



2018 INTEGRATED ANNUAL REPORT



MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION EUROS	2013 ⁽¹⁾	2014	2015 ⁽³⁾	2016 ⁽³⁾	2017	2018
Revenues	35,178.0	34,880.9	33,291.3	31,975.2	34,898.2	36,658.5
Gross operating profit (EBITDA) ⁽²⁾	2,832.5	2,552.7	2,140.7	2,023.4	2,278.9	2,437.0
Net operating profit (EBIT)	1,639.7	1,684.2	1,420.8	1,445.0	1,626.0	1,790.5
Attributable net profit	701.5	717.1	725.3	751.0	802.0	915.0
Funds from operations	1,085.8	824.1	1,794.8	1,376.4	1,863.5	2,050.9
Dividends paid	398.0	318.0	344.5	326.2	297.2	315.9
Net investments/(Divestments)	494.3	(313.0)	259.0	(522.9)	283.3	1,538.2
Total assets	39,965.4	39,320.7	35,279.8	33,400.0	31,880.7	34,295.4
Equity	5,488.9	4,897.9	5,197.3	4,967.6	5,164.0	6,055.7
Shareholders' equity	3,267.9	3,033.5	3,421.0	3,574.3	3,742.9	4,388.3
Non- controlling interests	2,221.0	1,864.4	1,776.3	1,393.2	1,421.1	1,667.4
Total net debt ⁽⁴⁾	3,811.1	3,722.3	2,624.1	1,214.4	153.0	(3.3)
Net debt/(cash) with recourse	2,553.9	2,739.6	2,083.2	1,012.3	(41.9)	(120.0)
Non recourse financing	1,257.1	982.7	540.9	202.0	195.0	116.8
Backlog ⁽⁵⁾	59,363	63,871	58,942	66,526	67,082	72,223
Number of employees	157,689	210,345	170,241	176,755	182,269	195,461

DATA PER SHARE

EUROS	2013	2014	2015	2016	2017	2018
Earnings	2.26	2.31	2.35	2.44	2.57	2.94
Gross dividend*	1.153	1.153	1.152	1.196	1.385	1.890
Funds from operations	3.50	2.65	5.16	4.47	5.97	6.59
Shareholders' equity	10.53	9.76	11.09	11.60	11.99	14.10

* 2018 final dividend pending of approval.

STOCK MARKET DATA

	2013	2014	2015	2016	2017	2018
Listed shares	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594	314,664,594
Market capitalization (€ Million)	7,872.8	9,115.7	8,500.5	9,446.2	10,264.4	10,645.1
Year-end closing price	25.02 €	28.97 €	27.02 €	30.02 €	32.62 €	33.83 €
Annual revaluation	31.41%	15.79%	-6.75%	11.12%	8.66%	3.71%

KEY RATIOS

	2013 ⁽¹⁾	2014	2015 ⁽³⁾	2016 ⁽³⁾	2017	2018
Operating margin (EBIT)	4.7%	4.8%	4.3%	4.5%	4.7%	4.9%
Net margin	2.0%	2.1%	2.2%	2.3%	2.3%	2.5%
ROE	22.7%	22.0%	20.8%	21.4%	21.9%	22.5%
Gearing ⁽⁶⁾	69.4%	76.0%	50.5%	24.4%	3.0%	-0.1%
Dividend yield	4.6%	4.0%	4.3%	4.0%	4.2%	5.6%

(1) 2013 data have been reestimated as a result of the entry into force of the IFRS 10, 11 and 12 new standards, additionally there has been a reclassification of the results from John Holland and Leighton Services (with the same criteria as in 2014).

(2) 2014-2018 EBITDA and EBIT include Joint Ventures net results (previously classified in the equity method)

(3) In compliance with IFRS 5, in 2016 Urbaser has been reclassified as discontinued operations as a result of sale, also proceeding to re-express the income statement 2015.

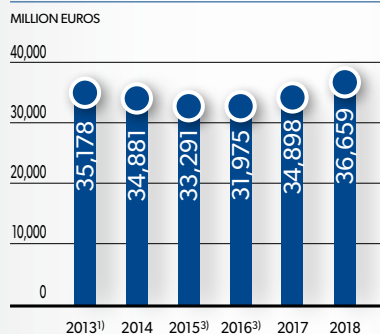
(4) In 2014, total net debt includes the proceeds pending to be collected obtained after the sale of John Holland and Leighton Services in december 2014, accounted in the balance

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

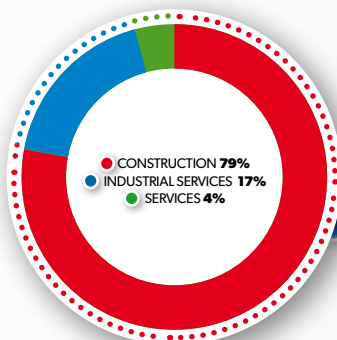
(6) Gearing: net debt / (Shareholders' equity+non-controlling interests).

MAIN FINANCIAL DATA OF THE AC

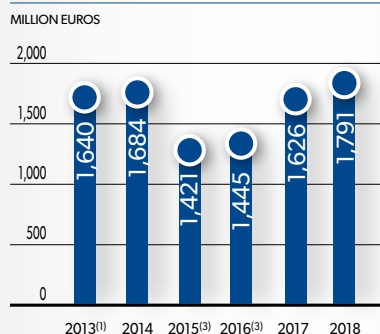
REVENUES



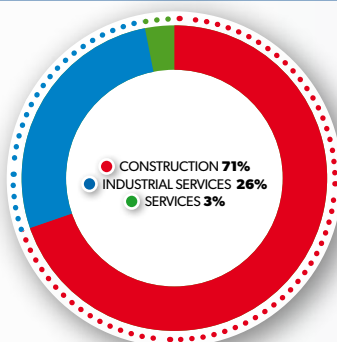
2018 REVENUE BY AREA OF ACTIVITY



NET OPERATING PROFIT (EBIT)

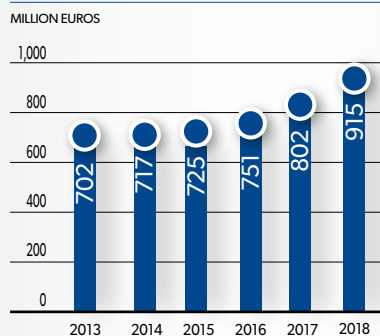


2018 GROSS OPERATING PROFIT (EBITDA) BY AREA OF ACTIVITY

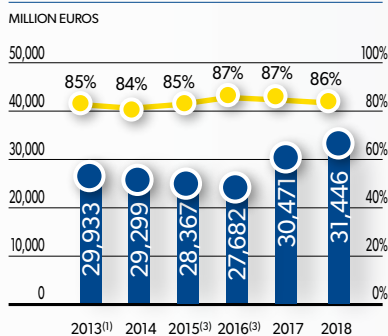


The percentages are calculated on the sum of the activities considered in each graph.
Construction includes the activity of Dragados, Hochtief and Iridium.

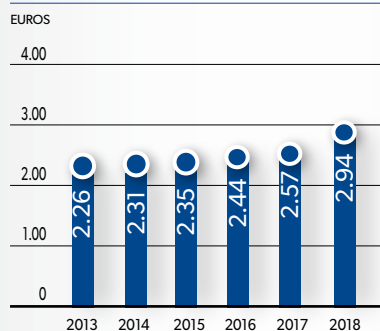
ATTRIBUTABLE NET PROFIT



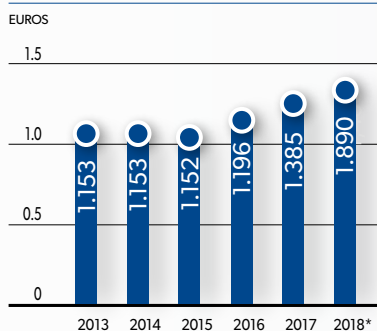
INTERNATIONALIZATION



EARNINGS PER SHARE

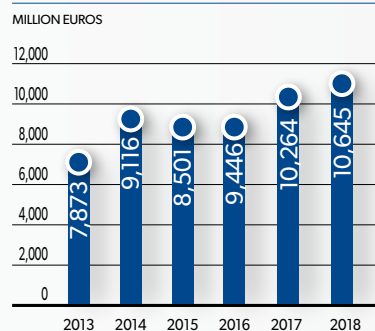


DIVIDEND PER SHARE*



*2018 final dividend pending of approval.

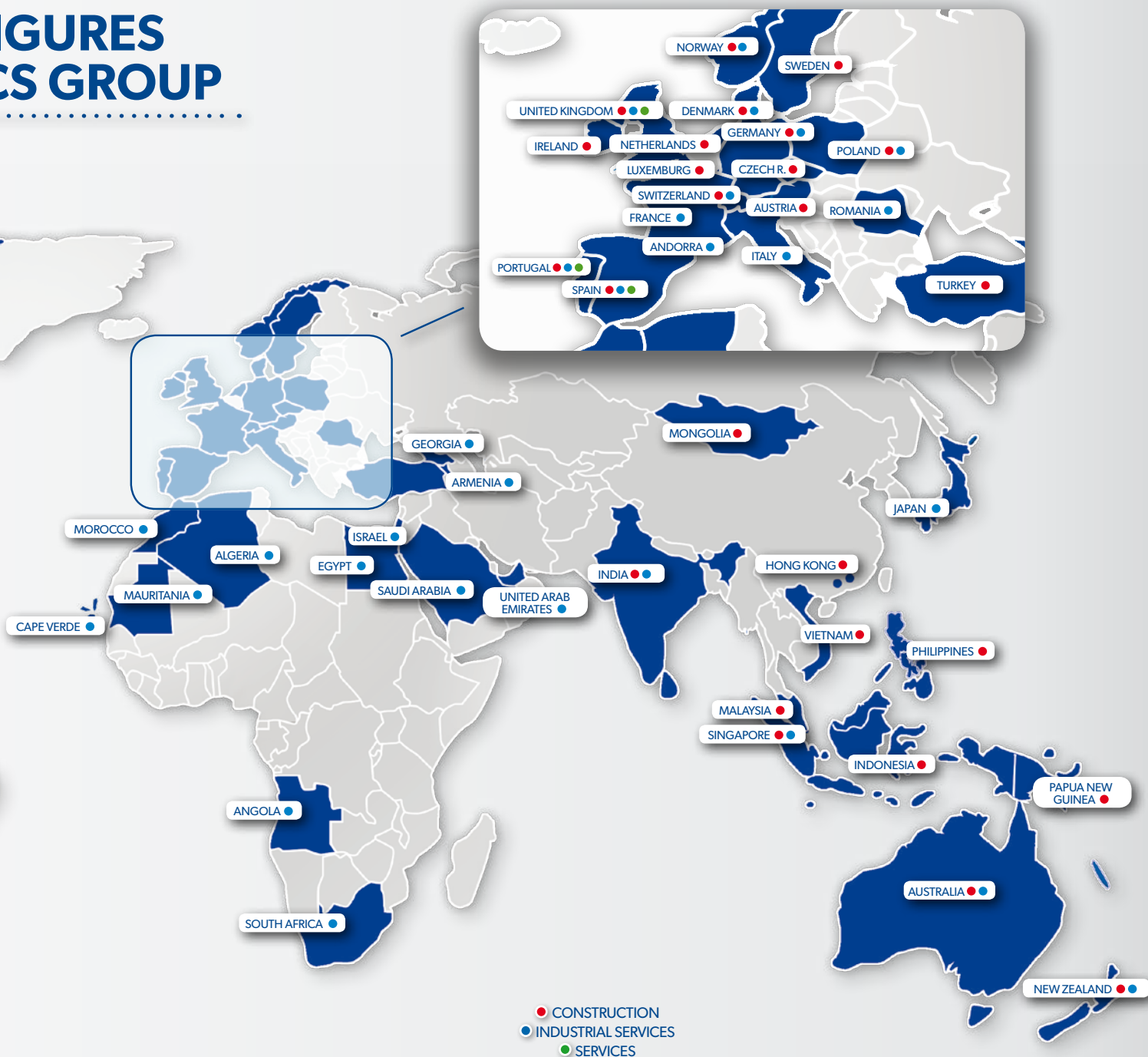
MARKET CAPITALIZATION



(1) 2013 data have been restated as a result of the entry into force of the IFRS 10, 11 and 12 new standards. Additionally there has been a reclassification of the results from John Holland and Leighton Services (with the same criteria as in 2014).

(3) In compliance with IFRS 5, in 2016 Urbaser has been reclassified as discontinued operations as a result of sale, also proceeding to re-express the income statement 2015.

FIGURES CS GROUP



CONSTRUCTION 2018⁽¹⁾

MILLION EUROS	2018
Revenues	28,785
International	95.0%
Gross operating profit (EBITDA) ⁽²⁾	1,773
Margin	6.2%
Net Profit	469
Margin	1.6%
Backlog ⁽²⁾	59,350
Employees	68,540

INDUSTRIAL SERVICES 2018

MILLION EUROS	2018
Revenues	6,385
International	62.9%
Gross operating profit (EBITDA)	645
Margin	10.1%
Net Profit	325
Margin	5.1%
Backlog	9,845
Employees	51,672

SERVICES 2018

MILLION EUROS	2018
Revenues	1,505
International	6.5%
Gross operating profit (EBITDA)	80
Margin	5.3%
Net Profit	37
Margin	2.5%
Backlog	3,028
Employees	75,197

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


(2) EBITDA includes Joint Ventures net results (companies executing projects managed with partners) not fully consolidated. Includes the backlog proportional to the stake in joint ventures that.



CONSOLIDATED DIRECTOR'S REPORT

This Consolidated Director's Report includes in the point 6 the Non-Financial Information Statement, in accordance with the Law 11/2018 of December 28. A summary table is provided in point 6.11, where non-financial and diversity information required by the law is identified.



LINKS 



WEBSITE



**CONSOLIDATED FINANCIAL
STATEMENTS**



**CORPORATE GOVERNANCE
REPORT**



**ANNUAL DIRECTOR'S
REMUNERATION**

ABOUT THIS REPORT

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The Integrated Annual Report consists of the present Consolidated Director's Report, of the which is part of the Annual Government Report Corporate that is attached by reference and that available on the Group's website ACS and the CNMV, and the Consolidated Annual Accounts corresponding to the year ended 31 December 2018, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

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

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

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

The requirements contained in the guide for preparing directors' reports for listed companies issued by the Spanish National Securities Market Commission were also taken into account, as well as Law 11/2018 on the disclosure of information non-financial and diversity information.

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

[102-45]

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

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

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

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



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LETTER FROM THE CHAIRMAN

PREPARE TO KEEP GROWING

Dear Shareholder,

In 2018, the ACS Group achieved excellent results, exceeding 915 million euros of net profit, 14.1% more than the previous year. These results were possible thanks to the positive evolution of all activities and the strong generation of operating cash, which grew 17% and has allowed us to make significant investments throughout the year, while simultaneously maintaining a solid financial structure. In fact, the Group closed the year with a positive net cash position and net assets over 6,000 million euros.

Sales totaled 36,659 million euros, 9.7% more than the previous year, adjusted for the exchange rate. The region with the greatest activity continues to be North America, with 46% of total sales, followed by Europe with 21%. Oceania represented 20% of sales while Asia amounted to 7%. The production in South America reached 5% while Africa did not reach 1% of sales. By countries, the most important are the United States, Australia, Spain, Canada, Germany and Mexico, which together represent around 85% of the Group's total sales.

In addition, we have a growing portfolio of projects, which total 72,223 million euros, mainly in the strategic markets where the Group maintains a solid competitive position. This has been strengthened with the acquisition of Abertis, a worldwide leader in the management of toll highways and infrastructures, which will allow us to accelerate our investment plan in concessional infrastructure projects.

The operating results show an improvement in the margins over sales, with the gross operating profit (EBITDA) at 2,437 million euros and the net operating profit (EBIT) at 1,791 million euros, growing respectively by 13% and 16.6% in comparable terms.

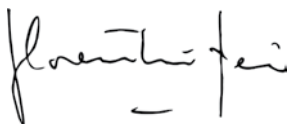
Another important milestone we reached this year is completely eliminating net debt, presenting a positive net cash balance of 3 million euros at 2018 year-end. This figure represents an improvement of 156 million euros from the previous year, despite having made total net investments of over 1,500 million euros, including the deal to acquire Abertis.

This positive operating and financial evolution of our Group has been reflected in the performance of ACS's share in 2018, which has been revalued at 3.7%, compared to the general drop of the main stock indexes in Europe, where the Stoxx50 has fallen 14.3% and the IBEX35 by 15%. In addition, we've increased the dividend per share by 17% up to 1.4 euros, such that the total remuneration for the shareholder reached 8% in 2018.

We've also experienced solid advances in matters related to safety, ethics and diversity during the year, demonstrating our continuous commitment to sustainability. The improvements are notable in the main safety indexes and the reduction of the accident rate as a result of the substantial increase in investments of 11.9% in this area. In aspects related to corporate governance, we've introduced internal standards intended to improve the Group's policies of due diligence, increasing the number of employees that have received training in this area by 50%.

ACS Group's Diversity Policy has started to bear fruit, as shown by the number of women in management positions increasing by 14.1% in 2018. This fact is especially significant in an industrial group of 195,461 employees distributed across over 60 countries, with a gender diversity greater than 40% and over 7,000 workers coming from disadvantaged groups, which together reflect the cultural diversity of the largest global infrastructure company.

We owe the success of our journey to all these people who work for our Group, from our clients to our suppliers, and especially you, dear shareholder. ACS remains committed to the future, and we are excited to continue creating economic and social value. Rest assured that we will put all of our effort into these values, and I look forward to reporting the results next year.



Florentino Pérez
President of the ACS Group



1. MANAGING BODIES

1.1. BOARD OF DIRECTORS

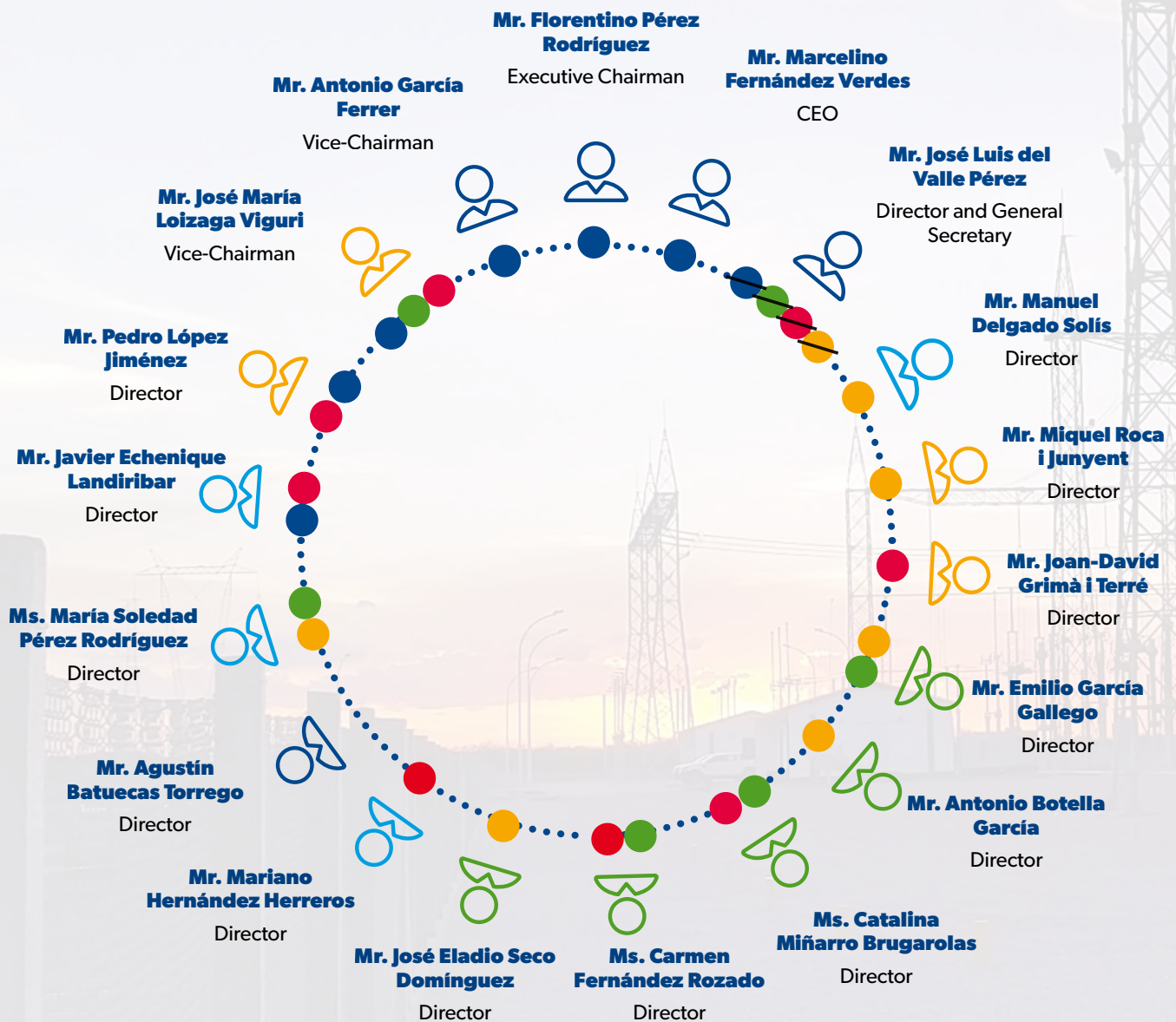
1.2. MANAGEMENT COMMITTEE










1.3. MANAGEMENT TEAM





1.1. BOARD OF DIRECTORS



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

Mr. Florentino Pérez Rodríguez
Executive Chairman
Civil Engineer
Chairman of the ACS Group since 1993
Member of the Board of Directors of the ACS Group since 1989

Mr. Marcelino Fernández Verdes
CEO
Civil Engineer
Member of the Board of Directors of the ACS Group since 2017
Chairman of HOCHTIEF AG
Executive Chairman of CIMIC
Chairman of Abertis

Mr. Antonio García Ferrer
Vice-Chairman
Civil Engineer
Member of the Board of Directors of the ACS Group since 2003

Mr. José María Loizaga Viguri
Vice-Chairman
Economist
Member of the Board of Directors of ACS Group since 1989
Director of Cartera Industrial REA
Vice-Chairman of Zardoya Otis
Director of Moira Capital Partners, SGEIC, S.A. and its subsidiaries:
Moira Capital Desarrollo ALFA, SICC, S.A.
Moira Capital Desarrollo BETA, SICC, S.A.
Moira Capital Desarrollo GAMMA, SICC, S.A.

Mr. Agustín Batuecas Torrego
Director
Civil Engineer
Member of the Board of Directors of the ACS Group since 1999

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

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

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

Ms. Carmen Fernández Rozado
Director
B.A. in Economics and Business and in Political Science and Sociology.
Doctorate in Public Finances.
State Treasury Inspector.
Auditor.
Member of the Board of Directors of the ACS Group since 2017
Director of EDP

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

Mr. Joan-David Grimà i Terré
Director
Doctorate in Economics and Business
Member of the Board of Directors of the ACS Group since 2003

Mr. Mariano Hernández Herreros
Director
B.S. in Medicine
Member of the Board of Directors of the ACS Group since 2016

Mr. Pedro López Jiménez
Director
Civil Engineer
Member of the Board of Directors of ACS Group since 1989
Chairman of the Supervisory Board of HOCHTIEF, Chairman of the Human Resources Committee of HOCHTIEF and of the Appointments Committee of HOCHTIEF.
Member of the Board of Directors and of the Remuneration and Appointments Committee of CIMIC, and of the Ethics, Compliance and Sustainability Committee of CIMIC
Director of Abertis

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

Ms. María Soledad Pérez Rodríguez
Director
B.S. in Chemistry and Pharmacy
Member of the Board of Directors of the ACS Group since 2014

Mr. Miquel Roca i Junyent
Director
Lawyer
Member of the Board of Directors of the ACS Group since 2003
Director of Endesa
Director of Aguas de Barcelona
Non-Director Secretary of the Board of Directors of Abertis Infraestructuras
Non-Director Secretary of the Board of Directors of Banco de Sabadell
Non-Director Secretary of TYPESA
Non-Director Secretary of WERFENLIFE

Mr. José Eladio Seco Domínguez
Director
Civil Engineer
Member of the Board of Directors of the ACS Group since 2016

Mr. José Luis del Valle Pérez
Director and General Secretary
B.A. in Law and State Lawyer
Member of the Board of Directors of ACS Group since 1989
Member of the Supervisory Board of HOCHTIEF
Member of the Board of Directors of CIMIC



For further information:
Online access to their biography
www.grupoacs.com

1.2. MANAGEMENT COMMITTEE

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**MR. ÁNGEL GARCÍA
ALTOZANO**

Corporate General Manager

Born in 1949.
Civil Engineer and MBA.

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

**MR. JOSÉ LUIS DEL
VALLE PÉREZ**

Secretary General

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

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

**MR. ANTONIO
GARCÍA FERRER**

Vice-Chairman

Born in 1945. Civil Engineer.

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



MR. FLORENTINO PÉREZ RODRÍGUEZ

Executive Chairman
Born in 1947. Civil Engineer.

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

MR. MARCELINO FERNÁNDEZ VERDES

CEO
Born in 1955. Civil Engineer

He joined the Group in 1987, being appointed General Director of OCP Construcciones in 1994. In 1998, he assumed the position of CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed Chairman of the same. In 2004 he was appointed Chairman and CEO of Dragados, as well as responsible for the Construction area. In 2006, he was appointed Chairman and CEO of ACS Servicios y Concesiones, as well as responsible for the Group's Concessions and Environment areas, a responsibility he held until March 2012. In April 2012, he was appointed to the Executive Committee of Hochtief AG and its Chairman in November of that same year, a position he continues to hold today, and he assumed the responsibility of the HOCHTIEF Asia Pacific division. From March 2014 to October 2016, he was Chief Executive Officer (CEO) of the CIMIC company of the Australian HOCHTIEF group, and has been Executive Chairman of CIMIC since June 2014. In May 2017, he was appointed CEO of the ACS Group. In May 2018, he was appointed Chairman of Abertis.

MR. EUGENIO LLORENTE GÓMEZ

Chairman and
CEO of Industrial Services

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

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

1.3. MANAGEMENT TEAM

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

Mr. Florentino Pérez Rodríguez
Executive Chairman

Mr. Marcelino Fernández Verdes
CEO

Mr. Antonio García Ferrer
Vice-Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
General Secretary

Mr. Ángel Muriel Bernal
Deputy General Manager to CEO

CONSTRUCTION

HOCHTIEF

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

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

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

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

Mr. Peter Coenen
General Manager of Hochtief PPP Solutions.

Mr. Michael Wright
CEO of CIMIC Group

Mr. Ignacio Segura Suriñach
Deputy CEO of CIMIC Group

Mr. Diego Zumaquero García
COO of CIMIC Group

Mr. Stefan Camphausen
CFO of CIMIC Group

Mr. Juan Santamaría Cases
General Manager of CPB Contractors

Mr. Douglas Thompson
General Director of THIESS

Mr. Glen Mace
General Director of EIC Activities

Mr. Jason Spears
General Director of UGL

Mr. Emilio Grande
CFO of UGL

Mr. Peter Davoren
Chairman and CEO of Turner Construction

Mr. John DiCiurcio
Chairman and CEO of Flatiron

DRAGADOS

Mr. Adolfo Valderas
CEO and US Manager

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Román Garrido
Canada Manager

Mr. Gonzalo Gómez Zamalloa
Latin America Manager

Mr. Santiago García Salvador
Europe Manager

IRIDIUM

Ms. Nuria Haltiwanger
CEO

1. Management Committee.

INDUSTRIAL SERVICES

Mr. Eugenio Llorente Gómez
Chairman and CEO

**Mr. José María Castillo
Lacabex**
General Manager of Cobra

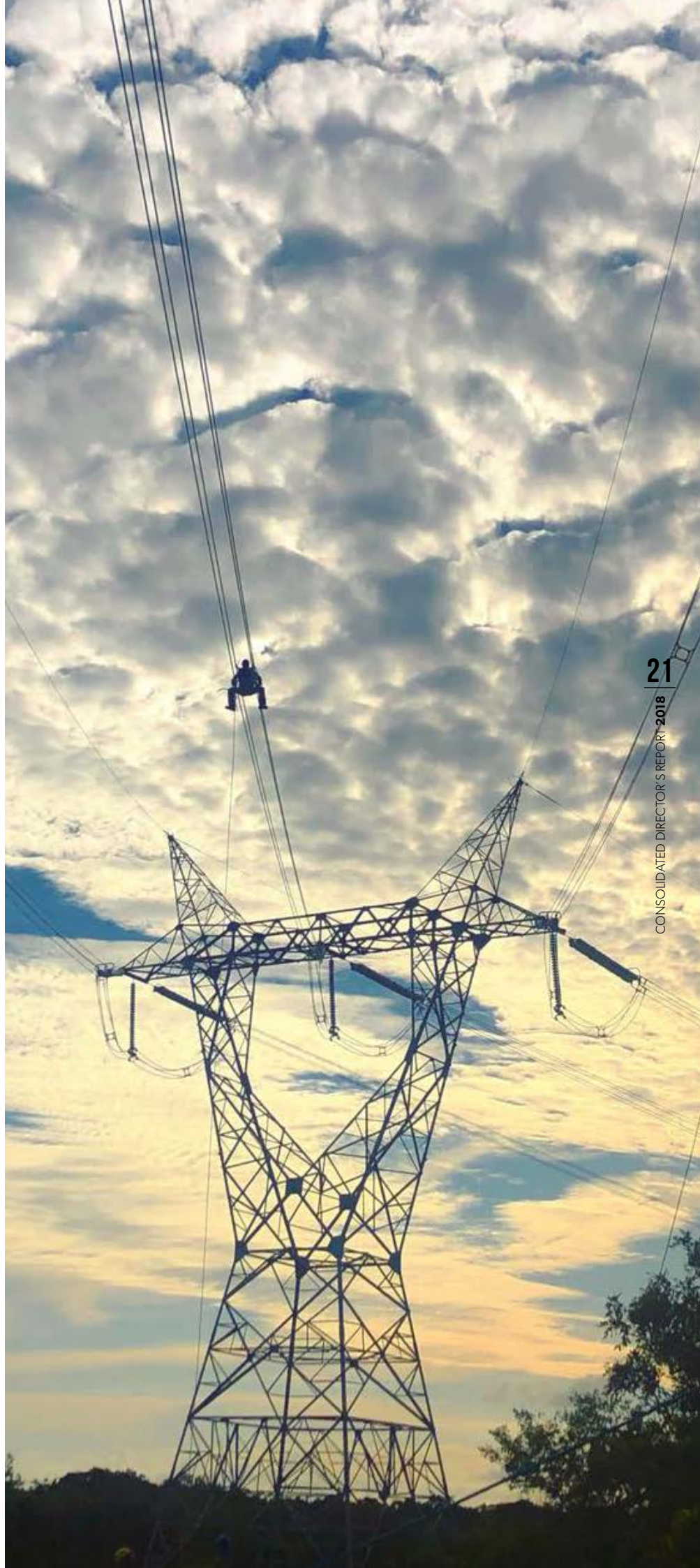
**Mr. José Alfonso Nebrera
García**
General Manager

Mr. Epifanio Lozano Pueyo
Corporate General Manager

**Mr. Cristóbal González
Wiedmaier**
Finance Manager

SERVICIOS

Mr. Cristóbal Valderas
CEO of Clece



2. THE ACS GROUP

2.1. A GLOBAL INFRASTRUCTURE COMPANY

2.2. THE 2018 FINANCIAL YEAR: PROMOTING
SUSTAINABLE AND PROFITABLE GROWTH

2.3. A SOLID AND PROFITABLE VALUE





2.1. A GLOBAL INFRASTRUCTURE COMPANY

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

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

WORLD LEADER IN CONSTRUCTION

ENR
THE TOP 250 INTERNATIONAL CONTRACTORS

The Top 250 List

RANK	2018	2017	FIRM	2017 REVENUE \$ MIL.	2017 NEW CONTRACTS \$ MIL.	GENERAL BUILDING	MANUFACTURING	POWER	WATER SUPPLY	SEWER / WASTE	INDUS. / PETROLEUM	TRANSPORTATION	HAZARDOUS WASTE	TELECOM
1	1	1	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS SA, Madrid, Spain ²	36,388.1	41,423.0	35	0	7	3	1	11	28	0	4
2	2	2	Hochtief Aktiengesellschaft, Essen, NRW, Germany ¹	26,318.0	27,475.0	47	1	1	1	1	7	25	0	3
3	3	3	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., Beijing, China ²	23,102.0	75,363.2	38,872.2	7	10	0	2	0	0	80	0
4	4	4	VINCI, Rueil-Malmaison, Haute-de-Seine, France ²	18,844.0	46,174.0	17,458.9	6	0	15	2	0	6	45	1
5	5	5	STRABAG SE, Vienna, Austria ¹	14,726.5	17,534.8	14,726.5	39	0	0	3	2	6	50	0
6	7	7	TECHNIPROM, London, U.K. ¹	14,593.0	15,056.0	6,656.0	0	0	0	0	0	100	0	0
7	6	6	BOUYGUES, Paris, France ²	14,183.0	30,886.0	14,893.0	22	1	8	1	1	60	1	1
8	11	11	CHINA STATE CONSTRUCTION ENGINEERING CORP LTD., Beijing, China	13,971.7	145,046.5	28,132.1	55	0	1	1	0	0	40	0
9	8	8	SKANSKA AB, Stockholm, Sweden ¹	13,282.0	16,827.0	NA	46	5	5	1	2	5	35	0
10	10	10	POWER CONSTRUCTION CORP OF CHINA, Beijing, China ¹	12,242.7	45,682.8	28,895.3	10	1	61	5	1	1	19	0
11	13	13	FERROVIAL, Madrid, Spain ²	11,245.2	14,649.6	18,358.8	19	0	10	3	10	0	49	0
12	5	5	BECHTEL, San Francisco, Calif., U.S.A. ¹	10,018.0	18,267.0	515.0	0	0	0	2	0	49	48	0
13	16	16	FLUOR CORP., Irving, Texas, U.S.A. ¹	7,384.9	15,777.6	6,698.0	11	1	1	0	0	81	2	3
14	23	23	CHINA RAILWAY CONSTRUCTION CORP LTD., Beijing, China ²	7,003.0	102,237.0	15,623.0	25	0	1	3	0	3	65	0
15	18	18	SALINI IMPREGILO SPA, Milan, Italy ¹	6,574.2	7,171.1	6,566.2	7	0	0	19	3	0	68	0
16	14	14	HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD., Seoul, S. Korea	6,521.6	15,293.5	5,970.0	10	3	27	0	0	36	24	0

Source: ENR The top 250 global contractors.

PUBLIC WORKS FINANCING

World's Largest Transportation Developers
2018 SURVEY OF PUBLIC-PRIVATE PARTNERSHIPS WORLDWIDE

Ranked by Number of Transportation Concessions Currently Operating or Under Construction

Company	Operating or Under Const.	Sold or Expired Since 1985	Pursuits	# Operating or Under Construction In:			
				U.S.	Canada	Home Country	All Other
* ACS Group/Hochtief (Spain)	50	66	48	5	12	13	20
* Vinci (France)	48	9	15	2	3	17	26
Macquarie (Australia)	40	30	5	3	0	1	36
Abertis (Spain)	40	21	na	0	0	10	30
* Ferrovial/Cintra (Spain)	38	30	14	6	3	7	22
Meridiam (France)	33	1	4	7	3	3	1
* Sacyr (Spain)	31	25	6	9	3	4	17
* Egis (France)	26	2	16	0	1	6	19
Globalvia (Spain)	25	12	1	1	0	13	11
John Laing (UK)	25	10	7	4	0	14	7
* Bouygues (France)	25	7	4	1	1	7	16

Source: Public Works Financing.

EBITDA 2018
2,437
MILLION EUROS

6.6%
MARGIN

EBIT 2018
1,791
MILLION EUROS

4.9%
MARGIN

NET PROFIT 2018
915
MILLION EUROS

+14.1%
VS 2017

EMPLOYEES
195,461

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

ACTIVITIES OF ACS GROUP



CONSTRUCTION

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

INDUSTRIAL SERVICES

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

SERVICES

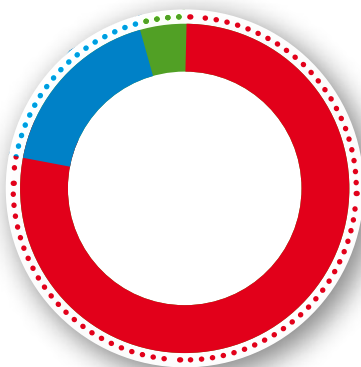
Focus on services for people, for buildings, for the city and the environment.

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

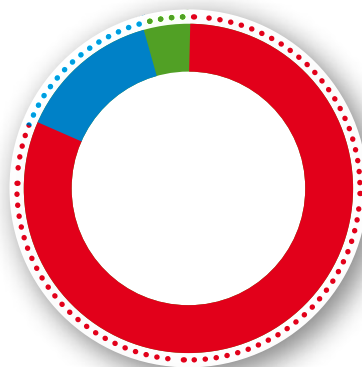
REVENUES
36,659
MILLION EUROS

BACKLOG
72,223
MILLION EUROS

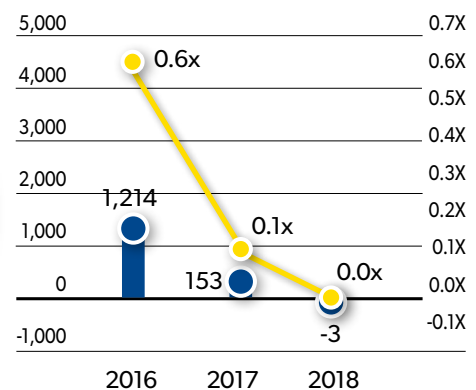
FINANCIAL STRUCTURE
0.0x
NET DEBT/EBITDA



● CONSTRUCTION **79%**
● INDUSTRIAL SERVICES **17%**
● SERVICES **4%**



● CONSTRUCTION **82%**
● INDUSTRIAL SERVICES **14%**
● SERVICES **4%**



● NET DEBT (CASH)
● NET DEBT (CASH)/EBITDA

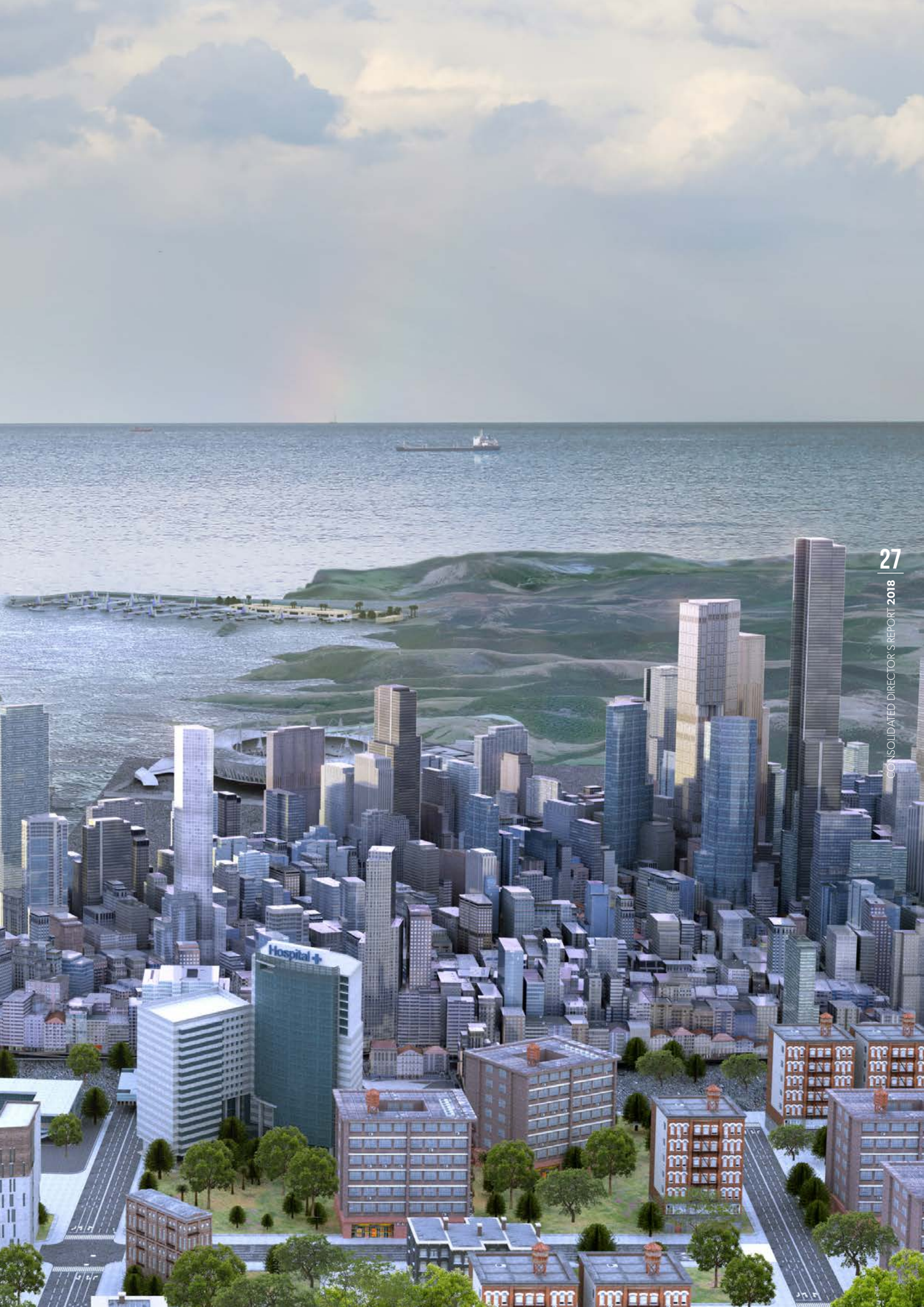
2. A GROUP THAT PARTICIPATES IN THE DEVELOPMENT OF SECTORS THAT ARE FUNDAMENTAL FOR THE GLOBAL ECONOMY

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26

INTEGRATED REPORT ACS GROUP





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

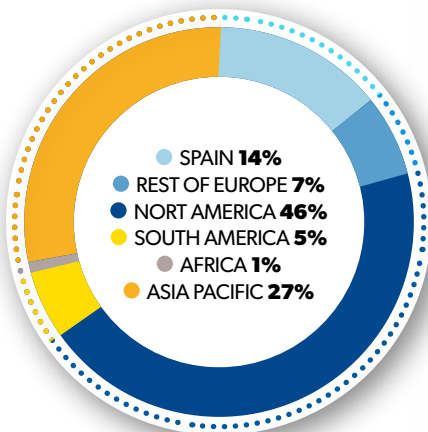
All ACS Group activities show a significant customer orientation, with a contracting culture and as a guarantee for future, building solid long-term relationships based on **trust** and mutual knowledge.

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

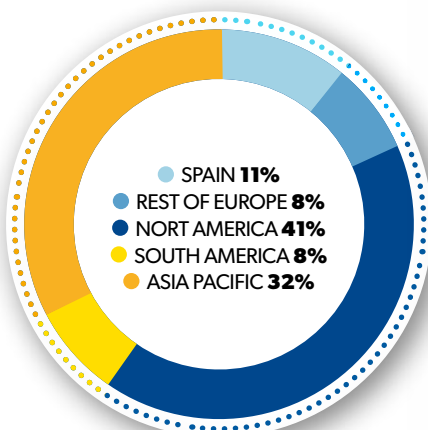
The ACS Group maintains an indispensable **commitment** to sustainable development, in order to serve society in an efficient and ethically responsible manner through its capacity to create value for shareholders and all of its stakeholders, demanding the highest standards of **integrity** from its employees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

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

REVENUES
36,659
MILLION EUROS



BACKLOG
72,223
MILLION EUROS



THE ACS GROUP'S VALUES



PROFITABILITY



COMMITMENT



INTEGRITY



EXCELLENCE



TRUST



4. A HISTORY OF SUCCESS

The Group's success is based on an efficient organisation and dynamic and entrepreneurial management implemented through successive merger and acquisition processes and strategic plans committed to maximising profitability for its shareholders. The Group's capacity to integrate companies, assimilate them and develop a common culture has allowed it to consolidate its position as the international leader in infrastructure development.

1983



Founded in 1968

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

1986



Founded in 1942

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

1988



Founded in 1919

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

1989



Founded in 1948

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

1992



Founded in 1992

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

1996



Founded in 1945

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

1997



Founded in 1930

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

1997



Founded in 1928

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



1997 2003 2003 2011 2011 2011 2018



Founded in 1997

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



Founded in 1941

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



Founded in 1992

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



Founded in 1873

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



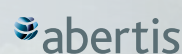
Founded in 1902

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



Founded in 1949

A subsidiary of HOCHTIEF, which holds a 72.68% of the company's shares at December 31, 2018, acquired in 1983. It is Australia's leading construction company and a world leader in mining concessions.



Founded in 2003

Abertis is one of the operators leaders in management of motorways toll, with more than 8,600 kilometers of roads in 15 countries, where the Group. ACS has a participation close to 50%.

2.2. THE 2018 FINANCIAL YEAR: PROMOTING SUSTAINABLE AND PROFITABLE GROWTH

2.2.1. SECTORAL LEADERSHIP WITH A DIVERSIFIED RISK PROFILE

The ACS Group continues to consolidate its global leadership in the infrastructure sector, particularly in the developed countries.

