

9

APPENDICES

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9.1 REPORTING PRINCIPLES

This is the ACS Group's first integrated report, prepared in accordance with the principles established in the International Integrated Reporting Council (IIRC²¹).

This integrated report contains the financial and non-financial information deemed relevant for the stakeholders of the ACS Group. The information relating to material aspects regarding non-financial information was reported in accordance with the GRI Standards of the Global Reporting Initiative, including additional information applicable and required for the Construction and Real Estate sector supplement. With regard to the options defined by the GRI standards, the ACS Group considers that the 2016 Integrated Report has been prepared in accordance with the G4 guidelines under the comprehensive option. This non-financial information was verified by an independent third party, which includes the assurance letter on page 218 of this document.

With regard to the Group's financial and management information, the Annual Integrated Report addresses the recommendations of the Spanish National Securities Market Commission included in the guidelines for preparing directors' reports for listed companies.

The main material aspects that are identified as relevant and those addressed in this report are as follows (in order of priority):

- Integrity and responsibility
- Efficient management of resources
- Climate change as global concern
- Protection of human rights
- Zero accidents target
- Interest in local communities
- Social role played by infrastructure

- Developing local talent
- Responsible supply chain
- Tools and new financing models
- Resilient infrastructure

The ACS Group applied to the following criteria to prepare this report:

Principles to determine the content of the report:

Inclusion of stakeholders:

the ACS Group ensures its management of material aspects is in line with the expectations of its stakeholders. The Group therefore has dialogue mechanisms adapted to its relationship with each of its stakeholders (indicated in section 6.8 this report). In line with this commitment, in 2016 the Group also carried out a materiality review process in which 2,819 queries were carried out with stakeholders in order to include their opinion on material aspects concerning the Group.

Context of sustainability: The purpose of this report is to explain the management of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these areas.

Relevance: The ACS Group has analysed the material aspects, the methodology and results of which can be consulted in section 9.2 of this report, which has enabled it to understand which aspects are relevant to the ACS Group and its stakeholders.

Exhaustiveness: In the process of preparing this report, the coverage and scope thereof was clearly

defined, giving priority to information considered to be material and including all significant events that took place in 2016, without omitting information of relevance to our stakeholders.

The scope of the report was determined along with its content. In 2016, ACS Group companies took part in transformation processes that have involved organisational and administrative changes, which represents a change in the scope of certain indicators. Appendix 3.3.3 indicate the scope and coverage of each of the indicators reported. In addition, if there are any significant changes in coverage, they must be indicated in these chapters.

The relevant issues, the indicators included herein and the matters covered by the 2016 Annual Integrated Report offer an overview of the significant impacts on the economic, social and environmental fields and on the ACS Group's activities.

[102-46]

Principles to determine the quality of the report:

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

Balance: This report includes both positive and negative aspects,

²¹ For more information, see the website of the International Integrated Reporting Council <http://integratedreporting.org/>

in order to present an unbiased image and enable stakeholders to reasonably assess the Company's actions.

[102-48] [102-49]

Comparability: As far as possible, the information included in this report has been organised in such a manner that stakeholders may interpret the changes undergone by the ACS Group with respect to previous years. Certain figures for 2015 have been recalculated with the same scope as those reported in 2016 so that, whenever possible, they can be more comparable. With regard to indicators for years prior to 2015, it was not possible to recalculate the figures retroactively for certain indicators; in these cases, the reported data is presented historically for information purposes.

Reliability: The reliability of the information included in this 2015 Annual Integrated Report with regard to corporate social responsibility was checked by KPMG, the firm responsible for its verification. The assurance letter can be found on page 218.

Punctuality: The ACS Group must report the Group's performance on an annual basis. This report includes the Group's actions in 2016 in the economic, social and environmental fields and its activities.



9.2 LIST OF MATERIAL ASPECTS

[102-46]

In accordance with the principles established by the GRI Standards to determine the content of the report, in 2016 the ACS Group carried out a process of updating the analysis of material aspects that was carried out in 2015 for the purpose of providing more in-depth information on the aspects identified.

An external desk study was carried out using public sources and benchmark international bodies in order to prepare the initial analysis of material aspects. This study analysed the main competitive environments in which the ACS Group has a presence, identifying the risks and opportunities of the various countries of operation that the Group had to address.

In addition, from an external perspective, the main financial and non-financial aspects evaluated by investors when taking investment decisions were considered, and the performance of the main companies

in the sector with regard to these aspects was also analysed.

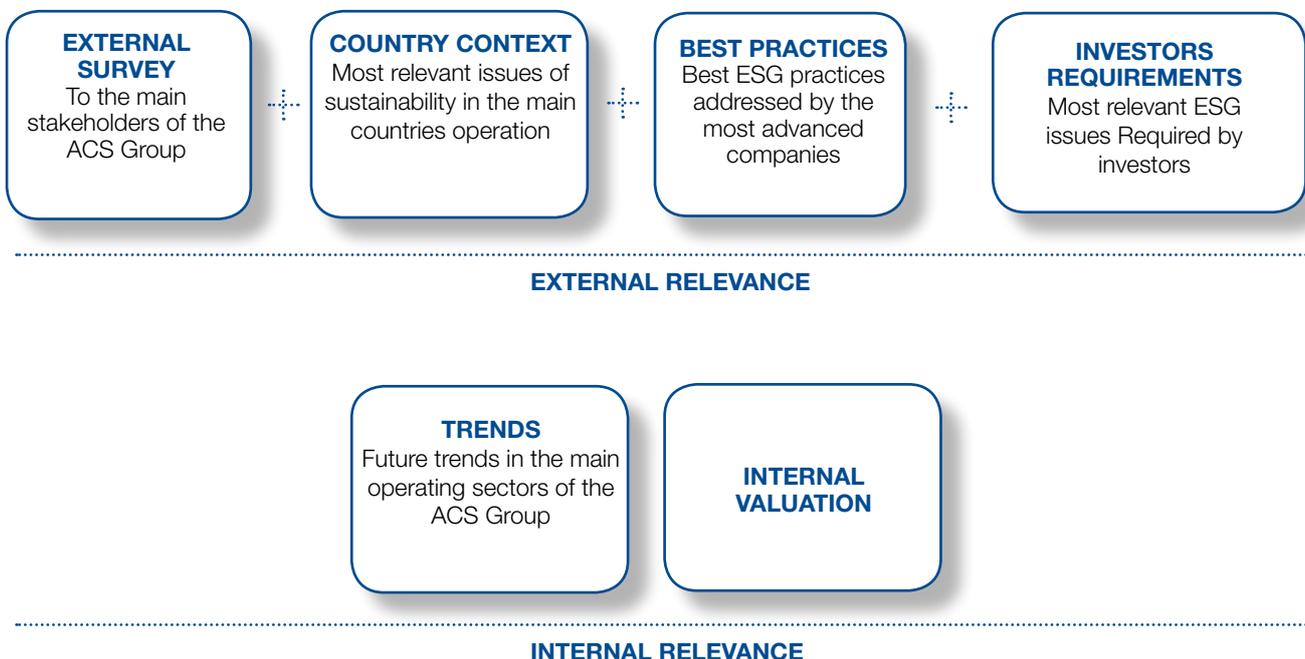
For the internal assessment analysis, in order to strengthen the identification and prioritisation of the material aspects, interviews were carried out with executives from the various ACS Group companies and the Corporate Unit, ensuring that the different operating activities and environments were represented. These interviews took an in-depth look at the main risks and opportunities of the business, the Group's future strategy, the implications on the value chain and the performance and position of the various companies with regard to corporate social responsibility, among other matters.

