to the society are the infrastructures it constructs and the services it provides, the role that the Company plays in the professional and personal development of its employees, and its collaboration in social initiatives that improve integration, cultural promotion and the generation of knowledge should also be highlighted.

ACS Employees

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

ACS tries to mould and adapt the talent of its individuals, aiming it towards technical training, commitment, innovation, specialization and customer service capacity. For this purpose, it applies the following principles in relation to its employees:

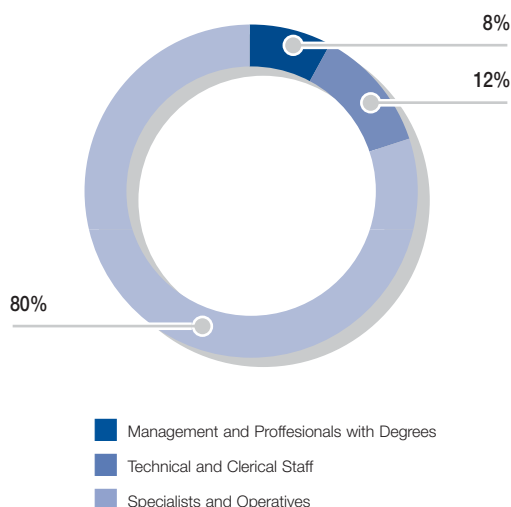
- Attracting, preserving and motivating talented individuals.
- Promoting teamwork and quality control as tools to reinforce the concept of excellence through work well done.
- Acting quickly, with decision-making capacity, promoting the assumption of responsibilities and minimizing bureaucracy.
- Supporting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

To internally and externally identify the qualities desired in its employees, the ACS Group applies the most modern human resource management techniques in hiring, training, development and risk, fostering the creation of opportunities to hire and retain the best professionals

Recruitment policies

Of the 113,273 employees of the ACS Group at the end of 2005, 9,318 were management or professionals with degrees, 13,317 were technical and clerical staff and 90,638 were specialists and operatives.

Employee breakdown by professional category





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

In this regard, for years the ACS Group has applied a recruitment program in the different companies of the Group based on a rigorous hiring process that allows it to benefit from the best professionals from each sector. Consequently, the Group has offered a program of grants for students amid their final year of university studies in Spain, as well as grants channelled through other educational institutions, such as Fundación Universidad Empresa.

Recruitment policies are established in each of the areas of the ACS Group and are based on the annual workforce planning, which is in line with the areas' strategic objectives. In order to respond to the needs arising in the countries in which the ACS Group is present, local graduates are hired.

At the end of 2005, 30% of the staff of the ACS Group were females. The Group follows an equal-opportunities policy that prohibits all types of discrimination of individuals in hiring or assuming of positions.

Retaining policies

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

As an example, all the employees of the Construction area, including on-site staff, receive payment that surpasses the minimum established by provincial collective agreements, and 15% of said employees receive performance-related variable pay. For the whole of the Group, 16% of total staff received last year this type of complementary payment linked to the achievement of objectives.

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

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

Initiatives for the reconciliation of family life and employment

The Groups pays special attention to the developments made in relation to the reconciliation of family life and employment. Although contracts are awarded throughout Spain and the rest of the world, and consequently, transfers and travel of staff are inevitable, the Group makes every effort to form work teams for jobs and projects with employees that live relatively nearby, in order to avoid the displacement of families.



Training and career development policies

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

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

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

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

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

Training initiatives in 2005

| | Study Hours | Number of Courses | Participants | Investment (mn €) |
|--------------------------|-------------|-------------------|--------------|-------------------|
| Construction | 123,385 | 842 | 15,860 | 1.9 |
| Industrial Services | 212,511 | 1,567 | 10,485 | 2.8 |
| Services and Concessions | 222,572 | 1,627 | 28,822 | 1.9 |

Training initiatives by type of content in 2005

| | Production | Safety | Enviroment |
|--------------------------|------------|--------|------------|
| Construction | 378 | 177 | 287 |
| Industrial Services | 506 | 724 | 66 |
| Services and Concessions | 336 | 1,252 | 39 |
| Total | 1,220 | 2,153 | 392 |



Case Study Specialized training for employees working on live power lines at COBRA

One of the challenges faced by the ACS Group's network activity relates to working on live power lines without cutting off the supply of electricity. Such jobs allow for the maintenance or extension of electrical installations without any interruption in the service provided to subscribers.