TOP 1 for six consecutive year

Market leadership in infrastructure development

ENR THE TOP 250 INTERNATIONAL CONTRACTORS

RANK 2018	RANK 2017	FIRM	2017 REVENUE \$ MIL. INT'L	TOTAL
1	1	ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA, Madrid, Spain†	36,389.1	41,423.0
2	2	HOCHTIEF AKTIENGESSELLSCHAFT, Essen, NRW, Germany†	26,318.0	27,475.0
3	3	CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD., Beijing, China†	23,102.0	75,383.2
4	4	VINCI, Rueil-Malmaison, Hauts-de-Seine, France†	18,884.0	46,174.0
5	9	STRABAG SE, Vienna, Austria†	14,736.5	17,534.8
6	7	TECHNIPFMC, London, U.K.†	14,583.0	15,058.0
7	6	BOUYGUES, Paris, France†	14,183.0	30,886.0
8	11	CHINA STATE CONSTRUCTION ENGINEERING GROUP LTD., Beijing, China	13,971.7	145,046.5
9	8	SKANSKA AB, Stockholm, Sweden†	13,282.0	16,827.0
10	10	POWER CONSTRUCTION CORP. OF CHINA, Beijing, China†	12,242.7	45,662.8
11	13	FERROVIAL, Madrid, Spain†	11,245.2	14,649.6
12	5	BECHTEL, San Francisco, Calif., U.S.A.†	10,018.0	18,267.0
13	16	FLUOR CORP., Irving, Texas, U.S.A.†	7,384.9	15,777.6

ENR The Top 10 by Market

1	2	3
TRANSPORTATION	PETROLEUM	BUILDINGS
<p>Top 10 Revenue: \$8,020.7 MIL. Sector's Revenue: \$103,428.9 MIL.</p> <p>1 CHINA COMMUNICATIONS CONSTRUCTION GROUP LTD.</p> <p>2 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>3 VINCI</p> <p>4 BOUYGUES</p> <p>5 STRABAG SE</p> <p>6 HOCHTIEF AKTIENGESSELLSCHAFT</p> <p>7 CHINA STATE CONSTRUCTION ENGINEERING GROUP LTD.</p> <p>8 FERROVIAL</p> <p>9 BECHTEL</p> <p>10 CHINA RAILWAY CONSTRUCTION CORP. LTD.</p>	<p>Top 10 Revenue: \$55,380.5 MIL. Sector's Revenue: \$60,075.0 MIL.</p> <p>1 TECHNIPFMC</p> <p>2 PETROBRAS LTD.</p> <p>3 JAC CORP.</p> <p>4 TECHNIPFMC</p> <p>5 FLUOR CORP.</p> <p>6 CHINA PETROLEUM ENGINEERING CO.</p> <p>7 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>8 CHINA STATE CONSTRUCTION ENGINEERING GROUP LTD.</p> <p>9 BECHTEL</p> <p>10 CHINA RAILWAY CONSTRUCTION CORP. LTD.</p>	<p>Top 10 Revenue: \$60,114.0 MIL. Sector's Revenue: \$112,293.1 MIL.</p> <p>1 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>2 VINCI</p> <p>3 CHINA STATE CONSTRUCTION ENGINEERING GROUP LTD.</p> <p>4 SKANSKA AB</p> <p>5 STRABAG SE</p> <p>6 LENDLEASE CORP. LTD.</p> <p>7 BOUYGUES</p> <p>8 KAJIMA CORP.</p> <p>9 ROYAL BAM GROUP NV</p> <p>10 PCL CONSTRUCTION ENTERPRISES INC.</p>
4	5	6
POWER	SEWER/WASTE	TELECOMMUNICATIONS
<p>Top 10 Revenue: \$27,060.4 MIL. Sector's Revenue: \$50,205.0 MIL.</p> <p>1 POWER CONSTRUCTION CORP. OF CHINA</p> <p>2 CHINA ENERGY CORP. LTD.</p> <p>3 VINCI</p> <p>4 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>5 CHINA NATIONAL MACHINERY INDUSTRY CORP.</p> <p>6 HYUNDAI ENGINEERING & CONSTRUCTION CO. LTD.</p> <p>7 HANJIN ELECTRIC INTERNATIONAL CO. LTD.</p> <p>8 ODEBRECHT ENGENHARIA E CONSTRUCAO</p> <p>9 LARSEN & TOUBRO LTD.</p> <p>10 SAMSUNG CAT CORP.</p>	<p>Top 10 Revenue: \$4,650.3 MIL. Sector's Revenue: \$7,119.4 MIL.</p> <p>1 ACS SA</p> <p>2 STRABAG SE</p> <p>3 STANTEC INC.</p> <p>4 STRABAG SE</p> <p>5 OBAYASHI CORP.</p> <p>6 SKANSKA AB</p> <p>7 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>8 HOCHTIEF AKTIENGESSELLSCHAFT</p> <p>9 CHINA GEO-ENGINEERING CORP.</p> <p>10 GS ENGINEERING & CONSTRUCTION</p>	<p>Top 10 Revenue: \$4,721.7 MIL. Sector's Revenue: \$5,007.8 MIL.</p> <p>1 VINCI</p> <p>2 ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS SA</p> <p>3 HOCHTIEF AKTIENGESSELLSCHAFT</p> <p>4 BOUYGUES</p> <p>5 FLUOR CORP.</p> <p>6 THE WALSH GROUP</p> <p>7 KAJIMA CORP.</p> <p>8 BECHTEL</p> <p>9 HNTB CONTRACTING</p> <p>10 KAJIMA CORP.</p>

The current portfolio of projects amounting to €72,223 million, growing by 8.6% in comparable terms, reaffirms and preserves this leadership in the main strategic markets in which the Group operates.

a) For another year, the ACS Group is positioned as a world leader in engineering and construction; since 2013 it has occupied first place among international contractors according to the ENR TOP ranking, being the only Spanish company among those ranked in the top ten to hold a leading position for the respective activity segments by specialty.

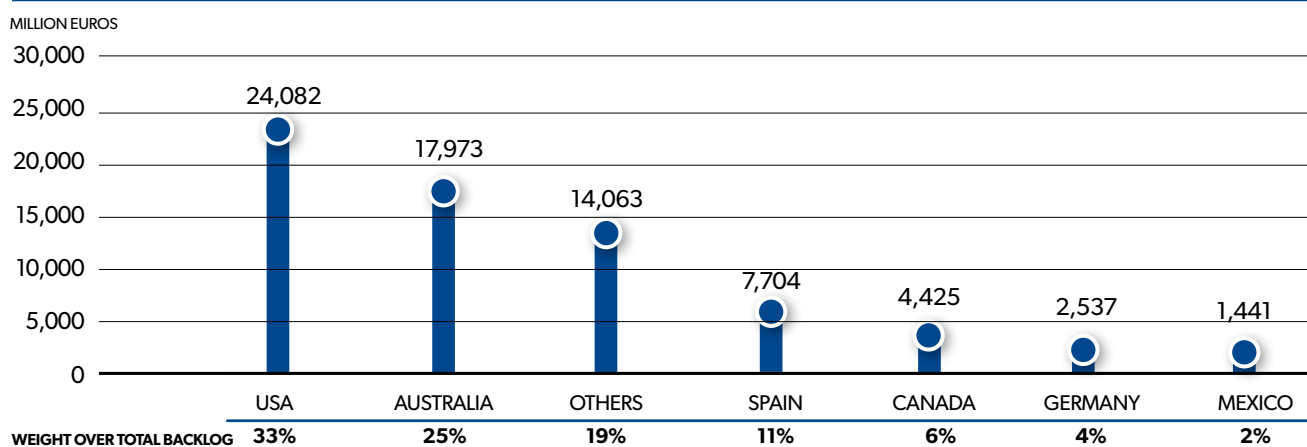
b) The ACS Group maintains a position of world leadership in the development of infrastructures, as accredited by the Public Works Financing magazine for six years. Specifically, the Group has a portfolio of 91 concessional assets for transport and social infrastructure of which about 75% are in operation, with a total managed investment of €47,500 million.

c) Likewise, the ACS Group has a very competitive position in the development of energy infrastructures. Currently, the project portfolio amounts to fifty different energy assets; with renewable energy amounting to nearly 2,000 MW, 7,300 km of transmission lines, desalination projects, irrigation and water treatment, among others.

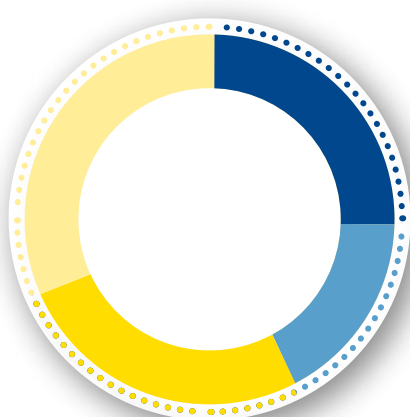
The current geographical diversification of the ACS Group allows for the mitigation of the adversities of the macroeconomic environment and the cyclical nature inherent to the construction business in small markets, while taking advantage of the opportunities for growth in more favorable environments and consolidating its presence in countries with greater potential for stable growth.



BACKLOG BREAKDOWN IN MAJOR COUNTRIES



2018 REVENUES BREAKDOWN



- INFRASTRUCTURE OPERATION AND MAINTENANCE **25%**
- JV INFRASTRUCTURE DEVELOPMENT **15%**
- ENGINEERING AND CONSTRUCTION **25%**
- "CONSTRUCTION MANAGEMENT" AND BUILDING **35%**

The ACS Group also maintains a diversification in terms of business segments. About 60% of the Group's revenues come from activities with a low risk profile, divided among operation and maintenance services, as well as Construction Management. The services represent 25% of sales and correspond to operation and maintenance contracts for transport, social, energy, industrial and mining infrastructures as well as services to the public provided by Clece.

Most of these contracts are long term or renewed on a consistent basis with historical customers. The 32% of revenues come from the business activities of Turner in the North American market, which does not assume virtually any price risks in its construction management business.

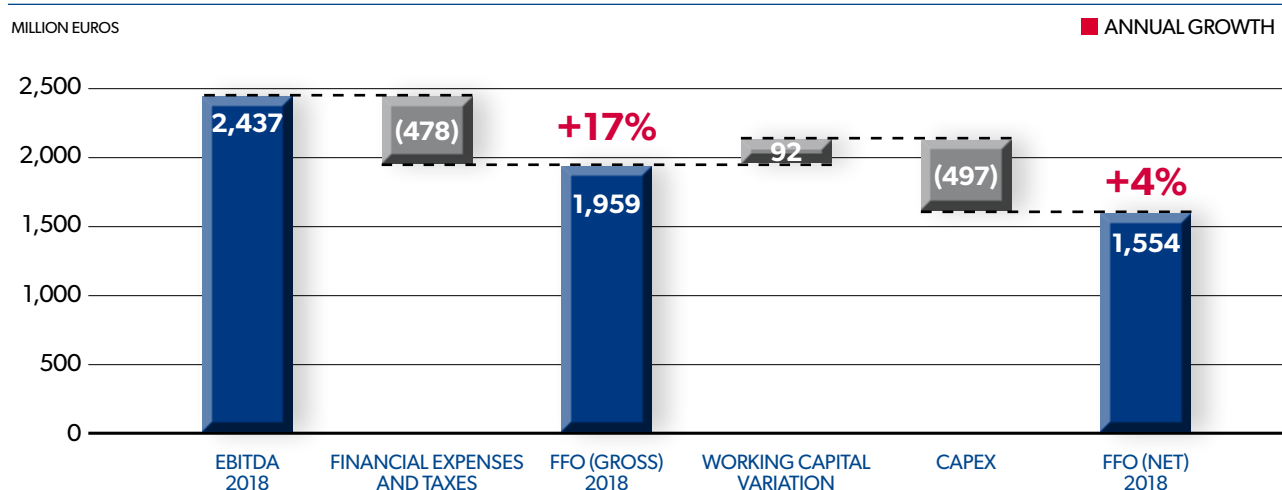
The 3% corresponds to the construction business in Spain and Germany. The remaining 40% corresponds to the engineering and construction activity, of which approximately 15% correspond to projects in which the Group participates or promotes, mainly in developed markets.

2.2.2. SOLID OPERATING AND FINANCIAL RESULTS

During the 2018 year, the ACS Group continued to demonstrate the solidity of its operating and financial results, demonstrating its capacity to achieve the objectives established.

- Sales reached €36,659 million, 9.7% after the exchange rate adjustment.
- EBITDA and EBIT amounted to €2,437 million and €1,791 million, respectively.
- The net profit attributable to the Group exceeded €915 million, 14.1% more than in 2017 and 18.8% after the exchange rate adjustment.
- The gross Operating Cash Flow (before operating investments and change in working capital) improved favorably, being 17.2% more than the last financial year, reaching €1.959 billion. This was also the case for the Net Funds from operations (after change in working capital and CAPEX), which amounted to €1,554 million.

FUNDS FROM OPERATION EVOLUTION



FFO (Funds from operations).



2.2.3. ELIMINATION OF THE NET INDEBTEDNESS

The excellent improvement in operating income has allowed the ACS Group to eliminate net debt, placing the cash position at €3 million at the end of the period, €120 million without counting the project financing debt, despite the great investment effort during the 2018 year, mainly for the acquisition of Abertis.

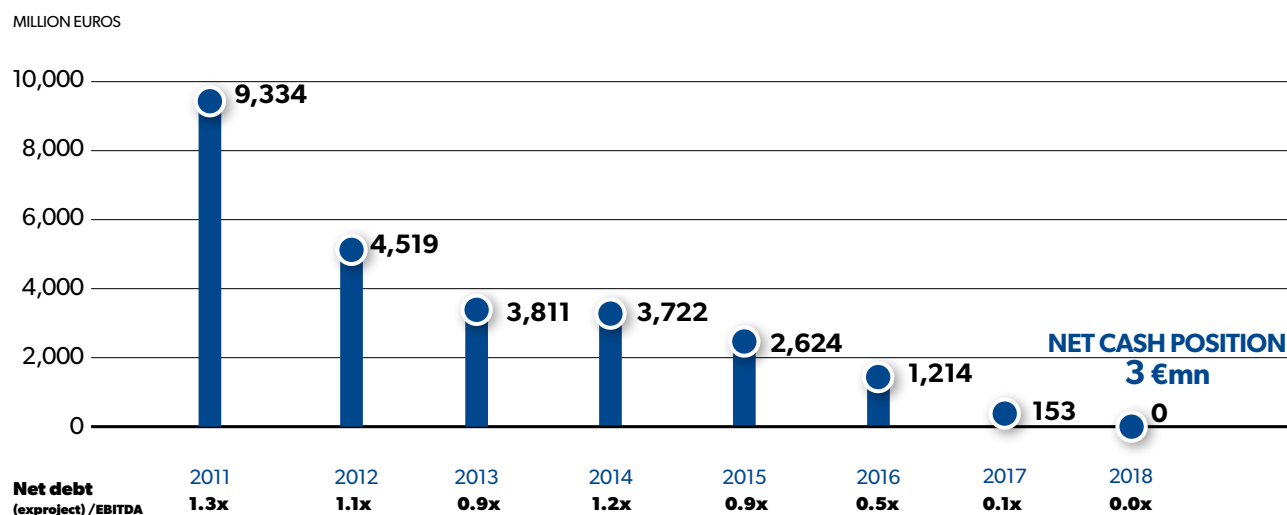
In recent years the Group has been able to:

- Reduce net debt by more than €9,300 million thanks to a determined strategy that combines an increase in production, the divestment of non-strategic assets, a disciplined management of working capital and control of operational investments.

- Decrease financial expenses and improve our financing conditions through the refinancing of different sources of bank debt.
- Obtain the "investment grade" credit rating in 2017, with a rating of BBB issued by the rating agency Standard & Poor's.

This solid financial position allows the Group to undertake new investment opportunities to ensure the group's long-term growth and continue to promote the creation of value for its shareholders.

NET DEBT EVOLUTION



2.2.4. ACQUISITION OF ABERTIS: A DRIVER FOR GROWTH IN INFRASTRUCTURES

At the end of the 2018 period, the acquisition of Abertis, the world's leading group in the management of toll roads and infrastructures, was completed following the transfer of the shares acquired in the takeover bid by HOCHTIEF through the SPV owned by HOCHTIEF with 20% (less one share), Atlantia with 50% (plus one share) and ACS with 30%.

The strategic acquisition of Abertis allows the ACS Group to:

- Be present in the entire value chain of infrastructure development, continuing with

the participation in concessionary assets once they enter the maturity period.

- Significantly improve the visibility and recurrence of future cash flows for the Group.
- Strengthen the Group's investment commitment in concession infrastructure projects, taking advantage of growth opportunities in the PPP segment with more than €230,000 million in projects identified for the next 2-3 years.

2.2.5. STRENGTHENING THE SUSTAINABILITY STRATEGY AND GOOD GOVERNANCE

In 2018, the ACS Group made significant progress in the area of Social Responsibility and Good Governance, both in regards to the adaptation of the non-financial information report in accordance with the requirements of the law and international standards, as well as through the reinforcement of the internal regulations of the Group on this matter. Thus, during 2018, the Group has approved the new version of the Diversity Policy, the Environmental Policy of the ACS Group and the Code of Conduct for Business Partners, formalizing the Group's commitment to the principles established in the Corporate Social Responsibility Policy.

Additionally, in 2018, ACS and its main subsidiaries in Spain have been equipped with a criminal and anti-bribery Compliance Management System in order to structure an environment for the prevention, detection and early management of

criminal and anti-bribery Compliance Risks, as well as to reduce their undesired effects in the event that they materialize, contributing to the generation of an ethical culture and respect for the Law among all ACS Group members, however it applies to them.

In addition, the Group has continued to advance in the objectives established in the 20-20 Plan. This Plan establishes the commitments and objectives for the year 2020 related to the relevant issues related to the field of sustainable development identified in the materiality analysis. Within the established commitments, each of the ACS Group companies must autonomously define the most appropriate measures and forms of action according to their business characteristics, which allow them to contribute to the overall compliance with the commitments established by the Group.

ACS GROUP'S 20-20 PLAN

COMMITMENTS	Objective for 2020	Evolution	2018
Health and Safety			
Reduce accidents rates among company employees	Increase employee certifications in occupational health and safety	Percentage of total employees covered by OHSAS 18001 certification (occupational health and safety)	90% Base year 2015: 83%
	Enhance employee training related to health and safety and ensure that all employees have received at least one course on health and safety in 2020.	Percentage of total employees who have received an occupational health and safety course who have received at least one occupational health and safety course in their professional career	99.7% Base year 2015: 99.5%
		Investment in occupational health and safety per employee (euros/employee)	818 Base year 2015: 754
HR, Ethics and Social Action			
Maintain commitment to promoting, reinforcing and monitoring matters related to ethics and integrity, through measures that make it possible to prevent, detect and eradicate bad practices.	Adhesion by all new Group companies to the Code of Conduct	Companies that adhere to the code of conduct	100% Base year 2015: 98%
	Increase training for employees on matters related to ethics and integrity	Percentage of employees trained in Human Rights, Ethics, Integrity or Conduct content during the year	28% Base year 2015: 13%
Improve professional performance	Increase investment in training employees	Investment in training employees (millions of euros/employee)	173.2 Base year 2015: 170.9
Greater contribution to the development of society	Increase the actions and funds that contribute to generating shared value for society through its own business strategy	Funds allocated to Social Action (millions of euros)*	12.7 Base year 2015: 9.4
Customers			
Continue improving customer relation management	Measure customer satisfaction and establish plans for improvement	Percentage of "satisfied" or "highly satisfied" customer responses	92.64% Base year 2015: 85.24%
		Ratio of number of customer satisfaction surveys carried out/millions of euros billings	0.12 Base year 2015: 0.07
Innovation			
Steadfast and ongoing commitment to innovation and development	Increase investment and effort in R&D	R&D investment ratio (euros/millions of euros billings)	2,688** Base year 2015: 2,392
Environment			
Improve the eco-efficiency and use of resources	Increase environmental certification in sales	Percentage of sales covered by ISO 14001 Certification	76% Base year 2015: 71%
	Rationalise waste generation	Ratio of (hazardous and non-hazardous) waste sent for management to sales (t/millions of euros).	426 Base year 2015: 152
	Reduce water consumption	Ratio of total (potable and non-potable) water consumption to sales (m ³ /millions of euros)	685 Base year 2015: 777***
	Rationalisation and efficient use of energy products	Scope 1 emissions/millions of euros billings	84.2 Base year 2015: 99.9
		Scope 2 emissions/millions of euros billings	4.1 Base year 2015: 8.2
	Suppliers		
Continue working with qualified suppliers in CSR areas	Increase the inclusion of non-financial criteria in the harmonisation of suppliers and, in all cases, include the Code of Conduct in the criteria for evaluating suppliers	Inclusion of the Code of Conduct in the evaluation criteria (%/total expense)	96.9% Base year 2015: 77.3%
Quality			
Improve the quality of the services offered	Obtain and expand the scope of certifications	Percentage of sales from activities certified under the ISO 9001 standard (%)	57% Base year 2015: 61%
	Implement tools to improve management	Ratio of investments and expenses of the Quality Control Department or earmarked to improve quality management processes to sales (excluding staff costs, euros/millions of euros billings)	95 Base year 2015: 180
	Increase the number and capacity of internal quality auditors	Number of quality audits per million euros of billings	0.04 Base year 2015: 0.06
Improve non-financial reporting information			
Improve the quality, standardisation and reporting of non-financial indicators	Increase the scope of information of the financial indicators through the implementation of management systems		See appendix 9.3.3

* The administrative expenses due to the contribution of the company to social action (€ 0.827 mn) and the contribution of the Foundation (€ 4.49 mn) are being included.

** Calculated according to the scope of the data.

*** Recalculation of data to make comparable with 2018, see chapter 6.1.

2018 RELEVANT FACTS

FEB

DIVIDENDS

Payment of the interim dividend at €0.449 per share.

CORPORATE GOVERNANCE

Appointment by the Board of Directors of Mr. José Eladio Seco Domínguez as Coordinating Director, replacing Ms. Catalina Miñarro Brugarolas, and termination of the term on the Appointments Committee of the Board Member Mr. Agustín Batuecas Torrego.

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Sale of the stake of Cobra in Saeta Yield, SA, through the irrevocable acceptance of the bid launched by a company controlled by Brookfield Asset Management.

MAR

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Signing of an agreement between ACS, HOCHTIEF and Atlantia to make a joint investment in a holding company that Abertis would acquire, thus obligating HOCHTIEF to modify its initial offer so that the entire offer was in cash at €18.36 per share, adjusted by the dividend paid by Abertis in 2018.

In addition, the agreement included the acquisition by Atlantia for a maximum interest of 24.1% in HOCHTIEF at a price of €143.04 per share and a simultaneous increase of 10% in HOCHTIEF's capital at the same price, so that ACS would maintain its holdings at a minimum of 50.2%.

APR

LOANS, CREDIT AND OTHER FINANCIAL TRANSACTIONS

ACS Servicios Comunicaciones y Energía, SL obtained a BBB long-term and A-2 short-term corporate credit rating, as issued by the rating agency Standard and Poor's (S&P).

Issuance of Green Bonds, by ACS, Servicios, Comunicaciones y Energía, SL, for a total amount of € 750 million, for a term of eight years and with 1.875% annual interest.. Previously, S&P also assigned a BBB/A-2 rating to these Green Bonds.

MAY

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Completion and liquidation of the takeover bid for Abertis.

CORPORATE GOVERNANCE

Establishment of a share options plan for ACS officers (Options Plan 2018) for a maximum of 12,586,580 shares at a price of €37.170 per share (modifiable in the event of dilution).

JUL

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Payment of the final dividend at €0.936 per share.

OTHERS

Award of 50% of an integrated consortium to ACS Infrastructure (100% indirect subsidiary of ACS) and the US company Fluor for the construction and operation under the concession regime of the longest cable-stayed bridge in North America with an investment of more than €2.6 billion.



AUG

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Effective stock market exclusion of Abertis shares.

OCT

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Closing of the Abertis operation through the formation of a special purpose vehicle (Abertis Holdco, SA) with a capital contribution of €6,909 million, in which Atlantia holds a 50% stake plus one share, ACS a 30% stake and HOCHTIEF a stake of 20% minus one share. The agreement in itself included Atlantia acquiring a significant stake in HOCHTIEF. Therefore, on October 29th, ACS sold Atlantia a total sum of 16,852,995 shares in HOCHTIEF at a given price of € 143.04 per share, receiving in exchange € 2,410 million. Simultaneously, ACS Group subscribed a capital increase in HOCHTIEF worth 6,346,707 shares at the same price, € 143.04 per share, meaning a full disbursement of € 908 million. ACS Group's current stake in HOCHTIEF stands at 50.4%, while Atlantia's reaches 23.9%.

NOV

CORPORATE GOVERNANCE

Appointment by the Board of Directors of Mr. Mariano Hernández Herreros as member of the Appointments Committee, and his resignation as member of the Remuneration Committee.

TRANSFERS AND ACQUISITIONS OF EQUITY-HOLDINGS

Sale of MásMóvil debt, convertible into 4,800,000 shares, receiving, net of expenses, a total of €406.5 million and 700,000 shares of the company.

RELEVANT FACTS OCCURRING SINCE THE YEAR END

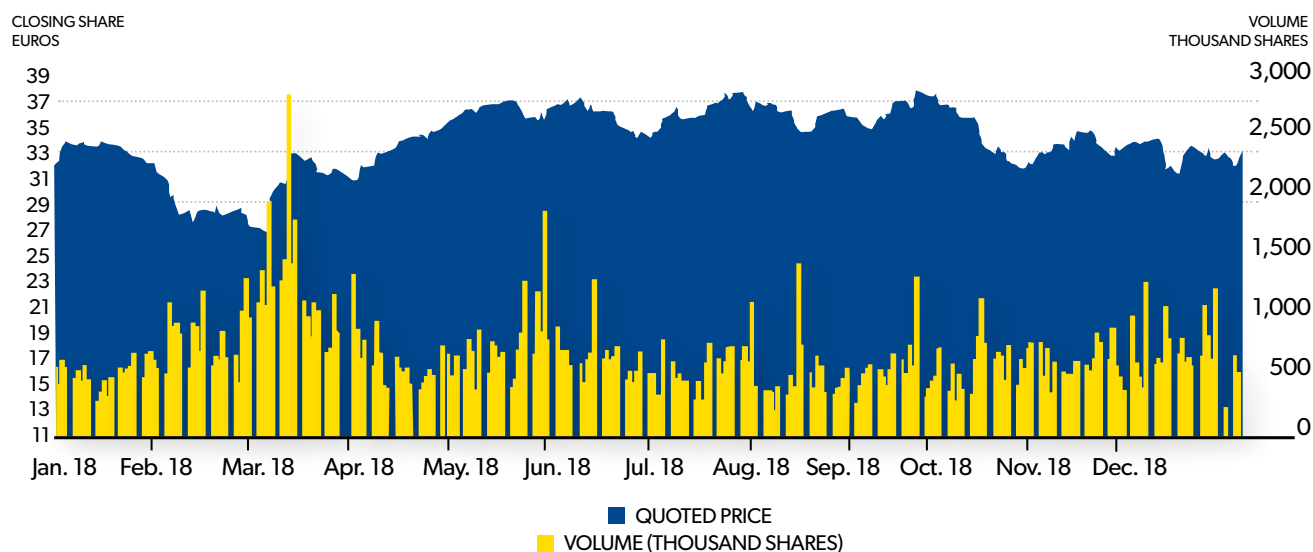
- On January 9, 2019, ACS, Actividades de Construcción y Servicios, S.A. agreed to carry out the second execution of the capital increase charged to reserves approved by the Ordinary General Meeting of Shareholders held on May 8, 2018. The purpose of the transaction is to implement a flexible formula for shareholder remuneration ("optional dividend"), so that shareholders may choose to continue to receive cash remuneration or to receive new shares in the Company.

Furthermore, the Company agreed to carry out the second execution of the reduction of the capital stock by amortization of its treasury stock approved at the same General Meeting for a maximum amount equal to the amount in which the capital stock is actually increased as a result of the second execution of the capital increase referred to in the previous paragraph.

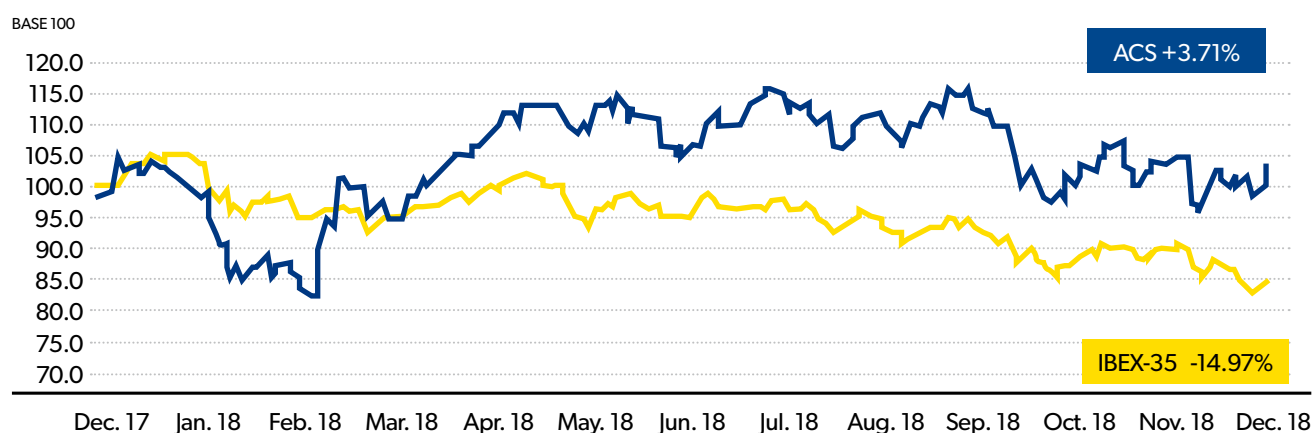
- The maximum number of new shares to be issued in the second execution of the capital increase charged to reserves agreed upon at the General Meeting held on May 8, 2018 (through which an optional dividend in shares or cash is structured) was set at 4,140,323 on January 17, 2019.
- The price at which ACS, Actividades de Construcción y Servicios, S.A. undertook to purchase from its shareholders the free allotment rights corresponding to said second execution of the capital increase was determined at a fixed gross amount of €0.450 for each right.
- The second execution of the reduction of capital stock by amortization of treasury stock approved at the same General Meeting held on May 8, 2018 was set at the same amount as the second execution of the capital increase and simultaneously with it, as a result of which, consequently, it was also for a maximum of 4,140,323 shares.
- On February 11, 2019, Cobra Instalaciones y Servicios, S.A., a wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A., acquired 49% of the company Bow Power, SL from Global Infrastructure Partners (GIP) for the amount of US\$96.8 million (equity value), thus becoming the 100% shareholder of said company.
- Taking effect as of February 20, 2019, after having been admitted to trading on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, 2,965,728 new shares of ACS, Actividades de Construcción y Servicios, S.A. were issued as a result of the second execution of the capital increase issued, as agreed at the Ordinary General Meeting of Shareholders of the Company held on May 8, 2018, so as to implement an optional dividend system. Likewise, with effect from the same date, it has been amortized and the same number of shares have been canceled as a result of the capital reduction agreed upon.

2.3. A SOLID AND PROFITABLE VALUE

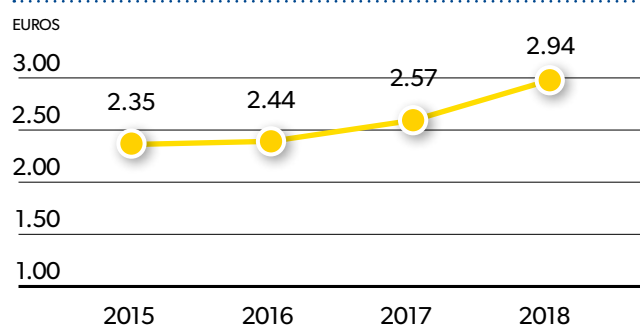
EVOLUTION OF THE SHARE 2018



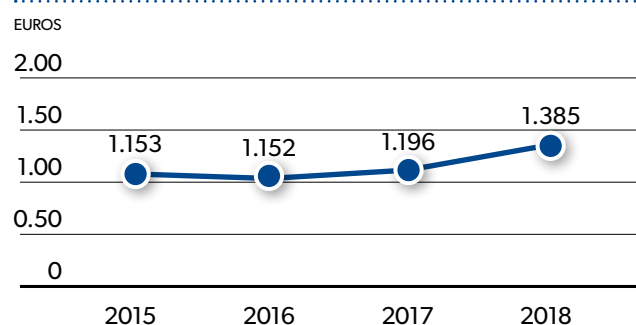
EVOLUTION OF THE ACS SHARE VS. IBEX-35 IN 2018



EARNINGS PER SHARE



PAID DIVIDENDS PER SHARE



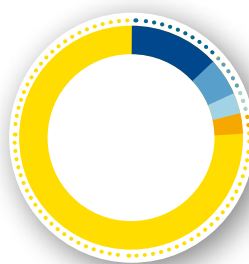


HISTORICAL EVOLUTION OF THE ACS SHARE

	2015	2016	2017	2018
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Closing price	27.02 €	30.02 €	32.62 €	33.83 €
Performance	-6.75%	11.12%	8.66%	3.71%
IBEX performance	-7.15%	-2.01%	7.40%	-14.97%
Performance vs. IBEX	0.44%	13.41%	1.18%	21.97%
Maximum in the period	34.06 €	30.33 €	36.75 €	37.83 €
Maximum Date	26-Feb	20-Dec	19-Jun	21-Sep
Minimum in the period	25.49 €	19.31 €	28.34 €	27.10 €
Minimum Date	29-Sep	11-Feb	31-Jan	06-Mar
Average in the period	28.57 €	25.88 €	32.49 €	33.73 €
Total volume ('000)	238,296	220,750	189,001	175,727
Capital turnover	75.81%	70.27%	60.07%	55.85%
Daily average volume ('000)	930.85	858.95	738.28	689.13
Daily average capital turnover	0.30%	0.27%	0.23%	0.22%
Total traded effective (€ mn)	7,158	5,714	6,140	5,928
Daily average effective (€ mn)	27.96	22.23	23.99	23.25

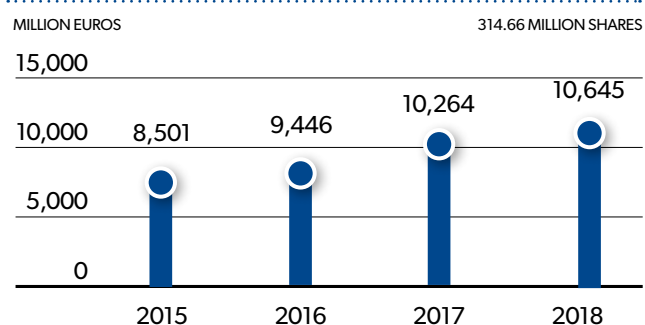
SHAREHOLDER STRUCTURE

Name or company name of the shareholder	%
Mr. Florentino Pérez Rodríguez	12.52%
Mr. Alberto Cortina/ Mr. Alberto Alcocer	5.13%
Blackrock	3.01%
Norges Bank	2.74%
Free float	76.60%

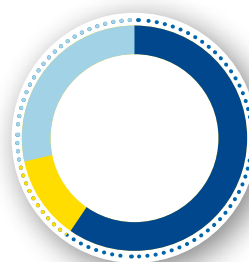


● MR. FLORENTINO PÉREZ RODRÍGUEZ **12.52%**
 ● MR. ALBERTO CORTINA/ MR. ALBERTO ALCOCER **5.13%**
 ● BLACKROCK **3.01%**
 ● NORGES BANK **2.74%**
 ● FREE FLOAT **76.60%**

MARKET CAP



FINANCIAL ANALYST RECOMMENDATIONS



● BUY **15**
 ● HOLD **3**
 ● UNDER REVIEW **7**

TARGET PRICE
39.83
 EUROS/SHARE
 (SOURCE: BLOOMBERG)

3. A COMPANY OF THE FUTURE

3.1. WHICH CREATES VALUE

3.2. WITH A CONSOLIDATED CORPORATE STRATEGY

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

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





3.1. WHICH CREATES VALUE

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

The ACS Group is characterised by a highly decentralised structure in its three areas: Construction, Industrial Services and Services that carry out its activity through dozens of specialised companies that ensure the Group's presence throughout the entire value chain of the infrastructure business. This complex but highly-efficient organisation encourages the Group's companies to compete and carry out their work independently, while at the same time sharing common guidelines that add value to their activity.

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

INPUTS

OPERATING INVESTMENTS

606 MN €

PROJECT/
FINANCIAL INVESTMENTS

4,197 MN €

EMPLOYEES

195,461

GRADUATES AND PERSONNEL
WITH DIPLOMAS

18.0%

R&D INVESTMENT

30 MN €

R&D ONGOING PROJECTS

107

DIALOGUE WITH
STAKEHOLDERS

NUMBER OF
MATERIALITY SURVEYS

2,819

MEETINGS ORGANISED BY THE
INVESTOR RELATIONS DEPARTMENT

167

SHAREHOLDER CALLS/EMAILS
HANDLED

524

CONSUMPTION

WATER

24,264,375 m³

TOTAL ENERGY
CONSUMPTION

12,127,578 MWH

TOTAL TIMBER
PURCHASED

3,777,835 m³

TOTAL STEEL PURCHASED

1,310,393 t

TOTAL CEMENT
PURCHASED

4,739,630 m³

...INTEGRATES LEADING
COMPANIES...



**CONSTRUCTION /
ENGINEERING**



**PROJECT
DEVELOPMENT**



**PROMOTION
FINANCING**

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

MILLION EUROS	2017	2018
Total income	34,898	36,659
Finance income	203	155
Disposals	632	3,264
(1) Economic value generated	35,733	40,078
Operating and purchasing expenses	25,363	26,719
Staff costs	7,688	7,910
Corporate tax	330	390
Dividends	297	316
Finance costs	486	412
Resources for the community	12	13
(2) Economic value distributed	34,176	35,759
Economic value retained (1-2)	1,557	4,318

*Divestments corresponding in 2018 mainly to the sale of a minority stake in Hochtief included in the acquisition of Abertis, which has increased the gross investments made.

SHAREHOLDER/INVESTOR

INVESTMENT ↓↑ DIVIDENDS



...THAT OPERATE UNDER
A COMMON CULTURE...

Operational decentralisation
Proximity to the customer
Optimising returns on resources
Control management
Sustainable growth



...DEVOTED TO THE
INFRASTRUCTURE SECTOR...

**INDUSTRIAL
SERVICES**



...AND WITH PRESENCE IN ALL THE
CHAIN VALUE...



CONSTRUCTION



**OPERATION/
MAINTENANCE**



EXPLOITATION

...IN STABLE
ENVIRONMENTS...



OUTPUTS

REVENUES
36,659 MN €

NET PROFIT
915 MN €

DIVIDENDS PAID AND
TREASURY STOCK
492 MN €

PERSONNEL EXPENSES
7,910 MN €

% LOCAL EMPLOYEES
97.5%

BACKLOG
72,223 MN €

**CONTRIBUTION TO THE
COMMUNITY**

SOCIAL ACTION INVESTMENT *
12.7 MN €

% LOCAL SUPPLIERS
72.5%

CORPORATE TAX
390 MN €

CONSUMPTION

VARIATION SCOPE 1 EMISSIONS/
REVENUES
(VS 2017)
14.5%

VARIATION SCOPE 2 EMISSIONS/
REVENUES
(VS 2017)
-6.5%

VARIATION SCOPE 3 EMISSIONS/
REVENUES
(VS 2017)
-0.7%

TOTAL CARBON INTENSITY RATIO
REDUCTION (TOTAL EMISSIONS SCOPE
1+2+3 / REVENUES)
5.3%

*Administration costs are being included due to the contribution of the company to action social (€ 0.827 mn) and the contribution of the Foundation (€ 4.49 mn).

3.2. WITH A CONSOLIDATED CORPORATE STRATEGY

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



PURSUING GLOBAL LEADERSHIP

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



OPTIMISING RETURNS ON RESOURCES

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



PROMOTING SUSTAINABLE GROWTH

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

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



PURSUING GLOBAL LEADERSHIP

DIVERSIFICATION OF ACTIVITIES

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



For further information:
2.2. The 2018 financial year

SELECTED INTERNATIONAL GROWTH

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

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

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

PROXIMITY TO THE CUSTOMER

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

The culture of decentralisation and delegation of responsibilities, together with the local origin of many of the Group companies, represents a competitive advantage when building these relationships, as it enables them to interact more directly and closely with customers, helping to understand their needs, identify opportunities and offer more appropriate solutions.



For further information:
Managing relationships with customers
6.8.2 Customer relationships



OPTIMISING RETURNS ON RESOURCES

OPERATIONAL DECENTRALISATION

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

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

EXHAUSTIVE MANAGEMENT CONTROL SYSTEMS

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



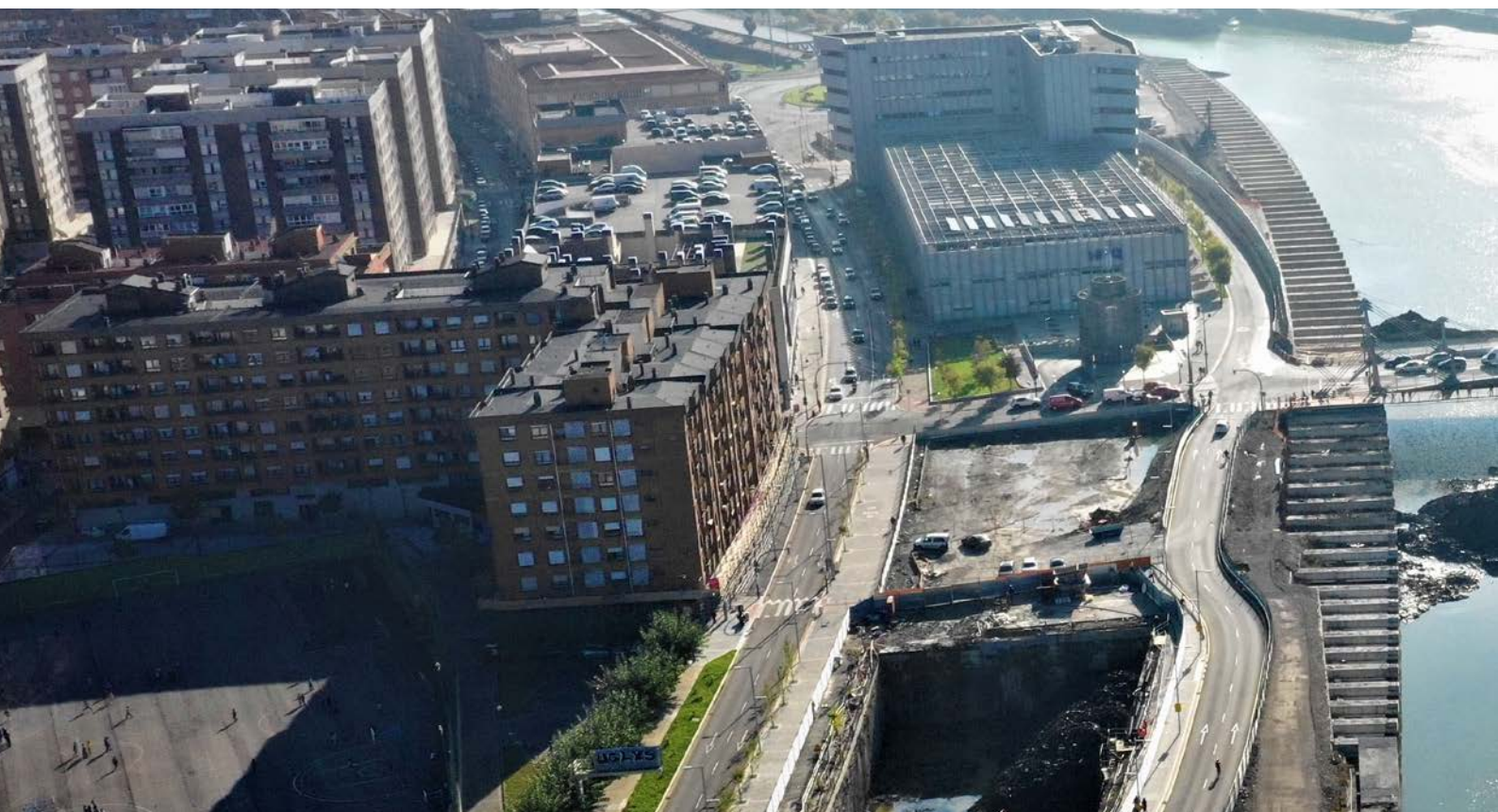
For further information:
7. Risk management at the
ACS Group

FINANCIAL STRENGTH

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



For further information:
2.2. The 2018 financial year





PROMOTING SUSTAINABLE GROWTH

CONTRIBUTE TO THE DEVELOPMENT OF THE AREAS OF OPERATION

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

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

97.5%

LOCAL
EMPLOYEES

72.5%

PURCHASES FROM
LOCAL SUPPLIERS

12.7

MILLION EUROS INVESTED
IN SOCIAL ACTION *

*Administration costs are being included due to the contribution of the company to action social (€ 0.827 mn) and the contribution of the Foundation (€ 4.49 mn).