It should be noted that HOCHTIEF performed its own analysis of the material aspects through a consultation in which 1,670 representatives participated in 2016 and, due to the importance it has in the ACS Group, its analysis was

included in the Company's overall analysis.

[102-44]

In the process of updating the analysis carried out in 2016, the implications of the various aspects for the Company were reviewed and the opinion of stakeholders was included. A total of 2,819 representatives of interested parties of the ACS Group and of the various Group companies were therefore consulted, broken down into the following categories: customers, suppliers, employees, shareholders, social agents, institutions and other stakeholders. Each of them was asked about the importance of the various aspects identified.



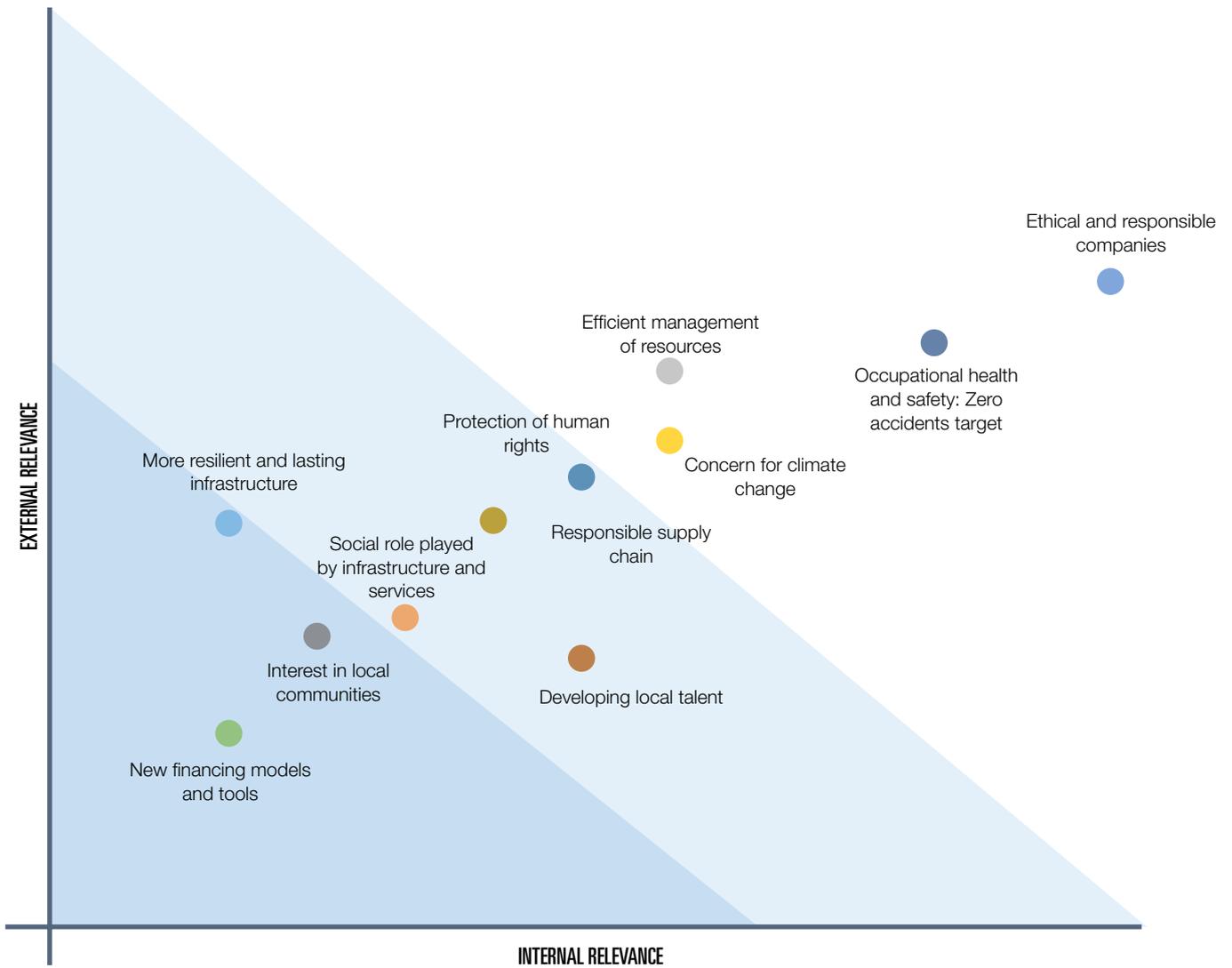
[102-47]

Important of/concern for the aspects by stakeholders

Suppliers, partners and contractors	Customers	Institutions	Employees	Community
Integrity, transparency and ethics	Occupational health and safety: Zero accidents target	Integrity, transparency and ethics	Occupational health and safety: Zero accidents target	Integrity, transparency and ethics
Occupational health and safety: Zero accidents target	Integrity, transparency and ethics	More resilient and lasting infrastructure	Integrity, transparency and ethics	Occupational health and safety: Zero accidents target
Responsible supply chain	Efficient management of resources	Occupational health and safety: Zero accidents target	Efficient management of resources	Efficient management of resources
Efficient management of resources	More resilient and lasting infrastructure	Efficient management of resources	Protection of human rights	More resilient and lasting infrastructure
Protection of human rights	Responsible supply chain	Protection of human rights	More resilient and lasting infrastructure	Protection of human rights
More resilient and lasting infrastructure	Protection of human rights	Responsible supply chain	Responsible supply chain	Responsible supply chain
Social role played by infrastructure and services				
Concern for climate change	Developing local talent	New financing models and tools	Interest in local communities	New financing models and tools
Interest in local communities	Interest in local communities	Concern for climate change	Developing local talent	Developing local talent
Developing local talent	Concern for climate change	Developing local talent	Concern for climate change	Interest in local communities
New financing models and tools	New financing models and tools	Interest in local communities	New financing models and tools	Concern for climate change

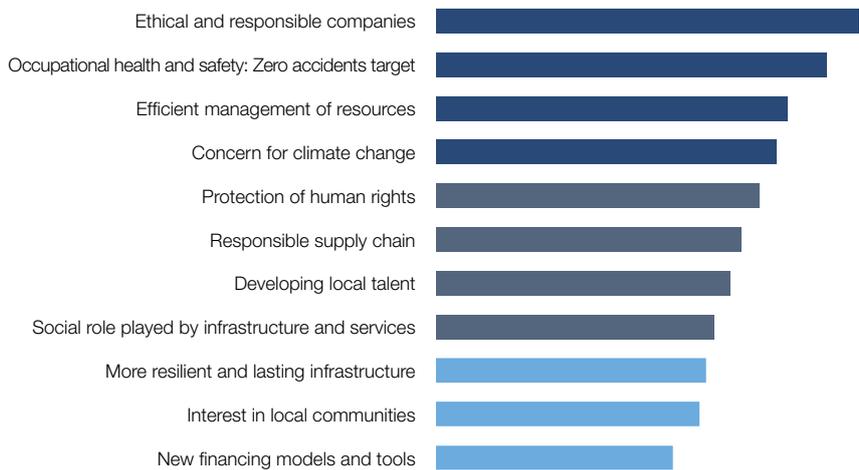
[102-47], [103-1]

The results of weighting the topics identified both at an internal and external level have been used to design a materiality matrix representing the results obtained in accordance with their external and internal relevance, identifying the 11 material aspects for the ACS Group, which are detailed as follows:



[102-47], [102-44], [102-49]

The 11 material aspects identified in the materiality matrix have been ordered in a hierarchy according to their global relevance, as shown in the following table:



- Medium relevance
- High relevance
- Moderate relevance

[102-49] [102-46] [102-44] [102-47]

Material aspect	Definition	Individual sub-aspects
Ethical and responsible companies	The markets and the company demand companies, the management of which is responsible and transparent and the values of which are based on the pillars of equality, diversity, and ethical and transparent management.	<ul style="list-style-type: none"> - Compliance systems and policies - Corporate Governance and senior executives - Tax policy and transparent reporting systems - Transparency and integrity in tender processes - Whistleblowing channels and ethical queries
Efficient management of resources	The lack of resources and increased demand for energy, water, etc., jeopardise the availability of these resources and other essential aspects to guarantee sustainable development. Production models need to innovate and evolve so that these resources are properly managed. This area is particularly important in countries such as Spain, the United States or Australia, which account for a high percentage of the Group's companies.	<ul style="list-style-type: none"> - Customer awareness through efficient management of resources - Efficiency in managing water resources - Innovation and technology as a driver of efficiency - Use of efficient, respectful and lasting materials - Circular economy: recycle and reuse
Climate change is a global concern	The agreement reached during the COP 21 highlights the importance of this phenomenon on the world economy and how production and consumption models must change in order to mitigate the risks posed by climate change. This change requires the participation of governments and companies.	<ul style="list-style-type: none"> - Strategy and policies for containing climate change - Short-, medium- and long-term objectives for reducing emissions. - Contribution to the global objectives for the decarbonisation of the economy. - Renewable technologies. - Specific incentives for containment (carbon pricing).
Protection of human rights	If systematic breaches of human rights occur in certain countries, then protection policies must be applied in a robust and uniform manner, and they must be applied across the entire supply chain. This is particularly important for activity in emerging countries.	<ul style="list-style-type: none"> - Development of a human rights policy - Alignment of the company's human rights principles with those of its suppliers - Dialogue with communities to understand their needs - Management of risks relating to human rights - Human rights training
Zero accidents target	Reducing the number of employee and subcontractor accidents is a priority in the infrastructure sector, where the risk of accidents is higher than in other sectors. Strict safety and health policies have to be applied to cover not only the company's employees but also third party collaborators. Employees and third party collaborators have to be equipped with the necessary tools and training, and control systems must be defined. This is particularly important in emerging countries, where regulation is more lax.	<ul style="list-style-type: none"> - Health and safety standards, also required for the supply chain. - Zero accident policies: mitigation plans and ambitious targets to reduce frequency rates. - Responsibility of employees and contractors: training and awareness with regard to health and safety.

[102-49] [102-46] [102-44] [102-47]

Material aspect	Definition	Individual sub-aspects
Interest in local communities	The community's interests must be aligned with those of the company, and this should be considered a key factor for the success of any project. It is important to evaluate the activity's environmental and social impact, contribute to the well-being of local communities and encourage proactive dialogue. This is particularly important in emerging countries.	<ul style="list-style-type: none"> - Social and environmental impact assessments of projects - Proactive dialogue with the community and communication tools - Contribution to the well-being of local communities
Social role played by infrastructure	Infrastructure plays a crucial social role in developing communities, and companies that operate in this field have to adopt a strategy of embracing and adapting to changes taking place in society; this is particularly important in countries that have less developed infrastructure systems.	<ul style="list-style-type: none"> - Analysis of migratory movements. - Promotion of innovation (smart cities, information technologies, sustainable mobility, and connectivity). - Sustainable urban planning and services adapted to citizens.
Developing local talent	Companies are expected to contribute to the economic and social development of the countries in which they operate, by generating jobs, boosting the social fabric and transferring know-how. This is particularly important in emerging countries. Local contracting also represents cost savings.	<ul style="list-style-type: none"> - Spanish and local content in countries in which it operates, both in the workforce and in suppliers. - Contribution to economic development and job creation. - Transfer of knowledge to the local business fabric. - Strategies for attracting and retaining talent
Responsible supply chain	Companies' responsible behaviour must be applied to all their collaborators and across the entire supply chain, which is especially important in emerging countries.	<ul style="list-style-type: none"> - Classification, assessment and approval of suppliers based on risk. - Implementation of systems for measuring compliance with responsible objectives for suppliers. - Establishment of corrective measures in the case of non-compliance by suppliers. - Preparation of procedures and codes for suppliers.
Tools and new financing models	With the reduction in public spending, it is necessary to adapt to the new ways of financing infrastructure developments, where private finance plays an increasingly more important role. This is particularly important in developed countries.	<ul style="list-style-type: none"> - Public-private alliances - Search for local partners - Sustainable financing - Financial solvency and robustness
Resilient infrastructure	Due to increasingly common extreme weather phenomena and lower availability of resources for funding, infrastructure companies will have to seek solutions to make their projects more resilient and more lasting. It has become evident that this topic is particularly important in the American continent.	<ul style="list-style-type: none"> - Making customers aware of lasting construction (project planning) - Infrastructure adaptation and maintenance - R&D in the development of sustainable solutions (i.e., materials).

[102-44], [102-47], [103-1]

These matters have been identified as relevant for the ACS Group, but the relevance of each of these topics has also been identified for each of the Group's businesses (Construction, Industrial Services and Services), the results of which as shown below:

The identification of these aspects represents a step forward in correctly approaching this Annual Integrated Report for 2016, which must address the demands for information by stakeholders with regard to these aspects in the Group's various activities..

Ethical and responsible companies			
Efficient management of resources			
Climate change is a global concern			
Protection of human rights			
Zero accidents target			
Social role played by infrastructure			
Interest in local communities			
Developing local talent			
Responsible supply chain			
Tools and new financing models			
Resilient infrastructure			