These jobs require the use of specific tools and special protection systems. The employees performing this type of work are highly specialized and previously receive specific training.

Once the chosen employees have received basic training on networks and are sufficiently experienced to work on live power lines, they receive specific training on preventive measures to be borne in mind when carrying on its activity.

As a result of the specific courses and annual refresher courses given to the trained employees, the ACS Group currently has a total of 334 operatives trained to work on live power or high power lines.





Safety and risk prevention policies

In 2005 the ACS Group's efforts were focused on the prevention of labour risks and the results were more than satisfactory according to the data on accidents that occurred during the year. They represent one more step in the ongoing interest to continue being one of the companies in the sector who pays the most attention to safety.

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

- Compliance with current legislation on labour risks prevention and other requirements voluntarily observed.
- Integration of labour risk prevention in the initiatives of the Group and at all levels, implemented through correct planning and practices.
- Adoption of any measures necessary to ensure the protection and well-being of staff.
- Development of human potential through appropriate training and information regarding labour risk prevention, by fostering initiatives and participation in order to achieve ongoing improvement of the system.
- Ensuring the correct control and quality of the monitoring of the staff's health.
- Qualification of staff and application of technological innovations.

As a complement to the labour risk prevention management systems in each activity area in 2005, numerous labour risk prevention campaigns have been conducted, the purpose of which is to make the employees aware of these risks, reduce accidents and improve working conditions.

Orientation towards the creation of a "preventive culture" was evidenced in 2005 by the offering of 2,153 general and specific labour risk prevention courses for 35,000 on-site workers

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

| Evolution of safety statistics | Construction | | Industrial Services | | Services | | ACS Group | |
|--------------------------------|--------------|------|---------------------|------|----------|------|-----------|------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Frequency Rate ⁽¹⁾ | 36 | 36 | 40 | 41 | 62 | 50 | 50 | 45 |
| Severity Rate ⁽²⁾ | 1.04 | 0.95 | 0.81 | 1.00 | 1.12 | 0.94 | 1.00 | 0.96 |
| Incidence Rate ⁽³⁾ | 62 | 66 | 72 | 74 | 112 | 76 | 89 | 74 |

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

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

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

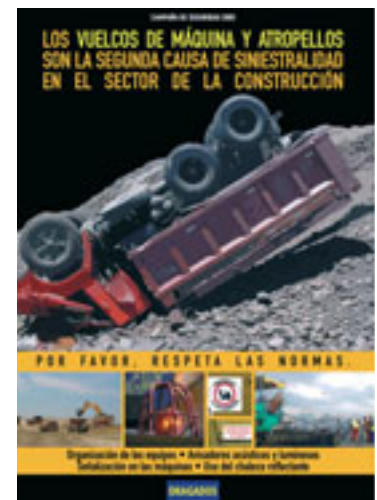


Some ACS Group activities require special attention, Construction being one of the main challenges in terms of safety and the prevention of labour risks.

In 2005 an extensive prevention campaign was implemented in order to reduce accidents and was founded on the following initiatives:

- Intensify labour risk prevention training to heads, supervisors and on-site employees.
- Increase communication through the production line, of the prevention method included in the safety plans in order to improve their implementation on-site.
- Apply specific measures to prevent the occurrence of the most frequent accidents, i.e. falls from a high location, being run over or being trapped by machinery.

The implementation of this campaign has led to training initiatives, as a result of which training courses have been provided to employees, including the following:



Formation courses

| | |
|--|---|
| Basic level labour risk prevention for heads and supervisors | 19,620 training hours provided by the Fundación Laboral de la Construcción (Construction Labour Foundation) to a total of 327 employees in 2005 |
| Interactive CD created by DRAGADOS on general labour risk prevention in building and civil works (prevention in various languages) | Provided to 4,896 employees |
| Generic on-site labour risk prevention courses. | 3,788 employees trained |
| Courses on specific risks by activity | Provided to 12,964 employees. |

The training and labour risk prevention campaign conducted by the ACS Group, as well as all safety initiatives and protocols implemented have contributed to reducing the accidents suffered by construction area employees by 35% in 2005

In acknowledgement of the initiatives undertaken in the management and promotion of safety, the ACS Group received Honourable Mention from the XXXVII edition of the DIPLOOS awards, granted by the Asociación para la prevención de accidentes (Accident Prevention Association - APA).