RESPONSE TO GLOBAL CHALLENGES

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



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





CORPORATE SOCIAL RESPONSIBILITY STRATEGY

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

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



CSR Policy

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

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

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

THE GROUP'S POSITION IN TERMS OF ETHICS.



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



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



For further information:
6. Consolidated Non-Financial Information Statement.
2.2. The 2018 financial year



In 2016 the ACS Group developed its 20-20-20 plan in line with the goals established in the Corporate Social responsibility policies.

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

The infrastructure sector continues to be immersed in a medium and long-term scenario defined by the current situation and the macroeconomic outlook worldwide.

On the one hand, there is a clear demand for infrastructure in most regions of the world. On the

other, the challenges of the sector are concentrated in a greater demand for sophistication and complexity in the projects, together with limited financial resources to carry them out.

HIGH DEMAND FOR INFRASTRUCTURE

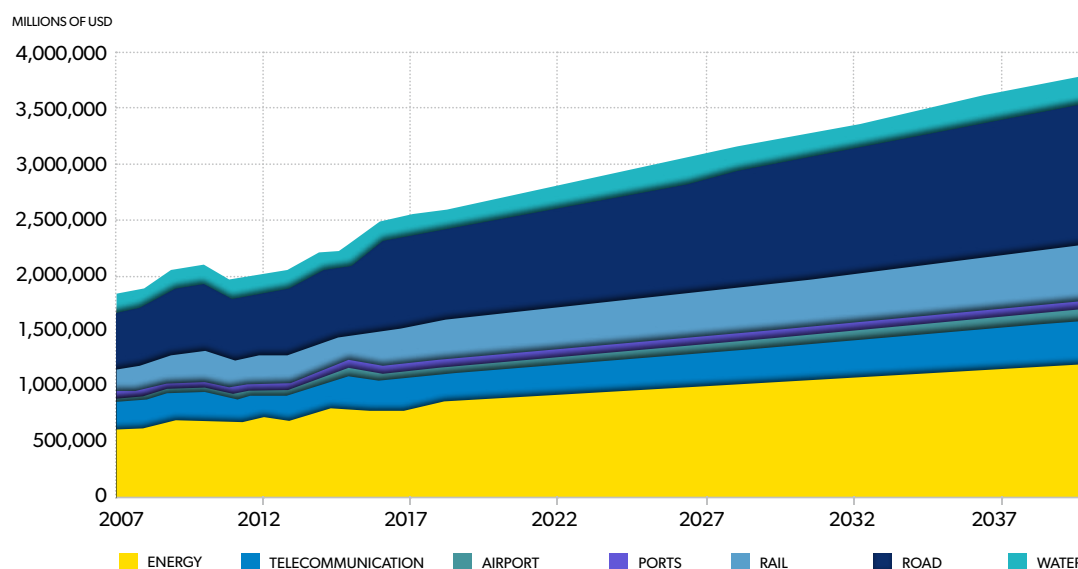
There is growing demand both in developing regions and in developed countries, as according to the Global Infrastructure Hub it is estimated that infrastructure demand exceeds US\$90 trillion.

In developing regions, there is a greater increase in population along with a growth of cities due to the impact of emigration from rural areas by those seeking a better quality of life. In these countries of growing wealth, the deficit of energy, social and transport infrastructure remains considerable.

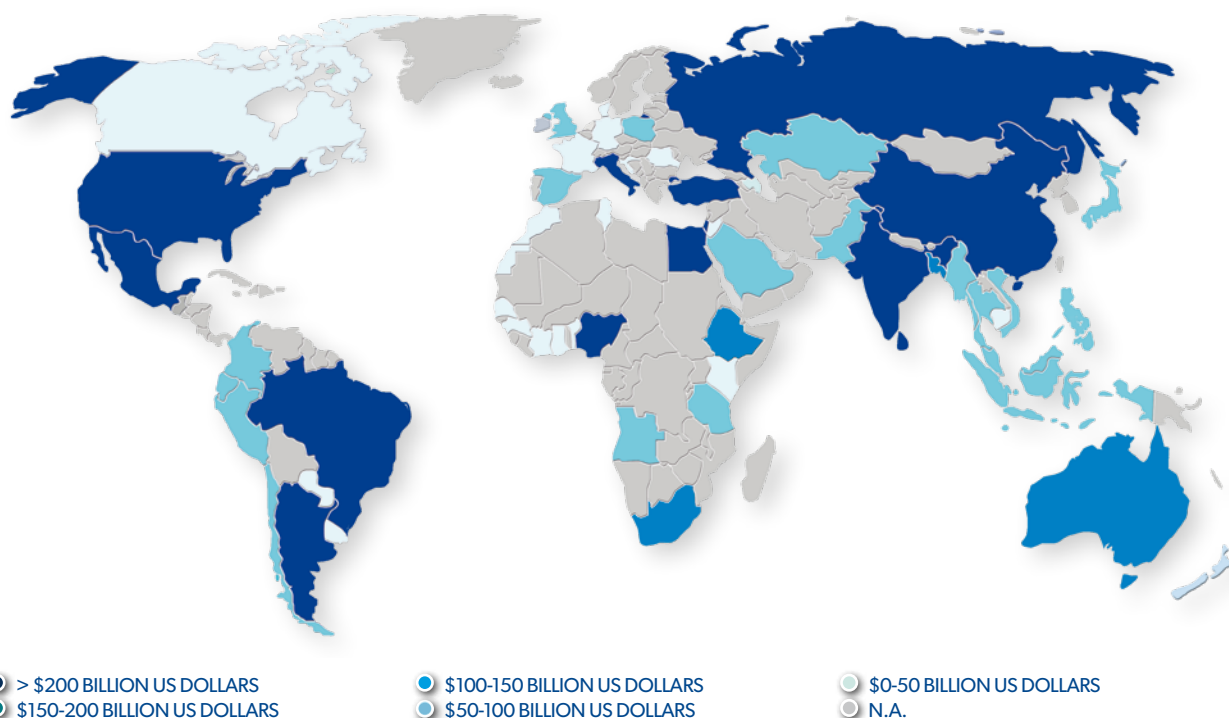
As for the most developed countries, the demand is mainly focused on:

- Renewal and expansion of the infrastructure network in large cities, which are increasingly populated.
- Adaptation of infrastructure to new regulations on sustainability, as well as the need for resilient infrastructures due to the increase in extreme weather events caused by climate change.
- Development of social infrastructure with new, more efficient and technologically advanced technologies (e.g., smart-green buildings, sustainable mobility development and management systems, Smart Cities).
- Improvement in interregional and even inter-country connection infrastructures.

INFRASTRUCTURE INVESTMENT AT CURRENT TRENDS FOR EACH SECTOR



TOTAL FORECAST INFRASTRUCTURE INVESTMENT GAPS TO 2040



Source: Global Infrastructure hub.

SOPHISTICATION OF THE OFFER AND COMPLEXITY OF THE PROJECTS

Globalization, exponential technological advances and digitalization, together with a greater awareness of the regulatory authorities in terms of sustainability and the environmental and social impact of the different economic sectors, opens the door to a new era with great challenges and opportunities in the infrastructure sector.

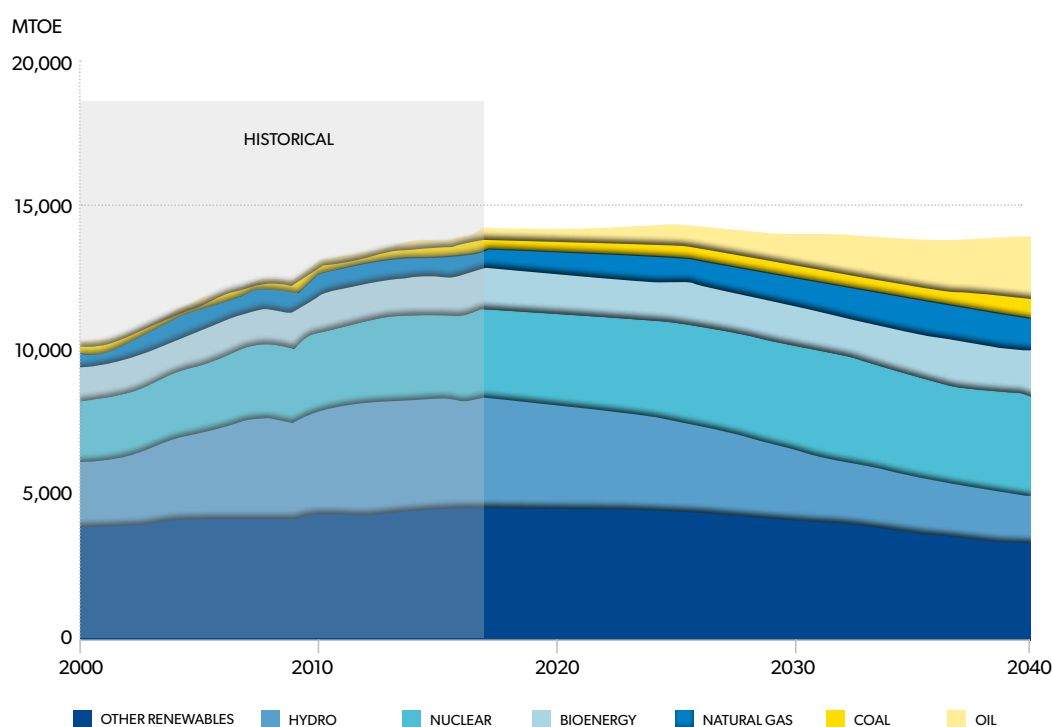
The role of this sector is key to the progress of the other sectors and is a challenge both from a technical and business perspective. Competitors in the infrastructure sector must be prepared to develop increasingly sophisticated, complex and cutting edge projects in which collaboration and integration will be key to these projects' success.

The commitments accepted by the countries in the fight against climate change in the historic

Paris Agreement, the new regulations derived from this in terms of sustainability, the measures adopted to adapt to the consequences of climate change and the increased awareness of the private sector in this regard, places us in a transition period from the energy model where clean energy projects with increasingly efficient technologies will replace the most polluting obsolete infrastructures.

Likewise, technological evolution allows the learning curve to be enhanced in the development of energy projects, reducing costs and improving efficiency. This phenomenon is being experienced mainly in the renewable sector with a substantial improvement in the technologies involved at the cost-efficiency level, which is important to attract private investment.

ESTIMATES OF PRIMARY ENERGY DEMAND WORLDWIDE



<https://www.iea.org/weo/>

NEED FOR FINANCING ALTERNATIVES

The resources available for financing infrastructure development are not currently as abundant as in the years prior to the economic crisis. It is estimated that there is a deficit in investment capacity for the infrastructure sector of more than US\$15,000,000 worldwide. Public investment capacity is substantially higher in emerging countries given the excessive accumulated debt in developed countries, however it is insufficient to meet current needs. In addition, the tightening of financial conditions limits bank financing by encouraging other alternative sources of private financing.

The public-private collaboration is key to increasing the investment capacity in infrastructure in addition to substantially improving efficiency in project development. The growing use of PPP models for the financing of infrastructure projects, mainly in countries where the regulations were not yet ready to receive them, is increasing the resources available considerably and generating investment opportunities in new projects.

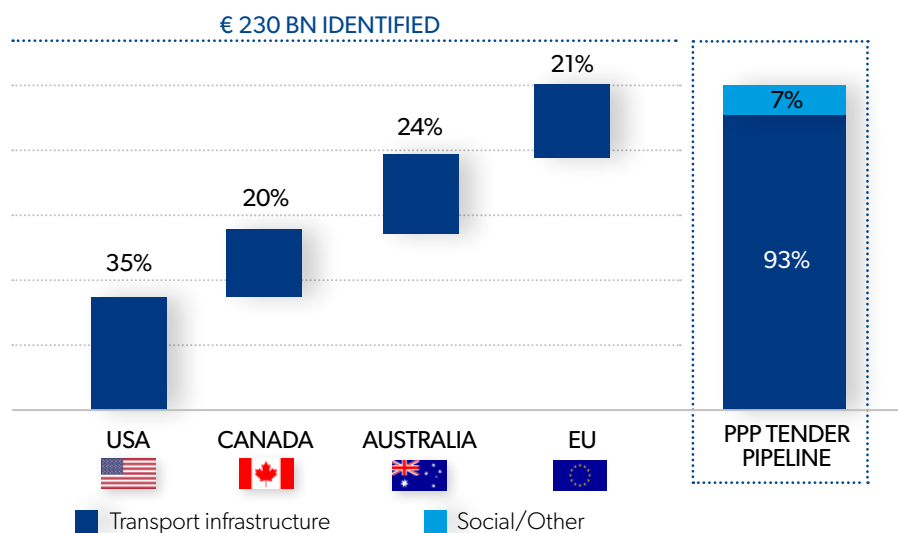
PROSPECTS IN THE STRATEGIC REGIONS FOR THE ACS GROUP

The ACS Group maintains a model of operational decentralization with a presence in the five continents of the world. The regions where the Group has greater exposure have very positive growth prospects for the infrastructure sector despite the expected global slowdown in growth. The ACS Group has identified a PPP³ project portfolio of more than €230 billion to be developed in the next 4 years, located in the strategic regions of the Group.

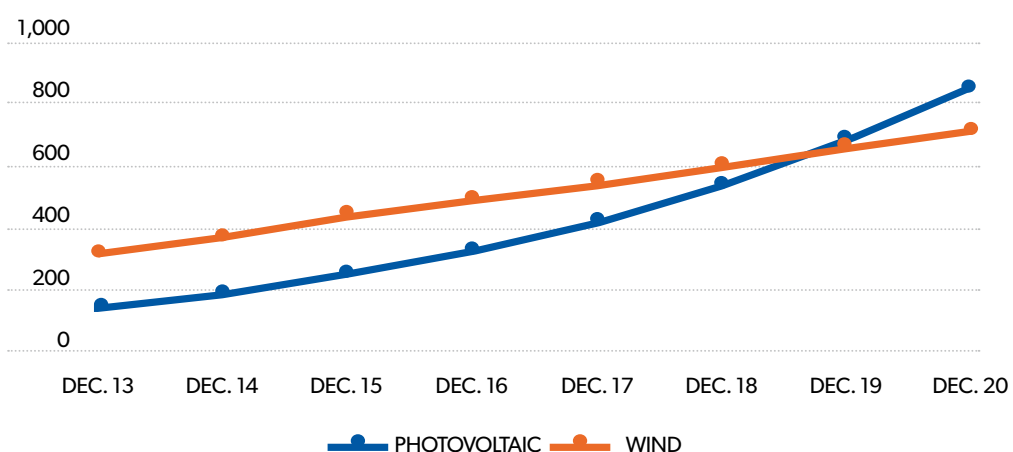
The Group also has very favorable prospects in the renewable energy sector. The group is a leader in carrying out integrated projects for solar thermal and wind, has a growing presence in large photovoltaic projects around the world, is a regional leader in mini-hydroelectric power in Latin America and other countries and implements biomass plants as well.

3. PPP stands for "Public-Private Partnership"

GREENFIELD PPP PIPELINE IDENTIFIED (2018-2021)



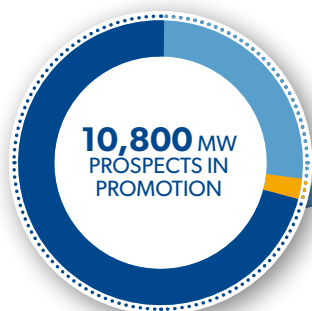
EVOLUTION OF TOTAL INSTALLED CAPACITY OF WIND AND PHOTOVOLTAIC ENERGY WORLDWIDE (GW)



Source: Bloomberg

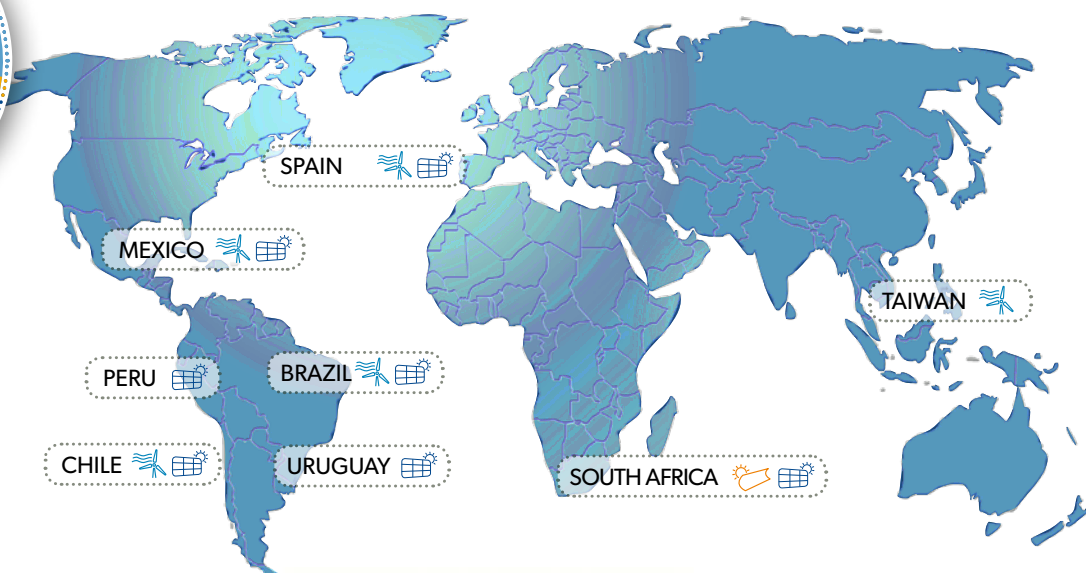
"PIPELINE" IN THE RENEWABLE MARKET

GEOGRAPHICAL DISTRIBUTION OF THE PIPELINE

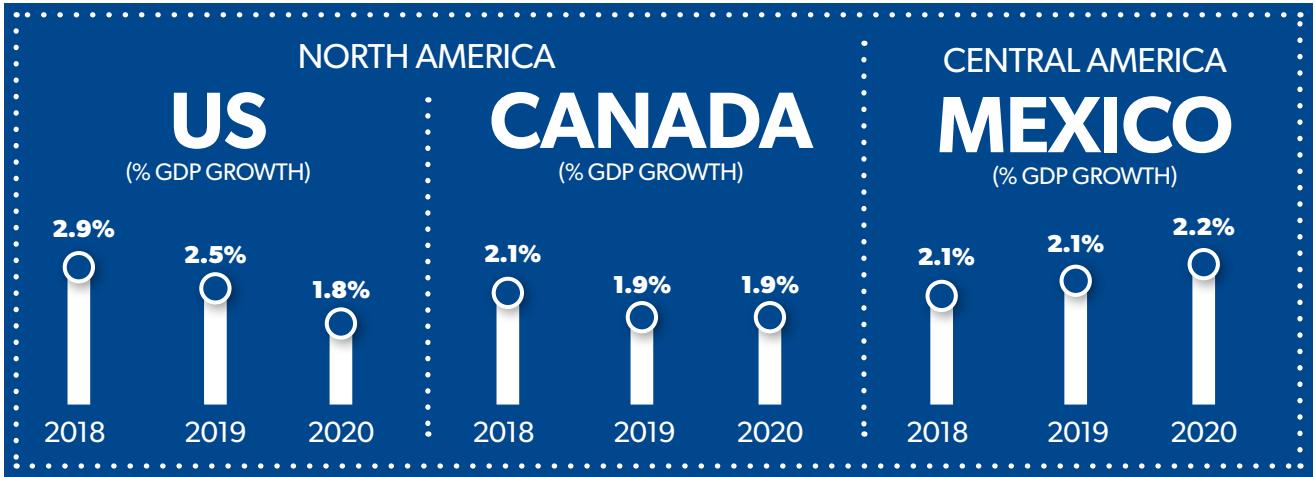


- WIND PARKS **27%**
- THERMOSOLAR **2%**
- PHOTOVOLTAIC **71%**

WIND PARKS
 THERMOSOLAR
 PHOTOVOLTAIC



SPECIFICALLY, THE FUTURE PROSPECTS IN
THE STRATEGIC REGIONS OF THE GROUP ARE:



Source: "World Economic Outlook", October 2018, January 2019, FMI.

In the United States and Canada, despite the expected slowdown in growth over the next few years, the climate is not unfavorable: greater spending capacity and private investment are predicted in proportion to GDP, while the currencies are expected to recover strength and the interest rates to stabilize.

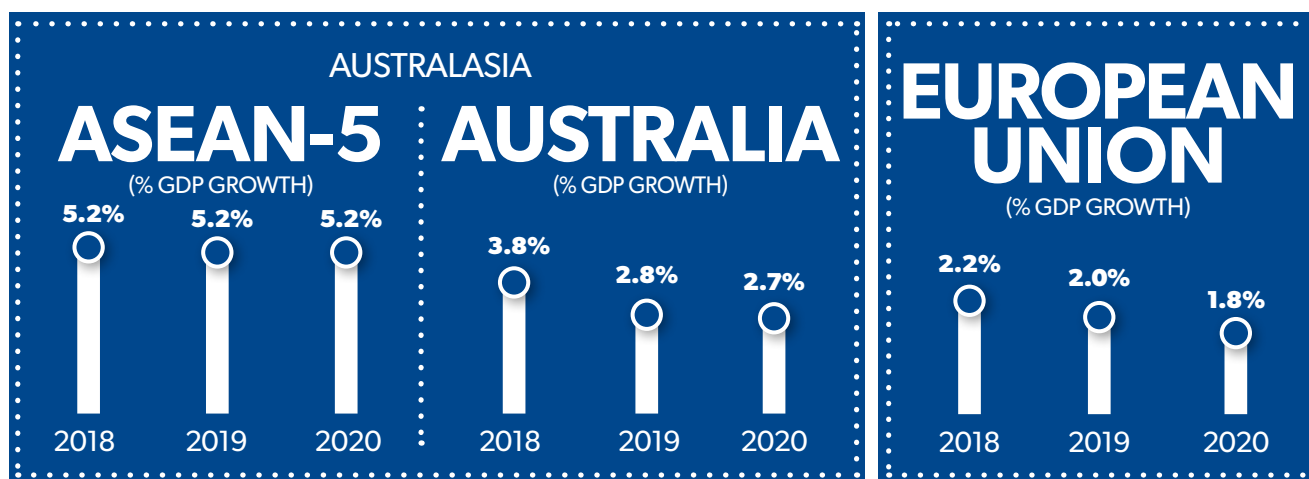
The demand for infrastructure differs in both countries; while in the United States there is a clear need for adaptation and renewal of the existing infrastructure network, Canada has reached a level of sophistication similar to that of European countries such as France and Spain, nevertheless continuous investment in infrastructure remains one of the priorities of the Canadian Government, currently executing a plan for the development of sustainable social and transport infrastructure for more than US\$180 billion. In addition, the recent creation of the Canada Infrastructure Bank ensures greater availability of both public and private resources.

For its part, in recent years, several states in the United States have adopted in their legislative and administrative framework the public-private financing modality that is gradually becoming a key resource for the development of projects in states with a limited investment capacity.

Currently, the ACS Group has identified more than €125 billion in PPP projects (two thirds of them located in the United States and the rest in Canada, which has a trajectory of nearly three decades in the use of PPP models for infrastructure development) available for tender through the different companies with which the Group operates in this region, where it maintains a leading position both in the development of transport and social infrastructure.

In Mexico, it is expected that the prospects for stable economic growth, together with the change in Government in 2018, imply new opportunities for infrastructure investment, especially in the energy sector.





Source: "World Economic Outlook", October 2018, January 2019, FMI.

The Pacific region maintains optimistic growth forecasts for the coming years. In particular, forecasts for the infrastructure sector are favorable and are based on:

- High population demand given the scarce network of pre-existing infrastructure and the exponential urban growth in the main cities of the region.
- Available financial resources thanks to the governments having relatively little debt and the increasing wealth generated in the private sector. Specifically, one of the key figures in the financing of infrastructure projects are the pension funds that, in Asian countries, maintain a strong exposure to this sector.
- National commitments to climate change, mainly in countries that are intensive in energy resources.
- Upward trends in the price of raw materials, which favors the mining sector, among others.

Currently, the ACS Group has identified in Australia more than 85 billion Australian dollars in potential transport infrastructure projects to be tendered in the coming years, much of them included in the Infrastructure Investment Program to which the Government has committed 75 billion Australian dollars. The leadership that the Group maintains in this region through CIMIC predicts important project awards in the coming years. Likewise, prospects in the renewable energy sector are very positive where the Cobra Group has extensive experience in the development of clean energy projects.

The macroeconomic scenario in Europe is mainly marked by the tensions and political uncertainties in some of its member states, which significantly influences the growth forecast for the coming years and indicates a slowdown, although remaining above 1.8%. Additionally, the budgetary restrictions derived from commitments to the deficit target set by the European Union, limit the public resources available for investment in the infrastructure sector, which is mostly mature in this region. However, prospects in certain countries such as the United Kingdom and Germany, where the demand for transport infrastructure is higher, are more favorable. Likewise, commitments to climate change favor the recycling of the energy infrastructure network through new renewable energy projects. Countries such as Spain and Portugal are reactivating their investment in clean energy infrastructure (mainly wind and photovoltaic), while important offshore projects are being developed in the Baltic Sea.

Despite the stagnation of the sector in this region, the ACS Group has identified close to €50 billion in PPP projects for the coming years, mainly in Germany, the United Kingdom and Spain, for transport infrastructure. The Group also sees an acceleration of investment in the adaptation of the infrastructure network in this region to the new energy model and has identified more than €4 billion in renewable energy projects for the coming years.

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

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

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

for its implementation through alliances focused particularly on the needs of the poorest and most vulnerable.

The ACS Group, through its development activity, contributes to fulfilling certain of the goals and objectives on the global agenda. This contribution is amplified by its size and international presence in developed, as well as developing countries.



PRIMARY SUSTAINABLE DEVELOPMENT GOALS TO WHICH THE ACS GROUP CONTRIBUTES:

GOAL
5



ACHIEVE GENDER EQUALITY AND
EMPOWER ALL WOMEN AND GIRLS

CONTRIBUTION

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

SIZE OF THE CONTRIBUTION

- Women in management positions: 2,103
- Approval by the Board of Directors in 2018 of a new version of the Diversity Policy of the ACS Group.
- The ACS Group encourages work life balance, as well as in companies representing 81.01% of the Group's employees have been established measures such as flexible hours, teleworking, higher number of days of vacations that are legally established, improvement of the reduced working hours established of the law, accumulation of breastfeeding period, etc. and 38.11% of the Group's employees are covered by these measures. This has allowed in the year 2018, the reincorporation of 92.89% of the women after parental leave and 98.11% of men.
- The Group's commitment to diversity and equal opportunities it is reflected in all areas of the company. In terms of gender, companies representing 95.31% of the Group's employees have adopted measures to promote equal treatment and opportunities of men and women, with 72.55% of the Group's employees covered by Equality Plans and in companies that represent 98.27% of the Group employees have protocols against sexual harassment.



GOAL 6



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

CONTRIBUTION

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

SIZE OF THE CONTRIBUTION

— Number of water treatment infrastructures in which the ACS Group participates at 31 December 2018.

Name	ACS Stake	LOCATION	Status
DESALINATION PLANTS			
Benisaf Water Company	51%	Algeria	Exploitation
Hydromanagement	80%	Spain	Exploitation
Al-Hamra Water Co	40%	Dubai	Construction
Caitan	50%	Chile	Construction
WATER TREATMENT PLANTS			
Depuradoras del Bajo Aragón	55%	Spain	Exploitation
SADEP	40%	Spain	Exploitation
SAPIR	50%	Spain	Exploitation
Taboada	100%	Peru	Exploitation
Provisur	100%	Peru	Construction
IRRIGATION PROJECTS			
Majes	100%	Peru	Construction
Water			

GOAL 7



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

CONTRIBUTION

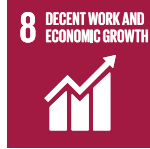
The ACS Group, through its Industrial Services business, designs, constructs and manages various energy infrastructures that contribute to guaranteeing universal access to energy.

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

SIZE OF THE CONTRIBUTION

- MW of renewable energy managed by concessions under operation at 31 December 2018: 1,924 MW.
- Gwh of renewable energy produced by concessions under operation at 31 December 2018: 766.7 GWh.
- Kilometres of transmission lines managed by concessions at 31 December 2018: 7,306.

GOAL 8



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

CONTRIBUTION

[102-41]

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

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

SIZE OF THE CONTRIBUTION

- Number of employees: 195,461
- % of employees covered by collective agreements or by an independent union: 71.5%
- % of local employees: 97.5%

GOAL 9



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

CONTRIBUTION

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

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

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

SIZE OF THE CONTRIBUTION

- Revenue from infrastructure development in 2018 (civil works, building, mining and integrated projects): €31,359 million
- Investment in R&D in Construction and Industrial Services in 2018: €29.6 million



GOAL 10



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

CONTRIBUTION

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

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

SIZE OF THE CONTRIBUTION

- Clece, manages 197 centres for vulnerable groups⁴.
- 11.6% of Clece employees (8,749) are disabled persons at risk of social exclusion or victims of gender violence.
- Investment by the Foundation in disability: €1 million

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

GOAL 11



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

CONTRIBUTION

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

SIZE OF THE CONTRIBUTION

- Sustainable buildings built: 789
- Iridium manages public transport project contracts (mainly underground railway systems) with a total investment of €12,726 million including the Lima underground railway system and the Ottawa light rail.

GOAL 12



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

CONTRIBUTION

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

SIZE OF THE CONTRIBUTION

- Approval of a new Environmental Policy of the ACS Group.



4. THE ACS GROUP ACTIVITIES

4.1. CONSTRUCTION

4.2. INDUSTRIAL SERVICES

4.3. SERVICES







4.1. CONSTRUCTION

GLOBAL LEADER IN THE DEVELOPMENT
OF INFRASTRUCTURES, BOTH IN CIVIL
WORKS AS BUILDING PROJECTS

LEADERS IN CONSTRUCTION

The construction activity of the ACS group is carried out through three leading companies: Dragados, HOCHTIEF and Iridium, which are in turn composed of a large number of businesses, specializing in a range of geographical areas and infrastructure projects. These projects are carried out either through direct construction models for institutional or private clients or through public-private partnership models, where the ACS group covers the whole concession business value chain from project design through financing, construction and start-up to operation.

ACS develops all types of Civil Works through the Construction business unit (activities related to the development of infrastructure such as highways, railways, ports and airports), Building (residential

buildings, social facilities and installations), infrastructure services (railway, transport, communication and technology, energy, resource, water and defense sectors) and projects related to the mining sector (mining service contracts and the required infrastructure for the mining activity).

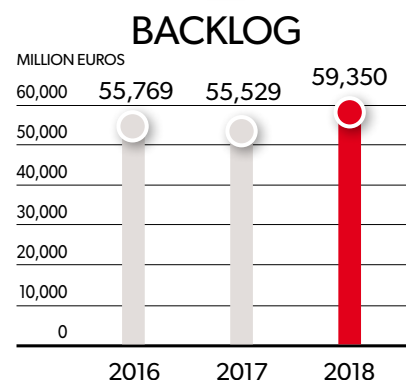
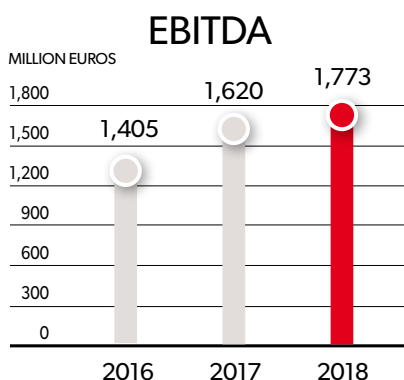
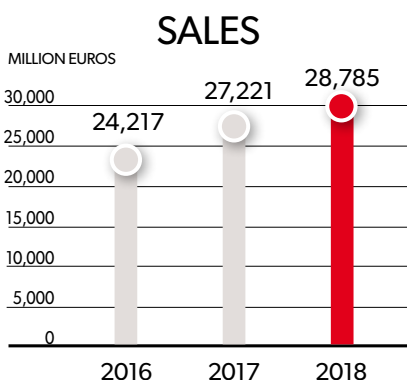
These activities are carried out based on rigorous management of the risks associated with each project and optimization of the company's financial resources. In this way, the group seeks to maximize the operational efficiency and profitability of each project. This decentralized structure, together with the specialization and complementary nature of the various companies, enables the ACS group to tackle larger, more complex projects in a more agile manner, while maintaining close proximity to the projects.

SALES
28,785
MILLION EUROS

BACKLOG
59,350
MILLION EUROS

EBITDA
1,773
MILLION EUROS

NET PROFIT
469
MILLION EUROS



86.68%
EMPLOYEES COVERED BY THE
CERTIFICATION OSHAS18001

91%
LOCAL EMPLOYEES

11,560,465
19.9% VS 2017
ENERGY CONSUMPTION (MWh)

65.0%
LOCAL SUPPLIERS

6,278,631
+11.9% VS 2017
TOTAL EMISSIONS (tCO₂)

5.4 MN€
SOCIAL ACTION INVESTMENT *

* Administration costs are included (€ 4,458).



DRAGADOS

Dragados is a leading construction company founded at the beginning of the twentieth century that carries out civil engineering infrastructure development projects (highway, railway, marine, water and airport works) and both residential and non-residential Building projects. Dragados is a world leader in the construction sector having participated in the execution of more than 7,000 kilometers of highways, 3,500 kilometers of roads, 1,500 bridges, 1,380 kilometers of tunnels, 545 maritime works, 250 dams and hydroelectric power stations, 1,700 kilometers of railways, rail transport and numerous railway facilities, in addition to 70 million square meters of buildings of different types such as airports, hospitals, museums, high-rise buildings and residential buildings.

Dragados is thus the leading construction company in Spain through its domestic subsidiaries, being a global point of reference as well as one of the largest contractors of public/private partnerships (PPP) in the world, after having executed the design and the construction of more than one hundred tender projects around the world. Dragados is also involved in major infrastructure projects in other European countries such as the United Kingdom, Ireland and Poland, where it has established itself through its subsidiary Pol-Aqua. In recent years, the United States and Canada has become the main area of business concentration for Dragados, as it continues to strengthen its position thanks to the work of its North American subsidiaries Schiavone, Pulice, John p. Picone, Prince Contracting and J.F.White Contracting, and its lead companies in North America, Dragados USA and Dragados Canada. It also has over thirty-five years' experience in carrying out projects in Latin America, especially in Chile and Peru, as well as Argentina, where it has its own subsidiary: Dycasa.

IRIDIUM

Iridium is an ACS Group company that manages concession and public-private partnership contracts for transport infrastructure and public facilities, with a portfolio of more than 120 companies.

In terms of strategy and market positioning, ACS continues to be at the forefront of the market in the North American market (United States and Canada), especially for transportation concessions. As at the end of 2018, Iridium thus enjoys an existing portfolio of projects in the area valued at more than € 19,100 million of investment and the prospects for growth for the future are still very positive given the important infrastructure needs in this context. Meanwhile for the 2019 financial year, ACS Infrastructure (a subsidiary of Iridium) is already pre-qualified in eleven projects, eight of them in Canada and three in the United States. In Europe, Iridium has a consolidated position and closely follows the respective opportunities that certain markets in the area may pose, while in Latin America, it continues to have an active presence in the concession market with projects underway in Peru and Chile, where expectations remain promising.

With a track-record of more than 45 years, Iridium's success is based on a risk management policy that has been proven to be highly effective, both in terms of identifying and assessing risks, as well as the implementation of the adequate measures for the mitigation or elimination thereof.



For further information:
See Appendix 9.4.2.
Portfolio Concessions

SALES	BACKLOG	NET PROFIT
4,792	12,083	111
MILLION EUROS	MILLION EUROS	MILLION EUROS

SALES	NET PROFIT
111	10
MILLION EUROS	MILLION EUROS

HOCHTIEF is a global group and leader in infrastructures, through its construction, services and concessions/public-private partnerships (PPP) business activities, in Australia, North America and Europe.

During its 145 years of experience, HOCHTIEF has executed highly complex projects for its customers based on its core business, which is construction, including the construction of buildings and civil engineering. Over time, it diversified geographically and incorporated business activities involving engineering, mining and maintenance services, as well as public-private partnership projects and concessions. Currently, HOCHTIEF is a leader in infrastructure, in developed markets covering the entire value chain of the infrastructure sector. The recent acquisitions made, such as that of the service company UGL in 2016 and

the 20% stake in Abertis, the leading international operator of toll roads in 2018, the Group currently has a balanced commercial profile in terms of cash flow visibility, capital intensity and margins.

Hochtief's strategy is to further strengthen its position in its main geographical areas, focusing on the growth opportunities offered by the market, while maintaining profitability backed by a strong cash position and a rigorous approach to risk management. The flexibility of its business allows the management to adapt quickly to the various market conditions. The active and disciplined allocation of capital is a priority for HOCHTIEF, while continuing to focus on attractive returns for shareholders, and the investment in strategic growth opportunities to create sustainable value for all stakeholders.

SALES
23,882
MILLION EUROS

BACKLOG
47,267
MILLION EUROS

NET PROFIT
541
MILLION EUROS

**NET PROFIT CONTRIBUTION
TO ACS GROUP**
368
MILLION EUROS

HOCHTIEF AMERICAS

The operating companies that comprise HOCHTIEF Americas are respectively focused on different segments of the building and infrastructure construction market, while carrying out transport and building projects.

Turner, a company based in New York, is a market leader with more than 110 years of experience, executing projects as a general contractor in a wide range of market segments.

The success of this approach is reflected in Engineering News-Record (ENR), which once again recognizes Turner as the main general contractor in the U.S. And in terms of Green Building, in addition to leading the ranking in other building segments, thanks to its innovation and implementation of new technologies (BIM).

Clark Builders executes building construction projects in western and northern Canada, which includes institutional, commercial and health care properties along with sports facilities, often in collaboration with Turner as the main operating division.

Flatiron, specializes in transportation and infrastructure projects including bridges, roads, railways / transit, airports, and water storage and treatment facilities. Flatiron's success is reflected in its continued growth, while ranking ninth on ENR's list of transportation contractors in 2018.

E.E. Cruz is HOCHTIEF's subsidiary in the states of New York and New Jersey. The company's focus is transportation infrastructure, deep foundations and geotechnical projects.

HOCHTIEF ASIA PACIFIC

The activities of the HOCHTIEF Asia Pacific division are developed by the CIMIC group, active in over 20 countries through its operating units in Australia, Asia, the Middle East and America, as well as Africa. The CIMIC Group is a leader in construction engineering, mining, services and public-private partnership contracts, while it also integrates experience with the ability to promote the development of solutions prepared for the future and offer lasting value throughout the project life cycle for assets, infrastructure and resources.

CPB Contractors, which also includes Leighton Asia and Broad Construction, is a leading international construction general contractor that carries out projects covering all key sectors of the industry, such as roads, railways, tunnels, defense, construction and infrastructure.

Thiess is the largest mining services provider in the world, offering the widest range of underground and surface mining capabilities for most of the world's commodities, along with the services to optimize the value chain.

Sedgman is a market leader in the design, construction and operation of state-of-the-art mineral processing plants, as well as all the infrastructure requirements associated with the mining sector.

Pacific Partnerships develops, invests in and manages infrastructure concession assets for the CIMIC Group, offering customers comprehensive solutions with the best quality/price ratio for key infrastructures under public-private partnerships and the creation of proprietary management and transfer structures.

UGL is a leader in the services market for critical assets in energy, water, resources, transportation, defense and security, along with social infrastructure.

EIC Actividades is the technical and engineering services business of the CIMIC Group.

CIMIC has a 45% stake in the construction company BIC Contracting (formerly HLG Contracting) and 47% stake in the service company Ventia.

HOCHTIEF EUROPE

HOCHTIEF Solutions AG is the management company of the HOCHTIEF Europe division. It combines its core businesses in Europe with other high growth regions around the world, through its respective subsidiaries.

Our companies offer a wide range of services that cover broad aspects of the construction business: infrastructure, PPP and engineering solutions, in particular turnkey infrastructure projects and construction of buildings, as well as public-private partnerships (PPP), which involve engineering services. We focus on the transport, energy and social/urban infrastructure. The company Synex offers facilities management services in the German market.

HOCHTIEF Engineering, is divided into four business lines: Infrastructure; Infrastructure; Energy, Industrial and Special Services; Virtual Design and Construction (ViCon); Construction and Project Management Services, all of which provide engineering services for both internal and external construction projects.