- Construction
- Industrial Services
- Services



9.3 CSR APPENDICES

9.3.1 GRI CONTENT INDEX



GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
GRI 101: 2016 Basis				
GRI 102: General Disclosures 2016				
Organizational profile	102-1 Name of the organization	5		Yes (218-219)
	102-2 Activities, brands, products, and services	20-21		Yes (218-219)
	102-3 Location of headquarters	20		Yes (218-219)
	102-4 Location of operations	20-21		Yes (218-219)
	102-5 Ownerships and legal form	37-190		Yes (218-219)
	102-6 Markets served	24-25		Yes (218-219)
	102-7 Scale of the organization	20-21		Yes (218-219)
	102-8 Information on employees and other workers	132-134		Yes (218-219)
	102-9 Supply chain	156-159		Yes (218-219)
	102-10 Significant changes to the organization and its supply chain	30-31		Yes (218-219)
	102-11 Precautionary Principle or approach	182-185		Yes (218-219)
	102-12 External initiatives	225		Yes (218-219)
	102-13 Membership of associations	165		Yes (218-219)
Strategy	102-13 Membership of associations	8-9		Yes (218-219)
	102-14 Statement from senior decision-maker	8-9, 182-185		Yes (218-219)
Ethics and Integrity	102-15 Key impacts, risks, and opportunities	124-125		Yes (218-219)
	102-16 Values, principles, standards, and norms of behavior	127-128		Yes (218-219)
Governance	102-17 Mechanisms for advice and concerns about ethics	188-189		Yes (218-219)
	102-19 Delegating authority	12-13, 191		Yes (218-219)
	102-20 Executive-level responsibility for economic, environmental and social topics	191-192		Yes (218-219)
	102-21 Consulting stakeholders on economic, environmental, and social topics	200-205		Yes (218-219)
	102-22 Composition of the highest governance body and its committees	12-13		Yes (218-219)
	102-23 Chair of the highest governance body	12-13		Yes (218-219)
	102-24 Nominating and selecting the highest governance body	191		Yes (218-219)
	102-25 Conflicts of interest	192		Yes (218-219)
	102-26 Role of the highest governance body in setting purpose, values, and strategy	191-192		Yes (218-219)
	102-27 Collective knowledge of highest governance body	191-192		Yes (218-219)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Governance	102-28 Evaluating the highest governance body's performance	191-192		Yes (218-219)
	102-29 Identifying and managing economic, environmental, and social impacts	191-192		Yes (218-219)
	102-30 Effectiveness of risk management processes	191-192		Yes (218-219)
	102-31 Review of economic, environmental, and social topics	Economic: at least quarterly, Social and Environmental: at least annually		Yes (218-219)
	102-32 Highest governance body's role in sustainability reporting	191-192		Yes (218-219)
	102-33 Communicating critical concerns	127-128, 164-165		Yes (218-219)
	102-34 Nature and total number of critical concerns	127-128		Yes (218-219)
	102-35 Remuneration policies	192-193		Yes (218-219)
	102-36 Process for determining remuneration	192-193		Yes (218-219)
	102-37 Stakeholders' involvement in remuneration	192-193		Yes (218-219)
	102-38 Annual compensation ratio	Not available	We do not have management and collection systems for this indicator for this data at country level. Measures to improve this aspect will be taken.	No
102-39 Percentage increase in annual compensation ratio	During 2016 there has not been a percentage increase in annual remuneration of the Chairman and CEO of the ACS Group.		Yes (218-219)	
Stakeholder engagement	102-40 List of stakeholder groups	164-165		Yes (218-219)
	102-41 Collective bargaining agreements	56		Yes (218-219)
	102-42 Identifying and selecting stakeholders	164-165		Yes (218-219)
	102-43 Approach to stakeholder engagement	164-165		Yes (218-219)
	102-44 Key topics and concerns raised	200.202-203.205		Yes (218-219)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Reporting practice	102-45 Entities included in the consolidated financial statements	5		Yes (218-219)
	102-46 Defining report content and topic Boundaries	198-200.203		Yes (218-219)
	102-47 List of material topics	201-205		Yes (218-219)
	102-48 Restatements of information	198-199, 31		Yes (218-219)
	102-49 Changes in reporting	198-199, 214		Yes (218-219)
	102-50 Reporting period	5		Yes (218-219)
	102-51 Date of most recent report	Last report 2015		Yes (218-219)
	102-52 Reporting cycle	198-199		Yes (218-219)
	102-53 Contact point for questions regarding the report	226		Yes (218-219)
	102-54 Claims of reporting in accordance with the GRI Standards	198-199		Yes (218-219)
	102-55 GRI content index	206-211		Yes (218-219)
	102-56 External assurance	218-219		Yes (218-219)
Material Topics				
Zero accidents target				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	138		Yes (218-219)
	103-3 The evaluation of the management approach	138		Yes (218-219)
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	212		Yes (218-219)
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	140.212		Yes (218-219)
	403-3 Workers with high incidence of high risk of diseases related to their occupation	212		Yes (218-219)
	403-4 Health and safety topics covered in formal agreements with trade unions	212		Yes (218-219)
G4 Sector Disclosure: Construction and Real Estate	CRE6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	140		Yes (218-219)
Developing local talent				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	132-133		Yes (218-219)
	103-3 The evaluation of the management approach	132-133		Yes (218-219)
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	135		Yes (218-219)
	404-2 Programs for upgrading employee skills and transition assistance programs	136-137		Yes (218-219)
	404-3 Percentage of employees receiving regular performance and career development reviews	135		Yes (218-219)
Responsible supply chain				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	156-157		Yes (218-219)
	103-3 The evaluation of the management approach	156-157		Yes (218-219)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	46		Yes (218-219)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	157-159		Yes (218-219)
	308-2 Negative environmental impacts in the supply chain and actions taken	157-159		Yes (218-219)
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	157-159		Yes (218-219)
	414-2 Negative social impacts in the supply chain and actions taken	157-159		Yes (218-219)
Interest in local communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	173		Yes (218-219)
	103-3 The evaluation of the management approach	173		Yes (218-219)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	31.9%		Yes (218-219)
	413-2 Operations with significant actual and potential negative impacts on local communities	4.5% sales Group		Yes (218-219)
G4 Sector Disclosure: Construction and Real Estate	CRE7 Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
management of resources				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	143		Yes (218-219)
	103-3 The evaluation of the management approach	143		Yes (218-219)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	213		Yes (218-219)
	301-2 Recycled input materials used	213		Yes (218-219)
	301-3 Reclaimed products and their packaging materials	213		Yes (218-219)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	146		Yes (218-219)
	302-2 Energy consumption outside of the organization	213		Yes (218-219)
	302-3 Energy intensity	146		Yes (218-219)
	302-4 Reduction of energy consumption	146-147		Yes (218-219)
	302-5 Reductions in energy requirements of products and services	148		Yes (218-219)
GRI 303: Water 2016	303-1 Water withdrawal by source	149		Yes (218-219)
	303-2 Water sources significantly affected by withdrawal of water	149		Yes (218-219)
	303-3 Water recycled and reused	149		Yes (218-219)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	149		Yes (218-219)
	306-2 Waste by type and disposal method	146		Yes (218-219)
	306-3 Significant spills	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
	306-4 Transport of hazardous waste	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
	306-5 Water bodies affected by water discharges and/or runoff	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
G4 Sector Disclosure: Construction and Real Estate	CRE1 Building energy intensity	It does not apply since this indicator refers to the Real Estate sector and the ACS Group has no activity in this sector		No
	CRE2 Building water intensity	It does not apply since this indicator refers to the Real Estate sector and the ACS Group has no activity in this sector		No
	CRE5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	153		Yes (218-219)
Climate change is a global concern				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	143		Yes (218-219)
	103-3 The evaluation of the management approach	143		Yes (218-219)
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	144		Yes (218-219)
	305-2 Energy indirect GHG emissions (Scope 2)	144		Yes (218-219)
	305-3 Other indirect GHG emissions (Scope 3)	144		Yes (218-219)
	305-4 GHG emissions intensity	144		Yes (218-219)
	305-5 Reduction of GHG emissions	144		Yes (218-219)
	305-6 Emissions of ozone-depleting substances (ODS)	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	213		Yes (218-219)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
G4 Sector Disclosure: Construction and Real Estate	CRE3 Greenhouse gas emissions intensity from buildings	It does not apply since this indicator refers to the Real Estate sector and the ACS Group has no activity in this sector		No
	CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity	144		Yes (218-219)
Protection of human rights				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	124-125		Yes (218-219)
	103-3 The evaluation of the management approach	124-125		Yes (218-219)
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	157-159		Yes (218-219)
	412-2 Employee training on human rights policies or procedures	129		Yes (218-219)
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	157-159		Yes (218-219)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	56		Yes (218-219)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	129		Yes (218-219)
Ethical and responsible companies				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	124-125		Yes (218-219)
	103-3 The evaluation of the management approach	124-125		Yes (218-219)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken	No
	205-2 Communication and training about anti-corruption policies and procedures	129		Yes (218-219)
	205-3 Confirmed incidents of corruption and actions taken	Corruption problems were not detected		No
GRI 206: Anti-competitive Behavior 2016	2016-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pag 107 Consolidated Financial Statements		Yes (218-219)
Resilient infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	49		Yes (218-219)
	103-3 The evaluation of the management approach	49		Yes (218-219)
Tools and new financing models				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	160-161		Yes (218-219)
	103-3 The evaluation of the management approach	160-161		Yes (218-219)
Tools and new financing models				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	200-205		Yes (218-219)
	103-2 The management approach and its components	52		Yes (218-219)
	103-3 The evaluation of the management approach	52		Yes (218-219)