Also, in 2005 Dragados became a member of the Asociación Española de Servicios de Prevención Laboral (Spanish Association of Labour Risk Prevention Services - AESPLA), thereby sharing experiences in the field of labour risk prevention with some of the most important companies operating in Spain.

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



Commitment to society

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

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





Social initiatives

Awareness and integration of the physically or mentally challenged

Each year the ACS Foundation actively works together with associations and non-profit organizations to improve the mobility and integration of physically or mentally challenged individuals. With this objective, and as part of this activity, in 2005 the Reina Sofía Awards of Universal Accessibility to Municipalities, were created together with the Real Patronato sobre Discapacidad (Royal Board on Disability).

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

In 2005 the different categories of these awards were given to:

- Town Council of Breña Alta, on the island of La Palma (Santa Cruz de Tenerife), honoured in the category of less than 10,000 inhabitants for developing measures working towards integral accessibility in the life of a municipality. It also develops programs designed to provide attention to and the social and labour integration of disabled individuals.

- Town Council of Quart de Poblet (Valencia), in the category of municipalities of between 10,000 and 100,000 inhabitants, for developing a complete program of measures working towards accessibility to the urban environment, and information and communication technologies, as well as the social and labour integration of disabled individuals in educational, occupational, leisure, free time and cultural fields. This town council also participates with the CEDAT Foundation of the Polytechnic University of Valencia in the project to form part of the Network of Cities with greatest accessibility.
- City Council of Málaga, for cities of over 100,000 inhabitants, for efforts based on the principle of universal design, transversal means and measures to improve accessibility. These initiatives are based on every person’s right to be able to move around in his environment with ease, the right to education and employment, and the right to information, which includes a sign language interpreter in Municipal Services and a visual signing research project.



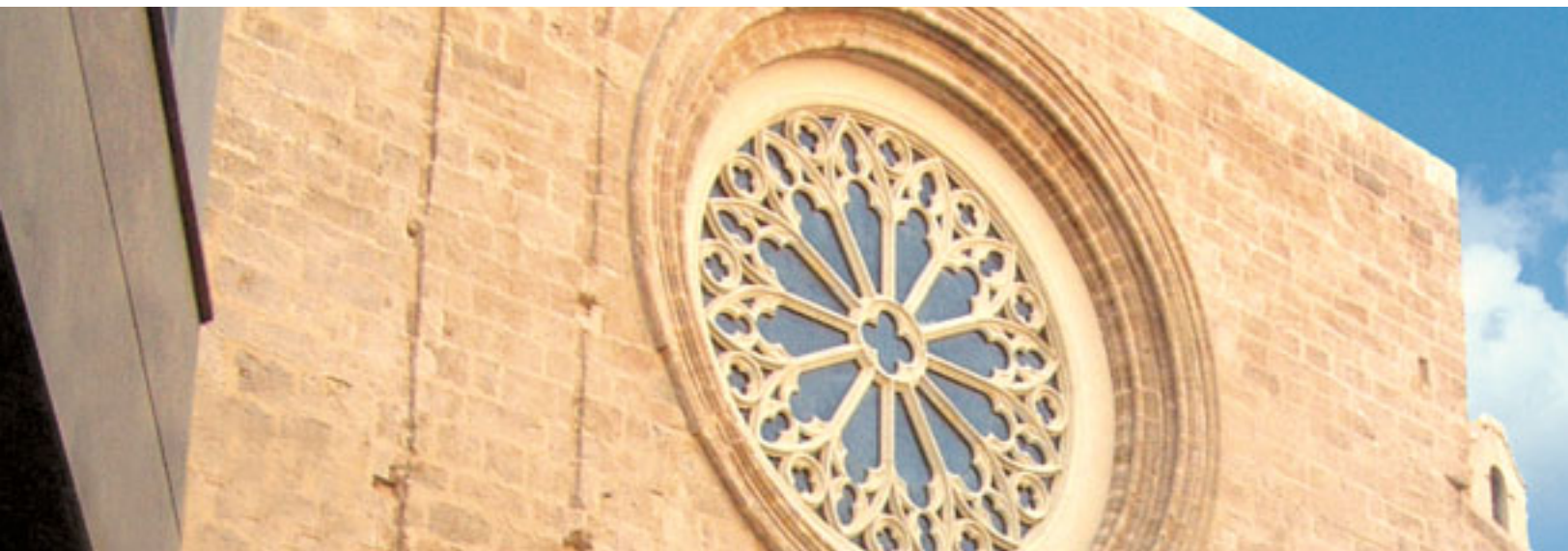


As part of the work of the ACS Foundation in collaboration with associations and non-profit organizations, it is important to highlight specific initiatives and agreements developed in 2005:

1. **Agreement with the State Representative Platform of the Physically Challenged (PREDIF)** to back educational and business awareness initiatives in various regions of Spain.
2. **Agreement with the Cerebral Paralysis Association (ASPACE)**, whose aim is to collaborate with this association in its projects for the improvement of the quality of life of individuals with cerebral paralysis or with similar neurological pathologies.
3. **Development of an agreement with FUNDACIÓN ONCE**, the main objective of which is to develop two pilot accessibility plans at the National Park of Doñana and the Natural Park of Benasque - Monte Perdido. Steps are currently being taken with the body of National Parks and with the Biodiversity Foundation of the Ministry of the Environment, in order to be able to make these pilot plans a reality with the projected investments therein.

4. **Development of an Agreement with the Real Patronato sobre Discapacidad**, chaired by Queen Sofía and dependent on the Ministry of Labour and Social Affairs, for the sponsorship, inter alia, of training on accessibility activities held in different cities of Spain and Havana (Cuba).
5. **Sponsorship and Participation in the National Seminar on Disability: "Universal Accessibility in the XXI Century"**, promoted by the Ministry of Labour and Social Affairs through the Royal Board on the Disabled and held in Ponferrada. Its focus was the contribution of new technologies to the improvement in the quality of life of handicapped individuals.
6. **Agreement with the Universidad Autónoma de Madrid** to carry out research on the "Impact of New Technologies on disabled University students".
7. **Sponsorship of the promotion of the participation of disabled individuals in sports:**
 - **Cooperation Agreement with the Spanish Paralympics Committee**, in order to collaborate in the project of Aid to Paralympics Sports.
 - **Sponsorship of the Young Sports Foundation**, whose fundamental objective is to encourage sports and the values intrinsic thereto in order to lead to habits favouring social reinsertion and the fostering of solidarity by the population as a whole, and particularly young people.
 - **Agreement with the Alcobendas Sports Foundation (FUNDAL)**, particularly aimed at the integration of disabled individuals in sports.
8. **Extraordinary Sponsorship, at the request of the Spanish University at a Distance**, for the hiring of a Spanish sign language interpreter making it possible for a deaf student (who does not speak and has no remaining hearing) to complete psycho-pedagogy studies at the UNED, given the merits she has accumulated in previous studies which resulted in a degree in Psychology.





Cultural and educational promotion

Promotion, conservation and spreading of Spanish historical heritage

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

These programs are mainly channelled through the ACS Foundation, whose objectives include the promotion, preservation and restoration of Spanish historical artistic heritage assets, and collaborating in their spreading:

- **Sponsorship of the Bishopric in Cartagena (Murcia)** for the purpose of performing construction work on the XI phase of the Palacio Episcopal de Murcia.
- **Sponsorship of Four Summer Courses on Sustainable Development**, held in Burgo de Osma (Soria), the subject matter of which is the "Recovery of the Historical Heritage: the Management of cultural routes".
- **Foundation's intervention in the Course on Accessibility and Heritage "Archaeological deposits, historical city centres, gardens and buildings"**, held in Leon in November and organized by the Directorate-General of Cultural Heritage under the Council of Culture and Tourism of the Regional Government of Castilla y Leon.

With respect to the spreading of Spanish historical heritage, the Collection of monographic books on restoration was continued with the publication of:

- **Restoration of the Canal Isabel II Facilities in the Plaza de Castilla in Madrid**, which is monographic restoration book number 25.

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

- "El Arte de Rehabilitar II", with 51 experiences relating to the restoration of heritage assets.
- "El Arte de Rehabilitar" was also republished.