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

SALES
13,069
MILLION EUROS

NET PROFIT
190
MILLION EUROS

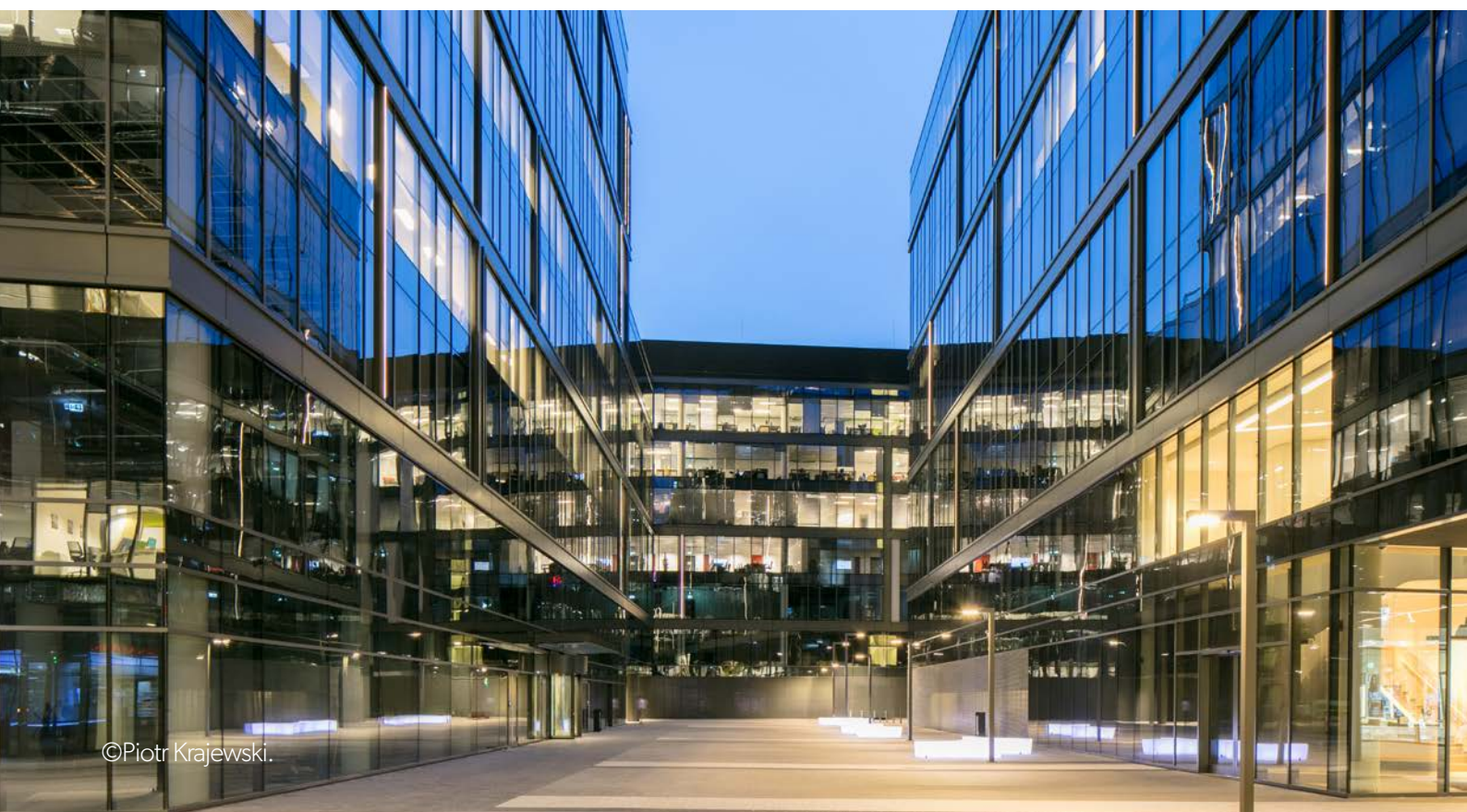
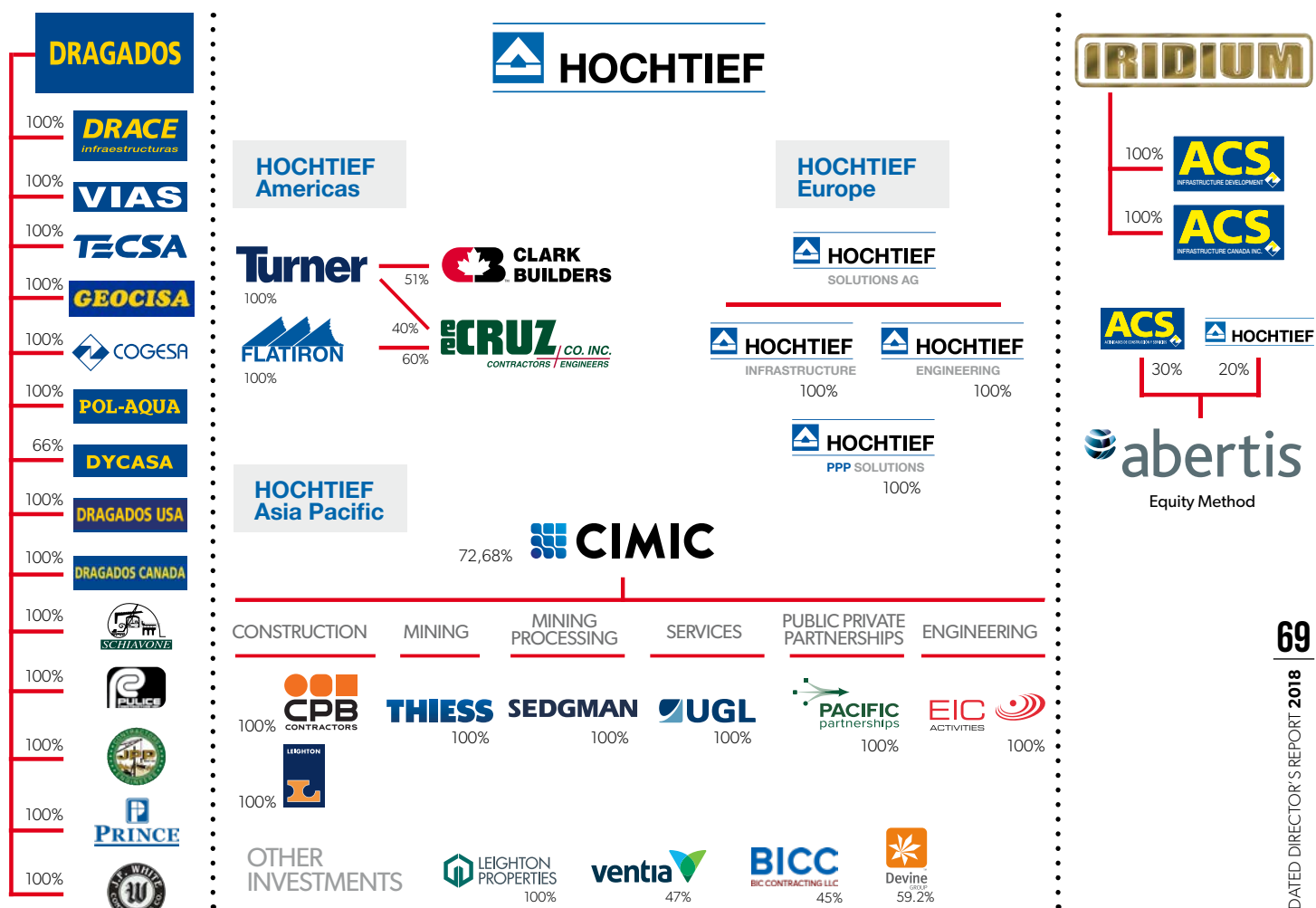
SALES
9,266
MILLION EUROS

NET PROFIT
300
MILLION EUROS

SALES
1,423
MILLION EUROS

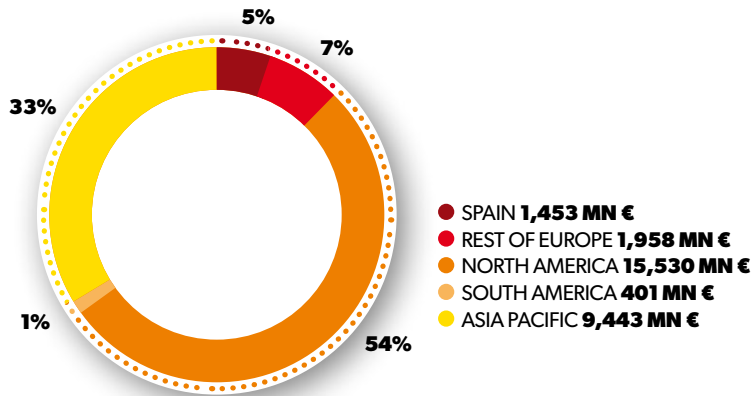
NET PROFIT
37
MILLION EUROS

CONSTRUCTION

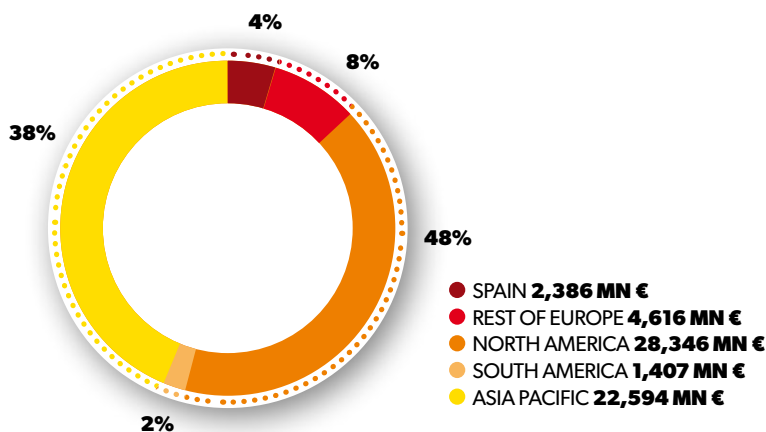


THE ACS GROUP'S CONSTRUCTION ACTIVITY IN 2018

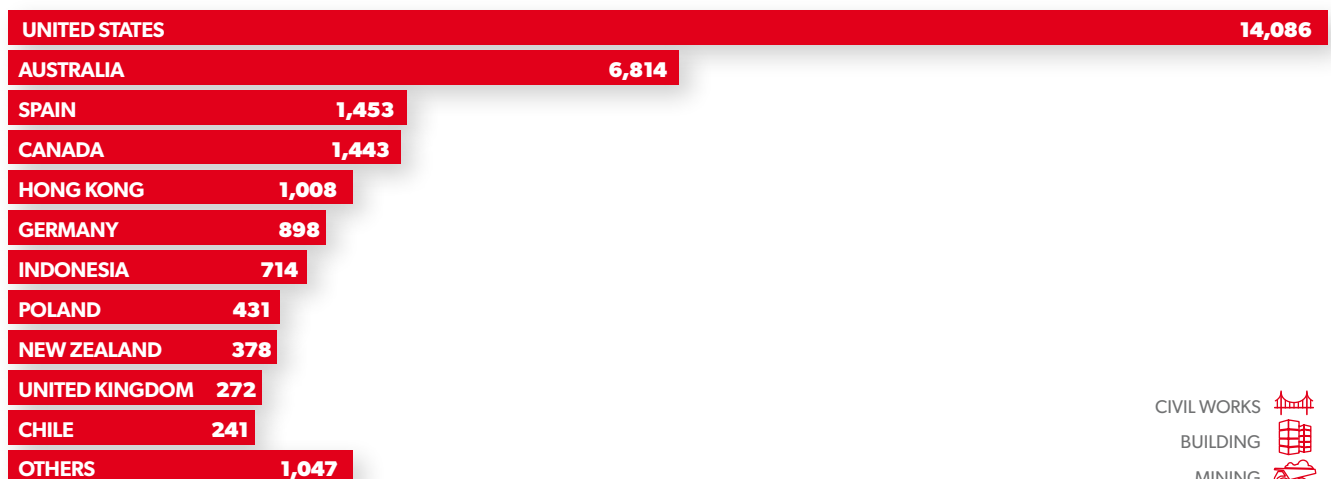
2018 SALES BREAKDOWN BY GEOGRAPHICAL AREAS



2018 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS

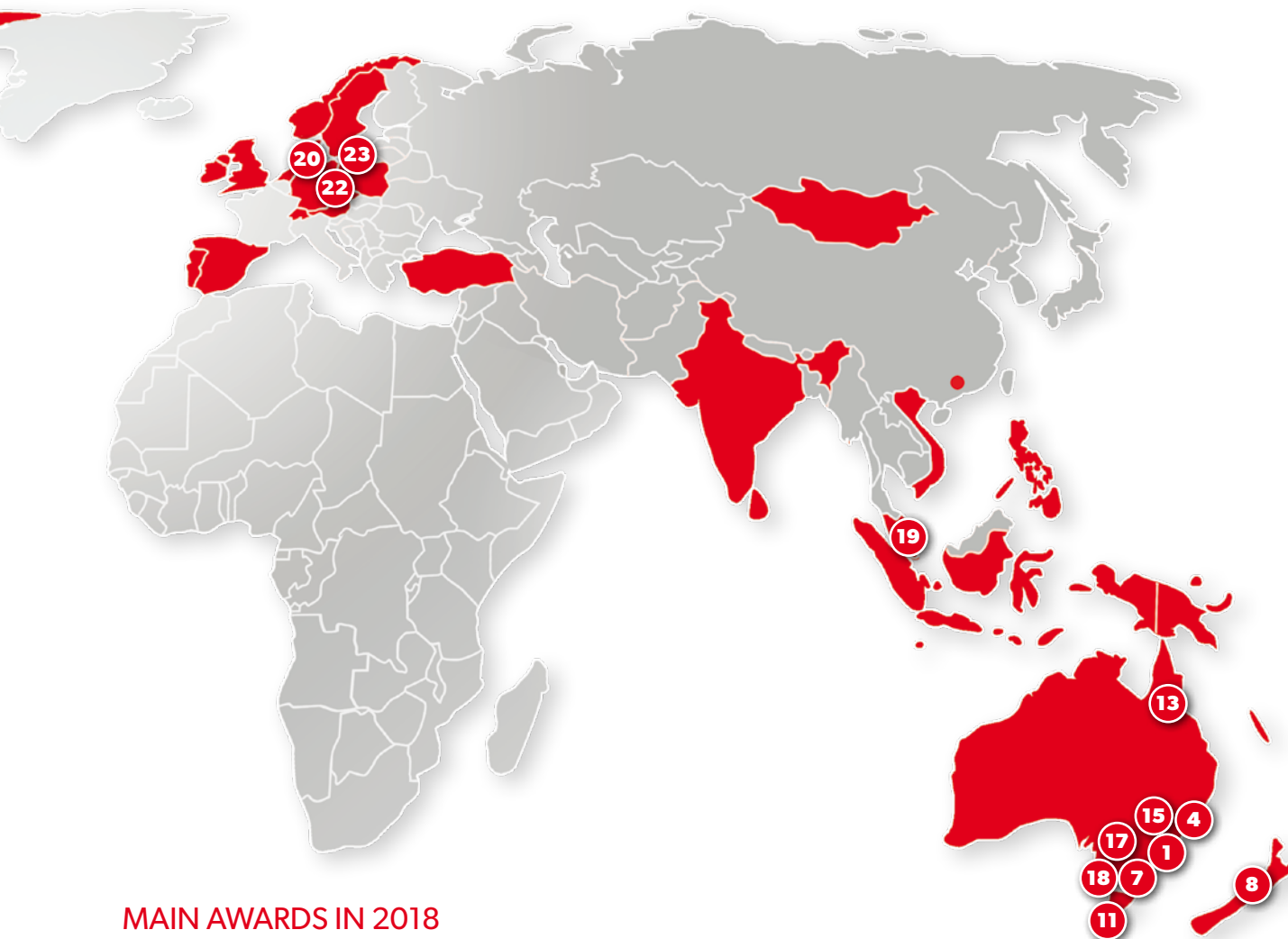


2018 SALES BREAKDOWN BY COUNTRY (MN EUROS)



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

MAIN COUNTRIES WHERE THE ACS GROUP IS DEVELOPING CONSTRUCTION ACTIVITY*



MAIN AWARDS IN 2018

1	ASIA PACIFIC Project for the construction of the WestConnex M4-M5 Link Rozelle interchange (Sydney, Australia).	1,238 MILLION EUROS
2	NORTH AMERICA Construction of the new international bridge Gordie Howe of 2.5 km (Canada) and Detroit (United States), as well as the ports of entry in each country (PPP).	1,052 MILLION EUROS
3	NORTH AMERICA Construction of the new light railway line in Montreal, Canada.	897 MILLION EUROS
4	ASIA PACIFIC Extension of the contract for mining services in Arthur coal mine (Australia).	739 MILLION EUROS
5	NORTH AMERICA Construction of 6.5 km of automated people mover at the Los Angeles International Airport (United States) (PPP).	629 MILLION EUROS
6	NORTH AMERICA Contract for the execution of hydro generating station and spillways civil works on the Peace River in northeast British Columbia (Canada).	571 MILLION EUROS
7	ASIA PACIFIC Asset management program agreement to support the Royal Australian Navy's Landing Helicopter Dock and Landing Craft vessels (New South Wales, Australia).	488 MILLION EUROS
8	ASIA PACIFIC PPP project for the Waikeria Corrections and Treatment Facility construction (New Zealand).	423 MILLION EUROS
9	NORTH AMERICA Building of the new headquarters of the California Natural Resources Agency in Sacramento (United States).	422 MILLION EUROS
10	NORTH AMERICA Construction of a new 12 story hospital tower on the main campus of MetroHealth Medical Center in Cleveland, Ohio (United States).	365 MILLION EUROS
11	ASIA PACIFIC Development of water and wastewater infrastructure in Tasmania (Australia).	360 MILLION EUROS
12	NORTH AMERICA Rehabilitation and improvement works of the Coney Island Hospital in New York (United States).	319 MILLION EUROS
13	ASIA PACIFIC Contract for mining services at QCoal Northern Hub in Bowen Basin (Queensland, Australia).	304 MILLION EUROS
14	NORTH AMERICA Construction of the new Finch West light railway line (PPP) in Toronto, Canada.	291 MILLION EUROS
15	ASIA PACIFIC Project for the construction of the stage 1 of the Parramatta light rail project (New South Wales, Australia).	262 MILLION EUROS
16	SOUTH AMERICA Extension of the contract for mining services in the El Encuentro open pit (Chile).	258 MILLION EUROS
17	ASIA PACIFIC Works for Australia's National Broadband Network consisting of a construction of primarily fiber to the curb technology (FTTC) in different areas of Melbourne, Brisbane and Sydney (Australia).	251 MILLION EUROS
18	ASIA PACIFIC Works for the construction of metropolitan railway infrastructure Metro Tunnel in Melbourne (Australia).	249 MILLION EUROS
19	ASIA PACIFIC Works for the construction of the tunnel and infrastructure of the N103 highway within the North-South Transportation Corridor project in Singapore.	245 MILLION EUROS
20	EUROPE Contract for extension of Copenhagen's underground network to Sydhaven (Denmark).	230 MILLION EUROS
21	NORTH AMERICA Improvements WORKS along I-16 between I-95 and I-516 which includes widening from 4 lanes to 6 lanes, and reconstruction of the I-16 at I-95 interchange to increase operational efficiency (Georgia, United States).	229 MILLION EUROS
22	EUROPE Construction of the new underground station of the Marienhof urban rail (Munich, Germany).	197 MILLION EUROS
23	EUROPE Project for the design and construction of 22 km of the S-6 bypass between Lebork-Trojmiasto in Poland.	194 MILLION EUROS

ACTIVITY IN 2018

The ACS Group Construction division develops its diverse business activities mainly in developed markets that have growth potential and a low risk profile, where the Group already has a consolidated leadership position.

Sales in 2018 reached 28,785 million euros, of which North America (United States and Canada) and Australia together represent close to 80% while Europe represents 12% of which more than two thirds come from Spain and Germany.

In the United States and Canada, the ACS Group develops its construction activities through Dragados, focused on the execution of civil works projects, and the Hochtief Americas subsidiaries; Turner, market leader in "Construction Management", and Flatiron, dedicated to civil works. Sales in this region grew 13% in the year, which after removing the exchange rate difference, came to €15,528 million. The portfolio at the end of 2018 stood at € 28,325 million, growing 22% in the year thanks to the awarding of large civil works contracts such as the construction of the Gordie Howe Transnational Bridge, at this moment the longest in North America, that will unite the cities of Detroit and Windsor and the Automatic Passenger Transportation System at the Los Angeles International Airport, all of which are PPP projects.

In the Asia Pacific region, the Group operates mainly through CIMIC, a subsidiary of HOCHTIEF that is publicly traded in Australia, where its respective subsidiaries operate in different business segments:

- CPB Contractors, dedicated to the construction and civil engineering business.

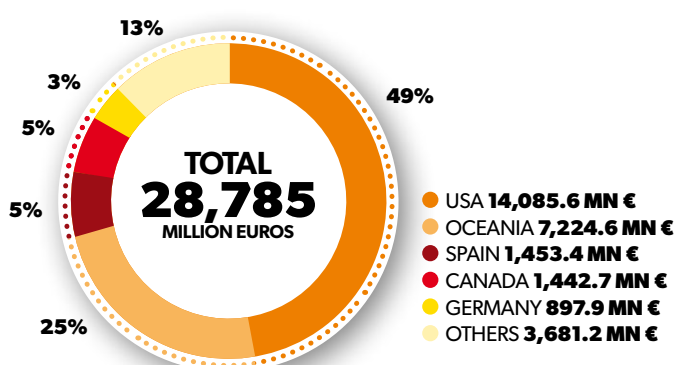
- Thiess and Sedgman, dedicated to the development, operation and maintenance of mines, as well as the processing of ore, respectively.
- UGL, is dedicated to infrastructure operation and maintenance services.

Sales in the region during 2018 amounted to € 9,443 million, growing by close to 10%, adjusted for the exchange rate, while the portfolio stood at € 22,594 million at the end of the year, growing by 6% in comparable terms. The most important awards of the year include the West Connex project in Sydney, for the merging of the M4-M5.

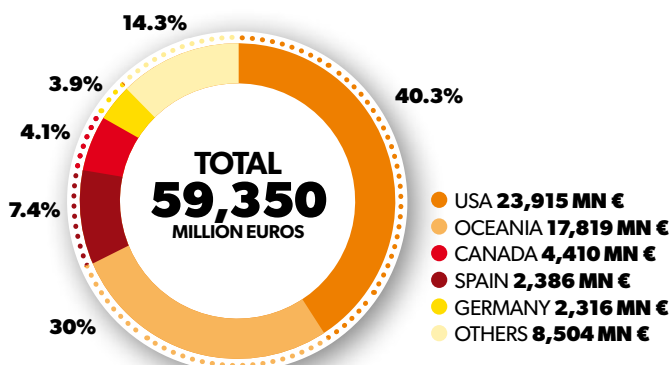
In Europe, the Group operates through Dragados and the division of HOCHTIEF Europe that conducts the civil engineering and construction business activities as well as building construction. Sales reached € 3,411 million and the portfolio stood at € 7,003 million.

Likewise, the Group has three companies dedicated to the development of both transport and social infrastructure concession projects: Iridium, world leader in the development of concessions according to the Public Works Financing magazine; HOCHTIEF PPP which mainly operates in Europe and North America and Pacific Partnership, subsidiary of CIMIC, which for the most part operates in Australia. The joint portfolio includes 91 concession assets, of which close to 75% are in operation. These assets represent a total managed investment of € 47,500 million, of which € 7,800 million represent the construction, operation and maintenance portion of the portfolio.

SALES



BACKLOG





©CPB_Contractors.

ACS GROUP CONCESSION PORTFOLIO

CONCESSIONS

91

75% DEVELOPMENT /
25% CONSTRUCTION

TOTAL MANAGED INVESTMENT

47,491 €MN

50% CONSTRUCTION /
50% O&M

CURRENTLY IN BACKLOG

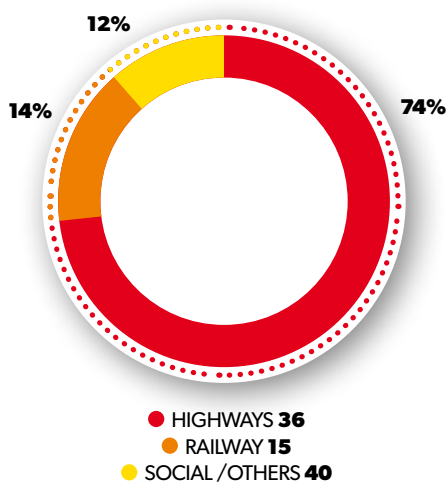
7,810 €MN

75% EXECUTED /
25% REMAINING

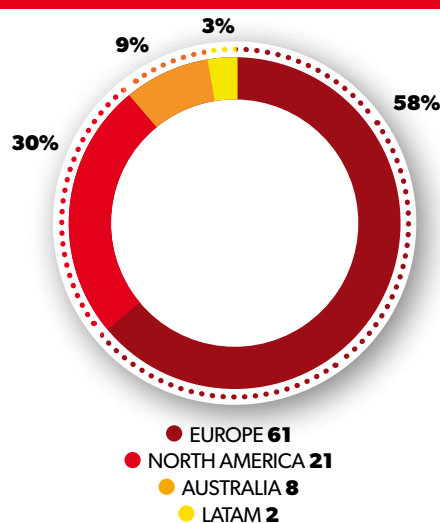
COMMITTED INVESTMENT

1,291 €MN

COMMITTED INVESTMENT BY
TYPOLOGY
(NUMBER OF CONCESSIONS)



COMMITTED INVESTMENT BY
LOCATION
(NUMBER OF CONCESSIONS)



**PUBLIC WORKS
FINANCING**
ACS Global leader in
concessions' development

The investment allocated by the ACS Group to these projects amounts to € 1,291 million, of which it has already disbursed approximately two thirds.

Additionally, the recent acquisition of Abertis reinforces the Group's tender business, by integrating the operation and maintenance of assets that have already begun to mature, and supporting the investment plan for new PPP projects. In this market, more than 150 tender projects have been identified, representing an approximate value of € 230,000 million in the Group's main strategic regions: United States, Canada, Australia and Europe.

Of all the projects identified, the Group is pre-qualified in 15 of them, of which the following are noteworthy:

- The Sydney metro for € 7.3 billion.
- The Cross River Rail project in Brisbane (Australia) for approximately € 2.8 billion.
- The I-10 Mobile River Bridge in Alabama (United States) for more than € 2.1 billion.
- The Silvertown Link in the United Kingdom for about € 1 billion.
- And the LRT Hamilton Project in Ontario (Canada) for about € 1 billion.

MAIN PROJECTS

AUTOMATED PEOPLE MOVER AT LOS ANGELES AIRPORT

CLIENT

Los Angeles, California (USA)

PROJECT EXECUTION DATES

Construction: 5 years

Maintenance: 25 years

LOCATION

Los Angeles, California (USA)

TYPE OF WORK

Civil works

VALUE

Total Investment: € 2,181 million

Amount Construction ACS companies: € 629 million

COMPANIES INVOLVED IN THE PROJECT

Share Capital: ACSID (18%) + HOCHTIEF (18%) + Balfour Beatty (27%) + Fluor (27%) + Bombardier (10%)

Construction: Dragados (20%) + Balfour Beatty (30%) + Fluor (30%) + Flatiron (20%)

Maintenance: ACSID (12.5%) + HOCHTIEF (12.5%) + Fluor (20%) + Bombardier (55%)



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

The concession agreement, signed in April 2018, includes the design, financing, construction and operation for 30 years of an (Automated People Mover), placed at a height of 15 to 20 meters, which will have six stops that will connect the new car rental buildings and the light rail stations of the city, with the airport terminals. Dragados and Hochtief will participate in the construction.

The project, which is approximately 3.6 km in length, will have up to nine trains that will be able to travel simultaneously and will improve passenger access, in the future, to the terminals of the second largest airport in the United States. The project, with a construction price of US\$ 1,950 million, includes the supply of the 44 Bombardier APM vehicles as well as the construction of a 7,000 m2 train warehousing and maintenance facility. Construction is expected to be completed in September 2023.

The financing includes an income tax exempt bonus tranche for bondholders, totaling approximately US\$ 1,300 million. The fact that the demand was almost 7 times greater than the offering, speaks of the success of the issuance, as the transaction had the highest closing volume in California within the P3 market. Additionally, the financial structure includes a bank tranche of approximately US\$ 270 million with five banks.

WESTCONNEX 4 EAST PROJECT

CLIENT

Sydney Motorway Corporation

PROJECT EXECUTION DATES

2016-2023

LOCATION

Sidney (Australia)

TYPE OF WORK

Civil works

VALUE

Aprox. 2,000 MN AUD for CIMIC

COMPANIES INVOLVED IN THE PROJECT

CPB Contractors, EIC Activities

CPB Contractors is responsible for delivering several stretches of the WestConnex highway, which is the largest transportation infrastructure project in Australia. Through its Indigenous and Social Inclusion Strategy, the company is committed to supporting people who are disadvantaged in terms of access to employment and training opportunities. CPB Contractors is part of a joint venture selected to deliver WestConnex M4-M5 Link Rozelle Interchange, which is where two key freeway feeder roads intersect in Sydney. Scheduled for completion by 2023, the project is valued at some AUD 3.9 billion, half



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

of which will be earned by the CIMIC company. EIC Activities will support the venture with geotechnical, structural, mechanical and electrical engineering expertise, thus ensuring cost-efficient construction. Since the traffic arteries will run underground, a roughly ten-hectare public area will be freed up above ground.

GORDIE HOWE BRIDGE CONCESSION CONTRACT (UNITED STATES AND CANADA)

CLIENT

Canada Crown Corporation
'Windsor - Detroit Bridge Authority'
(Federal)

PROJECT EXECUTION DATES

Construction: 2019-2024

Maintenance 30 years

LOCATION

Windsor (Canada) and Detroit (USA)

TYPE OF WORK

Civil works

VALUE

Total Investment: € 2,600 million

Construction Amount:

€ 1,052 million

COMPANIES INVOLVED IN THE PROJECT

Share Capital: ACSIC (40%) +
Fluor (40%) + Aecon (20%)

Construction: Dragados (40%) +
Fluor (40%) + Aecon (20%)

Maintenance: ACSIC (40%) +
Fluor (40%) + Aecon (20%)

In July 2018, the Federal Government of Canada awarded the ACS Group, through its affiliates ACS Infrastructure Canada (Iridium) and Dragados Canada, the concession contract for the new Gordie Howe International Bridge Project connecting Detroit (USA) and Windsor (Canada), including the border crossings associated with the bridge.

The public-private partnership (PPP) project includes the design, construction, financing, operation and maintenance for 30 years of a new 2.5 km international cable-stayed bridge between the cities of Detroit (USA) and Windsor (Canada). The bridge, which will cross the Detroit River (which separates both countries), will have 6 lanes (three in each direction) and its main span will be the longest in North America, being more than 850 meters in length, without piers in the water. The contract also includes the construction and maintenance of border facilities in Canada (53 hectares) and in the United States (68 hectares), including all buildings for the control of passengers and vehicles, as well as rehabilitation works for



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

the I-75 highway, which connects Detroit to the bridge.

The border crossing between Windsor and Detroit is one of the busiest in North America and is of vital importance for the economy and industries of both countries, representing up to 25% of the exchange of goods between the US and Canada. The new project will provide another alternative route for the transportation of goods and people between the United States and Canada, while reducing the congestion in the existing routes and favoring the growth of trade relations between both countries.

The funding is backed by more than CAN\$ 1,033 million from a bond issuance in the capital markets of Canada and the US with two tranches, one long-term maturing in 35 years and a second tranche in the medium term maturing in 20 years. Both tranches have an A-credit rating according to Standard & Poors. The short-term financing during the construction period has been structured using bank debt, which was syndicated by five international banks.



ABERTIS

Abertis is one of the international market leaders in the management of toll roads, managing over 8,600 kilometers of high capacity and quality roads in 15 countries in Europe, the Americas and Asia.

Abertis is the first national operator of toll roads in countries such as Spain, Chile and Brazil, and also has a significant presence in France, Italy and Puerto Rico. The company has stakes in more than 700 km in the United Kingdom, Argentina and Colombia.

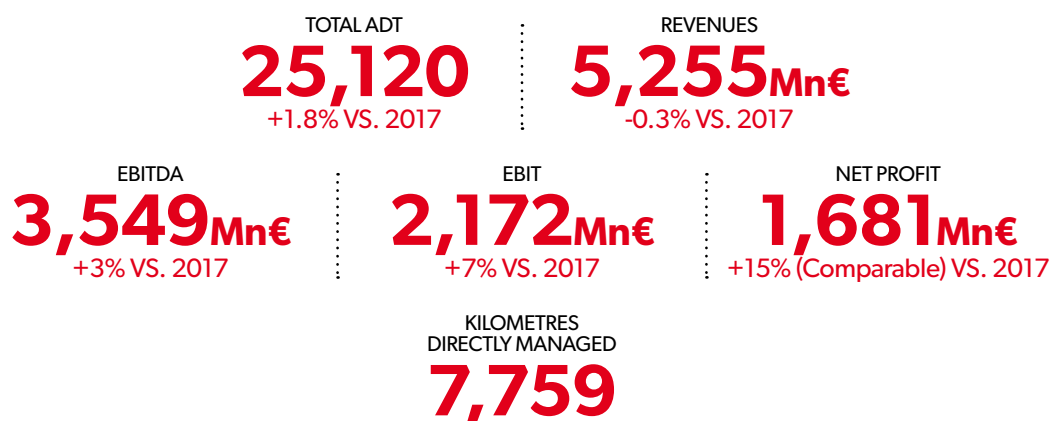
Due to the internationalization strategy developed by the Group in recent years, currently more than 70% of the revenue of Abertis comes from outside Spain, with special weight of France, Brazil and Chile.

For Abertis, the safety of drivers is a priority. It is continually investing in technology and smart engineering to make sure our customers have a smooth experience using our roads: safe, comfortable, fast and convenient.

Committed to research and innovation, Abertis combines the advances in high capacity infrastructures with the new technologies to drive innovative solutions to the challenges of the mobility of the future.

MAIN FIGURES

At the close of the 2018 financial year, activity in the highways of Abertis presents a positive evolution, thanks to the solid increases in activity registered in the main countries in which it operates the group. In this sense, the levels of achieved in Spain (which continues with the path of growth marked since 2016), growth traffic in France, as well as the contribution to the growth of Italy and Chile. Also highlights the recovery in Brazil, despite the strike transport that affected heavy traffic during the month of May, and in Puerto Rico, after the reconstruction work on the island after the damage caused by hurricane Maria in 2017.



2018 DATA

Country	Km	ADT	Var IMD
Spain	1,559	21,560	+3.3%
France	1,761	25,268	+1.7%
Italy	236	65,395	+1.2%
Brazil	3,014	18,681	+0.8%
Chile	773	27,626	+3.0%
Puerto Rico	90	69,185	+7.0%
Argentina	175	82,239	-0.7%
India	152	20,556	+4.8%
Total Abertis	7,759	25,120	+1.8%





4.2. INDUSTRIAL SERVICES

ONE OF THE MAIN GLOBAL
COMPETITORS IN APPLIED INDUSTRIAL
ENGINEERING SECTOR

AN INDUSTRY MODEL

The activity of the Industrial Services area of the ACS Group is focused on the development, construction, maintenance and operation of energy, industrial and mobility infrastructure, as well as the development of projects related to utility concessions.

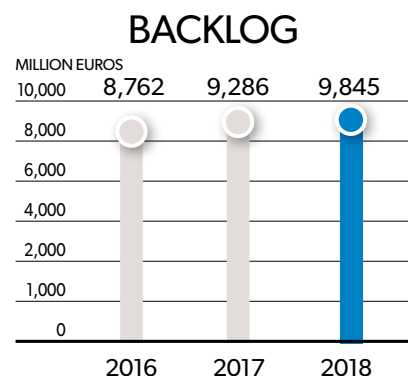
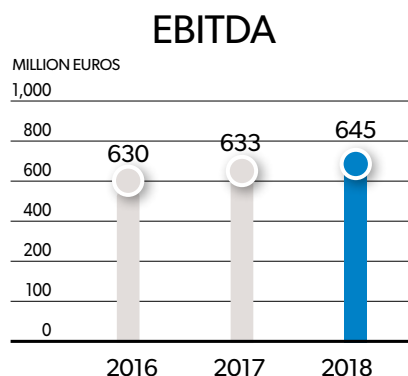
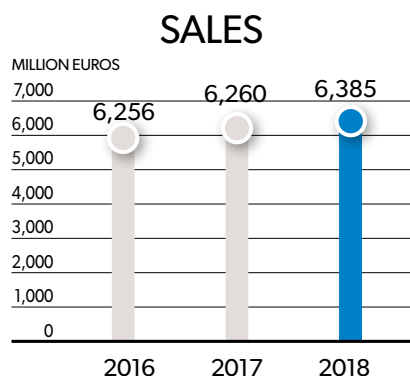
Thanks to the large group of companies via which the Industrial Services area carries out its activities, it is now one of the main global competitors in applied industrial engineering, with projects in over 60 countries.

SALES
6,385
MILLION EUROS

BACKLOG
9,845
MILLION EUROS

EBITDA
645
MILLION EUROS

NET PROFIT
325
MILLION EUROS



5.55
-12.5% VS 2017
FREQUENCY RATE*

57
NUMBER OF ONGOING R&D
PROJECTS

0.16
-5.9% VS 2017
SEVERITY RATE **

15.7
INVESTMENT IN R&D
(MN €)

11.20
-17.6% VS 2017
INCIDENT RATE***

33.1
INV. IN HEALTH AND SAFETY
(MN €)

INCREASE IN THE SCOPE OF REPORTING ENVIRONMENTAL INDICATORS

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

**Severity Rate: number of working days missed due to accidents per every thousand hours worked.

***Incident Rate: number of accidents with time off per every thousand workers.



The activities carried out by the ACS Group's Industrial Services area are grouped into two primary business lines:

INDUSTRY SUPPORT SERVICES

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

- **Networks:** electricity, gas and water distribution network maintenance services and activities, in which the ACS group has over 80 years' experience.
- **Specialized Facilities and Construction:** covering construction, installation and maintenance activities for high-voltage electricity networks, telecommunications systems, rail facilities, electricity facilities, mechanical assemblies, marine platforms and artifacts and air conditioning systems.
- **Control Systems:** activities for installing and operating control systems for industrial and municipal services, of particular note traffic and transport control systems and systems for the comprehensive management of public infrastructure and industrial plants.

INTEGRATED PROJECTS AND RENEWABLE ENERGY: GENERATION

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

It is also worth highlighting the ACS Group's experience promoting and participating in concession assets, related mainly to energy, such as wind farms, solar thermal plants (either with a central tower or with parabolic trough collectors, and with molten salt energy storage technology) transmission lines, purification plants and desalination plants. As of December 31, 2018, the total volume of investment in the concession assets amounted to €4,485 million. See appendix 9.4.3 for the full breakdown.

SALES
3,794
MILLION EUROS

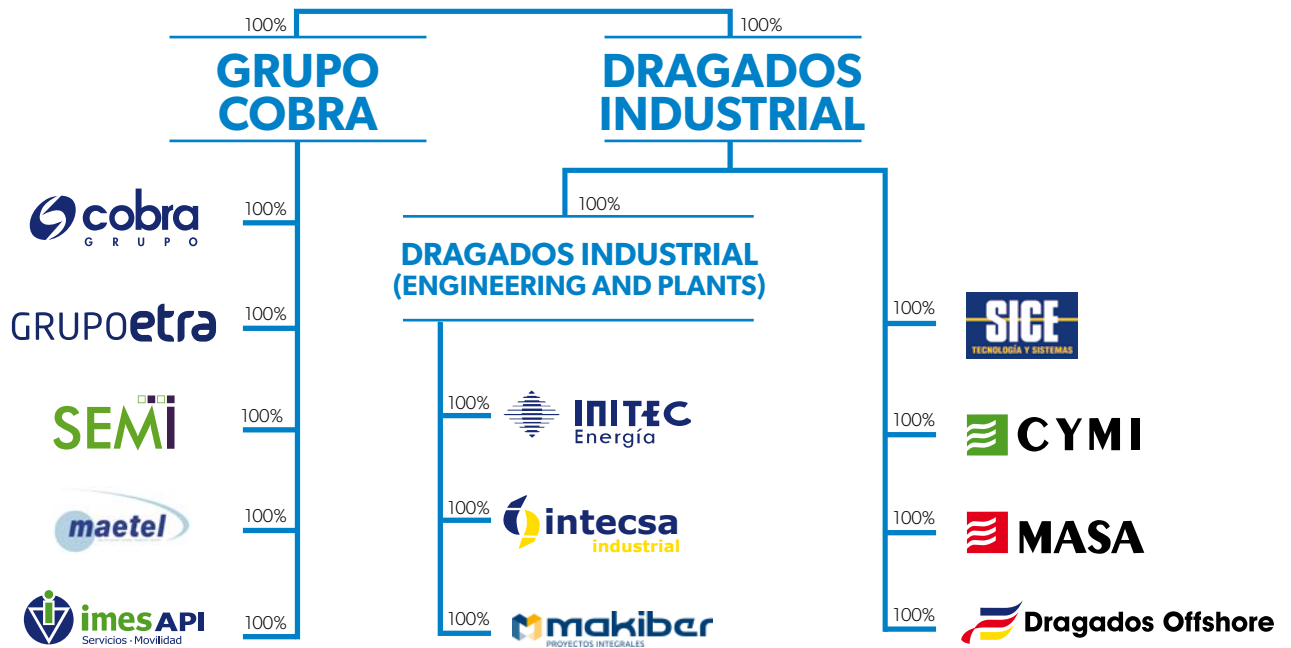
BACKLOG
5,165
MILLION EUROS

SALES
2,597
MILLION EUROS

BACKLOG
4,679
MILLION EUROS



INDUSTRIAL SERVICES



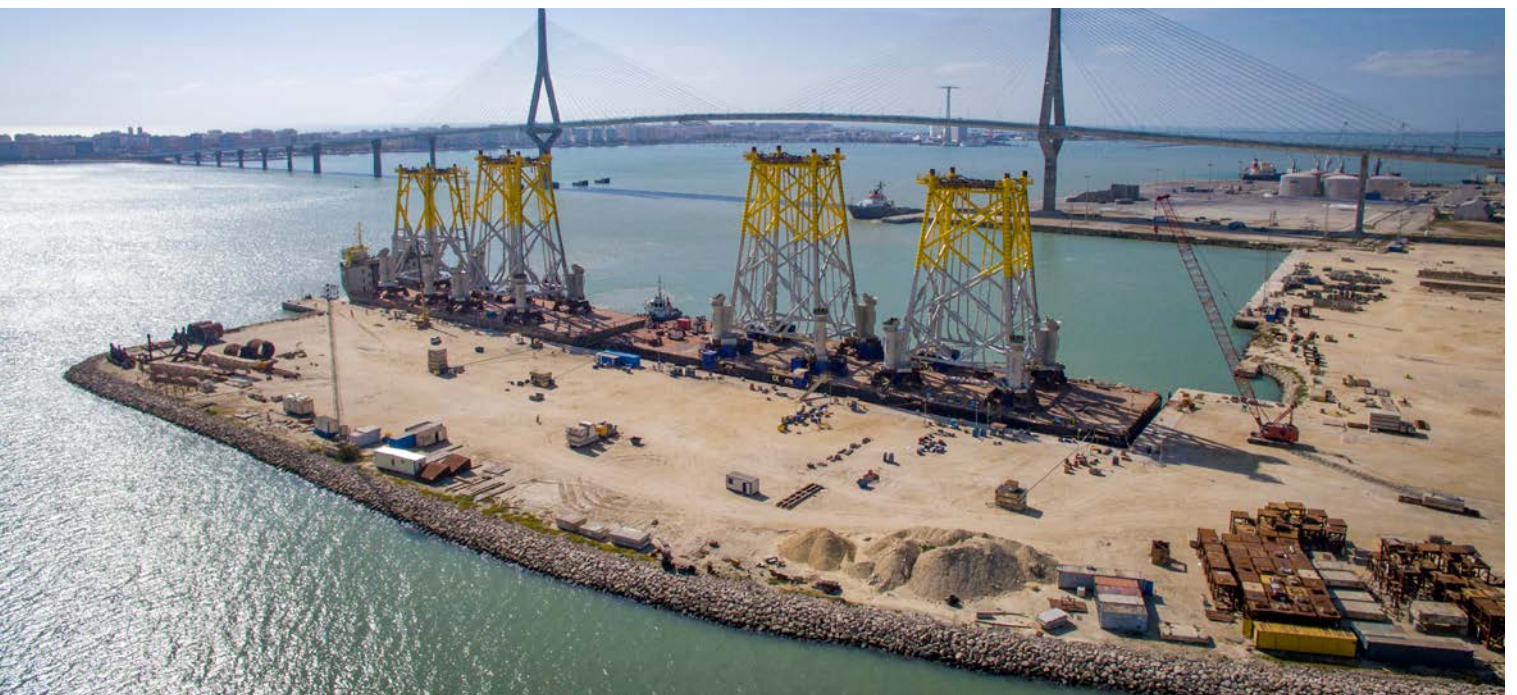
These activities are distributed among the various enterprises that comprise the companies at the forefront of the industrial services activity: the Cobra Group and Dragados Industrial, two sector-leading business groups with more than 50 years of proven experience.

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

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



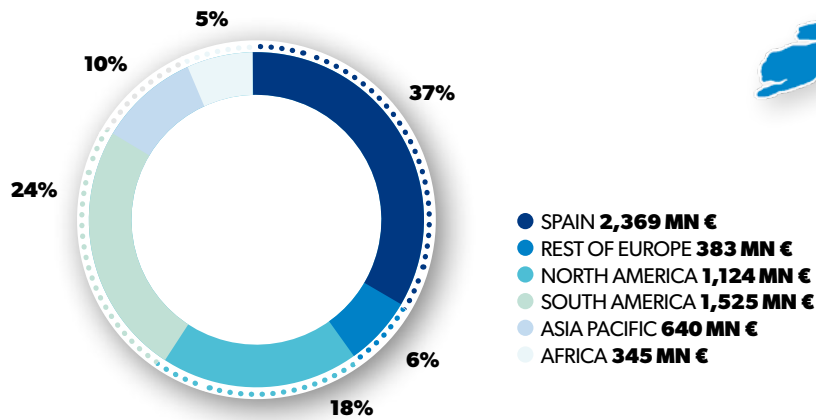
For further information:
5.5. Industrial Services



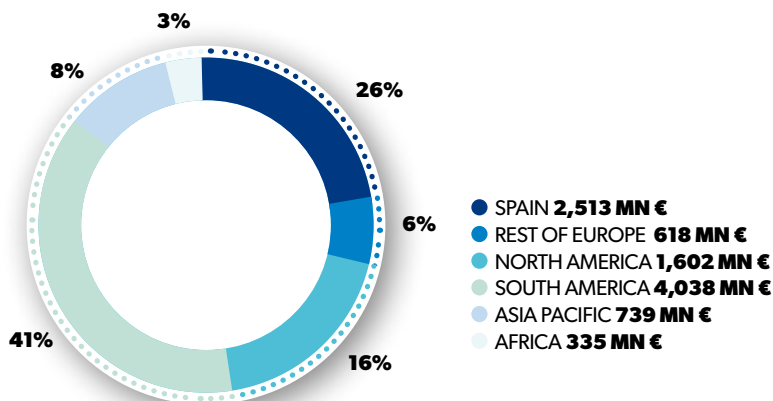


THE ACS GROUP'S INDUSTRIAL SERVICES ACTIVITY IN 2018

2018 SALES BREAKDOWN BY GEOGRAPHICAL AREAS







2018 BACKLOG BREAKDOWN BY GEOGRAPHICAL AREAS



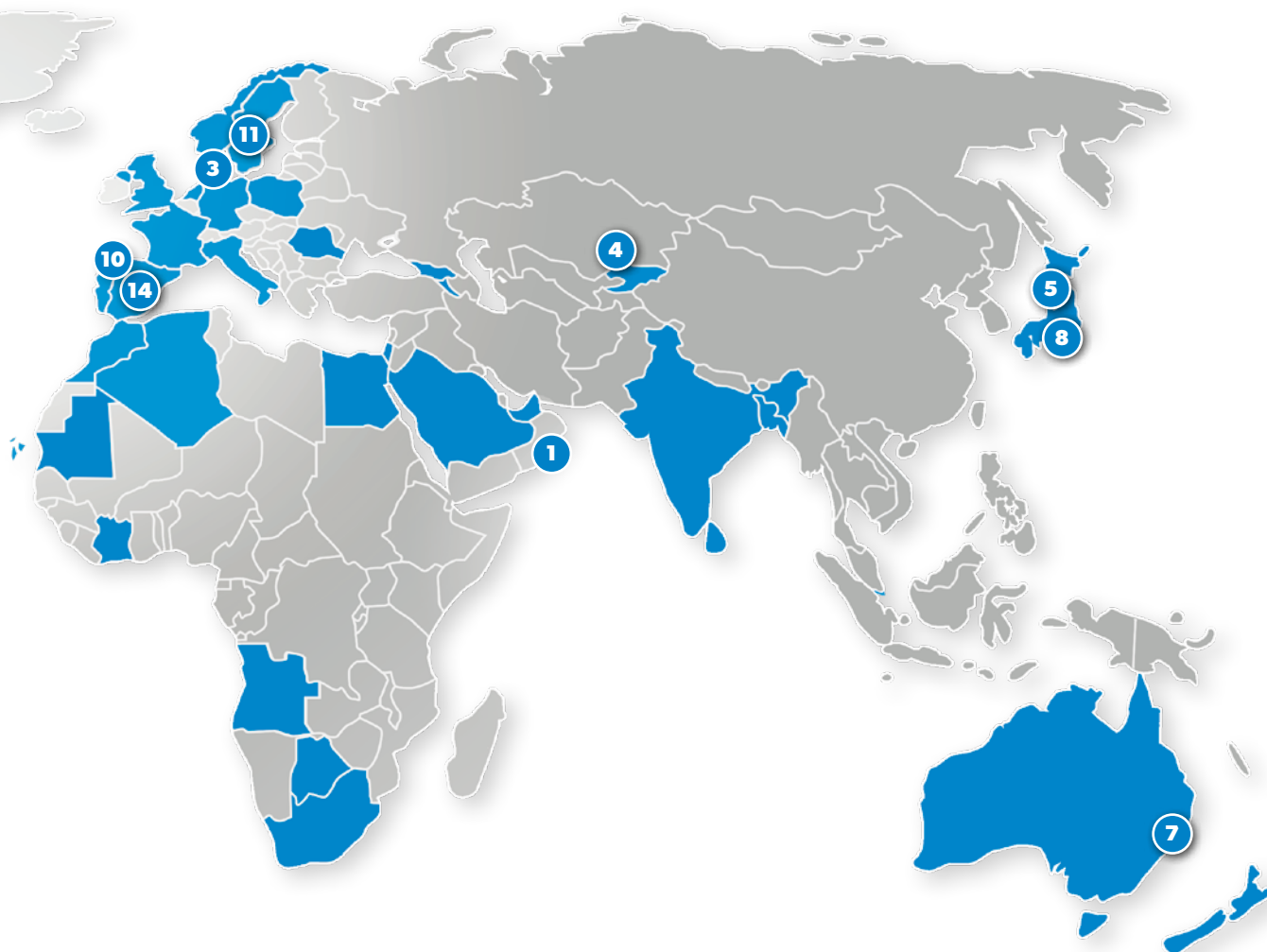
2018 SALES BREAKDOWN BY COUNTRY (MN €)

SPAIN	2,369
MEXICO	976
BRAZIL	657
PERU	264
SAUDI ARABIA	204
UNITED ARAB EMIRATES	192
CHILE	184
JAPAN	146
PORTUGAL	127
UNITED STATES	115
EGYPT	109
SOUTH AFRICA	101
PANAMA	80
COLOMBIA	72
ARGENTINA	71
GERMANY	58
GUATEMALA	53
OTHERS	607

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

INTEGRATED PROJECTS 
SPECIALISED PRODUCTS 
CONTROL SYSTEMS 
NETWORKS 

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



MAIN AWARDS IN 2018

1 	ASIA PACIFIC Construction of a 300 MW Combined Cycle plant of natural gas, integrated with a seawater reverse osmosis desalination plant located in Duqm (Oman)	VALUE 148 MILLION EUROS	6 	AMERICA Works for the development of Mexsolar I and II photovoltaic plants with an installed capacity of 70.35MW (Mexico)	VALUE 53 MILLION EUROS	11 	EUROPE Contract for the implementation of the traffic systems of the Stockholm bypass: a beltway that includes 55 kilometers of tunnel (Sweden)	VALUE 31 MILLION EUROS
2 	AMERICA Contract for the construction of the project of Vale Azul II sa natural gas thermoelectric power plant (Rio de Janeiro, Brazil)	VALUE 143 MILLION EUROS	7 	ASIA PACIFIC Works for the installation of the intelligent transport system and operation and maintenance of the control system for the M4-M5 project (main tunnel) within the WestConnex in Sydney (Australia)	VALUE 44 MILLION EUROS	12 	AMERICA Contract for the management of the electronic toll collection subject to performance standards in the highway network granted to Mexico's National Infrastructure Fund (Fonadin)	VALUE 29 MILLION EUROS
3 	EUROPE Contract for two jackets for the Tyra Future Development Project in the North Sea (Denmark)	VALUE 83 MILLION EUROS	8 	ASIA PACIFIC Integrated project for the construction of Kesennuma photovoltaic plant (Japan)	VALUE 40 MILLION EUROS	13 	AMERICA Services for works and support for the maintenance of medium and low voltage networks in Argentina	VALUE 28 MILLION EUROS
4 	ASIA PACIFIC Project for the upgrade and rehabilitation of the Qairokkum hydropower plant in Tajikistan	VALUE 70 MILLION EUROS	9 	AMERICA Remedial works to the Changuinola hydroelectric plant (Panama)	VALUE 39 MILLION EUROS	14 	SPAIN Contract for the operation and maintenance of the sewerage network and complementary facilities in Madrid (Spain)	VALUE 27 MILLION EUROS
5 	ASIA PACIFIC Development of the Kurayoshi photovoltaic park with an installed capacity of 42MW (Japan)	VALUE 61 MILLION EUROS	10 	SPAIN Contract for the service of maintenance and execution of new work in the period 2019-2021 for Endesa substations in different regions of Spain	VALUE 35 MILLION EUROS			

BUSINESS IN 2018

.....