9.3.2 ADDITIONAL INDICATORS

HEALTH AND SAFETY

	2013*	2014*	2015	2016
Total number of hours worked	383,808,286	513,085,380	326,382,593	316,428,588
Total number of accidents with employee time off	7,321	7,798	4,256	4,388
Fatal accidents (employees)	10	9	10	5
Fatal accidents (subcontractors)	12	8	3	9
Total number of cases of occupational diseases (employees)	70	43	32	35
Frequency rate for occupational disease (employees)	0.182	0.084	0.098	0.111
Total number of cases of occupational diseases (subcontractors)	0	0	0	0
Frequency rate for occupational disease (subcontractors)	0	0	0	0
Percentage of days lost through absenteeism	1.4%	2.3%	2.1%	2.3%

* Figures for Services in 2013 and 2014 include Urbaser

[403-1][403-3][403-4] Indicadores de Seguridad y Salud	2015	2016
Total ACS Group		
Percentage of workforce represented on formal joint health and safety committees for management and employees	55.77%	75.75%
Workers with a profession that has a high incidence or risk of illness*	1,345	11,296
Health and safety issues covered in official agreements with trade unions	70.61%	76.73%
Construction		
Percentage of workforce represented on formal joint health and safety committees for management and employees	29.97%	84.71%
Workers with a profession that has a high incidence or risk of illness*	212	10,043
Health and safety issues covered in official agreements with trade unions	29.97%	40.99%
Industrial Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	75.29%	78.03%
Workers with a profession that has a high incidence or risk of illness	1,133	1,253
Health and safety issues covered in official agreements with trade unions	79.26%	91.22%
Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	66.80%	66.80%
Workers with a profession that has a high incidence or risk of illness	0	0
Health and safety issues covered in official agreements with trade unions	100.00%	100.00%

* Increase in the indicator since in 2015 the scope was 75.79% of employees and was 96.15% of employees in 2016

ENVIRONMENT

(301-1 and 301-2) Total materials used and percentage of recycled materials	2015	2016
Total wood purchased (m ³)*	209,304	412,209
Percentage of certified wood	0.1%	0.7%
Total steel purchased (m ³)	544,567	1,116,409
Percentage of recycled steel	33.2%	29.6%
Total concrete purchased (t)	8,277,045	5,637,466
Percentage of cement/concrete with recycled aggregate	0.5%	0.0%
Total recycled glass (m ²)	78,417	48,776
Percentage of recycled glass	0.0%	0.0%

* Increase of the data by increase of the scope

(302-1) Energy consumption by source	2013*	2014*	2015	2016
Total ACS Group				
Petrol + Diesel (million litres)	1,367	2,117	1,187	830
Natural gas (m ³)	343,509	401,980	400,930	280,094
Natural gas (kWh)	58,517,257	110,989,144	27,296,944	21,438,588
Electricity (MWh)	566,015	860,105	532,927	490,005
Electricity from renewable sources (MWh)	n.d.	n.d.	2,114	4,441
Construction				
Petrol + Diesel (million litres)	1,281	2,016	1,162	809
Natural gas (m ³)	310,951	266,690	279,111	257,531
Natural gas (kWh)	224,000	771,403	92,100	102,558
Electricity (MWh)	316,187	571,585	418,975	399,041
Electricity from renewable sources (MWh)	n.d.	n.d.	557	3,064
Industrial Services				
Petrol + Diesel (million litres)	27	39	21	17
Natural gas (m ³)	32,558	135,289	121,818	22,563
Natural gas (kWh)	802,371	135,541	204,844	21,030
Electricity (MWh)	49,392	54,298	89,119	64,247
Electricity from renewable sources (MWh)	n.d.	n.d.	1,557	1,378
Services				
Petrol + Diesel (million litres)	60	62	4	4
Natural gas (m ³)	0	0	0	0
Natural gas (kWh)	57,490,887	110,082,200	27,000,000	21,315,000
Electricity (MWh)	200,436	234,221	24,834	26,717
Electricity from renewable sources (MWh)	n.d.	n.d.	0	0

* Figures for Services in 2013 and 2014 include Urbaser

	2013	2014	2015	2016
Significant emissions, in kg or multiples, of NO _x , SO _x and other significant atmospheric emissions (tCO ₂ e)	n.d.	n.d.	1,776.62	1,565.70

9.3.3 SCOPE OF THE DATA

[102-49]

TRANSPARENCY, ETHICS AND INTEGRITY

% of employees	2015	2016
Number of communications received and handled by the Ethics Channel	100.00%	100.00%
Scope of the training plans regarding human rights, ethics, integrity or conduct (% of employees)	97.22%	92.98%
Number of courses given with content involving human rights, ethics, integrity or conduct	92.46%	88.40%
Number of employees trained in human rights, ethics, integrity or conduct content during the year	97.22%	92.98%
Training hours per trained employee	88.31%	84.37%

HEALTH AND SAFETY

% of employees	2015	2016
Employees who have received health and safety training during the year (%)	100.00%	100.00%
Employees who have received health and safety training during their career with the company (%)	95.48%	100.00%
Percentage of workforce represented on formal joint health and safety committees for management and employees	75.08%	99.82%
Workers with a profession that has a high incidence or risk of illness	75.79%	96.15%
Health and safety issues covered in official agreements with trade unions	71.94%	78.79%

% of employees	2013	2014	2015	2016
Percentage of total employees covered by OHSAS 18001 certification	98.87%	100.00%	100.00%	100.00%
Total number of hours worked (employees)	98.87%	100.00%	100.00%	100.00%
Total number of accidents with time off (employees)	98.87%	100.00%	100.00%	100.00%
Total number of working days lost (employees)	98.87%	100.00%	100.00%	100.00%
Total number of hours worked (subcontractors)	86.91%	70.30%	75.05%	73.91%
Total number of accidents with time off (subcontractors)	86.91%	70.30%	74.71%	73.91%
Total number of working days lost (subcontractors)	94.68%	70.30%	74.47%	73.51%
Deaths (employees)	98.87%	100.00%	100.00%	100.00%
Deaths (subcontractors)	97.50%	70.30%	79.32%	95.35%
Investment in health and safety (€ Mn)	98.87%	78.33%	100.00%	100.00%
Total number of cases of occupational diseases (employees)	98.87%	73.80%	79.32%	78.75%
Total number of cases of occupational diseases (subcontractors)	94.15%	70.30%	75.05%	73.91%

ENVIRONMENT

% of sales	2016
Implementation of an environmental management system	100.00%
Implementation of ISO 14001 certification	100.00%
Implementation of other certifications	100.00%
Projects registered and certified as per efficient construction certifications	100.00%
Actions to restore habitats	97.84%
External verification of actions to restore habitats	97.84%