Generation and dissemination of knowledge on sustainable development

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

- **Sponsorship for the Asociación Foro Soria 21 for the Sustainable Development** of the International fair "Foro Mundial Soria 21: energy, climate change and sustainable development", held in Soria on January 31 and February 1, 2005.
- **Sponsorship of the Master "Waste Management and Treatment"**, organized by the Department of Agricultural Chemistry, Geology and Geochemistry of the Autonomous University of Madrid.
- **Sponsorship of the Course "Waste Management"** with the School of Environment and Technology at the Universidad Complutense de Madrid.
- **Sponsorship of the Course "Corporate Social Responsibility as an Instrument of Sustainability"** with the University Foundation San Pablo CEU.
- **Sponsorship of the course "Environment and Materials: Life Cycle and Sustainable Development in the Society Today"** with the School of Environment and Technology at the Universidad Complutense de Madrid.
- **Sponsorship of the course "Treatment and Management of Waste Water"**, with the School of Environment and Technology at the Universidad Complutense de Madrid.
- **Sponsorship of the course "Renewable Energies"** with the Universidad Complutense de Madrid, as part of the summer course at the El Escorial.
- **Sponsorship of the summer course "Large Scale Energy Problems: Hydrogen, Myth or solution?"**, with the University Foundation Rey Juan Carlos.
- **Sponsorship of the seminar "Climate Change: a Challenge for Cooperation with Development"** with Casa de América and the collaboration of IPADE, Foundation for Development, OECC, Spanish Office of Climate Change, and the Ministry of Environment.



- **III “Sustainable Development” Award** given by the University Antonio de Nebrija.
- **Collaboration with the Foundation for the Research of Environmental Development, FIDA, for the publication of the book “Desarrollo urbano sostenible en España”(Sustainable Urban Development in Spain),** together with the Council of Environment and Territory Planning and the Foundation San Pablo CEU.

Art and Culture

The ACS Group maintains its support and patronage of the Spanish arts and culture, and collaborates in the development of cultural activities 2005 was particularly prolific and a good example are the numerous sponsorships in which the ACS Foundation has participated:

- **Sponsorship of the XXXII Ciclo de Grandes Autores e Intérpretes de la Música (Cycle of Great Authors and Interpreters of Music)** of the Autonomous University of Madrid, and specifically the tribute to the Professor Francisco Tomás y Valiente, held at the Auditorio Nacional de Música (National Music Auditorium).
- **Sponsorship of the Festival Jardins de Cap Roig,** promoted by the Caixa Foundation of Girona and held at Jardín Botánico de Caixa Girona in Calella de Palafrugell (Gerona).
- **Sponsorship of the symphonic orchestra of Galicia.**
- **Sponsorship of the Asociación Bilbaína de Amigos de la Opera (Bilbaina Association of the Friends of the Opera)** for the dissemination of art in general, and of the Opera in particular.
- **Sponsorship of the Foundation San Millán de la Cogolla** for the research, documentation and dissemination of the origins of the Castellana language and the use of modern technology for the updating of castellano in the world
- **Sponsorship of the Fundació Catalunya i Territori** for the development of cultural, social and research initiatives.
- **Sponsorship of the Cervantes Institute of Tel Aviv** for the performance of several cultural events in Israel.

- **Sponsorship of the 51st Edition of the Classical Theatre Festival of Mérida,** a cultural event of unequalled national and international prominence and importance.
- **Sponsorship of the Foundation “Españoles en el Mundo” (Spaniards in the World),** for the performance of training and cultural activities.
- **Sponsorship of the Foundation Juan de Oñate,** backing the organization of the II Tribunal Lecture of Juan de Oñate with the assistance of Miguel Ángel Fernández Ordóñez, Mexican Secretary of State of the Tax and Budget Authorities, and Mr. Eduardo Sojo, Head of the Presidential Office for the public politics of the Mexican Government.
- **Sponsorship for the establishment and operation of the Cátedra Andrés Bello of the University of Salamanca.**
- **Organization and performance of the Extraordinary Lyrical Recital held at Teatro Real of Madrid.**

Support of sports

An important part of contemporary culture are sports and each year the ACS Group collaborates through its foundation in the development and sport competitions, or through its associations relating to this activity. Noteworthy in 2005 were the following:

- **Sponsorship of the XV Mediterranean Games in Almería 2005.**
- **Support for the Laureus Sport for Good Foundation.**
- **Cooperation Agreement with the Real Madrid foundation,** the purpose of which is to foster the practicing of sports and its broadcasting and to procure that the practice of sports is united with the integral education of individuals.