The strategy of the Industrial Services area is based on three fundamental pillars that in 2018 have continued to contribute to the advancement and consolidation of the leadership of these companies in their respective sectors. These pillars are:

TERRITORIAL DIVERSIFICATION

Territorial diversification is one of the major assets of the Industrial Services area. Consolidation in the current geographical markets and penetration into new markets are essential for growth and stability in the medium and long term. Thus, in addition to having a strong presence in Spain, it maintains a high level of business activity in North America, mainly in Mexico, as well as significant consolidation in the Andean Region, Brazil, the Southern Cone, Central America and the Caribbean.

In Asia Pacific it is working on projects in the Middle East and in other countries, such as Japan. It also maintains a presence in countries such as Malaysia, New Zealand and Australia, and continues to explore opportunities in a selection of countries in Africa.

PERMANENT ADAPTATION TO ACCELERATED TECHNOLOGICAL AND MARKET EVOLUTION

One of the main business drivers in the world of industrial engineering is energy and environmental sustainability, which highlights the accelerated development of renewable energies, energy efficiency services and flexibility services for the balancing of electrical systems and the reliability of the electricity supply. In this regard, the Industrial Services area of the ACS Group has a privileged strategic position: as it is a leading company in executing integrated projects for onshore and offshore wind energy, it has a growing presence in large solar thermal and photovoltaic projects throughout the world, as well as being one of the leading regional hydroelectric companies in Latin America.

Likewise, in the coming years, the sector will benefit from the evolution and implementation of new technologies. The Industrial Services area has a good starting position thanks to several of its business units, which operate in the business segments of ICT, Big Data, Artificial Intelligence, advanced communications, etc. The monitoring and implementation of these technological advances, both for the improvement of internal processes and to adapt to customers' needs, will be one of the greatest development opportunities in the future.

CONCESSIONARY ACTIVITIES

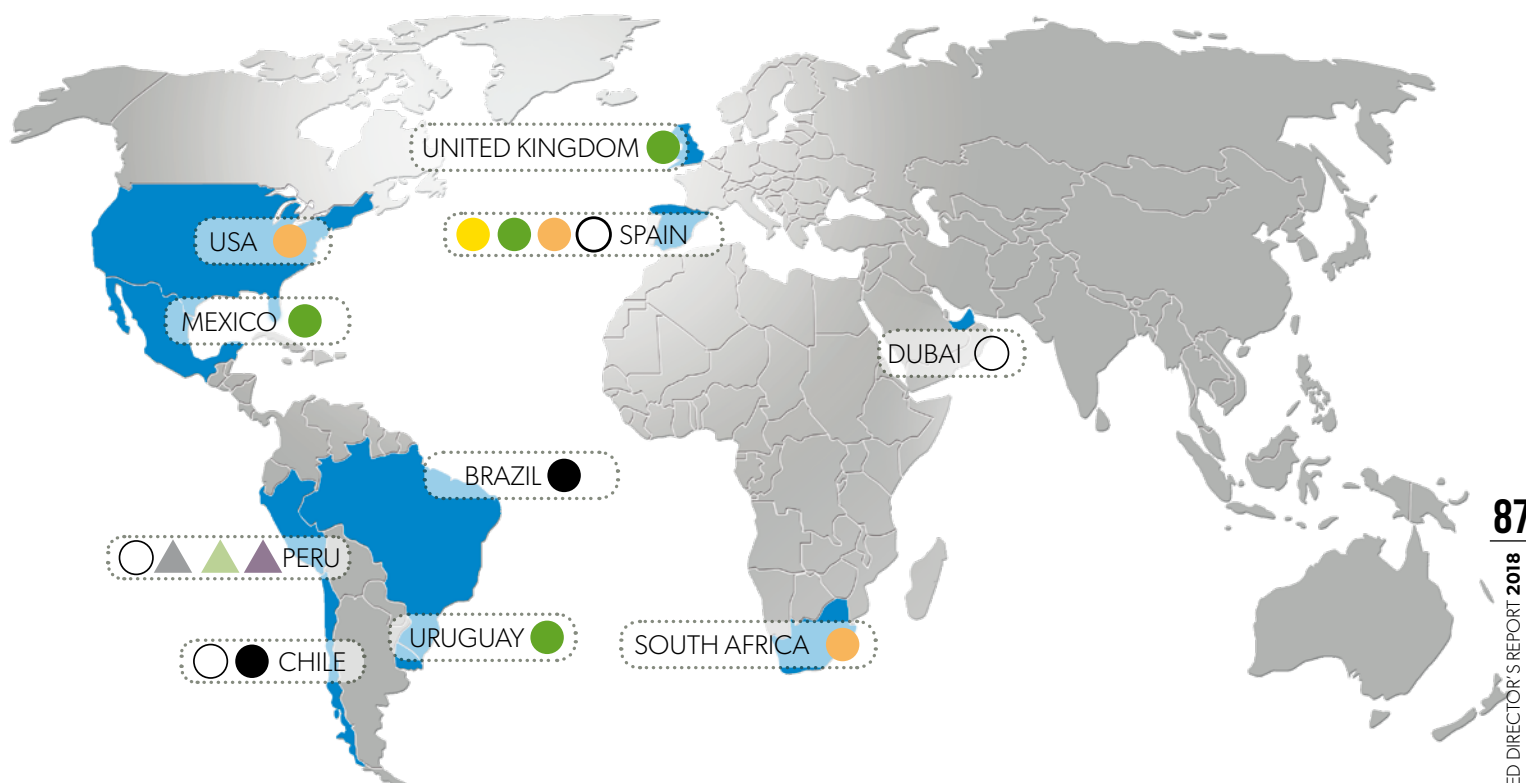
Lastly, an important factor for the Industrial Services area is its coexistence with a solid demand for investment in energy infrastructure. The reliability, experience and reputation of ACS as a guarantor of the technical success of projects, in terms of compliance with deadlines, prices and returns, makes the Group companies a partner that sets the standard for many of the major international investors, which makes it possible for the respective companies to take on the roles of developers and integrators of tender projects for operations in the field of energy (renewable energy generation, electricity transmission and sustainable transport) and the environment (desalination, water treatment, sewage treatment). These capacities are reinforced by the acquisition of the remaining 49% of Bow Power, that was formalized in February 2019.

Currently, the ACS Group has around 50 assets in its project portfolio involving renewable energy, transmission lines, desalination projects, irrigation and water treatment, along with other energy assets. Renewable energy assets in operation or development account for nearly 2,000 MW, including photovoltaic plants. The contribution of ACS committed to these projects exceeds €1,600 million, of which €800 million have already been invested.

COMPETITIVE POSITION IN THE ENERGY SECTOR

ASSETS UNDER CONSTRUCTION / OPERATION

ACS CONTRIBUTION €800 M



INVESTMENT
€4,500 M

As for the portfolio of potential renewable energy projects, there are more than 10,800 MW being promoted, of which 7,700 MW are in photovoltaic plants, 2,900 MW in wind farms and 200 MW in solar thermal power plants, ensuring the future growth of the Group in this area.

RENEWABLE ENERGIES

2,000 MW

8 PHOTOVOLTAIC (PV)	1,235 MW
9 WIND ENERGY	410 MW
3 THERMOSOLAR	260 MW
1 HYDROELECTRIC	20 MW

TRANSMISSION LINES	7,310 KM
9 DESALINATING / PURIFICATION PLANTS	2,266 KM ³ /DAY
1 COMBINED CYCLE	223 MW
1 WATERING	52.5 K HA



MAIN PROJECTS

88

INTEGRATED REPORT / ACS GROUP

DEVELOPMENT OF THE MULA PHOTOVOLTAIC PLANT



For further information:
Website (www.grupoacs.com)
Industrial Service Projects
Industrial Service Awards

CUSTOMER

Promosolar JUWI17 S.L.U

PROJECT EXECUTION DATES

February 2018 - June 2019

LOCATION

Mula (Murcia, Spain)

CONTRACT TYPE

Integrated Projects

AMOUNT

€285.3 M

COMPANIES INVOLVED IN THE PROJECT

Cobra Instalaciones
y Servicios, S.A.

Photovoltaic project with 493.74 MW peak generating capacity, covering approximately 1,000 ha within the municipality of Mula in the province of Murcia.

The main characteristics of the Solar Power Plant are:

- Photovoltaic installation on ground in a fixed 3V metallic structure.
- Polycrystalline type photovoltaic modules.
- Internal 30 KV medium voltage distribution network.
- Two electrical substations, each located on site and interconnected by 132 KV high voltage underground line.
- 400 KV high voltage network consisting of approximately 20 km for evacuation line from the solar plant to the ST El Palmar Transmission Network junction.

KINCARDINE OFFSHORE FLOATING WIND FARM (SCOTLAND)

CUSTOMER

KINCARDINE OFFSHORE WIND LIMITED (KOWL)

PROJECT EXECUTION DATES

December 2017 - September 2019

LOCATION

Aberdeen, Escocia

CONTRACT TYPE

Integrated Projects

AMOUNT

€330 million

COMPANIES INVOLVED IN THE PROJECT

Cobra instalaciones y Servicios

Project involving Offshore Floating Wind Farm generation. Kincardine Offshore Floating Wind Farm (KOWF) will be an offshore demonstration floating commercial wind farm with a capacity of up to 50 MW. When completed, it will consist of seven turbines installed in semi-submersible floating structures 15 km southeast of Aberdeen with two transmission cables running from the turbines to Altens.



For further information:
Website (www.grupoacs.com)
Industrial Service Projects
Industrial Service Awards



The generation capacity will not exceed 50 MW, with each turbine generating between 2 and 8.4 MW.



4.3. SERVICES

CLECE, A BENCHMARK COMPANY IN
SERVICES FOR PEOPLE



AN ACTIVITY GEARED TOWARDS PROVIDING SERVICES TO SOCIETY

1. ANOTHER WAY OF UNDERSTANDING THE SERVICES PROVIDED: QUALITY, COMMITMENT AND CLOSE PROXIMITY

Clece is the main multi-service company in Spain, founded 26 years ago, the company has a service portfolio with more than 30 different activities, grouped into three major areas: services for buildings, services for the environment and services

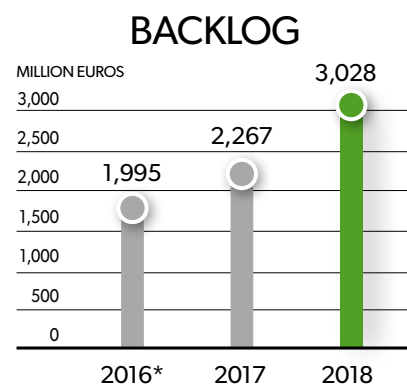
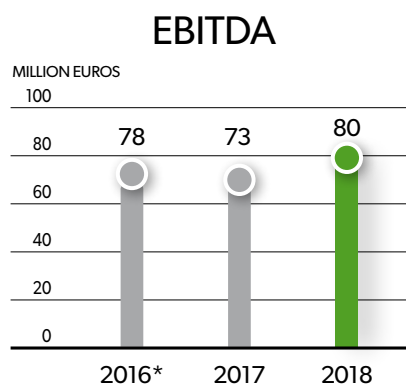
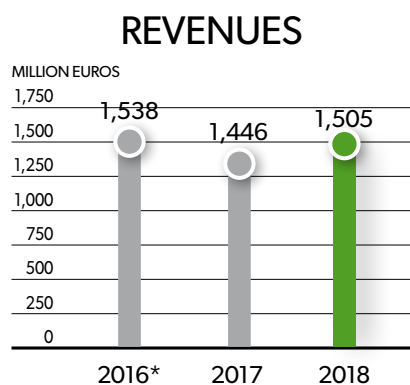
for people, and it has consolidated its model in countries such as Portugal and the UK. During all these years, the company has maintained an uninterrupted growth with a single objective: to create and maintain a company of people for the people.

SALES
1,505
MILLION EUROS

BACKLOG
3,028
MILLION EUROS

EBITDA
80
MILLION EUROS

NET PROFIT
37
MILLION EUROS



*In 2016, Syntax was included.

11.6%
OF EMPLOYEES BELONGS
TO VULNERABLE GROUPS

>1.3
MILLION
ATTENDED PEOPLE

197
CENTERS FOR
VULNERABLE GROUPS

261
RETIREMENT
HOMES

218
CHILDREN
SCHOOLS

6,800
BUILDING MAINTENANCE
CONTRACTS

350
COLLABORATION AGREEMENTS
WITH NON-PROFIT INSTITUTIONS AND
ORGANIZATIONS

SERVICES FOR PEOPLE

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

SERVICES FOR BUILDINGS

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

SERVICES FOR THE CITY AND THE ENVIRONMENT

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

Clece's success in recent years is not only due to a constantly growing and diversified business model, but is also a result of its solutions provided to the new needs of citizens and organizations. These range from the development of dependency services in Spain and the UK, to activities linked to the sustainability of cities and their surroundings such as environmental protection and energy efficiency, plus the inclusion of vulnerable communities and a comprehensive vision of care for the elderly and early childhood education.

In all the activities developed by Clece, people have been placed as a central element of development. On the one hand, Clece provides professional development opportunities to 75,197 workers, 11.6% of them from disadvantaged groups (people with different abilities, victims of male violence, people at risk of social exclusion or unemployed young people), on the other hand, the services provided are aimed at caring for people and their environment, improving the quality of life of users and helping when and where it is most needed.

During recent years, all company figures have improved, increasing sales, the number of workers and, as a result, its contribution to society. The good results have been based on an appropriate selection of projects and type of services. It is a balanced combination of public and private services of medium duration, focused on human capital, where we take care of people and their places of work, leisure and transport through interior cleaning services, home care services, gardening and forestry services, maintenance of facilities, airport services, security or catering, among others. To this activity, Clece has incorporated the long-term and integral management of certain places such as residential

homes, nursery schools and sports centers. In the more than 260 integral management centers, the company has invested to improve the facilities and provide them with the greatest level of comfort.

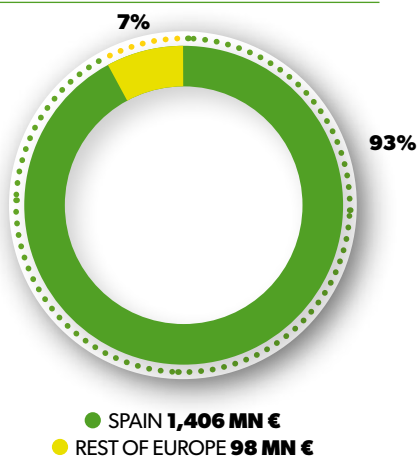
All this in a company where the prevention of labor risks, regulatory compliance and quality are synonymous with the services provided. This implies that all the workers reach the highest standards of quality and efficiency. This allows us to work in the most demanding environments such as nuclear power plants, automotive industries, laboratories, pharmaceutical companies, large healthcare centers, universities, agri-food industries, transport centers, as well as technological and financial industries.

In addition, Clece has achieved a solid financial position and sufficient profitability, which provides for the sustainable professional development of the workers. In addition, it continues to invest in improving the quality of life of users in the countries where it is present, combined with the care provided directly to thousands of people and taking care of their environment, all of which makes Clece a company that has a more human quality and social orientation.

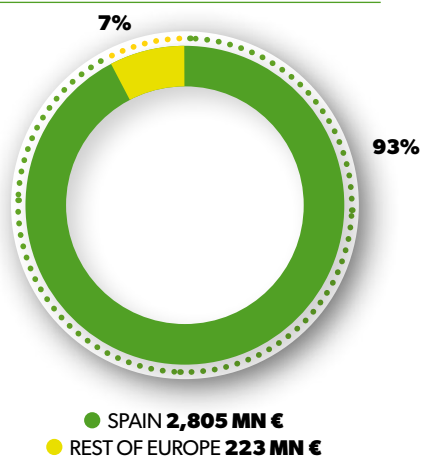
In this way, Clece is a key player in the global strategy of the ACS Group and its commitment to the local environments where it carries out its activities. Its infrastructure management and maintenance activities ensure the presence of the ACS Group throughout the infrastructure business value chain. Its markedly social emphasis helps the Group to understand society's real needs, and enables it to identify opportunities in the Group's respective business activities.

SERVICE ACTIVITY OF THE ACS GROUP IN 2018

2018 SALES BREAKDOWN BY
GEOGRAPHICAL AREAS



2018 BACKLOG BREAKDOWN
BY GEOGRAPHICAL AREAS



2018 SALES BREAKDOWN BY COUNTRIES (MN €)

SPAIN	1,406
UNITED KINGDOM	76
PORTUGAL	22



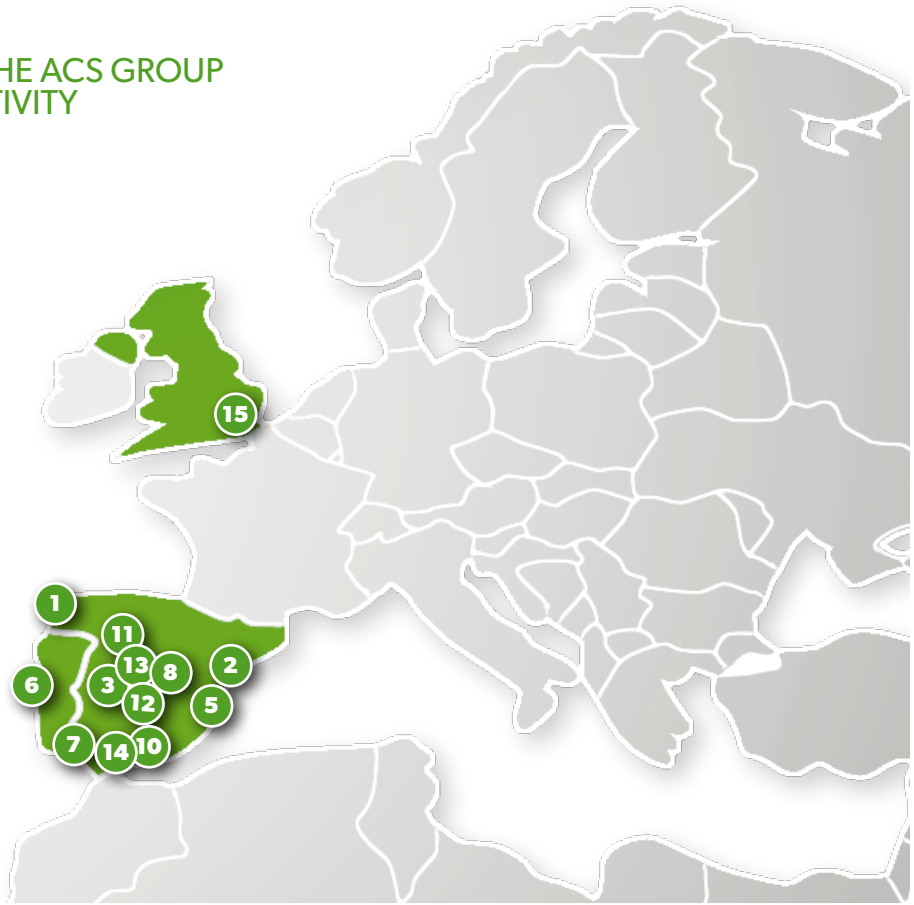


MAIN COUNTRIES WHERE THE ACS GROUP DEVELOPS ITS SERVICES ACTIVITY

SERVICES FOR PEOPLE

SERVICES FOR BUILDINGS

SERVICES FOR THE CITY AND THE ENVIRONMENT



2018 MAIN AWARDS

1 SPAIN New award for the management of the retirement homes of Oleiros, Emilia Pardo Bazán and Plaza Donoso Cortés (Spain)	217 MILLION EUROS	7 SPAIN New contract for facility management of a retirement home in Huelva (Spain)	64 MILLION EUROS	13 SPAIN Expansion of the cleaning service contract in facilities of the Ministry of Defense (Spain)	31 MILLION EUROS
2 SPAIN New contract for cleaning services in the east area of Spain for the railway company Renfe	95 MILLION EUROS	8 SPAIN Renewal of the contract for cleaning services and disinfection, disinsection and rodent control in the facilities of the Ministry of the Interior (Spain)	48 MILLION EUROS	14 UNITED KINGDOM Renewal of the service contract for home help in Seville (Spain)	27 MILLION EUROS
3 SPAIN New award of the cleaning service contract for local buildings and state agencies located in the Community of Madrid (Spain)	73 MILLION EUROS	9 SPAIN Extension of the contract for the cleaning service in different hospitals in Canarias (Spain)	40 MILLION EUROS	15 SPAIN New contract for the home help service in Hampshire County Council (UK)	27 MILLION EUROS
4 SPAIN Contract for the integral management of the retirement home of San Cristóbal de la Laguna in Tenerife (Spain)	68 MILLION EUROS	10 SPAIN Extension of the service contract for Home Help in the Diputación de Jaén (Spain)	39 MILLION EUROS		
5 SPAIN Extension of the contract for the cleaning service in different hospitals in the Valencian Community (Spain)	68 MILLION EUROS	11 SPAIN New contract for the management of a retirement home in Salamanca (Spain)	36 MILLION EUROS		
6 SPAIN New contract for management and exploitation of the Areiro retirement home (Lisbon, Portugal)	65 MILLION EUROS	12 SPAIN Contract for the management of the retirement home of the Avda Carondelet in Madrid (Spain)	35 MILLION EUROS		

BUSINESS ACTIVITY IN 2018

.....

The company's strategy focused on a multi-service model through which it responds to the needs of individuals and organizations, together with the expansion of its business areas in its target markets, ensures the visibility of the turnover for the next two years.

In Spain, it combines the procurement and renewal of public and private medium-term service contracts (such as the cleaning contract for RENFE in the eastern part of Spain or the extension of the home care service in Jaén) with contracts for the integral and long-term management of facilities such as early education schools, sports facilities or retirement homes. In the rest of Europe, Clece's portfolio has doubled compared to 2016, reaching €223 million, while already representing 7.4% of the company's total backlog. This growth is particularly evident in the United Kingdom, where during 2018 progress has been made with the acquisition of new contracts, such as the contract for home care services in Hampshire County Council, and the acquisition and integration of new companies specialized primarily in providing social services.

In this aspect, care for the elderly is a sector that has expanded in recent years, and will represent one of the main market niches in the coming decades. This is also the case in regards to social and health care for dependent individuals, where services such as telecare, home care, day centers and residential homes have plenty of room for development. Thus, demographic evolution poses a challenge for Public Administrations, which have to address issues such as

increasing needs for healthcare and social services, making public-private collaboration essential. However, the challenge not only affects the public sector, but also private business.

In this area, in 2018, Clece implemented the management of five private residential homes in various parts of Spain and Portugal with the aim of providing 550 people, with different degrees of dependence, with a suitable and well located place for this stage of their lives. Clece started this project seven years ago with two residential homes located in Soria and Venta de Baños (Palencia). In the beginning this was an addition to the management of publicly owned residential homes where Clece is a renowned leader in Spain with more than 100 retirement homes under management. Currently there are 15 private centers managed by the company. A team of 800 workers cares daily for 1,550 users with different degrees of dependence. The goal is for residents to feel at home and be cared for in a personalized manner. Therefore, the environment, both personal and architectural, seeks to transfer an environment that is similar to home, strengthening the organization in units of coexistence with individual-focused close and personalized care.

Along these lines, the Clece teams are working on 14 new residential homes, which will open their doors in 2019 -2021, incorporating 1,350 additional spaces into the Clece offering in places like Madrid, Galicia, the Canary Islands, Andalusia, Catalonia, the Valencian Community, among others. With these private residential homes, Clece has reached a backlog totaling more than €900 million.



NOTEWORTHY PROJECTS

HOSPITAL CLEANING SECTOR

CUSTOMER

GRUPO RENFE S.A.

PROJECT/CONTRACT EXECUTION DATES

10/18/2018 TO 10/17/2022 (4 YEARS OF CONTRACT + 1 YEAR OF POSSIBLE EXTENSION)

LOCATION

VALENCIAN COMMUNITY, MURCIA, ARAGON AND CATALONIA

TYPE OF PROJECT/ CONTRACT

TECHNICAL CLEANING

AMOUNT

€95M

COMPANIES INVOLVED IN THE PROJECT/CONTRACT

CLECE



For further information:
Website (www.grupoacs.com)
Services Projects
Awards Services

Clece has served RENFE in an almost uninterrupted manner since 1996, when it was awarded the medium-distance trains. Since then, it has participated in several cleaning and maintenance contracts for the railway operator. This experience has been extended to other companies in the sector such as ADIF, Talgo, Alstom, Nertus, Bombardier and CAF. The execution of cleaning services for trains and locomotives, service and traveler premises in stations, RENFE shops and offices in the east zone amount to more than 300 locations. A team of 600 people is in charge of the technical cleaning tasks in the manufacturing and maintenance workshops, as well as the cleaning of premises, offices and the mobile fleet of more than 400 units, including commuter and Rodalies trains, medium-distance trains and freight locomotives.

The Clece offering includes the allocation of more than 600 machines and auxiliary elements that allow greater efficiency in the execution of the tasks as well as greater energy savings. Another improvement is the implementation of virtual presence controls through fingerprint systems, the use of TAGs and BIDI codes, as well as work controls in real time for the fleet.

MORE THAN 600
PEOPLE IS IN
CHARGE OF THE
TECHNICAL TASKS

MORE THAN 600
MACHINES
AND AUXILIARY
ELEMENTS

MORE THAN 300
LOCATIONS



5. THE FINANCIAL MANAGEMENT IN 2018

5.1. CONSOLIDATED INCOME STATEMENT

5.2. CONSOLIDATED BALANCE SHEET

5.3. NET CASH FLOWS

5.4. CONSTRUCTION

5.5. INDUSTRIAL SERVICES

5.6. SERVICES

5.7. ABERTIS



5.1. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT OF THE ACS GROUP

EURO MILLION	2017		2018		Var.
Net Sales	34,898	100.0 %	36,659	100.0 %	+5.0%
Other revenues*	432	1.2 %	407	1.1 %	-5.7%
Total Income	35,330	101.2 %	37,066	101.1 %	+4.9%
Operating expenses	(25,363)	(72.7 %)	(26,719)	(72.9 %)	+5.3%
Personnel expenses	(7,688)	(22.0 %)	(7,910)	(21.6 %)	+2.9%
Operating Cash Flow (EBITDA)	2,279	6.5 %	2,437	6.6 %	+6.9%
Fixed assets depreciation	(611)	(1.8 %)	(573)	(1.6 %)	-6.3%
Current assets provisions	(42)	(0.1 %)	(74)	(0.2 %)	+76.7%
Ordinary Operating Profit (EBIT)	1,626	4.7 %	1,791	4.9 %	+10.1%
Impairment & gains on fixed assets	(15)	(0.0 %)	(0)	(0.0 %)	-96.9%
Other operating results	(170)	(0.5 %)	(138)	(0.4 %)	-18.9%
Operating Profit	1,440	4.1 %	1,652	4.5 %	+14.7%
Financial income	203	0.6 %	155	0.4 %	-23.7%
Financial expenses	(486)	(1.4 %)	(412)	(1.1 %)	-15.2%
Ordinary Financial Result	(283)	(0.8 %)	(257)	(0.7 %)	-9.1%
Foreign exchange results	(5)	(0.0 %)	(11)	(0.0 %)	+110.3%
Changes in fair value for financial instruments	244	0.7 %	66	0.2 %	-72.8%
Impairment & gains on financial instruments	(5)	(0.0 %)	(24)	(0.1 %)	n.a.
Net Financial Result	(50)	(0.1 %)	(226)	(0.6 %)	+351.1%
Results on equity method	27	0.1 %	225	0.6 %	n.s.
PBT of continued operations	1,417	4.1 %	1,650	4.5 %	+16.5%
Corporate income tax	(330)	(0.9 %)	(390)	(1.1 %)	+18.3%
Net profit of continued operations	1,087	3.1 %	1,260	3.4 %	+16.0%
Profit after taxes of the discontinued operations	0	0.0 %	0	0.0 %	n.a.
Net profit	1,087	3.1 %	1,260	3.4 %	+16.0%
Minority interest	(285)	(0.8 %)	(345)	(0.9 %)	+21.2%
Net Profit Attributable to the Parent Company	802	2.3 %	915	2.5 %	+14.1%

* Includes, apart from other revenues, the Joint Ventures Net Results, which are those companies that are executing projects but managed with partners.



5.1.1. SALES AND BACKLOG

Sales during the period accounted for € 36,659 million, increasing by 5.0% , 9.7% when adjusted to currency effects related to euro's revalorization.

Sales breakdown by geographical areas demonstrated the diversification of the Group's revenue sources, where North America represented 45.4% of total sales, Asia Pacific 27.5%, Europe 20.9%, with Spain rising up to 14.2%, and the remaining regions 12.8%.

SALES PER GEOGRAPHICAL AREAS

EURO MILLION	2017		2018		Var.
Europe	6,966	20.0 %	7,651	20.9%	+9.8%
North America	15,483	44.4 %	16,654	45.4%	+7.6%
South America	1,754	5.0 %	1,926	5.3%	+9.8%
Asia Pacific	10,226	29.3 %	10,083	27.5%	-1.4%
Africa	470	1.3 %	345	0.9%	-26.7%
TOTAL	34,898		36,659		+5.0%

SALES PER COUNTRIES

EURO MILLION	2017		2018		Var.
USA	13,331	38.2 %	14,200	38.7%	+6.5%
Australia	7,027	20.1 %	7,257	19.8%	+3.3%
Spain	4,427	12.7 %	5,213	14.2%	+17.7%
Canada	1,206	3.5 %	1,475	4.0%	+22.3%
Germany	923	2.6 %	956	2.6%	+3.6%
Mexico	946	2.7 %	978	2.7%	+3.4%
Rest of the world	7,038	20.2 %	6,579	17.9%	-6.5%
TOTAL	34,898		36,659		+5.0%

It is worth noting the good evolution of sales in the main countries where the Group operates with a solid growth of the North American markets, despite the negative impact of the exchange rate. Not considering this effect, growth rate stood at 10.3% in United States, with sales worth € 14,200 million and 26.6% in Canada, where sales reached € 1,475 million.

Sales in Australia, have also been affected by currency depreciation, accounted for € 7,257 million, with an adjusted growth due to the exchange rate variation of 10.4%.

On its side, Spanish market showed a recovery fostered by renewable energy projects and building. Sales reached € 5,213 million, growing by 17.7%.

BACKLOG PER GEOGRAPHICAL AREAS

EURO MILLION	Dec-17		Dec-18		Var.
Europe	12,212	18.2 %	13,162	18.2%	+7.8%
North America	25,286	37.7 %	29,947	41.5%	+18.4%
South America	4,324	6.4 %	5,445	7.5%	+25.9%
Asia Pacific	24,678	36.8 %	23,333	32.3%	-5.4%
Africa	581	0.9 %	335	0.5%	-42.3%
TOTAL	67,081		72,223		+7.7%

Group's total Backlog stood at € 72,223 million growing by 7.7% when compared to last year's

figures, and when adjusted to currency effects, backlog grew by 8.6%.

CARTERA POR PAÍSES

EURO MILLION	Dec-17		Dec-18		Var.
USA	20,024	29.9 %	24,082	33.3%	+20.3%
Australia	17,781	26.5 %	17,973	24.9%	+1.1%
Spain	6,818	10.2 %	7,704	10.7%	+13.0%
Canada	3,376	5.0 %	4,425	6.1%	+31.1%
Germany	2,744	4.1 %	2,537	3.5%	-7.5%
Mexico	1,886	2.8 %	1,441	2.0%	-23.6%
Rest of the world	14,452	21.5 %	14,063	19.5%	-2.7%
TOTAL	67,081		72,223		+7.7%

To highlight, the strong growth in the North American and Spanish markets. United States Backlog raised up to € 24,082 million, growing by 20.3% with strong awards both in building and civil engineering projects. Canada also closed the year with 4,425 million Backlog, rising by 31.1% with major awards such as Gordie Howe transnational bridge or Montreal's subway.

On its side, Spain closed its Backlog in € 7,704 million, with a growth of 13.0% supported by renewable energy projects and the good evolution of Clece's recruitment.

Australia's Backlog was affected by the exchange rate impact and the reorganization of non-strategic businesses. Not considering the currency negative impact, Backlog in this area grew by 6.6%.

5.1.2. OPERATING RESULTS

EBITDA accounted for € 2,437 million, showing an increase of 6.9%, slightly higher than sales growth. Adjusted by currency impact, EBITDA grew by 13.0%.

EBIT reached € 1,791 million, growing by 10.1% from the prior period. Adjusted by currency impact, EBIT grew by 16.6%.

OPERATING RESULTS

EURO MILLION	2017	2018	Var.
EBITDA	2,279	2,437	+6.9%
<i>EBITDA Margin</i>	6.5%	6.6%	
Depreciation	(611)	(573)	-6.3%
<i>Construction</i>	(547)	(508)	
<i>Industrial Services</i>	(40)	(41)	
<i>Services</i>	(24)	(24)	
<i>Corporation</i>	(1)	(1)	
Current assets provisions	(42)	(74)	+76.7%
EBIT	1,626	1,791	+10.1%
<i>EBIT Margin</i>	4.7%	4.9%	



5.1.3. FINANCIAL RESULTS

The ordinary financial result increased by 9.1%. The 15.2% decreased in financial expenses due to the gross average debt and an improvement in the financing terms compensated the lower financial revenues in relation to the comparable period, which included several non-recurrent items.

Regarding the net financial result, the “Changes in fair value for financial instruments” item included the revalorization of the option over MásMóvil stake in both terms, as well as capital gains earned after its sale in 2018. It also included the impact of the derivatives linked to the stock options plan.

FINANCIAL RESULTS

EURO MILLION	2017	2018	Var.
Financial income	203	155	-23.7%
Financial expenses	(486)	(412)	-15.2%
Ordinary Financial Result	(283)	(257)	-9.1%
Construction	(143)	(137)	-4.0%
Industrial Services	(59)	(69)	+18.7%
Services	(7)	(4)	-42.4%
Corporation	(75)	(47)	-37.5%

EURO MILLION	2017	2018	Var.
Ordinary Financial Result	(283)	(257)	-9.1%
Foreign exchange results	(5)	(11)	
Changes in fair value for financial instruments	244	66	
Impairment & gains on financial instruments	(5)	(24)	
Net Financial Result	(50)	(226)	+351.1%



5.1.4. RESULTS FROM ASSOCIATES

The Results from Associates (Results on Equity Method) amounted to € 225 million, mainly due to Abertis' contribution during the period as well as other financial investments' results.

The contribution of the consolidated profit from Abertis to the ACS Group in the fiscal year

amounts to EUR 175 million, comprising the proportional part of Abertis' profit, the impact of the amortization of the provisional PPA as well as its associated finance and transaction costs, after tax and non-controlling interests.

5.1.5 NET PROFIT ATTRIBUTABLE TO THE PARENT COMPANY

ACS Group reported Net Profit on 2018 reached € 915 million, 14.1% higher compared to the prior year.

Effective corporate tax rate stood at 30.9%.

NET PROFIT BREAKDOWN

EURO MILLION	2017	2018	Var.
Construction*	387	410	+6.1%
Industrial Services	319	325	+2.0%
Services	37	37	-0.2%
Net Profit from activities	743	772	+4.0%
Abertis Contribution	0	175	
Corporation	59	(32)	
TOTAL Net Profit	802	915	+14.1%

* Excludes ABE contribution via HOT.



5.2. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET OF THE ACS GROUP

EURO MILLION	Dec-2017		Dec-2018		Var.
FIXED AND NON-CURRENT ASSETS	10,706	34.2 %	13,327	38.9 %	+24.5%
Intangible Fixed Assets	4,264		4,164		-2.3%
Tangible Fixed Assets	1,606		1,650		+2.7%
Equity Method Investments	1,569		4,709		+200.2%
Non current financial assets	1,704		1,244		-27.0%
Long Term Deposits	8		0		-97.2%
Financial instrument debtors	52		63		+21.5%
Deferred Taxes Assets	1,502		1,496		-0.4%
CURRENT ASSETS	20,634	65.8 %	20,969	61.1 %	+1.6%
Non Current Assets Held for Sale	411		1,034		+151.4%
Inventories	1,020		867		-15.1%
Accounts receivables	10,753		10,374		-3.5%
Other current financial assets	1,559		1,464		-6.1%
Financial instrument debtors	393		53		-86.5%
Other Short Term Assets	178		210		+18.1%
Cash and banks	6,319		6,966		+10.2%
TOTAL ASSETS	31,339	100.0 %	34,295	100.0 %	+9.4%
NET WORTH	5,164	16.5%	6,056	17.7 %	+17.3%
Equity	3,959		4,681		+18.2%
Value change adjustments	(216)		(292)		+35.6%
Minority Interests	1,421		1,667		+17.3%
NON-CURRENT LIABILITIES	7,362	23.5%	8,456	24.7 %	+14.9%
Subsidies	4		3		-19.5%
Long Term Provisions	1,567		1,683		+7.4%
Long Term Financial Liabilities	5,161		6,252		+21.1%
Bank loans and debt obligations	4,810		6,016		
Project Finance	147		101		
Other financial liabilities	203		135		
Financial Instruments Creditors	48		45		-6.7%
Long term deferred tax liabilities	478		381		-20.3%
Other Long Term Accrued Liabilities	104		92		-11.5%
CURRENT LIABILITIES	18,813	60.0%	19,784	57.7 %	+5.2%
Liabilities from Assets Held for Sale	221		537		+143.2%
Short Term Provisions	903		1,044		+15.6%
Short Term Financial Liabilities	2,879		2,175		-24.4%
Bank loans and debt obligations	2,676		2,092		-21.8%
Project Finance	48		16		
Other financial liabilities	155		67		
Financial Instruments Creditors	68		82		
Trade accounts payables	14,279		15,488		
Other Short Term liabilities	464		458		
TOTAL EQUITY & LIABILITIES	31,339	100.0%	34,295	100.0 %	+9.4%

5.2.1. NON-CURRENT ASSETS

Intangible assets, which amounted to €4,164 million, included goodwill from past strategic transactions, of which € 743 million came from ACS's merger with Dragados in 2003 and € 1,389 million from HOCHTIEF's acquisition in 2011. The book value of HOCHTIEF amounts to € 2,329mn, while the market value amounts to € 4,192 mn.

The investment account balance held by Equity Method included the stake that the Group holds in Abertis, various holdings from HOCHTIEF's associated companies, energy assets from Industrial Services and several concessions from Iridium.

5.2.2. ABERTIS ACCOUNTING

After the transfer of Abertis Infraestructuras, S.A. shares acquired by HOCHTIEF to the SPV, ACS and HOCHTIEF stakes are booked as Investment in Associates (Equity Method) in their respective balance sheets. ACS stake (30%) accounted for €

2,177 million, while HOCHTIEF's (20% minus one share) raised by € 1,466 million. Therefore, total impact in ACS Group balance sheet stood at € 3,644 million.

5.2.3. WORKING CAPITAL

WORKING CAPITAL EVOLUTION

EURO MILLION	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Construction	(2,691)	(3,259)	(3,629)	(3,436)	(4,587)
Industrial Services	(977)	(897)	(844)	(678)	(1,200)
Services	(33)	(18)	(34)	(27)	(46)
Corporation	332	(11)	35	8	265
TOTAL	(3,369)	(4,185)	(4,472)	(4,133)	(5,567)

In the last 12 months, net working capital increased its credit balance by € 2,198 million. This variation is due to the implementation of IFRS 15 accounting standard, at the beginning of the period, which has led to the reduction of its balance in approximately € 1,600 million.

Commercial discount balance and securitization amounted to € 2,229 million by 2018 year-end.



5.2.4. NET WORTH

ACS Group Net worth accounted for € 6,056 million by 2018 year-end, showing an increase of 17.3% since December 2017 due to the sale of a part of HOCHTIEF and the profit generated along the year,

which widely compensated the impact coming from the implementation of IFRS 9 and 15 new accounting standards at the beginning of the period.

NET WORTH

EURO MILLION	Dec-17	IFRS 9/15 impact	2018 Net Profit	DVD / TS/adj	Sale of 24% HOT	Dec-18
Shareholders' Equity	3,959	(1,554)	915	(413)	1,774	4,681
Adjustment s from Value Changes	(216)	(41)		(36)		(292)
Minority Interests	1,421	(591)	345	(144)	636	1,667
Net Worth	5,164	(2,186)	1,260	(593)	2,410	6,056

5.2.5. NET DEBT

The Group maintained a Net Cash position of € 3 million, improving by € 156 compared to last year's same period.

Not considering non-recourse debt (project financing), the Group's net cash position accounted for € 120 million.