% of sales	2013	2014	2015	2016
Petrol (million litres)	74.50%	98.44%	99.38%	100.00%
Diesel (million litres)	74.78%	98.44%	99.38%	100.00%
Natural gas (m ³)	28.95%	98.44%	99.38%	100.00%
Natural gas (kWh)	69.27%	98.44%	99.38%	100.00%
Biofuel (million litres)	n.d.	n.d.	32.43%	29.93%
Electricity (MWh)	95.38%	98.44%	99.38%	100.00%
Electricity from renewable sources (MWh)	n.d.	n.d.	32.43%	29.93%
Direct greenhouse gas emissions not associated with the use of fuels (Scope 1 process emissions) (tCO ₂ eq)	23.77%	98.44%	32.43%	29.93%
Business travel: total km travelled on short-haul flights (< 500 km)	76.04%	98.44%	99.38%	99.39%
Air: total km travelled on medium-haul flights (500 km < X < 1,600 km)	76.04%	98.44%	99.38%	99.39%
Air: total km travelled on long-haul flights (> 1,600 km)	76.04%	98.44%	99.38%	99.39%
Total km travelled in private vehicles for business purposes	36.72%	98.44%	99.38%	99.39%
Total km travelled by train	29.83%	98.44%	99.38%	100.00%
Total km travelled by boat	29.59%	98.44%	99.38%	100.00%
Others (tCO ₂ eq)	71.51%	98.44%	99.38%	100.00%
Significant emissions, in kg or multiples, of NO _x , SO _x and other significant atmospheric emissions	n.d.	n.d.	99.38%	100.00%
Efficient use of water resources				
Drinking water consumption (m ³)	36.71%	64.40%	63.84%	64.97%
Non-drinking water consumption (m ³)	35.37%	32.20%	32.43%	29.93%
Waste water discharged (m ³)	28.07%	32.20%	32.43%	29.93%
Volume of reused water (m ³)	n.d.	n.d.	99.38%	100.00%
Waste management				
Non-hazardous waste sent for management (t)	75.16%	98.44%	99.38%	100.00%
Hazardous waste sent for management (t)	95.57%	98.44%	95.01%	100.00%

Materials (% of Group procurements)	2015	2016
Total wood purchased (m ³)	86.00%	87.85%
Percentage of certified wood	15.18%	14.33%
Total steel purchased (t)	86.16%	88.15%
Percentage of recycled steel	55.82%	60.03%
Total concrete purchased (m ³)	84.24%	87.95%
Percentage of cement/concrete with recycled aggregate	13.26%	14.14%
Total recycled glass (m ²)	13.26%	14.14%
Percentage of recycled glass	9.86%	11.50%

COMMITMENT TO QUALITY WITH THE CUSTOMER

% of sales	2015	2016
Production certified under ISO 9001: Construction	57.07%	46.89%
Production certified under ISO 9001: Industrial Services	100.00%	100.00%
Production certified under ISO 9001: Services	100.00%	100.00%
Production certified under ISO 9001: Total ACS Group	66.98%	60.27%
Number of quality audits	57.12%	52.33%
Investment in measures to promote and improve quality	57.14%	51.77%
Number of customer satisfaction surveys received	30.68%	27.74%
Customer responses that are "satisfied" or "very satisfied" out of the total number of surveys RECEIVED (%)	30.68%	27.74%

% of Group procurements	2015	2016
Companies that have a formal system for approving suppliers and subcontractors	100.00%	100.00%
Adherence to the ACS Group Code of Conduct	84.20%	100.00%
Adherence to international standards as regards human rights and labour rights	82.98%	98.92%
Adherence to standards for the fulfilment of ethical, social and environmental commitments	82.98%	81.34%
Certification in quality aspects (ISO 9001)	100.00%	100.00%
Certification in environmental aspects (ISO14001, EMAS or similar)	100.00%	100.00%
Analysis of labour standards and practices of suppliers and contractors	70.37%	71.01%
Suppliers identified as critical	38.56%	53.97%
Critical suppliers. % of total	38.56%	54.10%

ACS GROUP EMPLOYEES

Total % of employees	2015	2016
Total employees	100.00%	100.00%
Employees by nationality (nationals of the corporate headquarters/foreigners)	97.22%	92.98%
Employees by area of activity	n.a.	96.12%
Personnel by professional category and area of activity	n.a.	96.12%
Types of contract	n.a.	96.12%
Personnel by professional category and gender	n.a.	96.12%
Personnel by geographical area	n.a.	96.12%
Of the employees reported, number of women with a management position (construction/ project manager or similar and superior)	97.22%	92.98%
Of the employees reported, number of men with a management position (construction/ project manager or similar and superior)	97.22%	92.98%
Of the employees reported, number of women management positions	78.90%	92.98%
Of the employees reported, number of men management positions	78.90%	92.98%
Employees covered by a formal professional development system	97.22%	92.98%
Employees subject to performance evaluation processes	97.22%	92.98%
Employees covered by variable remuneration systems	97.22%	92.98%
Total turnover for women	97.22%	92.56%
Total turnover for men	97.22%	92.56%
Voluntary turnover for women	97.22%	92.98%
Voluntary turnover for men	97.22%	92.98%
Employees trained	97.22%	92.98%
Total teaching hours given	97.22%	92.98%
Investment in training (millions of euros)	78.90%	77.49%

INNOVATION

% of employees	2016
Investment in research, development and innovation by the ACS Group	48.22%
Number of innovation projects in progress in 2016 of the ACS Group	54.61%
Number of patents registered by the ACS Group in 2016	48.28%
Number of patents registered by the ACS Group over the last ten years	48.28%

GIVING BACK TO SOCIETY

% of employees	2016
Investment in social action by Group companies	92.98%
Budget allocated by the Foundation	100.0%

9.3.4 ASSURANCE REPORT



KPMG Asesores, S.L.
Pº. de la Castellana, 259 C
28046 Madrid

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

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

In accordance with our engagement letter, we performed a limited assurance review on the non-financial information contained in the Integrated Report of Actividades de Construcción y Servicios, S.A. (hereinafter ACS) for the year ended 31 December 2016 (hereinafter “the Report”). The information reviewed corresponds to the indicators referred in the GRI Index.

Management responsibilities

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), in its comprehensive option, and the Construction and Real State Sectoral Supplement, as detailed in section 102-54 of the GRI Content Index of the Report. It is also responsible for compliance with the Materiality Disclosure Service, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for determining ACS's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

These responsibilities include the establishment of appropriate controls that ACS management consider necessary to enable that the preparation of indicators with a limited assurance review would be free of material errors due to fraud or errors.