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

- **Sponsorship of the meeting “The Performance Of European R&D and Innovation”**, held at Palacio de la Magdalena in Santander, with the International University Menéndez Pelayo.
- **Sponsorship of the conferences “European Union - Israel, perspectives and problems”**, held in Sevilla, with the Association of European Journalists.
- **Sponsorship of the Course “Real Estate Management”** with the School of Economy and Finances of the Universidad Complutense de Madrid.
- **Sponsorship of the Course “Real Estate Appraisals: Urban, Rural and Land Value”** with the School of Economy and Finances of the Universidad Complutense de Madrid.
- **Sponsorship of the Master in Management of Building, Refurbishment and Technical Control** of the Centro Superior de Edificación (CSE).
- **Sponsorship of the “Second Technical Conferences of the Work Inspectors and Social Security Trade Union”**.
- **Sponsorship of the African Medicine and Research Foundation (AMREF) Flyng Doctors**, for the performance of activities and projects aimed at cooperation in the development of the African continent and health education at different schools in Uganda.
- **Sponsorship of the Foundation “Pro Rebus Academiae”**, in order to promote the quality of engineering in Spain, by fostering the development of all initiative contributing to its promotion and dissemination, and particularly its application the business world and society in general.
- **Sponsorship of the Town Council of San Sebastián de los Reyes (Madrid)**, in the performance and promotion of social orientation campaigns.

In 2005 and through the ACS Foundations, sponsorship agreements have been entered into for the fulfilment of the its foundational purposes with the following foundations and institutions:

- Spanish Association of Foundations
- Town Council of San Sebastián de los Reyes (Madrid)
- Casa de América
- Centro Nacional de Arte Reina Sofía
- Amigos del Museo del Prado Foundation
- Carolina Foundation
- COTEC Foundation
- Príncipe de Asturias Foundation
- Teatro Real Foundation
- Universidad Autónoma de Madrid Foundation
- Universidad Rey Juan Carlos Foundation
- San Pablo – CEU University Foundation
- Terrorism Victims Foundation
- Universidad Antonio de Nebrija de Madrid.
- Universidad Complutense de Madrid
- Universidad Internacional Menéndez Pelayo
- Fundació Catalunya i Territori
- Hispania Nostra
- Juan de Oñate Foundation
- Royal Patronage on Disabled
- Pro Rebus Academiae Foundation
- Foundation for Analysis and Social Studies
- Españoles en el Mundo Foundation

Commitment to the United Nations

The ACS Group Adheres to the Global Compact Initiative of the United Nations



In 2002, the ACS Group began to form part of the Spanish companies adhering to the Global Compact Initiative of the United Nations led by its Secretary-General. This initiative is aimed at the incorporation by companies as part of their strategies and operations of ten principles of conduct and action in relation to Human and Labour Rights, Environment and the Fight against Corruption. In this manner, and as a company adhering to this initiative, the ACS has committed to implementing measures aimed at integrating these principles of conduct in the whole of its operations. This Corporate Responsibility Report details the activities performed by the ACS Group to promote each of these principles in 2005.



Chapter

Human Rights

- | | |
|--|--|
| 1. Companies should support and respect the protection of internationally proclaimed human rights through their influence scope. | The ACS Group and Corporate Responsibility |
| 2. Companies should make sure that they are not complicit in human rights abuses. | The ACS Group and Corporate Responsibility |

Work

- | | |
|--|--|
| 3. Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining. | Commitment to Individuals and the Social Environment |
| 4. Companies should eliminate all forms of forced and compulsory labour. | Commitment to Individuals and the Social Environment |
| 5. Companies should effectively eradicate child labour. | Commitment to Individuals and the Social Environment |
| 6. Companies should eliminate discrimination in respect of employment and occupation. | Commitment to Individuals and the Social Environment |

Environment

- | | |
|---|---------------------------------------|
| 7. Companies should support a precautionary approach to environmental challenges. | Commitment to the Natural Environment |
| 8. Companies should undertake initiatives to promote greater environmental responsibility. | Commitment to the Natural Environment |
| 9. Companies should encourage the development and diffusion of environmentally friendly technologies. | Commitment to the Natural Environment |

Fighting Corruption

- | | |
|---|--|
| 10. Companies should work against all forms of corruption, including extortion and bribery. | The ACS Group and Corporate Responsibility |
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We would like to hear your opinion

As can be observed on the previous pages of this report, at the ACS Group, it is to our understanding that corporate responsibility is a commitment determining the Company's relationship with the environment and with each of its stakeholders.

This Corporate Responsibility Report aims to include the main milestones and programs developed by the ACS Group leading to the improvement of relationships with its different stakeholders.

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

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