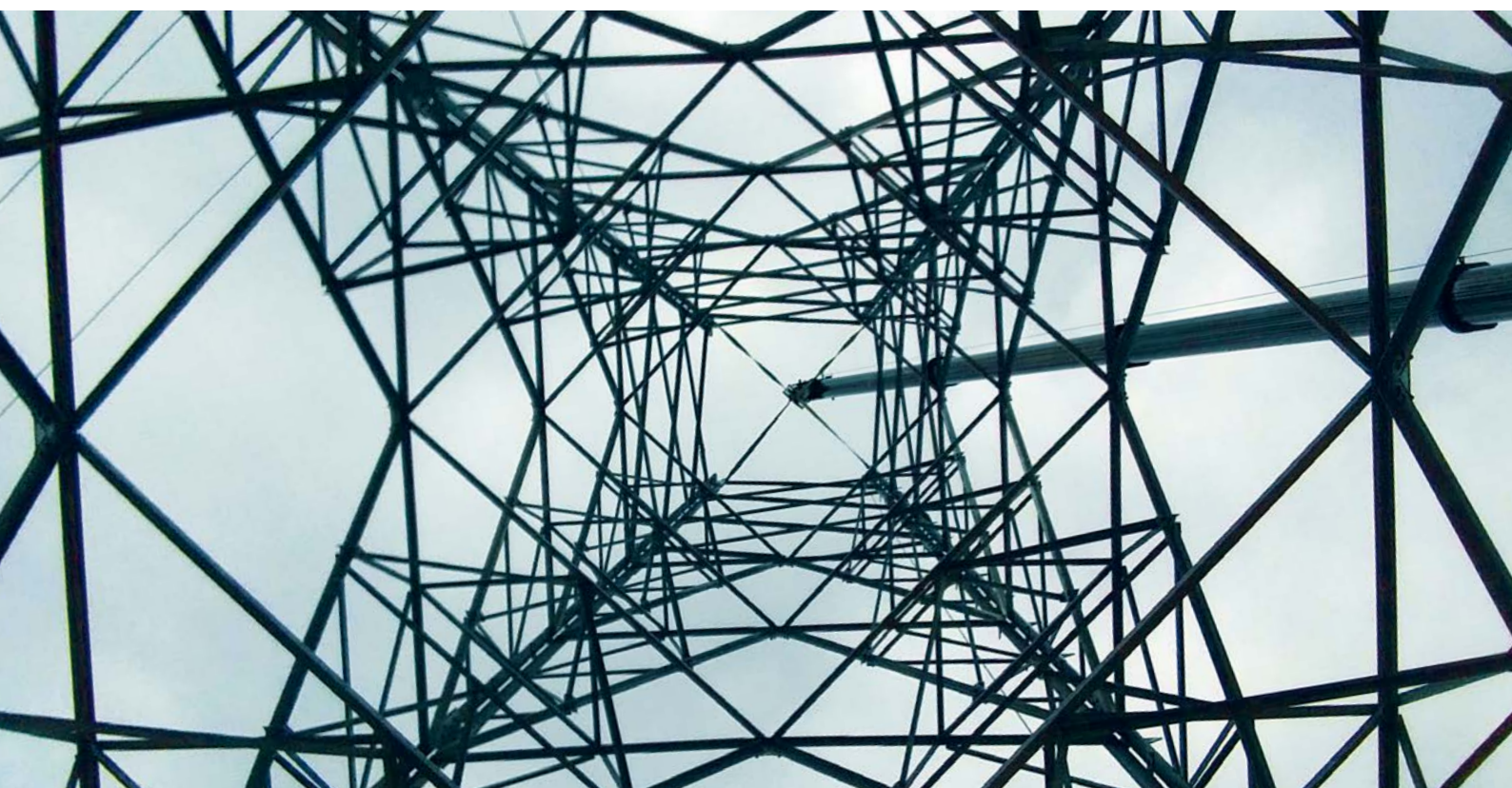
NET DEBT DECEMBER 31, 2018

Net Debt (€ mn)	Construction	Industrial Services	Services	Corporation / Adjustments	ACS Group
LT loans from credit entities	939	148	221	1,948	3,255
ST loans from credit entities	416	340	97	1	855
Debt with Credit Entities	1,354	488	318	1,949	4,110
Bonds	2,054	778	0	1,166	3,998
Non Recourse Financing	107	9	0	0	117
Other financial liabilities*	111	56	1	0	168
Total External Gross Debt	3,627	1,331	319	3,115	8,393
Net debt with Group's companies & Affiliates	119	8	0	(92)	35
Total Gross Financial Debt	3,746	1,339	319	3,023	8,427
ST* & other financial investments	1,012	184	190	79	1,464
Cash & Equivalents	5,021	1,891	54	0	6,966
TOTAL CASH AND EQUIVALENTS	6,032	2,075	244	79	8,431
(NET FINANCIAL DEBT) / NET CASH POSITION	2,286	736	(75)	(2,944)	3
NET FINANCIAL DEBT PREVIOUS YEAR	1,428	602	(165)	(2,018)	(153)

5.3. NET CASH FLOWS

NET CASH FLOW

EURO MILLION	2017			2018			Var.	
	Total	HOT	ACS exHOT	Total	HOT	ACS exHOT	TOTAL	ACS exHOT
Cash Flow from Operating Activities before Working Capital	1,672	1,159	513	1,959	1,202	757	+17.2%	+47.7%
Operating working capital variation	192	213	(21)	92	172	(81)		
Net CAPEX	(372)	(252)	(120)	(497)	(344)	(153)		
Net Operating Cash Flow from continuing activities	1,492	1,120	372	1,554	1,031	523	+4.1%	+40.7%
Financial Investments/Disposals	63	(43)	106	(936)	(1,467)	531		
Other Financial Sources	(21)	(17)	(4)	13	1	12		
Free Cash Flow	1,534	1,060	474	630	(434)	1,065	-58.9%	+124.8%
Dividends paid	(297)	(141)	(156)	(316)	(162)	(154)		
Hochtief capital increase	0	(120)	120	0	(156)	156		
Intra group Dividends	0	0	0	0	908	(908)		
Treasury Stock	(195)	0	(195)	(365)	0	(365)		
Total Cash Flow Generated / (Consumed)	1,042	799	243	(50)	155	(206)	n.a.	n.a.
Perimeter change (Increase)/decrease	275	13	263	66	59	8		
Exchange rate (Increase)/decrease	(256)	(250)	(6)	141	82	58		
Total Net Debt variation in BS	1,061	562	499	156	296	(140)		



5.3.1. OPERATING ACTIVITIES

Gross cash flows from operating activities before working capital amounted to € 1,959 million, improving by 17.2% versus last year's due to the positive performance across operating activities.

Operating working capital had a positive impact of € 92 million cash inflow in 2018.

On its side, CAPEX rose up to € 497 million, 33.8% more than last year, in line with the growth of the most intensive capital activities.

Therefore, net cash flows from operating activities reached € 1,554 million, 4.1% higher than prior year.

5.3.2. INVESTMENTS

ACS Group total net investments in 2018 grew up to € 1,538 million, from which € 1,041 million corresponded to financial investments and divestments' net balance, among which Abertis' transaction is included, as well as concession projects.

Net operating CAPEX amounted to € 497 million and mainly corresponded to the acquisition of machinery for the Group's several projects in Mining, Civil Works, and Industrial Facilities.

INVESTMENTS BREAKDOWN

EURO MILLION	Operating Investments	Operating divestments	NET CAPEX	Project / Financial Investments	Financial Divestments	Net Project / Financial investments	Total Net Investments
Construction	481	(94)	386	1,652	(120)	1,532	1,918
Dragados	69	(27)	43	4	(3)	0	43
Hochtief	411	(68)	344	1,554	(86)	1,467	1,811
Iridium	0	0	0	95	(30)	64	64
Services	35	(3)	32	13	0	13	45
Industrial Services	90	(12)	78	442	(386)	56	134
Corporation & others	0	0	0	2,090	(2,650)	(560)	(559)
TOTAL	606	(109)	497	4,197	(3,156)	1,041	1,538



Financial investments are detailed as follows:

- The Construction area includes 20% acquisition of Abertis on behalf of HOCHTIEF, worth € 1,407 million, and € 125 million related to net investment in concession projects in Chile, Canada, United States, Germany, Australia and United Kingdom.
- Industrial Services invested € 442 million in several renewable energy projects in Spain, United Kingdom, South Africa, Mexico, and Peru, as well as transmission lines in Brazil. Divestments reached € 386 million, mainly due to the sale of its stake in SaetaYield (€ 241 million) and different wind plants in Latin America.
- Clece invested € 13 million in the acquisition of several small services companies in Spain and United Kingdom.
- Corporation invested € 2,081 million in the acquisition of 30% stake in Abertis, while divestments related mainly to the sale of a minority stake in HOCHTIEF to Atlantia, worth (after taxes) €2,271 million and the partial sale of MásMóvil worth € 410 million.
- Additionally, approximately € 100 million have been collected due to Urbaser's sale deferred payment accounted in 2016.

5.3.3. OTHER CASH FLOWS

Dividends paid worth € 154 million mainly corresponded to ACS Group scrip dividends paid in cash in February and July 2018.

Dividend payment to HOCHTIEF and CIMIC minorities, worth € 162 million, are equally included.

Likewise, € 365 million were devoted to the acquisition of treasury stock for 2018 and 2019 scrip dividends' payment.

Therefore, the Group devoted € 681 million to its shareholders and minorities' payment.



5.4. CONSTRUCTION

Sales in Construction reached € 28,785 million, showing an increase of 10.7%, adjusted by the exchange rate effect. This evolution is mainly due to the strong growth in the US, the positive evolution in Asia Pacific, and the recovery of the Spanish activity.

Construction EBITDA accounted for € 1,773 million. Margin over sales remained stable at 6.2%. EBIT accounted for € 1,198 million, growing by

14.8%. The PPA depreciation derived from the acquisition of HOCHTIEF rose up to € 52.7 million in the period.

Net Profit reached over € 469 million, showing an increase of 21.4% supported by a solid operating performance across all companies. This result included € 59 million net contribution from Abertis through HOCHTIEF, attributable to ACS Group since June that is to say, after minorities and interests.

CONSTRUCTION

EURO MILLION	2017	2018	Var.
Sales	27,221	28,785	+5.7%
EBITDA	1,620	1,773	+9.4%
Margin	6.0%	6.2%	
EBIT	1,044	1,198	+14.8%
Margin	3.8%	4.2%	
Net Profit	387	469	+21.4%
Margin	1.4%	1.6%	
Backlog	55,529	59,350	+6.9%
Months	23	24	

SALES PER GEOGRAPHICAL AREAS

EURO MILLION	2017	2018	Var.
Spain	1,280	1,453	+13.5%
Rest of Europe	2,048	1,958	-4.4%
North America	14,200	15,530	+9.4%
South America	493	401	-18.6%
Asia Pacific	9,199	9,443	+2.6%
Africa	0	0	n.a.
TOTAL	27,221	28,785	+5.7%

CARTERA POR ÁREAS GEOGRÁFICAS

EURO MILLION	Dec-17	Dec-18	Var.
Spain	2,599	2,386	-8.2%
Rest of Europe	4,723	4,616	-2.3%
North America	23,194	28,346	+22.2%
South America	1,260	1,407	+11.7%
Asia Pacific	23,679	22,594	-4.6%
Africa	76	0	n.a.
TOTAL	55,529	59,350	+6.9%

Sales in Asia Pacific grew by 9.2% and in North America by 13.3%, both growths adjusted by currency effects.

Backlog at the end of the period stood at € 59,350 million. When adjusted by the revalorization of the Euro against the main currencies, it rose up to 7.6%

due to the growing trend of awards in the American continent. Asia Pacific region was affected, firstly, by the exchange rate variation, and secondly by the reorganization of non-strategic businesses. Not considering these effects, operational activities' Backlog grew by 6%.

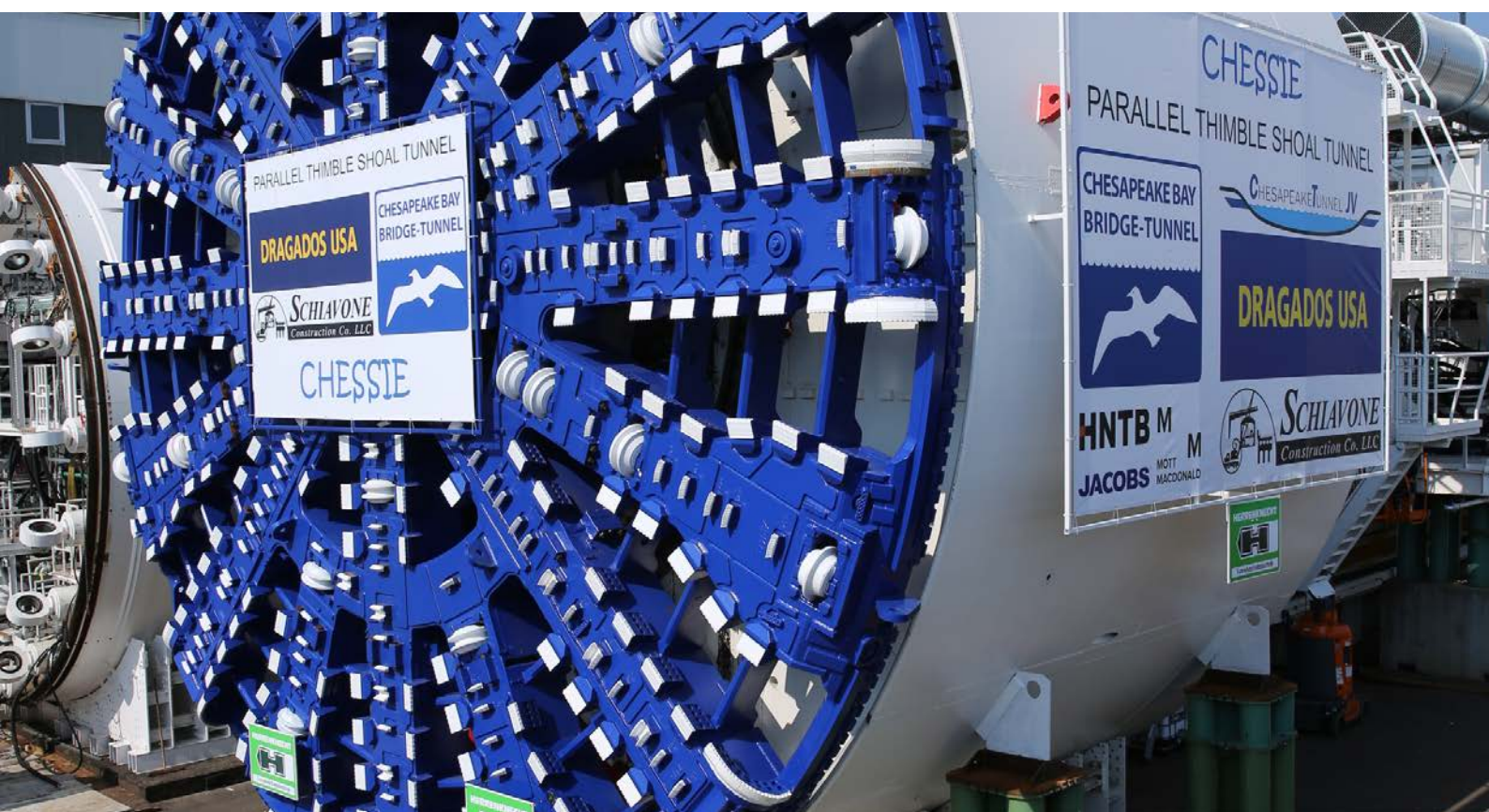
	DRAGADOS			IRIDIUM			HOCHTIEF (ACS contr.)			ADJUSTMENTS		TOTAL		
EURO MILLION	2017	2018	% Var.	2017	2018	% Var.	2017	2018	VAR.	2017	2018	2017	2018	% Var.
Sales	4,498	4,792	+6.5%	92	111	+20.6%	22,631	23,882	+5.5%	0	0	27,221	28,785	+5.7%
EBITDA	313	334	+6.7%	14	25	+86.7%	1,294	1,414	+9.2%	0	0	1,620	1,773	+9.4%
Margin	7.0%	7.0%		n.a	n.a		5.7%	5.9%				6.0%	6.2%	
EBIT	231	247	+7.1%	(1)	10	n/a	886	993	+12.1%	(72)	(53)	1,044	1,198	+14.8%
Margin	5.1%	5.2%		n.a	n.a		3.9%	4.2%				3.8%	4.2%	
Net Financial Results	(68)	(69)		(11)	(41)		(30)	(66)		0	0	(109)	(176)	
Equity Method	1	1		18	39		4	70		(1)	(1)	23	109	
Other Results & Fixed Assets	(20)	(24)		(3)	(3)		(36)	(19)		0	(0)	(59)	(46)	
EBT	144	155	+8.0%	3	5	+60.4%	824	978	+18.8%	(73)	(54)	897	1,085	+20.9%
Taxes	(31)	(40)		1	5		(241)	(260)		22	16	(249)	(279)	
Minorities	(4)	(4)		0	(0)		(280)	(350)		22	17	(262)	(337)	
Net Profit	109	111	+2.4%	4	10	n/a	302	368	+22.0%	(28)	(20)	387	469	+21.4%
Margin	2.4%	2.3%		n.a	n.a		1.3%	1.5%				1.4%	1.6%	
Backlog	10,885	12,083	+11.0%	-	-	-	44,644	47,267	+5.9%	-	-	55,529	59,350	+6.9%
Months	29	30					22	22				23	24	

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

Dragados increased its sales by 6.5% and EBITDA margin remained stable at 7.0%. Net Profit increased by € 111 million.

HOCHTIEF showed solid growth across its operating figures, despite the negative currency effect. HOCHTIEF's net profit reached € 541 million, and

its contribution to ACS net profit, after minorities, amounted to € 368 million, 22.0% higher compared to the same period of the previous year, being proportional to its average stake in the period which stood at 68.2% equivalent to ten months at 71.7% and to two months at 50.4%, after selling a stake to Atlantia by the October end.

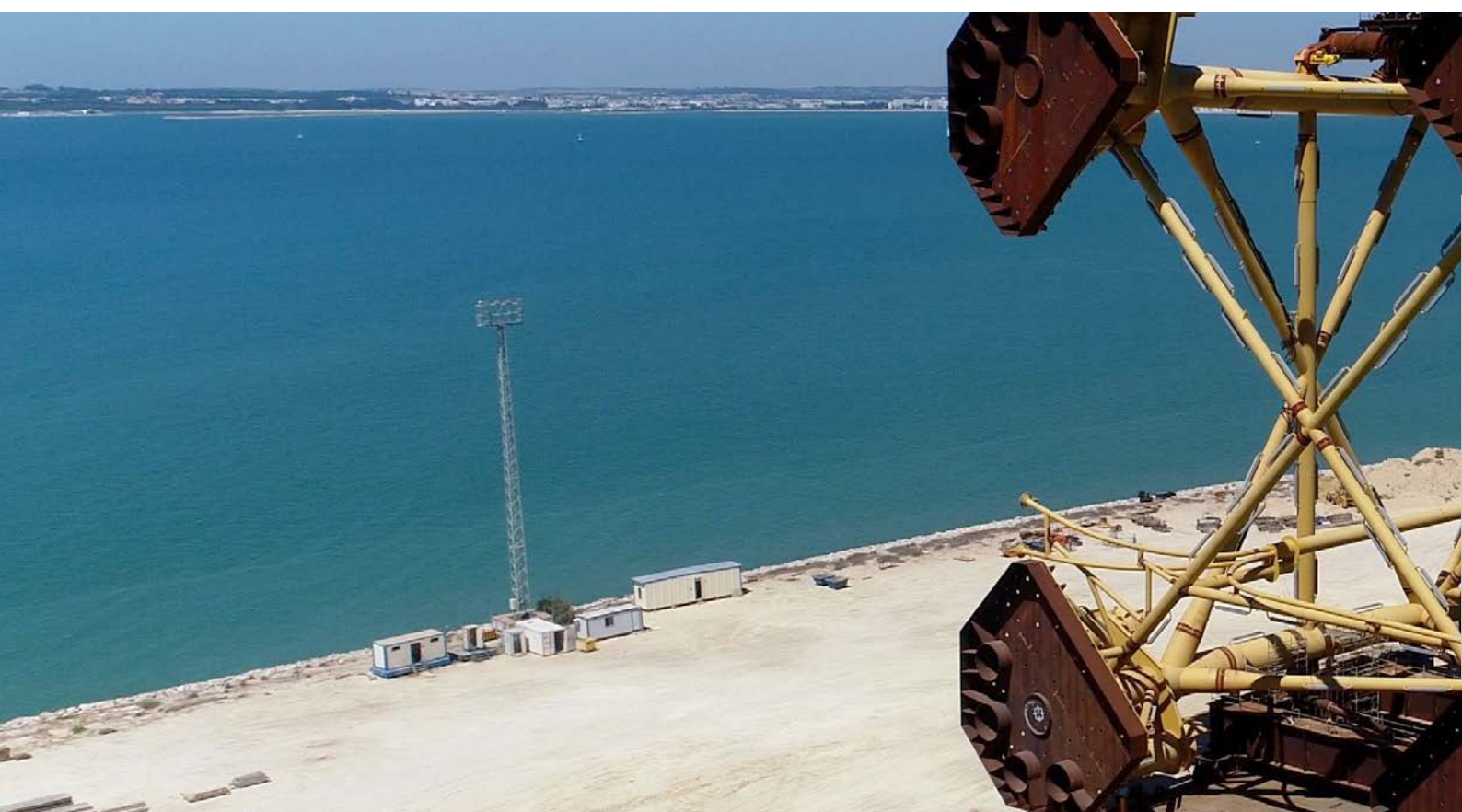


HOCHTIEF AG

	AMERICA			ASIA PACIFIC			EUROPE			HOLDING		TOTAL		
EURO MILLION	2017	2018	% Var.	2017	2018	% Var.	2017	2018	% Var.	2017	2018	2017	2018	% Var.
Sales	11,839	13,069	+10.4%	9,077	9,266	+2.1%	1,609	1,423	-11.6%	106	125	22,631	23,882	+5.5%
EBITDA	291	339	+16.5%	1,019	1,074	+5.3%	44	76	+73.6%	(60)	(75)	1,294	1,414	+9.2%
Margin	2.5%	2.6%		11.2%	11.6%		2.7%	5.4%				5.7%	5.9%	
EBIT	265	315	+18.6%	668	705	+5.5%	14	50	+250.5%	(62)	(77)	886	993	+12.1%
Margin	2.2%	2.4%		7.4%	7.6%		0.9%	3.5%				3.9%	4.2%	
Net Financial Results	(12)	(16)		(63)	(94)		17	(14)		28	59	(30)	(66)	
Equity Method	0	(0)		4	10		0	0		0	61	4	70	
Other Results & Fixed Assets	1	0		(31)	(1)		1	11		(8)	(30)	(36)	(19)	
EBT	254	299	+17.6%	579	620	+7.1%	33	48	+47.4%	(42)	12	824	978	+18.8%
Taxes	(51)	(61)		(182)	(190)		(9)	(12)		1	3	(241)	(260)	
Minorities	(40)	(48)		(122)	(130)		0	0		(0)	(0)	(162)	(177)	
Net Profit	163	190	+17.2%	275	300	+8.8%	24	37	+54.9%	(41)	14	421	541	+28.6%
Margin	1.4%	1.5%		3.0%	3.2%		1.5%	2.6%				1.9%	2.3%	

Amongst HOCHTIEF's different areas of activity, it is worth highlighting:

- a) Growth in America where sales went up by 10.4%, despite negative currency effects, there was an improvement in operating margins and net profit rose by 17.2%. The main factors backing this positive behaviour are Turner and Flatiron's good performance, the growth in demand, and measures introduced to improve operating efficiency.
- b) In Europe, the positive margins and results trend shown in the last terms are confirmed.
- c) Asia Pacific (CIMIC), experienced 9.2% activity growth in the local market. The improvement in the operating margins enabled a net profit growth of 8.8% in nominal terms and over 16.3% adjusted by exchange rate effects.
- d) Corporation Net Profit included Abertis' net contribution in the period due to HOCHTIEF's stake, amounting to € 84 million. Once minority interests have been deducted, its net contribution to ACS stood at € 59 million profit.



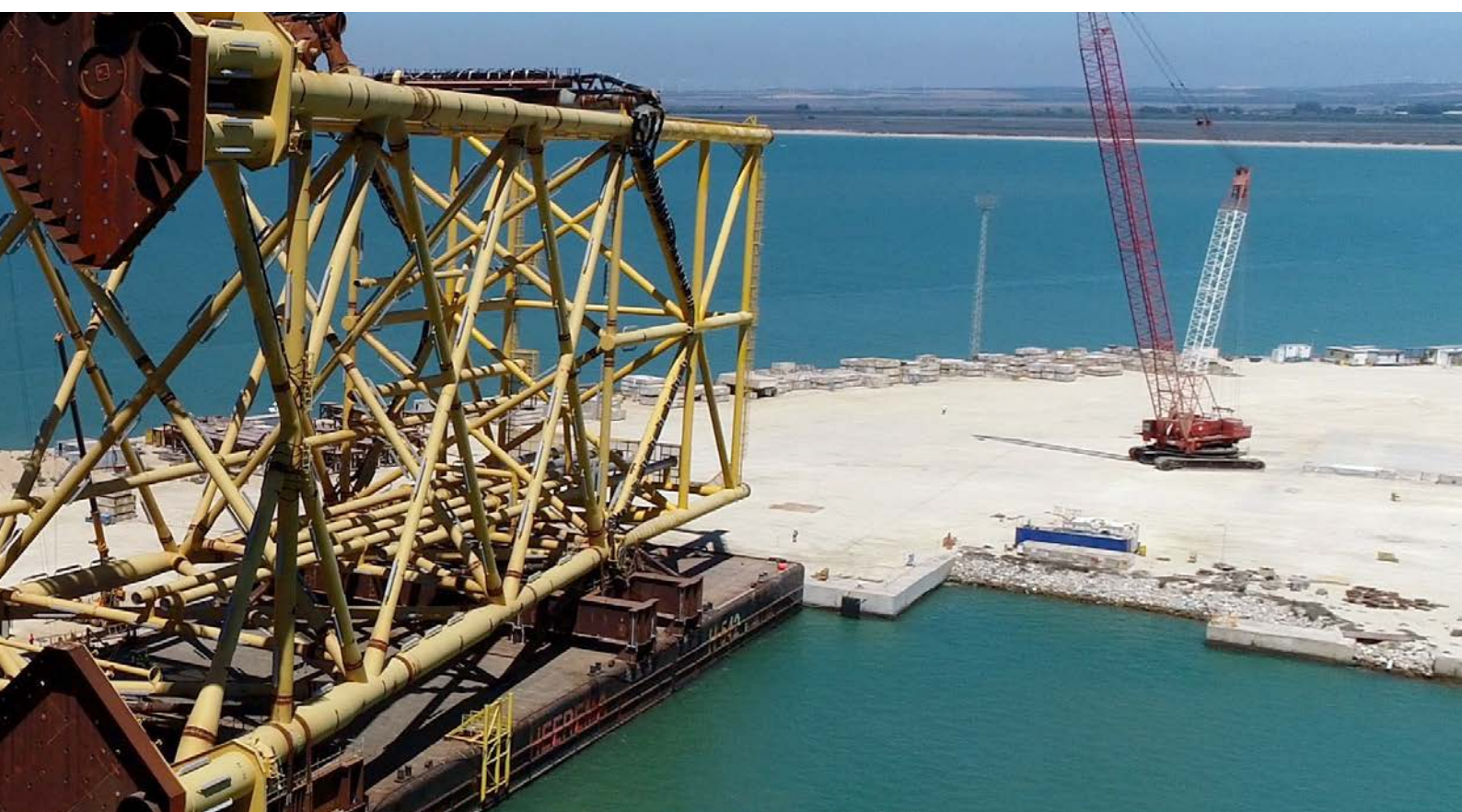
5.5. INDUSTRIAL SERVICES

Sales in Industrial Services accounted for € 6,385 million, increasing by 2.0%, and over 6.7% when adjusted by currency effects. This growth is backed by the positive evolution of Maintenance activities. The Integrated Projects' activity was affected by the completion of large Industrial Plants projects mainly in Middle East, the rebound of renewable energy projects will compensate this drop in the coming terms.

Sales in Spain went up to 30.7% with a good performance across all activities, primarily in EPC projects thank to the initial execution of the PV plants. South America grew by 20.8% backed by Brazil, Chile, and Colombia. While North America went down to 12.4% due to de completion of isolated projects in United States in 2017. On its side, activity in Europe and Asia Pacific also decreased due to the fulfilment of projects in the North Sea and Middle East, respectively.

INDUSTRIAL SERVICES

EURO MILLION	2017	2018	Var.
Sales	6,260	6,385	+2.0%
EBITDA	633	645	+1.8%
<i>Margin</i>	10.1%	10.1%	
EBIT	586	601	+2.6%
<i>Margin</i>	9.4%	9.4%	
Net Profit	319	325	+2.0%
<i>Margin</i>	5.1%	5.1%	
Backlog	9,286	9,845	+6.0%
<i>Months</i>	18	19	





SALES PER GEOGRAPHICAL AREAS

EURO MILLION	2017	2018	Var.
Spain	1,813	2,369	+30.7%
Rest of Europe	406	383	-5.6%
North America	1,283	1,124	-12.4%
South America	1,262	1,525	+20.8%
Asia Pacific	1,026	640	-37.7%
Africa	470	345	-26.6%
TOTAL	6,260	6,385	+2.0%

BACKLOG PER GEOGRAPHICAL AREAS

EURO MILLION	Dic-2017	Dic-2018	Var.
Spain	2,084	2,513	+20.6%
Rest of Europe	541	618	+14.3%
North America	2,093	1,602	-23.5%
South America	3,065	4,038	+31.7%
Asia Pacific	999	739	-26.1%
Africa	505	335	-33.7%
TOTAL	9,286	9,845	+6.0%

SALES BREAKDOWN BY ACTIVITY

EURO MILLION	2017	2018	Var.
Support Services	3,345	3,794	+13.4%
Networks	558	661	+18.5%
Specialized Products	1,898	2,211	+16.5%
Control Systems	889	921	+3.6%
Integrated Projects	2,888	2,573	-10.9%
Renewable Energy: Generation	34	23	n.s
Consolidation Adjustments	(7)	(5)	
TOTAL	6,260	6,385	+2.0%
International	4,447	4,016	-9.7%
% over total sales	71.0%	62.9%	

BACKLOG PER ACTIVITY

EURO MILLION	Dic-2017	Dic-2018	Var.
Support Services	5,183	5,165	-0.3%
Networks	500	528	+5.7%
Specialized Products	3,364	3,261	-3.1%
Control Systems	1,320	1,376	+4.3%
Integrated Projects	4,103	4,638	+13.0%
Renewable Energy: Generation	0	41	n.a.
TOTAL BACKLOG	9,286	9,845	+6.0%
International	7,202	7,331	+1.8%
% over total backlog	77.6%	74.5%	

Backlog grew by 6.0% up to € 9,845 million affected by the negative impact from the exchange rate effects; not considering this impact, Backlog grew by 8.5%. International Backlog represented 74.5% of the total.

It is worth noting the excellent performance in South America reflected in its 31.7% growth, mainly due to energy projects awarded in Brazil, Peru and Chile, as well as the solid rebound of the Spanish Backlog

in the renewables sector, with more than 2,000 MW under development, mainly PV plants.

Operating results grew in line with sales, resulting in stable margins based on business diversification, considering both geography and area of activity.

Net profit accounted for € 325 million, 2.0% higher versus the prior year.

5.6. SERVICES

Sales in Services increased by 4.1%, growing both in the domestic and international markets.

EBITDA accounted for € 80 million, growing by 8.5% with an improvement in margin over sales of 20 b.p. EBIT increased by 14.4% up to € 55 million with a margin improvement of 30 b.p.

Net profit in the comparable term included the capital gain from Syntax sale in February 2017.

Whilst in 2018 the figure only included Clece's contribution, whose net profit growth stood at 10.1% during the period.

Services Backlog reached € 3,028 million, equivalent to over 24 months of production and increasing by 33.6% compared to the prior term due to the good business activity, mostly in Spain, with important cleaning facilities contract awards, as well as the complete management of senior centres.

SERVICES

EURO MILLION	2017	2018	Var.
Sales	1,446	1,505	+4.1%
EBITDA	73	80	+8.5%
Margin	5.1%	5.3%	
EBIT	48	55	+14.4%
Margin	3.3%	3.6%	
Net Profit	37	37	-0.2%
Margin	2.6%	2.5%	
Backlog	2,267	3,028	+33.6%
Months	19	24	

SALES PER GEOGRAPHICAL AREAS

EURO MILLION	2017	2018	Var.
Spain	1,361	1,406	+3.3%
Rest of Europe	85	98	+16.0%
TOTAL	1,446	1,505	+4.1%

BACKLOG PER GEOGRAPHICAL AREAS

EURO MILLION	2017	2018	Var.
Spain	2,136	2,805	+31.3%
Rest of Europe	131	223	+70.7%
TOTAL	2,267	3,028	+33.6%





5.7. ABERTIS

Abertis' contribution to ACS Group profit has been recorded using the Equity Method since June 2018, and it rose up to € 175 million, from which € 116 million corresponded to ACS direct stake, and the remaining € 59 million to the indirect stake through HOCHTIEF, once minority interests were deducted.

Abertis' Net profit during 2018 stood at € 1,681 million, 87.4% higher compared to last year due to the positive impact of Cellnex Telecom sale (€ 605 million in capital gains, with no impact in ACS results). 2018 comparable Net profit grew by 15%.

ABERTIS

EURO MILLION	2017	2018	Var.	Var. Comp*
Sales	5,271	5,255	-0.3%	+5.0%
EBITDA	3,456	3,549	+2.7%	+7.0%
Net Profit	897	1,681	+87.4%	+15.0%
Net Debt	15,578	12,538	-19.5%	n.a

*Like for like variation adjusted by FX and extraordinary results.

Along the year, Abertis' highways performance was positive due to the solid growth of traffic rates registered in Spain (+3.3%), Chile (+3%), France (+1.7%), and Italy (+1.2%). Revenues reached € 5,255 million, meaning 5% in comparable terms.

EBITDA during 2018 accounted for € 3,549 million (+2.7%), boosted by the implementation of efficiency improvement measures and the optimization of operating expenses, growing by 7% in comparable terms.

Abertis' consolidated net financial debt, by December 2018, stood at € 12,538 million, equivalent to 3.5 times the year's EBITDA. This debt does not include the almost € 9,800 million debt derived from the acquisition of 98.7% of the company.

Abertis' Board of Directors suggested the Shareholders' Annual Meeting a € 875 million dividend distribution charged to 2018 results, subject to credit rating evaluation.

6. CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

6.0. THE ACS GROUP'S BUSINESS MODEL

6.1. ENVIRONMENT

6.2. THE ACS GROUP'S PEOPLE

6.3. HEALTH AND SAFETY

6.4. REGULATORY COMPLIANCE: HUMAN RIGHTS AND
COMBATING CORRUPTION AND BRIBERY

6.5. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

6.6. GIVING BACK TO SOCIETY

6.7. SUPPLIERS AND CONTRACTORS

6.8. COMMITMENT TO QUALITY WITH THE CUSTOMER

6.9. TAX INFORMATION

6.10. INNOVATION

6.11. LIST OF CONTENTS OF THE CONSOLIDATED
NON-FINANCIAL INFORMATION STATEMENT



6.0. THE ACS GROUP'S BUSINESS MODEL

The ACS Group is a reference in the infrastructure sector worldwide. This sector contributes to a great extent to the economic and social development of the different regions of the world in an increasingly competitive, demanding and global market.

The main areas of the Group are divided into:

a) Construction

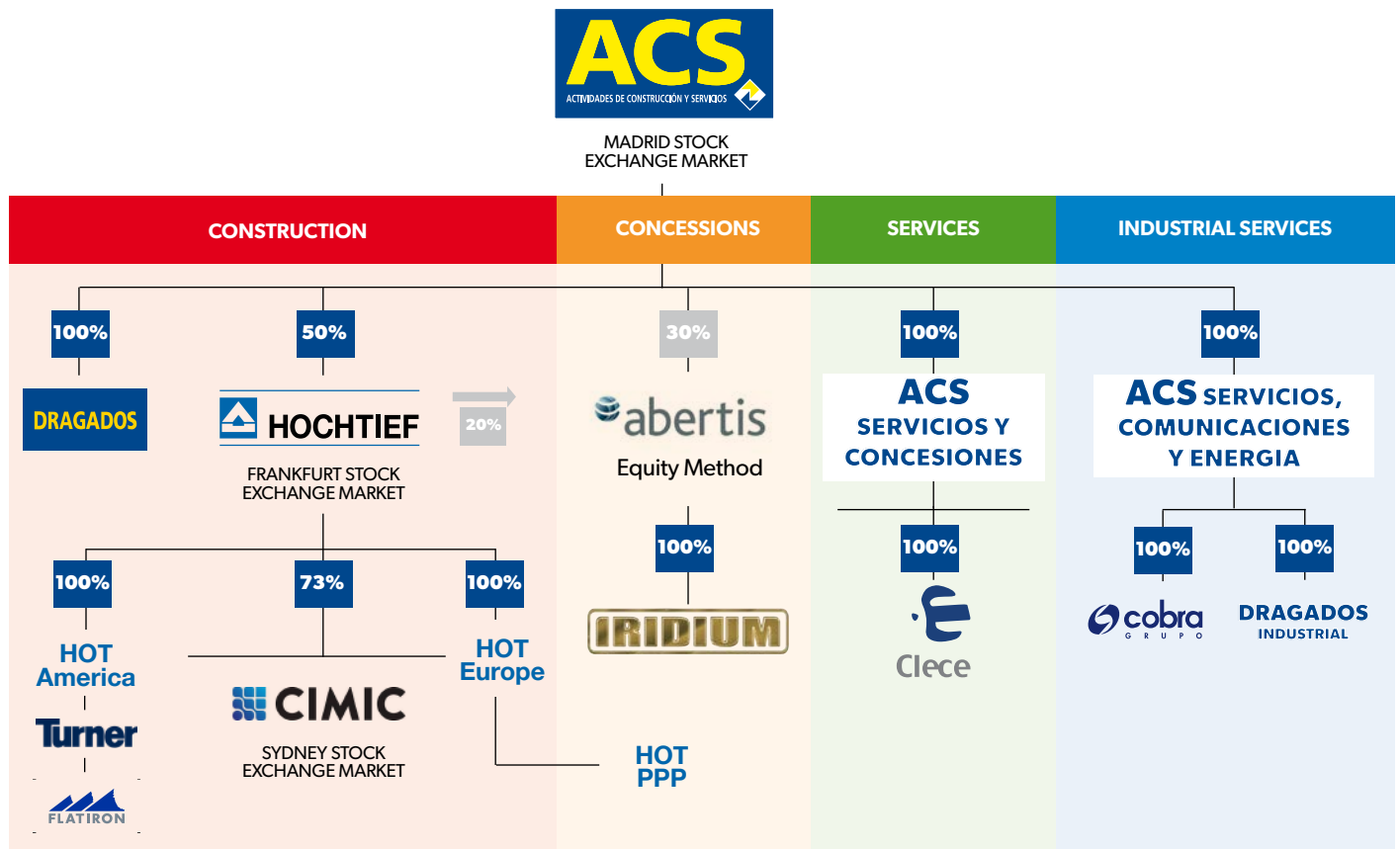
This area includes the activities of Dragados, Hochtief (including CIMIC) and Iridium and is oriented toward the development of all types of projects of Civil Works, Building and activities related to the mining sector (carried out by CIMIC, mainly in Asia Pacific). The geographic regions with the highest exposure in this area are North America, Asia Pacific and Europe, mainly operating in developed markets that are safe from the geopolitical, macroeconomic and legal perspective.

b) Industrial Services

The area is dedicated to applied industrial engineering, developing activities of construction, operation and maintenance of energy, industrial and mobility infrastructures through an extensive group of companies headed by Grupo Cobra and Dragados Industrial. This area has a presence in more than 50 countries, with a predominant exposure to the Mexican and Spanish market despite the rapid growth in new Asian and Latin American countries.

c) Services

This area only includes Clece's facility management business activity which comprises maintenance of buildings, public places or organizations, as well as assistance for people. This area is fundamentally based in Spain despite an incipient growth of the European market.





6.0.1. STRATEGY AND IMPACTS

In this context of operational decentralization, the Group's strategy is centered on all of the companies sharing the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas, thanks to the multiple factors involved in their decision making and generating know-how and good practices that are also independent.

Specifically, there are many different companies within the ACS Group that make their own contributions towards Corporate Social Responsibility adding up to a combined whole. They define their action policies autonomously and manage their resources as efficiently as possible, which are always based on the common principles and objectives defined in the Corporate Social Responsibility Policy of the ACS Group, approved on February 26, 2016, setting out the basic and specific principles of action in this field, and the Group's relations with its environment, while simultaneously pursuing the objectives defined in the 20-20 Plan, concerning non-financial matters.

Within the Group's commitment to transparency, throughout this Consolidated Non-Financial Information Statement, the description of the policies applied by the group will be presented in regards to non-financial matters, as well as the results thereof, including key indicators. In order to maintain maximum rigor and transparency, this document has been prepared in accordance with the requirements of the international standards

in reference to Reporting, such as the new GRI Standards of the Global Reporting Initiative (GRI). The related indicators have been verified by an independent third party, in accordance with the ISAE 3000 standard.

Thus, the contents of the report have been selected based on a previous analysis in which the matter most relevant for the company and its main stakeholders have been identified. In this analysis, the main factors and trends that may affect the development and expansion of the Group's business activity, as well as the main associated risks, have also been identified.

The detailed conclusions of the analysis can be seen in section 9.2., however, by way of summary, it can be indicated that according to this analysis the future scenario in which ACS will develop its business activity in the coming years will be marked by the following factors:

- Growing demand for infrastructure.
- Digitization and data management.
- Geopolitical changes.
- The circular economy.
- Population growth and urbanization.
- Increase in the size and complexity of projects.
- Climate change and decarbonization.
- New financing models.



For further information:
2. The ACS Group



For further information:
3. A company of the future



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



For further information:
9.2. Identification of material aspects



6.0.2. RISKS

As regards risk management, the ACS Group conducts its business activities in a variety of sectors, countries and socio-economic and legal environments that involve exposure to different levels of risk inherent to the businesses in which it operates. ACS Group's risk control system is based on a range of strategic and operational actions which serve to mitigate these risks and comply with the objectives established by the Board of Directors. It is the Corporation's responsibility to define the basic guidelines, in order to standardize the operating criteria in each of the divisions, so that an adequate level of internal control is ensured. The companies and divisions that comprise the Group are in charge of developing the necessary and appropriate internal regulations so that, depending

on the peculiarities of the respective business activity, the internal controls are implemented to ensure its optimal operating level.

Specifically in relation to non-financial risks, based on the materiality analysis performed, risks have been detected in terms of the relevance they may have for the business development of the respective company the risks have been prioritized depending on the relevance they can have for the development of the business of the company, according to the type of activity, areas of action, policies and management approaches, showing the table attached the results obtained from this prioritization of potential risks for development of the activity.



For further information:
7. The ACS Group's Risk
Management

[102-44], [102-46], [102-47]



RELEVANCE



MATERIAL ASPECT	RISKS RELATED
Development and talent of diversity	Risks related to talent management (turnover, low employee satisfaction, etc.) and diversity (inequality, discrimination, wage gap, etc.)
Zero accidents objective	Risks related to the safety and health of employees (accidents, occupational diseases, etc.)
Ethical and responsible companies	Risks related to ethics and integrity (corruption, money laundering, lack of transparency, questionable lobbying activities, etc.)
Tools and new financing models	Risks derived from adapting to new financing models (new regulatory contexts, new sustainable financing frameworks, etc.)
Responsible supply chain	Risks related to the supply chain (for example, due to not having sufficient control over suppliers in social and environmental matters).
Responsibility with local communities	Risks related to local communities (opposition of the communities to the development of projects, negative perception of the management carried out by the company)
Efficient management of resources	Shortage of natural resources and need to adapt to a circular economy
The climate: a global concern	Climatic risks (physical, regulatory, market)
Resilient and socially responsible infrastructures	Derived risks related to the adaptation of infrastructures to extreme climatic events and / or to social changes
Protection of Human Rights	Risks related to human rights



For further information:
9.2. Identification of
material aspects

6.1. ENVIRONMENT

Degree of implementation of environmental management systems in the ACS Group companies
(expressed as a % of sales)

99.0%
IMPLEMENTATION OF
AN ENVIRONMENTAL
MANAGEMENT SYSTEM

75.5%
IMPLEMENTATION
OF THE ISO 14001
CERTIFICATION

The ACS combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area.

The ACS Environmental Policy defines the general principles which must be adhered to, but are sufficiently flexible to accommodate the elements of policy and planning development by the companies in the various business areas, and fulfill the requirements of the most recent version of the standard ISO 14001, and other commitments by the companies to other environmental standards, such as EMAS, or standards relating to their Carbon Footprint or Water Footprint. Within this Policy, the following commitments are established:

1. To comply with the applicable legislation and standards in general, and other voluntary commitments entered into in each of the Branches, Delegations, Projects, Jobs and Services of the ACS Group.
2. To prevent contamination, by assessing the potential environmental risks at every stage of a project, job or service, with the aim of designing processes which minimize environmental impact as far as possible.
3. To continuously improve management of environmental activities, by setting and following up on environmental goals.
4. To strive for transparency in external communications, by periodically publishing information about environmental initiatives to all interest groups, catering for their demands and expectations, either in compliance with regulations or independently.
5. To enhance skills and raise awareness, by providing training and educational activities to employees, suppliers, clients and other interest groups.