Our responsibility

Our responsibility is to carry out a limited assurance review, and to express a conclusion based on the work performed, referring exclusively to the information corresponding to 2016. We conducted our engagement in accordance with Standard ISAE 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the Standard ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, issued by the International Auditing and Assurance Standards Board (IAASB) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Limited assurance over limited assurance indicators

Our limited assurance engagement consisted of making enquiries of management and persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

2

- Verification of ACS's processes for determining the material issues, and the participation of stakeholder groups therein.
- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across the business of ACS.
- Evaluation through interviews concerning the consistency of the description of the application of ACS's policies and strategy on sustainability, governance, ethics and integrity.
- Risk analysis, including searching the media to identify material issues during the year covered by the Report.
- Review of the consistency of information comparing GRI Universal Standard Disclosures with internal systems and documentation.
- Analysis of the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Visit to the 101 viviendas en la parcela 23.3 de Montecarmelo (Madrid)" construction site selected based on a risk analysis considering quantitative and qualitative criteria.
- Review of the application of the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), requirements for the preparation of reports in accordance with comprehensive option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACS.
- Verification that the financial information reflected in the Report was audited by independent third parties.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Review Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that Integrated Report of Actividades de Construcción y Servicios, S.A. for the year ended 31 December 2016 have not in all material respects, been prepared and presented in accordance with the Sustainability Reporting Standards de Global Reporting Initiative (GRI Standards), in its comprehensive option, and the Construction and Real State Sectoral Supplement, as detailed in section 102-54 of the GRI Content Index of the Report, including the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

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

Purpose of our report

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for ACS in relation to its Integrated Report and for no other purpose or in any other context.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

22 March 2017

9.4 ECONOMIC-FINANCIAL APPENDIX

9.4.1 TREASURY SHARES

At 31 December 2016, the ACS Group had 4,677,422 treasury shares on its balance sheet, representing 1.5% of its share capital. The detail of the transactions performed in the year is as follows:

	2016		2015	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of period	9,898,884	276,629	6,919,380	201,122
Purchases	4,669,903	107,081	10,134,317	285,693
Scrip dividend	-	-	173,839	6
Sales	(3,125,000)	(85,567)	(532,999)	(15,456)
Retirement	(6,766,365)	(177,162)	(6,795,653)	(194,736)
At end of period	4,677,422	120,981	9,898,884	276,629



9.4.2 IRIDIUM CONCESSIONS PORTFOLIO

Concession - Description	Stake	Country	Activity	Phase	Units.	Expiry date	Investment	
							(€ Mn)	ACS Group Investment
Autovía de La Mancha	75.0%	Spain	Highways	Operation	52	Apr-33	128	21
Circunvalación de Alicante	50.0%	Spain	Highways	Operation	148	Feb-40 (2)	464	71
Autopista del Henares (R2 y M50)	35.0%	Spain	Highways	Operation	87	Nov-39	898	81
Accesos Madrid (R3/R5 y M50)	19.7%	Spain	Highways	Operation	90	Nov-49	1,679	55
Reus-Alcover	100.0%	Spain	Highways	Operation	10	Dec-38	72	16
Santiago Brión	70.0%	Spain	Highways	Operation	16	Sep-35	118	14
Autovía de los Pinares	63.3%	Spain	Highways	Operation	44	Apr-41	96	17
Autovía Medinaceli-Calatayud	100.0%	Spain	Highways	Operation	93	Dec-26	183	24
Autovía del Camp del Turia (CV 50)	65.0%	Spain	Highways	Construction	20	Feb-43	110	10
Autovía del Pirineo (AP21)	100.0%	Spain	Highways	Operation	45	Jul-39	226	81
Autovía de la Sierra de Arana	40.0%	Spain	Highways	Construction	39	Jul-41	200	16
EMESA (Madrid Calle 30)	50.0%	Spain	Highways	Operation	33	Sep-40	221	48
Eje Diagonal	100.0%	Spain	Highways	Operation	67	Jan-42	406	154
A-30 Nouvelle Autoroute 30	12.5%	Canada	Highways	Operation	74	Sep-43	1,365	20
Capital City Link (NEAH)	25.0%	Canada	Highways	Operation	27	Sep-46	1,081	13
FTG Transportation Group	12.5%	Canada	Highways	Operation	45	Jun-34	549	3
Windsor Essex	33.3%	Canada	Highways	Operation	11	Feb-44	899	7
Signature on the Saint-Lawrence Group General Part	25.0%	Canada	Highways	Construction	3	Nov-49	1,735	15
Ruta del Canal	51.0%	Chile	Highways	Operation	55	Feb-50	187	18
Concesionaria Vial del Pacífico, S.A.S	40.0%	Colombia	Highways	Construction	50	2,039 (prorr. 2,044)	953	78
Concesionaria Nueva Vía al Mar, S.A.S	40.0%	Colombia	Highways	Construction	32	Jan-44	783	50
Autopista Jónica (NEA, ODOS)	24.5%	Greece	Highways	Constr. / Operation	380	Dec-37	1,389	41
Central Greece	24.5%	Greece	Highways	Constr. / Operation	231	Mar-38	865	22
CRG Waterford - Southlink	33.33% (Waterford) 16.5% (Souhlink)	Irlanda	Highways	Operation	23	Apr-36	321	22
CRG Portlaoise - Midlink	33.33% (Portlaoise) 16.5% (Midlink M7/M8)	Irlanda	Highways	Operation	41	Jun-37	328	23
N25 New Ross Bypass	50.0%	Irlanda	Highways	Construction	14	Feb-43	173	9
M11 Gorey – Enniscorthy	50.0%	Irlanda	Highways	Construction	32	Jan-44	253	13
Sper - Planestrada (Baixo Alentejo)	15.1%	Portugal	Highways	Construction	347	Dec-38	539	79
A-13, Puerta del Támesis	25.0%	United Kingdom	Highways	Operation	22	Jul-30	283	7
SH288 Toll Lanes-Texas	21.6%	USA	Highways	Construction	17	Aug-67	1,009	73
Portsmouth Bypass	40.0%	USA	Highways	Construction	35	Dec-53	526	18
I595 Express	50.0%	USA	Highways	Operation	17	Feb-44	1,518	98
Total Highways (km)					2,200		19,558	1,220
Línea 9 Tramo II	10.0%	Spain	Railways	Operation	11	Oct-42	887	7
Línea 9 Tramo IV	10.0%	Spain	Railways	Operation	11	Sep-40	613	6
Metro de Arganda	8.1%	Spain	Railways	Operation	18	Dec-29	149	3
ELOS - Ligações de Alta Velocidade	15.2%	Portugal	Railways	Construction	167	Aug-05	1,649	19
Rideau Transit Group (Ligth RT Ottawa)	40.0%	Canada	Railways	Construction	13	Jun-48	1,428	21
Crosslinx Transit Solutions	25.0%	Canada	Railways	Construction	20	Sep-51	3,878	18
Metro de Lima Línea 2	25.0%	Peru	Railways	Construction	35	Apr-49	4,327	28
Total km Railways					274		12,931	102
Cárcel de Brians	100.0%	Spain	Jails	Operation	95,182	Dec-34	106	14
Comisaría Central (Ribera norte)	100.0%	Spain	Police Station	Operation	60,330	May-24	70	12
Comisaría del Vallés (Terrasa)	100.0%	Spain	Police Station	Operation	8,937	Mar-32	17	3
Comisaría del Vallés (Barberá)	100.0%	Spain	Police Station	Operation	9,269	Apr-32	16	4
Los Libertadores	100.0%	Chile	Border Facility	Construction	32,011	Mar-30	70	8
Huesca Oriental Depura S.A.	50.0%	Spain	Water treatment	Operation	-	Jan-00	28	3
Public facilities (m²)					205,729		307	43
Hospital Majadahonda	11.0%	Spain	Hospitals	Operation	749	Jul-35	257	4
Nuevo Hospital de Toledo, S.A.	33.3%	Spain	Hospitals	Construction	760	Jan-45	220	16
Hospital Son Espases	49.5%	Spain	Hospitals	Operation	987	Oct-39	306	17
Hospital de Can Misses (Ibiza)	40.0%	Spain	Hospitals	Operation	297	Oct-42	130	13
Centros de Salud de Mallorca	49.5%	Spain	Health Center	Operation	n.a.	Apr-21	19	3
Public facilities (number of beds)					2,793		931	52
Intercambiador Plaza de Castilla	4.4%	Spain	Transfer Station	Operation	59,650	Feb-41	167	3
Intercambiador Príncipe Pio	8.4%	Spain	Transfer Station	Operation	28,300	Dec-40	66	1
Intercambiador Avda América	12.0%	Spain	Transfer Station	Operation	41,000	Jun-38	75	1
Total Transfer Station (m²)					128,950		307	5
Iridium Aparcamientos	100.0%	Spain	Parkings	Constr. / Operation (2)	15,715	2058	49	49
Serrano Park	50.0%	Spain	Parkings	Operation	3,297	Dec-48	130	24
Total Parking (number of places)					19,012		179	73
TOTAL CONCESSIONS							34,213	1,495

The investment paid already by ACS up to December 2016 accounted for 1,109 million euros.