In order to construct and roll out a policy in relation to these environmental commitments, the most significant

environmental impacts are identified and assessed, and are compared with each company's management systems and the environmental priorities for each business. For each of these priorities, objectives and key indicators are established to monitor environmental activities; in addition, we run programs to improve the environment and implement plans of action for each company or group of companies.

Considering the environmental impacts identified, the environmental activities of ACS Group companies will, concretely and operationally, center around four main areas.

1. Energy and emissions.
2. The circular economy.
3. Efficient and responsible use of water resources.
4. Biodiversity.

Overseeing the environmental activities of the ACS Group and enacting the planes of action and improvement programs is the responsibility of the Environment Department of each group of companies; the same Departments are responsible for implementing the necessary measures to reduce and mitigate environmental impacts stemming from the Group's activities. Thus, according to note 37 on Environmental Information of the ACS Group's Annual Financial Statements, the companies of the ACS Group, the Expenses incurred in 2018 for environmental purposes amount to € 1,970 thousand (€ 1,046 thousands in 2017). Furthermore, according to note 20, the environmental provisions are within the provisions for liabilities, being included so as to cover the probable environmental risks that may occur, with no provision of this nature having been recorded in 2018.

The ACS Group will encourage among all companies the establishment of mechanisms and procedures to promote compliance with the principles of the Environmental Policy, while covering its entire value chain.

6.1.1. EMISSIONS: POLLUTION AND CLIMATE CHANGE

CO ₂ emissions by area of activity (TCO ₂ eq)	2015	2016	2017	2018
ACS GROUP'S TOTAL	8,454,528	7,019,256	5,724,855	6,446,742
Scope 1	3,101,441	2,104,164	2,436,364	2,983,215
Scope 2	255,510	242,506	162,403	145,294
Scope 3*	5,097,577	4,672,586	3,126,088	3,318,234
Emissions intensity (total emissions/sales)	272	240	173	182
CONSTRUCTION: TOTAL EMISSIONS**	8,333,390	6,910,850	5,609,536	6,278,631
Scope 1	3,031,124	2,045,914	2,374,760	2,877,522
Scope 2	226,452	219,263	132,347	103,770
Scope 3*	5,075,813	4,645,673	3,102,429	3,297,339
Emissions intensity (total emissions/sales)	358.3	313.6	218.4	224.4
INDUSTRIAL SERVICES: TOTAL EMISSIONS***	98,965	85,583	91,771	141,927
Scope 1	54,476	44,326	47,766	89,491
Scope 2	22,725	16,430	23,736	35,631
Scope 3	21,764	24,827	20,269	16,805
Emissions intensity (total emissions/sales)	15.4	14.8	15.3	23.6
SERVICES: TOTAL EMISSIONS	22,173	20,737	23,548	26,184
Scope 1	15,841	13,924	13,838	16,201
Scope 2	6,333	6,813	6,319	5,892
Scope 3*	nd	nd	3,390	4,090
Emissions intensity (total emissions/sales)	16.1	14.7	16.3	18.1

* Scope 3 emissions include those calculated for employee travel. Furthermore HOCHTIEF and CIMIC include the emissions calculated for the supply chain (Cement, Wood, Waste and Steel). In 2017 and 2018, the emissions for Scope 3 include Clece's travel data.

** In Construction the scope has been expanded, with the data for Dragados USA and Dragados Canada being included in 2018.

*** The increase in 2018 in Industrial Services, is due to the fact that in the Scope 1 emissions the data for Cobra companies in Colombia were collected for the first time and in the Scope 2, and the electricity consumption of the Cobra's Peru division is included for the first time.

Climate change means that we need to change production and consumption models in order to mitigate the physical and transitional risks resulting from our activity. Therefore, it is crucial that both States and businesses are involved, working together in harmony. With this in mind, the ACS Group aspires to contribute to the transition to a low-carbon economy including the promotion of strategies to adapt and mitigate climate change in the context of their various business activities.

In addition, controlling contamination locally is especially relevant to guarantee the wellbeing of the communities where the Group operates. Thus, ACS commits to minimize emissions beyond just greenhouse gas emissions, also taking account of other pollutant gases (NO_x, SO_x, and substances that harm the ozone layer), noise emissions and other possible nuisances resulting from the Group's activity, including light pollution.

The ACS Group's activity in these spheres is governed by the following fundamental principles:

- Considering and assessing the impacts of their activities, products and services, in terms of climate change.
- Avoiding or minimizing energy consumption and the emission of greenhouse gases as a result of their activities.
- Establishing goals to reduce greenhouse gas emissions in keeping with the latest trends and standards.
- Avoiding or minimizing pollution as a result of their activities, by emissions into the environment, noise, vibration or light pollution.
- Establishing mechanisms to manage energy usage and emissions, to objectively measure the progress of their activities and decision-making.
- Identifying opportunities to promote products and services that are eco-friendly, suited to minimize the possible impacts of climate change and contribute to a transition to a low-carbon economy.



OTHER ATMOSPHERIC EMISSIONS (KG)	2017	2018
NOx	542,503	472,607
SOx.	8,549	8,834
Other significant atmospheric emissions*	1,636,354	1,702,713

*Includes indirect Emissions of NMVOC from bituminous mixtures.

On the other hand, the ACS Group contributes to society and its customers, by combating climate change through the identification of opportunities for the promotion of products and services that respect the environment, adapted to the possible impacts of climate change, while contributing to the transition to a low carbon economy.



For further information:
ACS Group's
Environmental Policy

In 2018 the ACS Group reduced its emissions, considering the period from 2015 to 2018, in both absolute and relative terms (based on sales) in all activities. ACS Group companies have carried out initiatives in 2018 to reduce CO₂ emissions, with an estimated emission savings of 105,712.28 tons of CO₂, resulting from initiatives such as the LIFE Huellas project of the company Vías, which is an analysis tool that supports decision making aimed at the planning of railway works, which optimizes each work considering, in addition to cost and time, the environmental impact.

IMPROVEMENT PROJECT FOR THE REDUCTION OF ELECTRICITY CONSUMPTION (ETRA)

The concept of self-consumption involves the implementation of renewable energy generation facilities (photovoltaic, wind...) intended for internal consumption, with the aim being to fully or partially cover the demand for a particular installation. In this way, the consumption of electricity by the network is reduced and the carbon footprint of the installation is optimized, reducing the amount of emissions associated with the generation of electricity.

In the case of the ETRALUX building on Calle Hermanos Granda in Madrid, a photovoltaic plant has been implemented that generates part of the energy consumed by the building, so that it does not have to be "bought" through the network. This generated energy does not have any type of surcharge or associated tax, therefore this energy source does not entail a cost for its consumption, which generates significant financial savings. The rest of the energy contribution necessary to supply 100% of the building's demand is supplied by the electricity network. The ETRALUX building, which the use case describes, has a contracted power of 72 KW, with an annual consumption of 157,000 kWh per year. A photovoltaic installation with 17 kWp of power

has been installed in this building. Thanks to this solution, an annual energy generation of 19,930 kWh has been obtained, which represents almost 13% of the total energy consumed by the facilities, reducing emissions by 9 Tn CO₂. Taking into account the consumption data and current energy prices, a break-even point for the investment is estimated at 9 years.

A fundamental aspect of this type of facility is the part pertaining to the energy management and monitoring of the facilities. In order to carry out this implementation, management and monitoring equipment has been used with ETRA's proprietary technology. On the one hand, a Smartmeter, referred to as SLAM was used to measure the energy generated in the installation, and on the other hand, an Energy Management Platform known as BESOS was implemented for the monitoring of the energy generated and consumed, as well as the energy management of the photovoltaic energy installation. Both products have been developed by ETRA within the framework of the Horizon 2020 program of the European Union.

6.1.2. CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

	2015	2016	2017*	2018*
ACS Group				
Non-hazardous waste (t)	4,408,470	2,877,029	9,345,697	15,058,309
Hazardous waste (t)	310,993	50,888	130,882	42,251
Construction				
Non-hazardous waste (t)	4,354,210	2,826,402	9,254,776	15,004,008
Hazardous waste (t)	308,848	49,255	130,052	38,701
Industrial Services				
Non-hazardous waste (t)	54,260	50,599	90,821	54,019
Hazardous waste (t)	2,141	1,618	766	3,478
Services				
Non-hazardous waste (t)	ND	28	99	283
Hazardous waste (t)	5	15	63	72

* In 2018, Hochtief's non-hazardous waste has increased from 8,860,189 tons to 14,538,068 tons, mainly due to the increase in large projects involving tunnels operated by Hochtief Asia Pacific, which produce large amounts of extracted material. Much of this material is used for purposes such as filling, in other construction projects. HOCHTIEF's focus on waste recycling is reflected in the Group's recycling rate, which stood at 87.1% in 2018 (2017: 90.6%).

The ACS Group's aim is, through its activities, to contribute to the implementation of a new, non-linear type of economy, based on the principle of Life Cycle Assessment (LCA) of products, services, waste, materials, water and energy. With this goal in mind, they will, at all times, consider solutions which have been proven effective over the past few decades, such as ecodesign or waste prevention, management and recycling, and new solutions as they are developed.

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

Waste is managed in accordance with the regulations in force in each country. The facilities have the corresponding authorizations for producers of hazardous waste, which allow for the respective recording, taking of inventory, storage and management. The non-hazardous waste generated is reused at the production site or collected by an authorized manager for treatment, recycling or recovery or, if this is not possible, for disposal in controlled dumps. Thus of the total non-hazardous solid waste managed by the Group only 1,011,958 tons⁵ are deposited in landfills, which represents only 6.7% of total non-hazardous waste.

The ACS Group also generates other hazardous waste or waste specifically regulated that must be treated, respectively, by an authorized hazardous waste manager or by an Integrated Waste Management System. Hazardous waste is, in general, delivered to authorized waste managers in accordance with the applicable laws, with 35.3% of it being recycled or re-used⁶. During the 2018 year, the ACS Group companies have transported 0.022% of the total hazardous waste internationally.

5. Scope of the data: 94.34% of sales for 2018.

6. Scope of the data: 91.91% of sales for 2018





6.1.3. SUSTAINABLE USE OF RESOURCES

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

Energy Consumption

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

the Group is influenced by the weight of the works carried out during the year, whereby given the strong diversification of the group certain activities are more energy intensive. The different companies of the ACS Group are carrying out a variety of initiatives in favor of conservation and efficiency, as well as the use of renewable energy sources, in this way during 2018, the electricity coming from renewable energies within the Group amounted to 58,657,631 kWh.

Energy consumption (kWh)	2015	2016	2017	2018*
ACS Group's Total	12,491,323,013	8,868,113,189	10,002,256,831	12,127,577,650
Construction	12,098,557,642	8,547,226,929	9,638,133,817	11,560,464,513
Industrial Services	301,060,332	235,766,578	280,570,597	474,375,569
Services	91,705,040	85,119,682	83,552,418	92,737,568
ACS Group Energy intensity (kWh/mn EUR Sales)	402,453	303,604	301,834	342,359

* In Construction the scope has been expanded, with the data for Dragados USA and Dragados Canada being included in 2018.

**The increase in 2018 in Industrial Services is due to the fact that in the Scope 1 emissions the data for Cobra companies in Colombia were collected for the first time and in the Scope 2, and the electricity consumption of the Cobra's Peru division is included for the first time.



Efficient use of water resources

Efficient use of water resources	2015	2016	2017	2018
ACS GROUP'S TOTAL				
Total water consumption (m ³)*	16,064,122.2	13,847,033.3	14,406,179.8	24,264,375.7
Wastewater discharges (m ³)	11,803,032.4	15,340,485.1	23,662,287.1	25,519,321.3
Volume of water reused or recycled (m ³)	5,171,994.3	5,428,101.7	4,055,132.3	2,413,263.5
Ratio: m ³ of water consumed / Sales (€ M)	776.6	756.5	676.3	685.0
CONSTRUCTION				
Total water consumption (m ³)*	14,212,769.3	13,631,804.0	13,562,922.6	23,397,405.6
Wastewater discharges (m ³)	630,250.8	808,495.5	635,925.3	255,359.2
Volume of water reused or recycled (m ³)	5,171,634.3	5,427,801.7	4,055,132.3	2,413,263.5
Ratio: m ³ of water consumed / Sales (€ M)	1,101.7	1,224.5	979.8	836.3
INDUSTRIAL SERVICES				
Total water consumption (m ³)*	1,851,352.9	215,229.3	198,207.2	235,219.5
Wastewater discharges (m ³)	11,172,781.6	14,531,989.6	23,026,361.8	25,263,962.1
Volume of water reused or recycled (m ³)	360.0	300.0	0.0	0.0
Ratio: m ³ of water consumed / Sales (€ M)	289.0	37.3	33.0	39.2
SERVICES				
Total water consumption (m ³)	0.0	0.0	645,050.0	631,750.6
Wastewater discharges (m ³)	0.0	0.0	0.0	0.0
Volume of water reused or recycled (m ³)	0.0	0.0	0.0	0.0
Ratio: m ³ of water consumed / Sales (€ M)	0.0	0.0	446.2	437.8

* The data has been re-stated since 2015, excluding the water captured by Tedagua for the desalination processes, since this water is a collection of sea water, not a consumption as such, being that it is returned to the environment. Thus, in 2016 total water consumption of Industrial Services included 31,638,607 m³ liters from Tedagua compared to the 18,107,550 m³ in 2015, due to the start-up of the Escombreras desalination plants, which included 48,895,516 m³ in 2017. In the discharges, where it is collected from the Tedagua part that corresponds to the discharge process derived from the desalination process.

** In 2018, the increase in construction water consumption is due to HT Americas water consumption being included, bringing the total number for Hochtief from 11,957,981 in 2017 to 21,123,194 m³ in 2018.

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

The ACS Group has adequate measurement systems (at the project, company and corporate level), which provide detailed knowledge of the main sources of consumption, information that enables the Group to implement the most appropriate efficiency measures for each case. Thus in 2018, the source of 99.75% of the total water consumption of the ACS Group was identified, which considers that, within this scope, 20.0% of the water was collected from the surface (sea, rivers, lakes, etc.), 7.2% of the water was collected from wells and groundwater sources, 13.8% of the water consumed is recycled

or reused, and the remaining 58.9% comes from the municipal network or other private or public sources.

It is noteworthy that the Group also performs exhaustive checks on the quality of the water discharged into the environment, in order to ensure the discharges do not have significant effects and always comply with that stipulated by law.

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



For further information:
Materials policy

Consumption of materials: Sustainable construction

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

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

MATERIALS POLICY

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

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

PROJECT FOR THE ENRICHMENT OF STEEL SLAG AS SUBSTITUTE FOR CEMENT (DRACE AND GEOCISA)

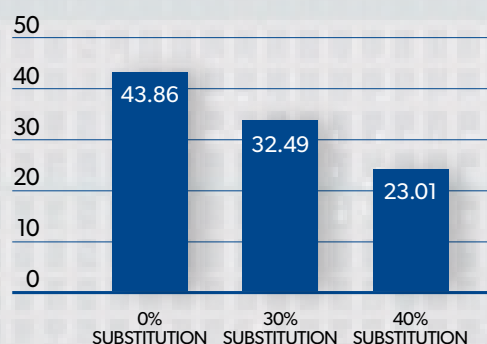
The management of steel slag waste is one of the biggest problems facing the steel industry, due to the storage requirements and the costs associated with it. However, this waste has a considerable potential for recovery, to the extent that the enrichment and reuse of this type of waste is a line where intensive work is being carried out in order to reduce the environmental and financial impact of the problem.

Along these lines, the companies DRACE Infrastructure and GEOCISA carried out between 2016 and 2018 the RD&I project "ENRICHMENT OF STEEL SLAG FROM SPILLWAY AS A SUBSTITUTE FOR CEMENT IN THE MANUFACTURE OF CONCRETE," with the purpose being to develop the necessary technology for the enrichment of steel slag from steel mills, through its incorporation, as a substitute for cement, in the manufacture of concrete for different prefabricated or manufactured elements in-situ.

By replacing different percentages of cement with these enriched slags; a significant impact is achieved on the sustainability of the product, by decreasing the demand for cement and, in turn, enriching a material that, at present, is considered to be waste.

The project has confirmed the feasibility of using steel slag as a substitute for cement in a wide range of products, compliance with the values and parameters collected in the reference tests, with the main problem being the current wording of the applicable quality standards that do not include the application of this product in the compositions of raw materials approved for the manufacture of the respective products. In addition, the project has enabled these two companies to define a work methodology that provides for the incorporation of slag from different origins, guaranteeing an adequate yield for the products.

CARBON FOOTPRINT
PER UNIT (Kg CO₂)



SUSTAINABLE CONSTRUCTION BY DRAGADOS

Customer demand in the field of sustainable building construction continues to grow. However this is not only true for building projects, but also in the field of infrastructure, such as the Bank Station Capacity Upgrade in the UK with CEEQUAL certification and the Gordie Howe International Bridge, Cote Vertu Subway Garage and Finch West LRT through Dragados Canada, with the ENVISION certification.

During 2018 a total of 10 works were being executed by Dragados with LEED, BREEAM or CEEQUAL certification for a value of more than € 660 million

and 49 projects were bid on with a certain type of sustainable certification requirement, corresponding to more than € 1,000 million.

In conformity with the commitment to continuous improvement held by Dragados, and in order to improve the process of reviewing contracts for works with LEED or BREEAM sustainable certification, guidelines have been made to collect the system requirements that guarantee compliance with the environmental requirements of the said certifications during the construction phase.

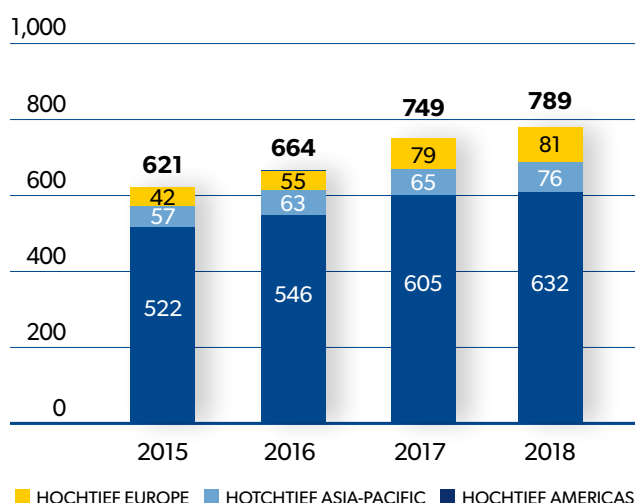
(301-1) Total materials used	2017	2018
Wood (m ³)	1,219,383	3,777,835
Steel (t)	551,342	1,310,393
Concrete (m ³)	4,104,025	4,739,630
Glass (m ²)	77,333	97,562

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

Since 2000, a total of Hochtief's 789 projects have been registered and certified in accordance with the respective certifications in terms of efficient construction.

Turner mainly adopts the LEED standard. While, CIMIC uses the Australian Green Star Methodology of the GBCA (Green Building Council of Australia) and LEED in its construction activities, while HOCHTIEF mainly adopts the DGNB, LEED and BREEAM certifications in Europe. Similarly, 33 projects were certified in terms of efficient infrastructure since 2013 (CEEQUAL, ISCA and Greenroads).

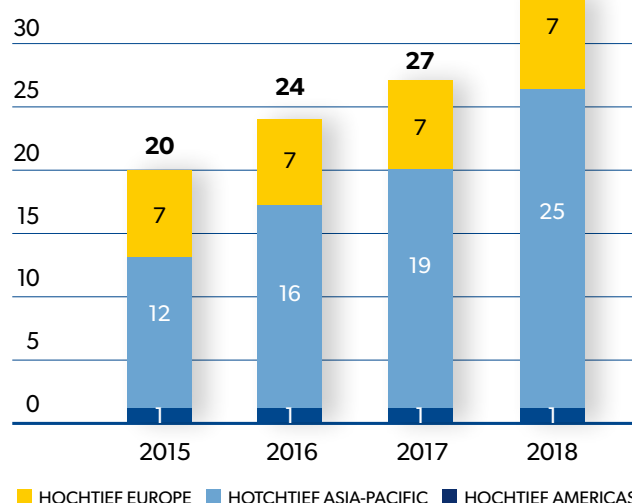
GREEN BUILDINGS IN HOCHTIEF*



* Cumulative number (since 2000) of green Buildings certified built by HoCHTIEF.

** Certified and registered green Infrastructure (since 2013) number built by HoCHTIEF.

GREEN INFRASTRUCTURE IN HOCHTIEF**



Also, in 2017, Dragados began the LEED and BREEAM certification for various building projects and in 2018, the objective was extended to include infrastructure projects.

In addition, the ACS Group companies also develop R&D projects aimed at reducing the consumption of construction materials, as well as its reuse and recovery.

6.1.4. PROTECTION OF BIODIVERSITY

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

Therefore, in its operations, the Group aims to strike a balance between development and conservation, in accordance with the following fundamental principles:

- Considering the initial value of the ecosystems which may be significantly affected by the Group's activities, products and services.
- Evaluating the impact of those activities, products and services on the ecosystems.
- Applying the imperative to mitigate impacts on the ecosystems by activities aimed at prevention, reduction, restoration and compensation.
- Implementing management plans whose purpose is to preserve or restore biodiversity in those activities or services which have a significant impact on the ecosystems.

- Establishing criteria for non-action, to prevent the development of activities or services in specific areas, on the basis of criteria tied to the intrinsic value or vulnerability of these areas.

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

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



ENVIRONMENTAL MITIGATION MEASURES IN THE ABERDEEN HARBOUR EXPANSION PROJECT (DRAGADOS)

The port of Aberdeen is one of the most active ports in the United Kingdom. In Nigg Bay south of the port there is continuous transformation through the development of new facilities and infrastructures. This will give the port greater capacity for the placement of the larger ships, for which the markets, both existing and new, have expanded.

To design the increase in the existing depths, which vary between -9m and -10.5m, dredging and blasting of the seabed of the bay will be required. These activities can be highly disruptive, especially to the local population of marine mammals, which include the bottle nosed dolphin, harbor porpoise, white-bill dolphin, minke whale, Risso dolphin, gray seal and harbor seal. As a result of this, several measures will be implemented to mitigate the impact and minimize the possible negative factors.

In 2015 an Environmental Declaration was prepared in which the possibility of significant effects on a number of issues related to the recipients was considered, including, among others, the surrounding marine physical environment, the conservation of local natural habitat, the ecology of fish and shellfish, marine ornithology and marine mammals.

In addition to this, an additional Environmental Report was developed in 2016, to provide more information on, among other topics, the methodology of the blasting project and the mitigation strategies to follow. More recently, and once all the relevant stakeholders were in agreement, including the Scottish Marines, Scottish Natural Heritage, the Aberdeen City Council, the Scottish Environmental Protection Agency, etc.; it was ratified within the Construction Environmental Management Document (CEMD), which also ratified that all blasting works must comply with European legislation on protected species.

The most relevant measures agreed upon and in force during the project's blasting activities to mitigate the impact are:

1. Blasting will be limited to daylight hours. If explosions occur outside daylight hours due to exceptional circumstances, a full written report

will be sent to the competent authority (Marine of Scotland) within 48 hours.

2. Due to the operating limits of the vessels that carry out the drilling and blasting, this will not take place during bad weather, if the height of the waves is greater than 0.5 m or the sea state is higher than three on the Beaufort Scale.

3. Mitigation zones have been defined (1000 m for marine mammals and 500 m for seals), thus ensuring that no marine mammals are close enough to the point of explosion to harm them. The constant presence of the marine mammal observer (MMO) and the passive acoustic monitors (PAM) ensure that there are no marine mammals within the mitigation zone, as of 1 hour prior to the scheduled explosion.

4. The ECoW Project will also carry out bird checks in the vicinity of the blasting area before the scheduled explosion.

5. Before each main explosion, a small detonation is done to scare the fish away.

6. The explosion will only occur behind a double bubble curtain that will activate 15 minutes before each explosion and will be located at different points to attenuate any explosion noise reaching "open waters."

7. A vibration, terrestrial noise and underwater monitoring (UWM) control will be performed for each explosion, which will serve to ensure the compliance of the underwater noise in comparison with the agreed upon reference point.

8. Information on dead or injured fish recorded before blasting and after blasting will be recorded and provided to the Marine Scotland Licensing Operations Team (MS LOT) in the blast report. If MMOs see adverse effects on marine mammals, they will also provide immediate notification.

9. After each explosion, MMOs will continue to observe for 15 minutes and the PAMs will continue to monitor for 20 minutes to determine how quickly the seals return to the 500 m mitigation zone with that all remaining marine mammals return to the mitigation zone of 1 km.

REHABILITATION OF MINING AREAS BY CIMIC

The rehabilitation of the affected areas is a fundamental element of the treatment of biodiversity in construction sector, infrastructure services and especially in mining activities. In this area, the rehabilitation and progressive recovery of the affected areas is especially important, which

involves establishing erosion control structures, soil recovery and replanting. Cimic seeks to ensure that all affected areas are rehabilitated in a way that is safe, stable and suitable for the agreed upon subsequent uses, such as agriculture, grazing or natural habitats.

Rehabilitation of CIMIC mining areas (hectares)	Reshape	Soil Recovery	Seeded
Australia / Pacific	105.9	90.6	7.8
Asia / Africa / America	229.5	180.4	0
Total	335.4	271.0	7.8



6.2. THE ACS GROUP'S PEOPLE

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

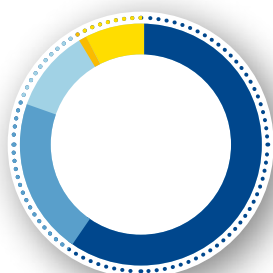
The ACS Group applies modern and efficient human resource management tools with the goal of retaining the best professionals. Some of the fundamental principles governing the Group companies' corporate human resources policies are based on the following common actions:



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

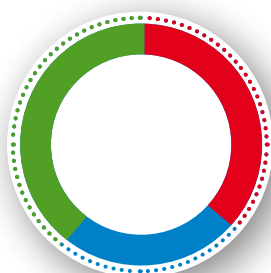
The ACS Group is an active advocate of human and labor rights, as recognized by various international bodies.

EMPLOYEES BREAKDOWN BY GEOGRAPHICAL AREAS



● EUROPE **56.9%**
 ● AMERICA **23.1%**
 ● ASIA **10.5%**
 ● AFRICA **0.2%**
 ● OCEANIA **9.3%**

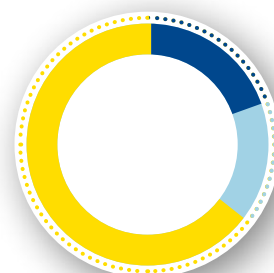
EMPLOYEES BREAKDOWN BY ACTIVITY AREA *



● CONSTRUCTION **35%**
 ● INDUSTRIAL SERVICES **26%**
 ● SERVICES **39%**

* Not including 52 employees from Corporate.

EMPLOYEES BREAKDOWN BY PROFESSIONAL CATEGORY



● GRADUATES AND PERSONNEL WITH DIPLOMAS **18%**
 ● NON GRADUATE AND ADMINISTRATION STAFF **17%**
 ● OTHER STAFF **65%**



STAFF OF THE ACS GROUP AT YEAR END **195,461**



WOMEN

38.8%

AS % OF THE ACS GROUP'S TOTAL

9,431
GRADUATES AND
PERSONAL WITH
DIPLOMAS

2,103
EMPLOYEES WITH A
MANAGEMENT POSITION
(HEAD OF CONSTRUCTION/PROJECT OR SIMILAR AND HIGHER)

10,833
NON GRADUATE AND
ADMINISTRATION STAFF

125
SENIOR MANAGEMENT
POSITIONS

12.9%
TOTAL
TURNOVER

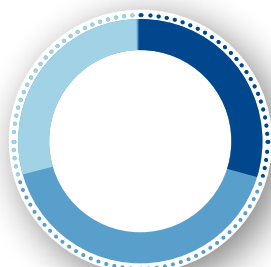
9.5%
VOLUNTARY
TURNOVER

41 YEARS
AVERAGE AGE

55,654
OTHER STAFF

6.4 YEARS
AVERAGE SENIORITY

EMPLOYEES BREAKDOWN
BY AGE



EMPLOYEES BREAKDOWN
BY COUNTRIES



● SPAIN **50%**
● AUSTRALIA **9%**
● UNITED STATES **8%**
● INDONESIA **5%**
● BRAZIL **3%**
● MEXICO **3%**
● PERU **3%**
● OTHER **19%**



MEN

61.2%

AS % OF THE ACS GROUP'S TOTAL

25,755
GRADUATES AND
PERSONAL WITH
DIPLOMAS

10,203
EMPLOYEES WITH A
MANAGEMENT POSITION
(HEAD OF CONSTRUCTION/PROJECT OR SIMILAR AND HIGHER)

23,082
NON GRADUATE AND
ADMINISTRATION STAFF

866
SENIOR MANAGEMENT
POSITIONS

18.2%
TOTAL
TURNOVER

13.1%
VOLUNTARY
TURNOVER

41 YEARS
AVERAGE AGE

70,708
OTHER STAFF

5.7 YEARS
AVERAGE SENIORITY

In 2018, the total turnover in the ACS Group was 17.47% and the voluntary turnover was 12.44%. The number of dismissals reported was 27,239⁷, in these figures, more than 70% of them come from international construction companies based on the respective management systems, considering both dismissals and contract terminations. In 2019, work is being done to adapt these management systems

to report only the data on dismissals in subsequent reports. Of these dismissals, 90% were men and 10% of women. The breakdown by professional category is 7% Graduates and personal with diplomas, 8% Non graduate and administration staff and 85% of other personal. By age range, 53% corresponds to under 35, 32% to employees between 35-50 years and the remaining 15% to people over 50 years.

7. Scope of data: 93.98% of the ACS Group's staff in 2018.

6.2.1. DIVERSITY AND EQUALITY

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

Likewise, in 2018 year the ACS Group has approved a new version of its Diversity Policy which serves to manifest, implement and develop the commitment of ACS and its Group to diversity and inclusion of all types of groups and sensitivities in the different areas and levels of the Group, establishing the guidelines and objectives that should govern the performance of the Group in terms of diversity.

Given that the ACS Group's geographic spread means that it is a diverse and multicultural Group, the intention is to continue and encourage the joining of professionals with a broad range of profiles, including various races, ethnicities,

ages, nationalities, languages, levels of education, skills, religions and gender, so that all of this is a constant in the Group's day-to-day activities. This Policy applies to the members of the administrative bodies as well as any job position. Within this Policy, it is stated that the companies of the ACS Group must adopt those measures that, given their characteristics and specific circumstances, allow them to achieve the diversity objectives specified therein, generating a diverse and inclusive work environment, and will be applied in the ACS Nominating Committee, which will monitor and evaluate the application of this Diversity Policy. The breakdown of the different types of contracts by gender, age and professional classification is shown below. Part-time contracts are not broken down, being that the information collection systems are not prepared to collect this information, whereby an effort will be made to include this information in the 2019 report. Even so, a query has been carried out and it has been estimated that, due to the characteristics of the ACS Group's activities, Clece is the company with the greatest representation of this type of contract, which is estimated at around 60% of its contracts.

2018			
	Men	Women	Total
Permanent contracts	63,572	47,969	111,541
Temporary contracts	55,972	27,948	83,920

2018				
	Age <35 years	Age between 35 and 50 years	Age >50 years	Total
Permanent contracts	27,409	47,126	37,006	111,541
Temporary contracts	28,176	40,315	15,430	83,920

2018				
	Graduates and personal with diplomas	Non graduate and administration staff	Other staff	Total
Permanent contracts	27,751	22,525	61,265	111,541
Temporary contracts	7,435	11,389	65,097	83,920

Specifically, the Appointment Committee will ensure that the selection procedures for the members of the Board favor diversity with regard to the aforementioned issues and, in particular, that they facilitate the selection of female directors in a number that makes it possible to obtain a balanced presence of women and men. The remuneration of the Board is shown in the table below.

The ACS Group's Management Committee, is composed of 6 managers (all men) who in the year 2018 have had an average annual remuneration of € 3,855 thousand of euros (including fixed and variable compensation) and an average annual contribution to the pension plans of € 989 thousand of euros.

Thousands of Euros	Number of Board Members	Average remuneration 2017 period	Average remuneration 2018 period	Change
EXECUTIVE DIRECTORS (1)				
	5	6,920	4,962	-28.3%
Fixed remuneration		1,414	1,472	4.1%
Variable remuneration (2)		4,718	2,606	-44.8%
Contributions to the long-term savings systems		787	879	11.7%
Other items		0	6	n.a.
Thousands of Euros	Number of Board Members	Average remuneration 2017 period	Average remuneration 2018 period	Change
NON-EXECUTIVE BOARD MEMBERS				
	13	234	233	-0.7%
WOMEN	3	164	189	15.4%
MEN	10	255	246	-3.8%

(1) The Executive Directors of the ACS Group are men.

(2) Includes annual short-term variable remuneration and long-term plans.

The Group's commitment to diversity and equal opportunities is reflected in all areas of the company. Regarding gender, companies representing 95.31% of the Group's employees have adopted measures to promote equal treatment and opportunities for men and women, among which 72.55% of the Group's employees are covered by Equal Opportunity Plans and in companies that represent 98.27% of the employees of the Group there are protocols against sexual harassment.

Likewise, in Group companies that represent 98.27% of the Group's employees, measures have been taken to ensure equal opportunities and avoid discrimination in the selection processes for any job position. In regards to this aspect, it is worth noting that, in recent years, the ACS Group's commitment to the representation of women in the working world and their professional development, has materialized, as since 2012 the number of women in executive positions has increased by 112%.



The ACS Group promotes the policies of equal opportunities and diversity for all its companies, by encouraging the participation of its employees in initiatives and proposals that make progress in this direction. The Group also ensures that the policies regarding compensation and retention of talent are in line with these basic principles. To this end, the ACS Group carried out a preliminary study in 2018 on wage equality among all the companies of the Group, which made it possible to provide the first assessment of the average remuneration of the more than 195,000 employees that comprise the ACS Group. For the average remuneration, the average annual compensation for the ACS Group employees was taken into account considering the respective base salary and other cash incentives. The weighted average is shown in the consolidated data, while being disaggregated by gender, professional classification and age.

The salary differences detected are mainly due to the greater presence in activities such as Construction in countries with a higher per capita income, as

well as the typology, specialization, working hours, seniority, risk factors or location of the different activities of the Group, which includes everything from workers at heights in the United States to mining in Australia, with high levels of danger and higher per capita income, to the activity of Services, where the staff is located mostly in Spain and its activity is concentrated in cleaning services, home care and care for the elderly with salaries regulated by the collective bargaining agreements of each business activity.

This diversification of activities and the distribution of employees in countries with different income levels justify the differences found in the breakdown of the average compensation table.

Likewise, the ACS Group has launched a study on the possible salary gap in the different countries of the Group, which will make it possible to deepen the commitment to equality, which is an essential principle of action for the ACS Group.

2018			
Annual average remuneration (€)	Men	Women	% Change
Directors and university graduates	79,936.0	62,720.5	-21.5%
Middle-level skills and Administration staff	39,842.4	37,459.2	-6.0%
Other staff			
Construction	53,160.6	46,023.3	-13.4%
Industrial Services	19,035.0	15,871.4	-16.6%
Services	14,223.6	13,439.4	-5.5%

Annual average remuneration (€)	2018
Age <35 years	30,304.3
Age between 35 and 50 years	36,118.5
Age >50 years	30,403.6

The ACS Group also understands the important role that having local roots and being sensitive to each place's unique features has in the company's success. For that reason, it promotes direct hiring of local employees and executives. In addition, the ACS Group is strongly committed to the inclusion of

people with disabilities and others from vulnerable groups into the workforce. Specifically, in the year 2018 the ACS Group had 7,080 people with a disability and in companies that represent 76.77% of the employees, they have systems to ensure the universal access by their employees.

WORKFORCE INCLUSION OF VULNERABLE GROUPS IN CLECE

Clece Social is the social project of the Clece Group which expresses its commitment to the people. A commitment which is not considered to be a duty of the company or a strategy designed for social responsibility, but rather something inherent to its origin and its development: a company of people for the people. Among its objectives is to promote equal opportunities through the inclusion of people from disadvantaged groups, mainly persons with disabilities, persons at risk of social exclusion, women experiencing gender-based violence, victims of terrorism and long-term unemployed youth.

Whereby, in 2018, 8,749 people, representing 11.6% of the Clece Group's staff belonged to one of these groups. This figure has increased by more than 1,200 people compared to the previous year.

To achieve this goal, during this year Clece has continued working through collaboration agreements with more than 350 institutions and non-profit organizations, in addition to its own initiatives. One of them was "Project 139" which was the name given to the commitment undertaken by Clece in the delivery of the III Commitment Awards in November 2017, to hire 139 women victims of gender violence throughout 2018. It was a symbolic figure equal to the number of nominations submitted that year for the category of Best Social Project. In an effort to promote the labor integration of

victims of gender violence, Clece works with more than 120 associations dedicated to this group. The company is part of the program of the Network of Companies for a Society Free of Gender Violence, promoted by the Ministry of Health, Consumption and Social Welfare, which aims to raise society's awareness of this menace, while also promoting the social and labor inclusion of the victims. The project was completed on October 31, 2018 with a final figure of 169 women victims of gender violence being hired in 11 months.

In the same way, Clece continued to hold its VII Forum for Integration in Santander in 2018 under the slogan "Are we talking about labor inclusion?" which brought together different players involved in the inclusion of people with disabilities into the workforce, as well as victims of gender violence and people at risk of exclusion. On the other hand, in May 2018 LaborMAD was held, which was an event that Clece organized in Madrid, intended for the recruitment of people from vulnerable groups to work in the respective services that the company provides in the Community of Madrid. An event that allowed hundreds of personal interviews with candidates interested in occupying any of the more than 1,500 positions offered in such service as home care, nursing homes and senior care centers, property cleaning services, maintenance, gardening, information services and access control.



Social Project



Inclusion & Employment Project



Video of Project 139



Video of LaborMAD

6.2.2. ORGANIZATION OF THE WORK AND SOCIAL RELATIONS

[102-41]

The ACS Group encourages spending time with the family, and in companies that represent 81.01% of the Group's employees, measures have been established such as flexible hours, telecommuting, a greater number of vacation days than legally required, reduced working hours according to the law, accumulation of breastfeeding time, among others, with 38.11% of the Group's employees

being covered by these measures. In 2018, this has provided for the reincorporation of 92.89% of the women after their maternity leave and 98.11% of the men.

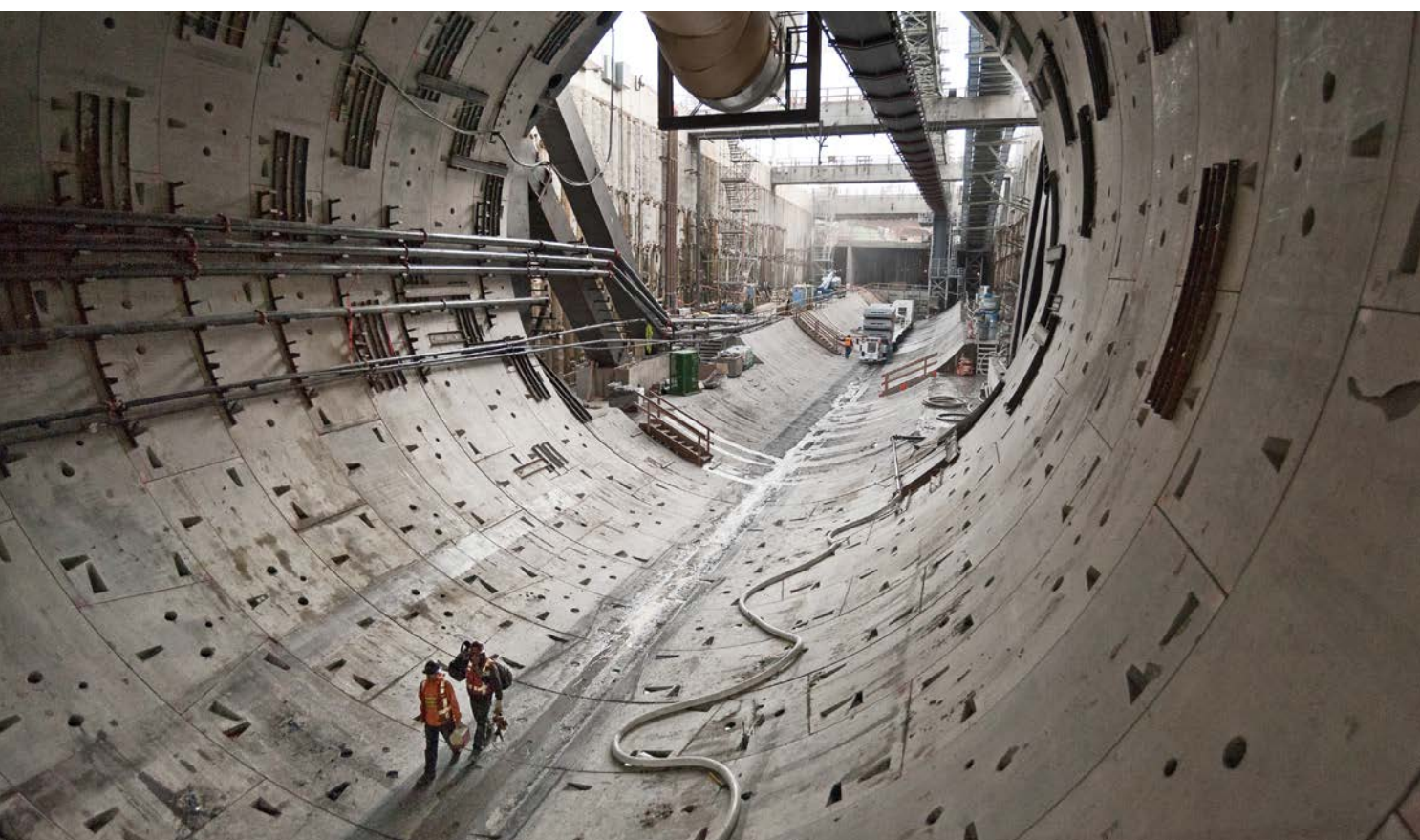
This improvement in the organization of the work and also the improvements related to safety and health, as a result of both mandatory and voluntary programs carried out by the company, have allowed for a reduction in the absenteeism rate in recent years.

	2015	2016	2017	2018
Total number of days lost (due to absenteeism)	967,184	1,046,251	765,812	641,337
Percentage of days lost due to absenteeism	2.1%	2.3%	1.5%	1.2%

In a similar manner, the company promotes, respects and protects the freedom to form trade unions and the right of association for its workers. Thus, in 2018, 13.47% of the employees of the ACS Group were affiliated with union organizations and 70.42% were covered by collective bargaining agreements or by an independent union. By country, in companies with headquarters located in Spain 90.3% are covered by collective bargaining agreements or by an independent union, 96.4% of employees for which the respective headquarters is in Germany and 24.1% of employees for which the respective headquarters is in Australia. As regards the list of collective bargaining agreements on safety and health, in 2018, 80.17%

of the workers of the ACS Group are represented by formal committees of safety and health for management and employees. In companies representing 67.82% of the Group's workers, the collective bargaining agreements with the unions cover matters related to health and safety, and in these, 70.68% of health and safety matters are covered.

In a similar manner, in addition to the list of unions, the ACS Group also provides formal channels of dialog for maintaining relationships with workers, as with the ethics channels for example, and in the majority of the group there are minimum periods required for the advance notice of significant operational changes.



6.2.3. DEVELOPING TALENT

TRAINING: COMMITMENT TO PROFESSIONAL DEVELOPMENT

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

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

	2017	2018
Employees covered by a formal system of professional development	94.2%	94.6%
Employees subject to performance evaluation processes	30.8%	32.8%
Employees covered by variable compensation systems	93.3%	97.7%

SKILL DEVELOPMENT AND ASSESSMENT POLICY

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

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

DRAGADOS YOUNG TALENT PROGRAM

In an increasingly competitive international market in which the search for and retention of talent is essential for the development of companies, Dragados has once again invested in hiring young talent that recently graduated, for the company's main construction projects, thus offering them the opportunity to learn and develop in this sector.

This program is aimed at establishing itself as a benchmark in the learning and development of these young people through the experience in construction, training, mentoring and evaluation, with the objective being to obtain information that will serve to identify and retain their talent based on their concerns.

For this reason, in 2018, more than 60 recent graduates in Civil Engineering, graduates in Business Administration and Industrial Engineering have been hired for national projects with the aim being to train them in the main business segments and systems. This training will allow them to acquire a global and complete vision that is fundamental for their subsequent development in the main national and international projects of Dragados.

CURRENT

	Spain	International
Civil Engineers	64	35
Industrial Engineers	9	6
Business Administration	29	15
Architect	1	
Total	102	56

These technicians join the almost 100 young participants of the program from previous editions who are developing their career with us.

Since 2017 we have been working on a coordinated project between the Human Resources Departments of Dragados Spain, USA and Canada with the aim being to continue to expand the young talent development program at the international level. The success obtained in this program in Spain since 2014, led to the implementation of this program at the international level.

In this way, the different North American construction companies of the Group have been incorporated into this Plan. It aims to promote and encourage young talent and provides a first step into the world of work.

The program entitled "Engineering & Finance Development Program" currently has more than 100 Engineers and 20 Financial Professionals, hired by North American construction companies. In 2018, around 60 Engineers and 10 Financial Professionals were hired. The plan consists of 3 years of training and follow-up where they receive technical professional training and have a mentor who evaluates them and provides guidance regarding their performance. The practical training is obtained by incorporating them into the company's most significant works.