(1)Cover main contracts managed by Iridium Aparcamientos.

(2) Prorrogable up to 2044

9.4.3 ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with that established in commercial law, the Annual Corporate Governance Report, which forms an integral part of the 2016 directors' report, is attached by reference and is available on the CNMV's website.

9.4.4 GLOSSARY

The ACS Group presents its results in accordance with International Financial Reporting Standards (IFRS), however, the Group uses certain alternative performance measures (APM) to provide additional information that facilitates the comparability and understanding of its financial information and the decision making and assessment of the Group's performance. The most noteworthy APMs are detailed below

CONCEPT	DEFINITION and COHERENCE	Dec-16	Dec-15
Market capitalisation	Num of shares at period close x price at period close	9,446	8,477
Earnings per share	Net Profit of the period / Average num of shares of the period	2.44	2.35
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	751	725
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	308.1	308.5
Backlog	Value of the contracts awarded and pending to be executed. In section 1.1, a breakdown is made between a direct and proportional portfolio (referring to proportional participation in joint operating companies and projects not consolidated globally in the Group)	66,526	58,942
Gross Operating Profit (EBITDA)	Operating Profit excluding (1) D&A y (2) non recurrent operating results and/or which dont imply a cash flow + Net Results from Joint Ventures	2,023	2,141
(+) Operating Profit	Operating income - Operating expenses	1,237	1,089
(-) 1.D&A	Operating provisions and fix asset depreciation	(578)	(720)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(131)	(229)
(+) Net profit from Joint Ventures	Profit before Taxes from foreign joint ventures consolidated by Equity method. It is similar to the UTEs regime in Spain, thus it is included in the EBITDA in order to standardize the accounting criteria with the Group's foreign companies	77	102
Net Financial Debt / EBITDA	Net Financial Debt / Annualized EBITDA	0.2x	0.3x
Net Financial Debt (1)-(2)	Gross external financial debt +Net debt with group companies - Cash & Equivalents	1,214	2,624
(1) Deuda Financiera Bruta	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other l/t non bank debt + Debt with group companies	8,689	10,745
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	7,475	8,121
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	8,094	8,563
Net Cash Flow	(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows	1,511	2,034



CONCEPT	DEFINITION and COHERENCE	Dec-16	Dec-15
1. Cash Flow from operating activities	Adjusted Net Profit attributable + Operating working capital variation ex discontinued operations	1,376	1,794
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	1,377	1,162
Operating working capital variation	Working capital variation of the period (+/-) adjustments of non operating concepts (Ej: dividends, interests, taxes, etc)	(1)	633
2. Cash Flow from investing activities	Net investments (paid/collected) ex discontinued operations	594	495
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) discontinued operations	(1,403)	(2,128)
(+) Collections from divestments	Collections from operating, project and financial divestments. This figure may differ from that shown in section 2.3.2 for reasons of deferral (accruals) ex discontinued operations	1,997	2,623
3. Other Cash Flows	Treasury stock sale/acquisition + Dividend payments + Other financial sources + Cash generated from discontinued operations	(460)	(256)
Ordinary Financial Result	Financial Income - Financial expenses	(340)	(475)
Net Financial Result	Ordinary financial result + Foreing exchange results + Impairment non current assets results + Results on non current assets disposals	(310)	(90)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(3,640)	(2,980)

NOTE: All financial indicators and AMPs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards Datos en millones de euros
Data in million of euros

CONCEPT	USE
Market capitalisation	Value of the company in the stock exchange market
Earnings per share	Indicates the part of the net profit that corresponds to each share
Net Attributable profit	
Average num. of shares of the period	
Backlog	An indicator of the Group's commercial activity. The value divided by the average duration of the projects is an approximation to the revenues to be received in the following periods
Gross Operating Profit (EBITDA)	Measure of comparable performance to evaluate the evolution of the Group's operating activities excluding depreciation and provisions (more variable items according to the accounting criteria used). This AMP is widely used to evaluate the operational performance of companies as well as part of ratios and valuation multiples and measurement of risks
(+) Operating Profit	
(-) 1.D&A	
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	
(+) Net profit from Joint Ventures	
Net Financial Debt / EBITDA	Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 1, it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Deuda Financiera Bruta	Level of gross financial debt at period end
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
Net Cash Flow	Cash generated / consumed of the period
1. Cash Flow from operating activities	Cash generated by operating activities. Its value is comparable to the Group's EBITDA by measuring the conversion of operating income into cash generation
Adjusted Net Profit attributable	
Operating working capital variation	
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
(-) Payments from investments	Indicates capital needs in fixed assets for the development of the business.
(+) Collections from divestments	
3. Other Cash Flows	
Ordinary Financial Result	Measure of assessment of the result coming from the use of financial assets and liabilities. This concept includes both income and expenses directly related with net financial debt as other non related financial income/expenses
Net Financial Result	

NOTE: All financial indicators and AMPs are calculated under the principles of coherence and homogeneity allowing comparability between periods and in compliance with the applicable accounting rules and standards

9.5 AWARDS, RECOGNITIONS, MEMBERSHIPS

- ACS Actividades de Construction y Services was classified to be included in the 2017 Sustainability Yearbook and received the Silver Class distinction for its excellent performance and sustainability, according to the evaluation performed by Robecosam.
- In 2016, FTSE Russell confirmed that the ACS Group had been independently evaluated in accordance with the FTSE4Good criteria and had met the requirements to become a component of the FTSE4Good index series.
- The ACS Group is a signatory to the United Nations Global Compact.
- The ACS Group supports the Carbon Disclosure Project initiative.
- ACS is a world leader in the development of infrastructure concessions, according to Public Works Financing magazine.
- ACS is the seven largest company in the world by sales figures, according to the ENR magazine ranking published in December 2016. It is the second-ranking listed company worldwide on this list and the company with the most international business.
- In 2016, Harvard Business Review named Florentino Pérez, Chairman and CEO of the ACS Group, as one of the world's top 100 CEOs.
- Forbes magazine, in its February 2016 issue, included Florentino Pérez on its list of the 50 best CEOs in Spain in 2016.
- According to the Merco monitor, in 2016 the ACS Group was one of the most highly respected companies in Spain, with Florentino Pérez considered to be one of the most highly esteemed leaders in Spain.
- In March 2017, it was published "Best of the Best, ENR's top projects of 2016" in which are included the works developed by ACS Group's companies: enlargement of Line 7 of New York subway and Philadelphia Children's Hospital, both of them in United States.



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9.6 WE WOULD LIKE TO KNOW YOUR OPINION

As you may have observed in the preceding pages, the ACS Group is committed to transparency of information and the relationships with its various stakeholders.

The ACS Group considers the assumption of reporting principles to be a process of ongoing improvement, in which it is essential to count on the informed opinion of the various stakeholders. We would therefore greatly appreciate any feedback you may have on this report at:

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