The company's interest in incorporating young graduates continues to be more and more evident, which is providing opportunities for promotion and continuous development.



DRAGADOS EVALUATION AND TALENT PLAN

Dragados considers it to be essential to obtain information that allows for the development and retention of in-house talent. For this reason, during the 2018 year, the project to evaluate the young talents hired by the company, within the Young Talent Program of Dragados, continued.

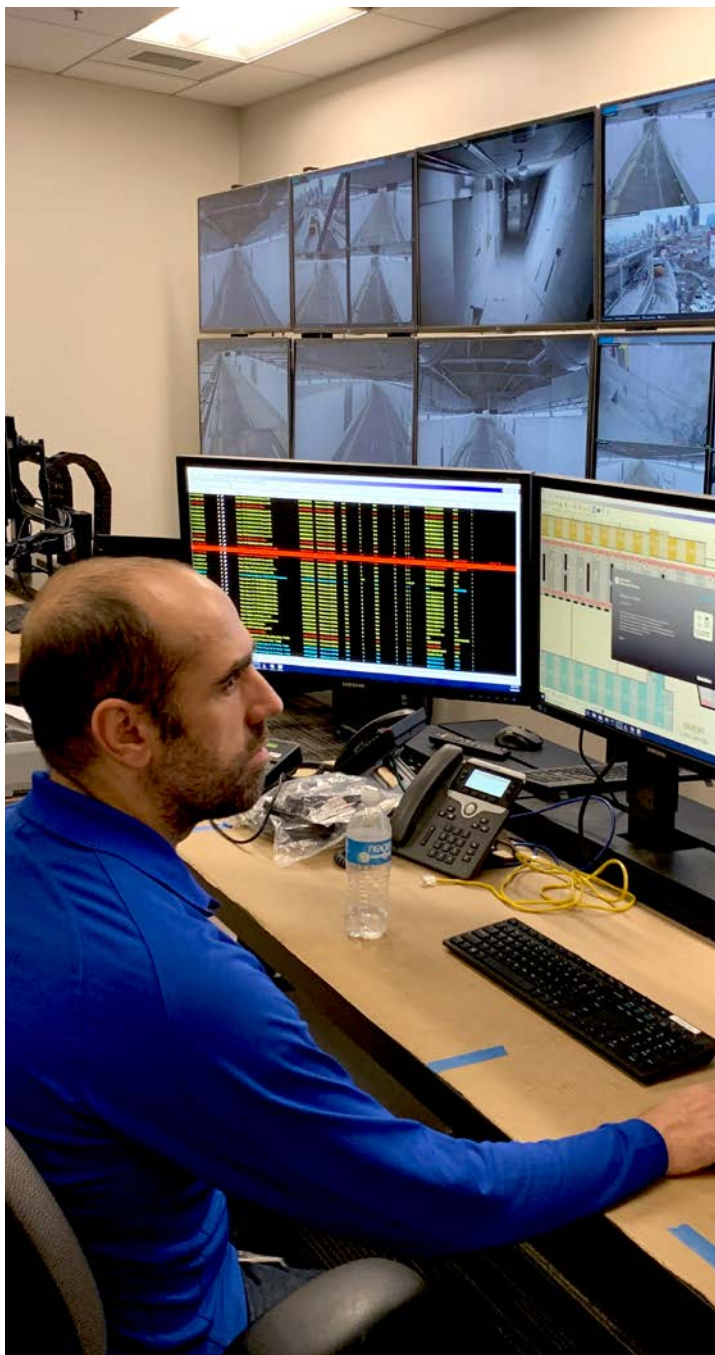
The profile of these graduates in Road, Channel and Port Engineering, graduates in Business Administration and Industrial Engineering, newly hired and with up to 4 years of experience, demonstrate a high level of English, learning potential and motivation to develop their professional career in the construction field.

Currently around 160 young talents are incorporated into large construction projects both in Spain and in the rest of Europe, USA, Canada and South America. They are beginning or consolidating a career as great professionals in our company nationally and internationally, while acquiring more and more responsibilities.

The objective of the evaluation is, on the one hand, is to learn about the professional status of these workers in order to offer an answer to their professional concerns and expectations and, on the other hand, to identify the internal talent which, based on their attitudes and aptitudes, provides for an adjustment of the employee to the internal needs of the company.

After conducting the evaluations consisting of a questionnaire and a personal interview with the worker and his/her superior/professional mentor, assessments and information have been obtained in terms of competence as well as the worker's previous experience and professional expectations, which allows us to make decisions about possible internal changes, promotions and professional development in the company.





SICE EXECUTIVE DEVELOPMENT PROGRAM

The Executive Development Program provides tools to improve the management of SICE's professionals and managers, while enhancing their managerial skills. From a practical point of view, we work on the fundamental aspects of today's management practices.

The fundamental skills, techniques and tools are developed to improve management. The participants benefit from enhanced development of managerial skills and a more complete vision of management.

SICE seeks to develop greater competitiveness, reduce turnover and increase its profitability, by delivering the tools to carry out its activities more efficiently, while developing the skills of managers, which directly impact the company's bottom-line.

Contents:

- I. People and business leadership.
- II. Change Management in the company and staff changes.
- III. Effective negotiation techniques and conflict management.
- IV. Executive effectiveness: management of time and work under pressure and optimization of results.

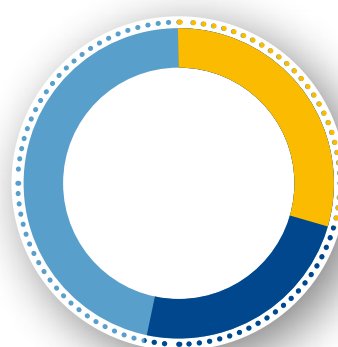
TRAINING PLANS

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

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

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

CLASS HOURS
BREAKDOWN BY
PROFESSIONAL CATEGORY



- GRADUATES AND PERSONNEL WITH DIPLOMAS **32%**
- NON-GRADUATE AND ADMINISTRATION STAFF **22%**
- OTRO STAFF **46%**

	2017	2018
Total class hours given	2,174,758	2,553,214
Class hours per employee (based on total employees)	12.5	13.6
Employees participating in training activities	83,845	94,159
Class hours per employee (based on total employees trained)	25.9	27.1
Investment in training (Millions of €)	28.5	33.0
Investment per employee in training (based on the total number of employees) (€)	156.4	173.2
Investment per employee in training (based on total employees trained) (€)	340.0	350.3

6.3. HEALTH AND SAFETY

.....

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

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

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

- Compliance with current regulations on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into all activities and at all levels through proper planning and implementation.
- Adoption of measures beyond regulations to ensure employees' protection and well-being.
- Application of the principle of on-going improvement of the system. And the extension of its principles and the participation of employees through training and information.

- Investment in certification of personnel and application of technological innovations to prevent accidents.

- Development of measures to protect the safety of third parties at the companies' facilities.

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

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

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

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



6.3.1. TRAINING

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

The ACS Group collaborates with organizations specialized in health, safety and risk prevention and actively participates in the major conferences, congresses and forums organized domestically and internationally.

	2017	2018
Employees who have received training on safety and health during the year (%)	69.6%	73.1%
Employees who have received training in occupational safety and health throughout their career with the company (%)	99.9%	99.7%



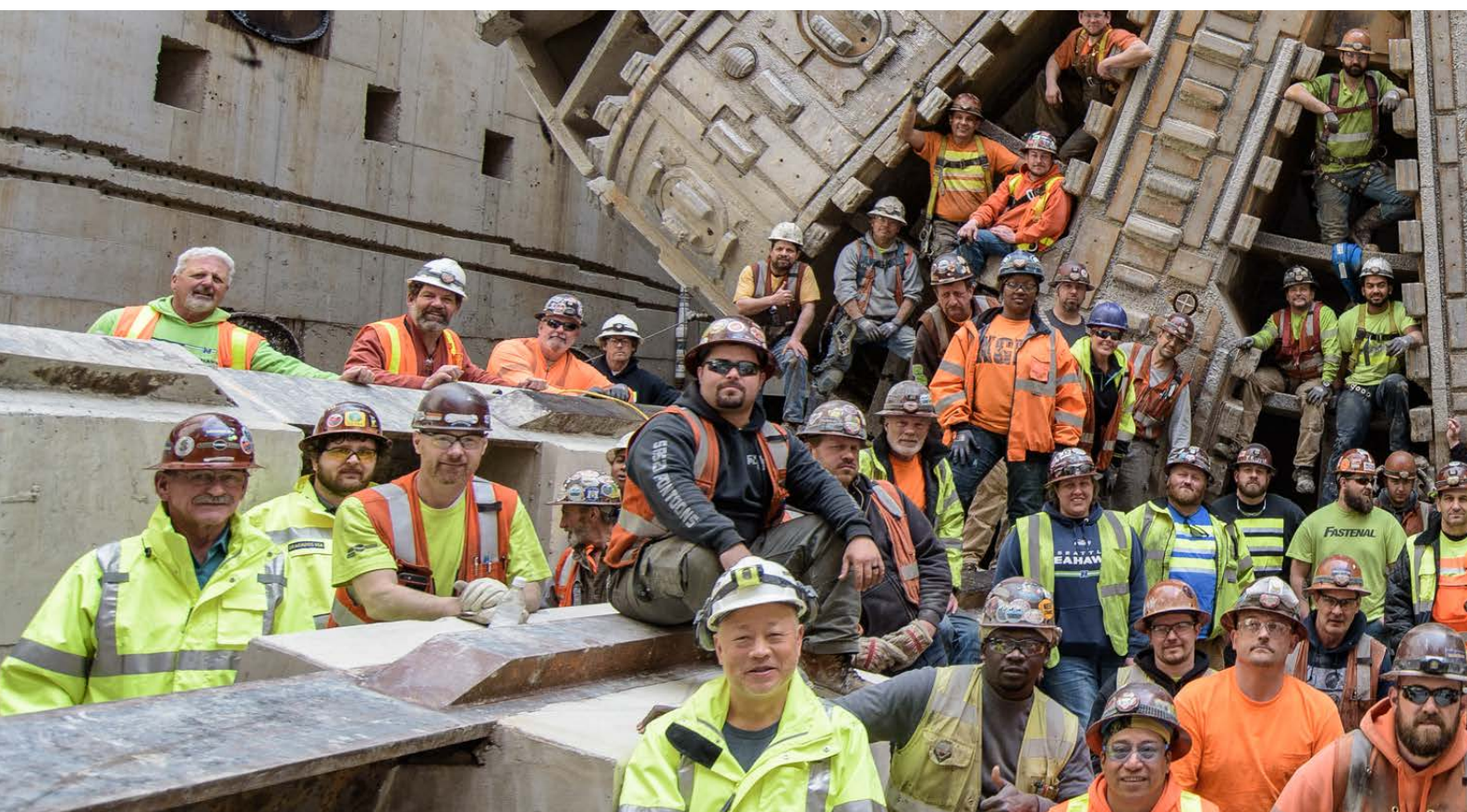
6.3.2. SAFETY STATISTICS

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

The Services activity has, by its nature of business, has greater incidence and frequency. Given the weight of the service activity, it has an impact on all the consolidated indicators, especially in the breakdown by gender, since the Services activity is where the highest concentration of women in the ACS Group can be found.

	2015	2016	2017	2018
Percentage of total employees covered by the certification OSHAS18001	82.8%	85.4%	88.0%	90.1%
Investment in Safety and Health (€ mn)	128	142	143	160
Spending per employee on safety (€)	754.2	838.0	783.5	817.6

Accident rates Employees	2015	2016	2017	2018
Frequency rate	13.04	13.73	12.25	11.27
Construction	3.29	3.02	2.72	3.17
Industrial Services	9.89	6.81	6.33	5.55
Services	28.80	32.74	31.46	28.68
Severity rate	0.37	0.38	0.34	0.30
Construction	0.09	0.11	0.08	0.08
Industrial Services	0.33	0.17	0.17	0.16
Services	0.79	0.87	0.88	0.77
Incident rate	24.62	25.85	23.14	21.09
Construction	7.65	7.01	6.04	6.91
Industrial Services	20.36	14.25	13.60	11.20
Services	41.15	46.79	44.95	41.86



	2018	
	Men	Women
Frequency rate	6.13	22.24
Construction	3.62	0.63
Industrial Services	5.97	1.53
Services	21.45	31.01
Severity rate	0.16	0.60
Construction	0.09	0.03
Industrial Services	0.16	0.04
Services	0.59	0.83
Incident rate	12.70	34.63
Construction	7.99	1.38
Industrial Services	12.04	3.16
Services	35.43	43.39

	2018
Total number of cases of occupational diseases (employees)	105
Total number of cases of occupational diseases (Male employees)	75
Total number of cases of occupational diseases (Female employees)	30
Frequency Rate of Occupational Diseases (employees)	0.280
Frequency Rate of Occupational Diseases (Male employees)	0.295
Frequency Rate of Occupational Diseases (Female employees)	0.250

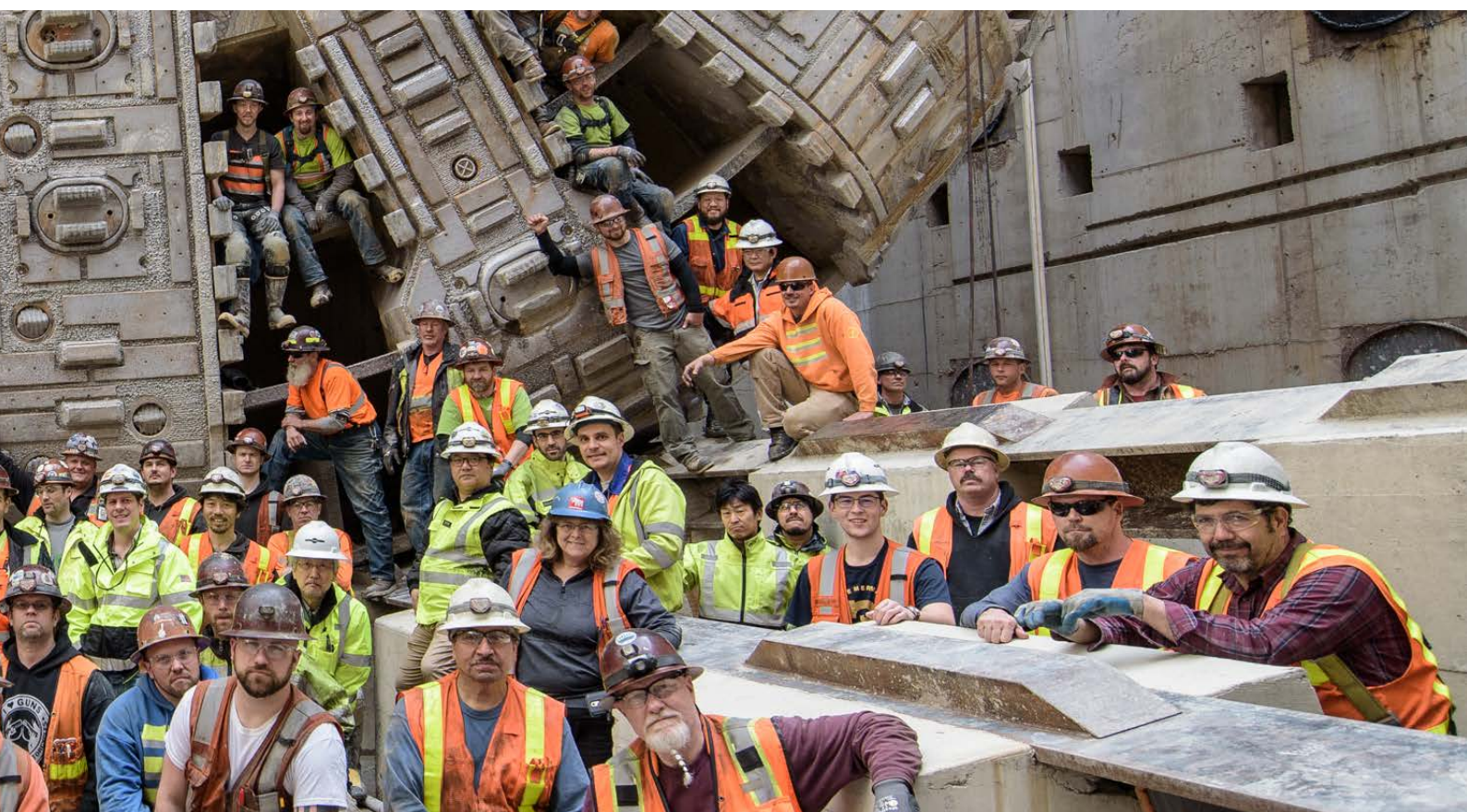
Health and Safety Glossary

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

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

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

Occupational Frequency Rate: Number of occupational diseases per million hours worked.



RDI PROJECT (COBRA): REPORTING OF INCIDENTS, THE BRIDGE TOWARDS A PREVENTIVE CULTURE

The Senior Management of the COBRA Group maintains a firm leadership and commitment regarding the management of Occupational Health and Safety. There are many actions that have been carried out, although not all receive notoriety. Both the most visible, and the least, are fundamental for results-oriented management in relation to Occupational Health and Safety, the fact is that the Incident Reporting Project (Proyecto RDI) is an essential tool, which remains a lever for change towards a preventive culture, which has an interdependent relationship.

In COBRA, there is a firm belief in this Project globally. The objective is to significantly improve the voluntary reporting of information. To this end, the commitment of the Senior Management is maintained, which has been transmitted in several conferences, meetings and campaigns in a continuous manner over time. Given that it is a cultural change, much work must be done in carrying out pedagogical work throughout the Organization, so that it reaches each and every one of the employees, both in-house and those of the partner companies.

The project is based on transmitting the following basic principles:

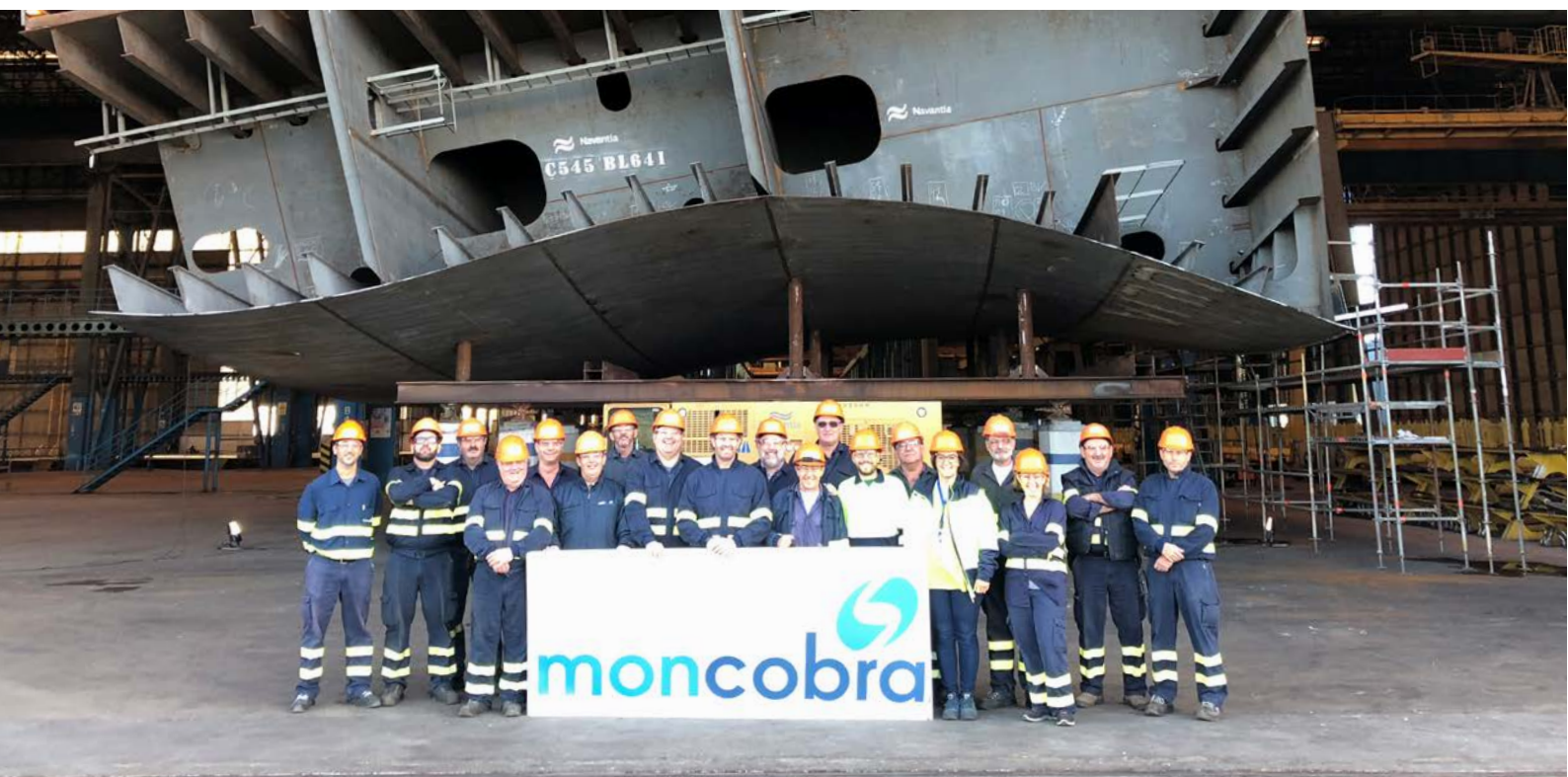
- Risk prevention is not only a priority, it is one of the company's values. There is nothing more important than a person's life.

- When an incident occurs, the organization must know about it. Therefore, any incident that occurs should be reported with absolute confidence. As, Cobra will include it as a "lesson learned" in order to prevent it from occurring again and avoid escalation. Each report is analyzed and resolved.

- Reporting an incident is a personal initiative, in which the employee demonstrates their concern for their own safety and that of their colleagues. This constitutes pro-active participation, and not a passive one, in the management of the Occupational Health and Safety. We encourage positive recognition of the person who participates by providing the voluntary information report.

In 2018, this initiative was a fully implemented project, with more than 31,000 reports of registered labor incidents, which has provided for a significant reduction in accident rates recorded since the implementation of the Incident Reporting project. For the next few years, the objective is to continue the advancement of this project, as a measure for continuous improvement in this area.

The Management is firmly committed to being a reference in the field of safety, by introducing an authentic culture of prevention in all the tasks that are carried out, until ensuring that safety is an inalienable value, which is part of the daily life of all members of our Organization, being, therefore, a tool that allows us to achieve operational excellence.





ACCIDENT RATES SUBCONTRACTORS

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

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

CONTRACTORS	2015	2016	2017	2018
Frequency	4.74	3.16	3.44	3.17
Construction	9.99	4.46	4.75	4.01
Industrial Services	1.90	1.36	1.60	1.85
Services	0.00	0.00	0.00	0.00
Severity	0.05	0.09	0.11	0.10
Construction	0.07	0.13	0.09	0.10
Industrial Services	0.04	0.04	0.13	0.10
Services	0.00	0.00	0.00	0.00

* Given that Clece does not work with subcontractors, the indicators of the Services activity drop to zero.

** Since 2016 the data for HT Asia Pacific is included under Construction.

6.4. REGULATORY COMPLIANCE: HUMAN RIGHTS AND COMBATING CORRUPTION AND BRIBERY

The ACS Group and the companies that comprise it are firmly committed to complying with its internal codes and the Corporate Social Responsibility policy. Throughout 2018, all divisions of the ACS Group proceeded to implement Compliance Management Systems, aligned with the main international regulatory standards. This process culminated in the last quarter of the 2018 period with the certification of the criminal compliance systems of the Group's head companies (ISO Standard 37001 and UNE Standard 19601).

In this manner, in 2018, the head companies of ACS in Spain were equipped with a criminal and anti-bribery Compliance Management System in order to structure an environment for the prevention, detection and early management of criminal and anti-bribery Compliance Risks, as well as to reduce its undesired effects in the event that they materialize, contributing to the generation of an ethical culture and respect for the Law among all ACS associates.

6.4.1. RESPECT FOR HUMAN RIGHTS: THE ACS GROUP'S CODE OF CONDUCT AND HUMAN RIGHTS POLICY

For the ACS Group, its commitment as a business to respecting human rights according to the ethical principles and the corporate culture that guide the performance of its activities and the achievement of its goals, is a key aspect. The main commitments in regards to this matter are contained in two internal codes of the ACS Group: the Code of Conduct and the Human Rights Policy.

CODE OF CONDUCT

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

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

- **Integrity:** Among its employees, the ACS Group promotes the recognition of behavior consistent with the fulfillment of the principles of: loyalty to the company, abiding by the law, honest management, fair competition, fiscal responsibility and confidentiality.

- **Professionalism:** the employees and directors of the ACS Group must demonstrate their high level of professionalism. In this regard, their behavior must be based on the following principles: quality and innovation, customer mindedness, use and protection of company assets, impartiality and objectiveness in relationships with third parties and transparency.

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

ACS assumes the commitment to at all times act in accordance with the United Nations Global Compact, to which it has adhered since its inception. Likewise, ACS Group companies undertake to act responsibly and diligently in order to identify, prevent, mitigate and respond to the negative consequences that could arise from their activities. The Code has also includes the company's adaptation with the framework of the United Nations Ruggie Report on Business and Human Rights.

All actions taken by the ACS Group and its employees shall strictly abide by the Human Rights and Civil Liberties included in the Universal Declaration of Human Rights, and, specifically, the United Nations Ruggie Report on Business and Human Rights.

The relationship of the Group with its employees, as well as the relationship among employees, therefore, shall be based on the following commitments:

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



Code of Conduct



HUMAN RIGHTS POLICY

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

The systems established by the company for the management of its compliance systems take the regulatory aspects related to human rights into account, such as the workers' rights, financing of terrorism, hate crimes, corruption of minors, public health, etc. In fact, the company considers issues relating to the existence of a formal and documented

commitment to the Universal Declaration of Human Rights in the principles for action of the Group's Code of Conduct.

The standard establishes that organizations must, for example, identify and assess their risks, take disciplinary action, oversee the compliance system and create a culture in which the company's compliance policy and management system is integrated. For this reason, in 2018 the company continued to work on developing and adapting its internal standards and management systems.

In 2018, there were no legal complaints against the companies of the ACS Group for violating human rights. The communications received through the Ethical channels of the company are explained in the chapter 6.4.3.

6.4.2. COMBATING CORRUPTION AND BRIBERY: CRIMINAL COMPLIANCE MANAGEMENT SYSTEMS (UNE 19601) AND ANTI-BRIBERY MANAGEMENT SYSTEMS (UNE-ISO 37001)

In 2018, the ACS Group carried out an intense task of developing and adapting its internal regulatory bodies to the ISO-UNE compliance management system regulations. In the second half of 2018, this process culminated in the certification of the adequacy and effectiveness of the compliance management systems implemented both in the Group's parent company and in the main heads of the divisions, by obtaining the certificates for criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001).

Thus, in 2018 ACS was equipped with a criminal and anti-bribery Compliance Management System in order to structure an environment for the prevention, detection and early management of criminal and anti-bribery Compliance Risks. This system seeks to reduce the undesired effects of risk, in the event that they materialize, contributing to generate an ethical culture and respect for the Law among all ACS associates. The fundamental document governing this system is the Criminal and Anti-bribery Compliance Policy.



Criminal and Anti-bribery
Compliance

In 2018, the ACS Group did not make financial or in-kind contributions to political parties and the value of the contributions trade associations, business associations and others is shown below:

	2017	2018
Value of financial and in-kind contributions made by the organization to associations (trade associations, business associations, etc.) (€)	782,088	928,026

6.4.3. CONTROL AND MONITORING MEASURES

CODE OF CONDUCT MONITORING COMMITTEE AND COMPLIANCE COMMITTEE

The implementation of compliance management systems has resulted in the creation of a new Compliance Committee that has been assigned criminal prevention functions and will be responsible for putting the Criminal and Anti-bribery Compliance Policy into practice. ACS' Governing Body has appointed the Compliance Committee, giving it autonomous powers of initiative and control as well as the maximum possible independence to carry out its tasks, so that it is free of any business condition that could harm its performance. The independence of the Compliance Committee ensures the neutrality in the decision-making process. This independence is supported by its functional relationship and direct access to the Governing body through its Audit Committee and, therefore, distance from the management team and middle management in charge of managing the operations. In addition, the performance evaluation of the Compliance Committee is ultimately the responsibility of the Governing Body.

In the Criminal and Anti-bribery Compliance Policy, the main tasks of the Compliance Committee are grouped in a structured manner.

The Code of Conduct Monitoring Committee, according to its current Rules of Procedure, approved in its latest version on December 13, 2018, is entrusted, among others, with the function of maintaining a two-way communication with the Compliance Committee, especially in relation to the inquiries or complaints received through the Ethical Channel.

THE COMPLIANCE CHANNEL AND ETHICAL CHANNEL

To ensure maximum flexibility and enhance the effectiveness of the Compliance Committee, complaints or observations in criminal matters may be processed through the different channels available to the organization, ranging from simple reporting to the hierarchical superior to verbal or written correspondence (by mail, for example) addressed to any member of the Compliance Committee, as well as through the ACS Ethical Channel (which is managed by the Code of Conduct Monitoring Committee).

To contact the ACS Compliance Committee, the following address may be used:

Compliance Committee
ACS Group
Avda. Pío XII 102, 28036 Madrid, Spain.
+34 913439200
cumplimiento@grupoacs.com

On the other hand, to access the ACS Ethical Channel, the following address can be used for such purposes:

Ethical Channel
ACS Group
Avda. Pío XII 102, 28036 Madrid, Spain.
canaletico@grupoacs.com



Without prejudice to the existence of different channels for the communication of observations or complaints regarding Compliance Risks, any complaint regarding criminal prevention received by the Compliance Committee, which translates into the existence of indications of actions that may violate the principles of the Code of Conduct of the ACS Group, must be transferred to the Code of Conduct Monitoring Committee, so that said Committee may assess the opening of an investigation file. In the event the parent of the ACS Group receives reports related to the activity of companies comprising the Hochtief Group, or its subgroup Cimic, which has its own systems due to it being publicly traded, the Monitoring Committee will inform the reporting party of the corresponding internal reporting mechanisms so that they may, in each case, seek out the respective channel.

In 2018, only two files were opened by the ACS Ethical Channel. These are complaints filed by third parties, unrelated to the organization, which after their study have proven that they were not within the competence of the Committee (identity theft of the ACS Group on the Internet for fraudulent purposes and request for identification of a supposed employee of the Group), with its resolution being processed in less than 15 days.

The decrease in the number of communications received is due to the effort made to reinforce the ethics of the respective head companies of the ACS Group. Below is a summary by Division of the communications received:

- **Dragados Group:** has received, through its Ethical Channel, 6 digital communications, all of them from employees, 3 from the United States and 3 in Spain. The reason for the communications received was: three for alleged abuse of power, one for an inquiry on conflict of interest and two requests

for information. Two of the communications were resolved in less than 15 days and the other four in more than 30 days. In three communications, information was provided on internal procedures and in the remaining three, belonging to the same file, the complainant withdrew it.

- **Iridium:** has received, through its Ethical Channel, 5 employee communications in Spain, all in digital format. Four of them concerning doubts regarding the internal policies that were responded to in less than 30 days and one requesting authorization for the reception of an accommodation that was approved in less than 15 days.
- **Clece:** has received 46 communications through its Ethical Channel, all of them from Spain and through e-mail. Of these, 4 of them were for harassment, 19 for the quality of the service, 22 for workers' rights and 1 for violation of the Code of Conduct. The communications received were resolved in an average period of less than 15 days.
- **ACS Industrial:** has received 40 communications through its Ethical Channels, 23 of them by email, 13 by telephone and the rest by other means. Of these communications, the breakdown by country of origin is: 15 from Spain, 15 from Brazil, 4 in Mexico and the remaining 6 are distributed in Guatemala, India and U.S. Of these complaints, 11 of them were related to labor-related complaints, 11 of them with personnel selection procedures, 8 with breaches of the Code of Conduct, 1 administrative violation and the rest for a variety of reasons. Of these 40 communications in 24 of the cases it was concluded that no evidence of non-compliance has been observed, 10 of them involved the dismissal of the employees involved, in 4 of them measures were taken to avoid future situations, and two of them remain under investigation.



TRAINING

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

	2017	2018
Coverage of training plans regarding Human Rights, Ethics, Integrity, Conduct or other Compliance policies and procedures (% of employees).	97.7%	98.1%
Number of courses with content regarding Human Rights, Ethics, Integrity, Conduct or other Compliance policies and procedures.	1,405	873
Number of employees trained in courses on Human Rights, Ethics, Integrity, Conduct or other Compliance policies and procedures.	34,494	53,048
Training hours per trained employee *	1.4	2.9

* In 2017 this indicator reached a coverage of 82%, which provides the basis by which the training hours were calculated per employee.



6.5. MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

[102-42]

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organization's objectives or those which may be affected by its business activities. The ACS Group's basic principles for action in relation to its stakeholders and the environment are based on complying with

the Spanish and international applicable laws, and fulfilling the corporate social responsibility commitments voluntarily complied with by the ACS Group.

The graph below identifies the main stakeholders with which the company has a relationship:

[102-40], [102-43]





[102-40], [102-42], [102-43]

Stakeholders	Relevant areas for stakeholders	Relationship mechanisms and bodies
Customers	<ul style="list-style-type: none"> Quality and innovation of products and services offered Risk management 	<ul style="list-style-type: none"> Contracting department Customer satisfaction survey Channels for submitting complaints/claims Ethics channel
Employees	<ul style="list-style-type: none"> People Healthy and safety management Transparency, ethics and integrity Giving back to society 	<ul style="list-style-type: none"> HR departments of the companies Employee satisfaction surveys Performance evaluation Ethics channel Prevention committee
Shareholders	<ul style="list-style-type: none"> Economic/financial results Risk management Transparency, ethics and integrity Corporate governance 	<ul style="list-style-type: none"> Investor relations department General Shareholders' Meeting Electronic forum and shareholder offices Section on shareholders and investors on the website
Investors, analysts and rating agencies	<ul style="list-style-type: none"> Economic/financial results Risk management Transparency, ethics and integrity Corporate governance 	<ul style="list-style-type: none"> Investor relations department Section on shareholders and investors on the website
Financial institutions	<ul style="list-style-type: none"> Financial soundness 	<ul style="list-style-type: none"> Finance managers
Partners	<ul style="list-style-type: none"> Contracting with the ACS Group Healthy and safety management Transparency, ethics and integrity 	<ul style="list-style-type: none"> At Group level, Chairman of the ACS Group At the local level, the managers of the companies and specific projects
Suppliers and contractors	<ul style="list-style-type: none"> Contracting with the ACS Group Ability to pay Healthy and safety management Transparency, ethics and integrity 	<ul style="list-style-type: none"> Purchasing departments of the companies Supplier approval and management process Ethics channel
Supranational bodies, public authorities and regulators ¹	<ul style="list-style-type: none"> Giving back to society People Healthy and safety management Transparency, ethics and integrity Environmental management Economic/financial results 	<ul style="list-style-type: none"> At Group level, Chairman of the ACS Group At the local level, the managers of the companies and specific projects
Local community, society and NGOs	<ul style="list-style-type: none"> Giving back to society Transparency, ethics and integrity People Healthy and safety management Environmental management 	<ul style="list-style-type: none"> Regular meetings of the ACS Foundation with organizations of civil society Environmental impact assessments
Sector associations	<ul style="list-style-type: none"> All aspects mentioned above 	<ul style="list-style-type: none"> Participation in associations, work groups and discussion forums²
Media	<ul style="list-style-type: none"> All aspects mentioned above 	<ul style="list-style-type: none"> Communications departments of the companies and the ACS Group

1. The ACS Group made no financial or in kind contributions to political parties in 2018. The subsidies received by the ACS Group in 2018, as shown in the Group's consolidated balance sheet, included in the economic financial report published together with this report, totaled € 3.2 million.

2. The main sector associations in which ACS participates are as follows: CNC, AESPLA, SEOPAN, PESI, IEPF, Workplace Inspection, ENCORD, Australian Constructors Association, Safety Institute of Australia, National Safety Council of Australia, Federal Safety Commission Accreditation, Associated General Contractors, Infrastructure Health & Safety Association, among others.



[102-40], [102-42], [102-43]

It should be noted that within the framework of the definition of material aspects of this report, the ACS Group consults its stakeholders in order to identify those areas of the company's management that they considered to be most important. The results of the survey are provided in point 9.2. Identification of material aspects. Likewise, during the year the main subsidiaries of the various divisions of Construction,

Services and Concessions, as well as Industrial Services have been working to undergo independent external audit procedures in order to obtain certificates of criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001), whereby, in particular for the latter, the procedures for relations with certain interest groups are included.

COMMITMENT TO INFORMATION TRANSPARENCY

An essential requirement for the ACS Group to be able to fulfil its mission of generating return for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its customers and the company's other stakeholders are respected.

The ACS Group is committed to total rigor in the information transmitted, especially with respect to the media.

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

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

The ACS Group manages its commitment to transparency to its stakeholders through three main channels:

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

Transparency Indicators	2017	2018
Website		
Visits to the website	351,168	351,510
Page views	1,104,324	1,059,045
% of new visitors	23%	13%
Shareholders and Investors		
Meetings organized by Investor Relations	282	167
Calls/emails from attending shareholders	595	524

6.6. GIVING BACK TO SOCIETY

One of the main objectives of the Group is to create value in the environments in which it operates, acting as a driver of economic and social development that serves to generate new opportunities for infrastructure development. The commitment of permanence and joint growth combined with the open dialog with its stakeholders gives the Group companies a clear competitive advantage when it

comes to generating relationships based on trust in the operating environments.

To maximize the creation of value, ACS prioritizes the use of local resources, which favors the exchange of knowledge, the transfer of technology and the growth of an industrial network that helps economic growth and contributes to social

(201-1) Economic value generated, distributed and retained (€ M)	2017	2018
Total value of production	34,898	36,659
Finance income	203	155
Divestments*	632	3,264
(1) Economic value generated	35,733	40,078
Operating expenses and costs	25,363	26,719
Staff costs	7,688	7,910
Corporate tax	330	390
Dividends	297	316
Finance costs	486	412
Resources destined for the community	12	13
(2) Economic value distributed	34,176	35,759
Economic value withheld (1-2)	1,557	4,318

* In 2018, divestments corresponds mainly to the sale of a minority stake in Hochtief included in the operation of acquisition of Abertis that increased simultaneously gross investments made.

THE ACS GROUP'S SOCIAL ACTION POLICY

RESPONSIBLE PARTIES

GROUP COMPANIES

ACS FOUNDATION

FORMS OF CONTRIBUTIONS

INVESTMENTS IN THE COMMUNITY

TRADE INITIATIVES

PHILANTHROPIC DONATIONS

TYPES OF CONTRIBUTIONS

IN KIND

CASH

- Corporate v
- Citizen awa
- Environmen
- Efficiency
- Road safety
- Support for
- Elimination o
- access for d
- people with
- Education a
- Rehabilitatio
- Scientific an
- Sponsorship
- and institutio
- Support for
- Support for
- Developme

CONSOLIDATED DIRECTOR'S REPORT 2018

SCOPES OF ACTION	GEOGRAPHICAL AREAS	MONITORING	REPORTING
<ul style="list-style-type: none"> volunteerism awareness mental awareness / Workplace hazards NGOs and community organizations of barriers and universal disabled people and reduced mobility and defense of the environment on of historical heritage monuments d technical research o of other foundations ns cultural activities sports activities nt cooperation 	<p>ALL COUNTRIES WHERE ACS OPERATES</p>	<p>INTERNAL MONITORING, MONITORING COMMITTEE, ACHIEVEMENTS AND IMPACT ASSESSMENT</p>	<p>RSC REPORT FOR THE ACS GROUP</p> <p>ACS FOUNDATION ANNUAL REPORT</p>

6.6.1. SOCIAL ACTION OF ACS GROUP COMPANIES

8.2

CASH FUNDS AND
CONTRIBUTION IN KIND
ALLOCATED TO SOCIAL
ACTION (MN €)⁸

2,459

NUMBER OF
VOLUNTEERS
(EMPLOYEES)

402

NUMBER OF FOUNDATIONS OR
NGOS THAT RECEIVED AID /
SUPPORT DURING
THE YEAR

14,214

HOURS THE EMPLOYEES
HAVE SPENT AS
VOLUNTEERS DURING
THE WORKING DAY

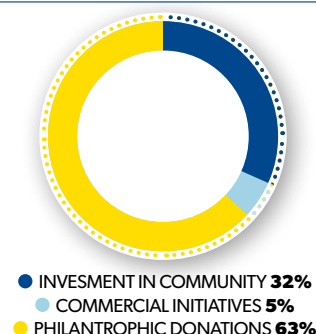
Each Group company is free to select its own social action activities as long as they are connected to the experience that it has acquired in its line of business and help meet the objectives

of this policy. Subsequently, the company's employees will have the chance to take part in such activities as corporate volunteers.

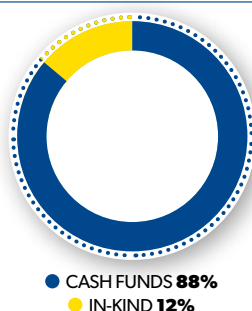
Main Indicators of Social Action by Group Companies

	2017	2018
Cash funds allocated to Social Action (€ M)	5.7	6.5
Monetary estimate of the contributions in kind allocated to Social Action (€ M)	0.2	0.9
Estimation of the number of people benefited by social action	96,086	144,458
Number of courses or citizen awareness activities conducted (road safety, environment, efficiency, social integration, etc...)	384	154
Number of volunteers (employees) that have participated in these awareness-raising activities	4,196	2,459
Number of foundations or NGOs that received aid / support during the year	411	402
Number of events (conferences, exhibitions, sporting events, etc...) sponsored during the year.	114	86
Time that employees have spent this year volunteering during the workday (h)	9,786	14,214

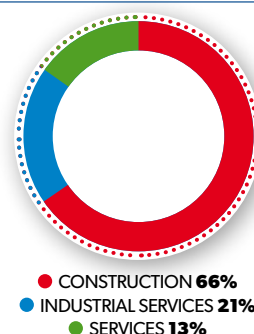
BY TYPE OF ACTION



BY TYPE OF CONTRIBUTION



BY BUSINESS AREAS



8. The administrative expenses due to the contribution of the company to the social action are being included: € 826,976.

HOCHTIEF'S BRIDGES TO PROSPERITY (B2P)

As part of the focus of the sponsorship to “create and maintain living spaces”, HOCHTIEF supports projects executed by the NGO Bridges to Prosperity (B2P). This collaborative effort involves the construction of pedestrian bridges in remote regions. The bridges provide the local population with a safe way to access educational facilities, medical treatment and markets, especially during the rainy season, when rivers often increase in flow so dramatically that crossing them represents a serious danger. HOCHTIEF and its Group companies have been working with B2P since 2010.

Regarding B2P projects, HOCHTIEF is involved in regions where it does not actively work.

By helping to improve people's connections with other areas, it becomes possible for them to participate in economic development both nationally and locally. Better access to educational institutions is especially important for enhancing the potential for economic success, which translates into better prospects for young people. According to B2P's estimates, the income of households in areas that obtain regular access to commercial areas is 30% higher on average. The projects not only benefit the local communities, but also the participating HOCHTIEF employees; as a team of ten people travels to the region to build the bridges along with the locals. This creates a special network within the HOCHTIEF team and strengthens loyalty to the company. More than 260 people in the Group have participated in B2P projects to date. Their reactions have been decidedly positive. Among those who worked on the Rwanda project in the year of the report, for example, the number of people who would recommend the bridge building experience to others was 100% once again.

In order to ensure that bridges are maintained in the long term, local helpers are hired in each region. Their assistance and the training they receive, provides them with adequate knowledge to maintain and repair the bridges in the future. In addition, the B2P project has multiple benefits, such as the fact that the subcontractors and suppliers are usually local teams, who benefit from a fair salary. And last but not least, our employees also get involved in the communities socially, for example, by visiting schools and partaking in sports activities. This makes it possible to contribute to long-term growth and knowledge transfer.

In the year of the report, HOCHTIEF built a bridge in Rwanda (in the Muganza sector) and Flatiron built another in Nicaragua (in the Matiguas district).

PUENTES PEATONALES CONSTRUIDOS POR HOCHTIEF Y B2P POR PAÍS

HOCHTIEF Americas (flatiron, Turner, E.E. Cruz)	Number of realized projects
Honduras	1
Guatemala	1
El Salvador	2
Nicaragua	14
HOCHTIEF Europe HOCHTIEF Asia-Pacific	
Rwanda	7
HOCHTIEF Group	25

ACCORDING TO B2P'S ESTIMATES, THE 25 BRIDGES BUILT BY HOCHTIEF HAVE ENABLED:

14,000

THE SAFE ACCESS TO
EDUCATIONAL CENTERS FOR
14,000 CHILDREN

43,000

BETTER ACCESS
TO MEDICAL CARE FOR
43,000 PEOPLE

107,400

PEOPLE FROM THE LOCAL
COMMUNITY TO BENEFIT FROM
THESE 25 BRIDGES BUILT

CLECE'S FOURTH COMPROMISO AWARDS



The Compromiso Awards [Commitment Awards] are a culmination of Clece's social project and in 2018 they were solely dedicated to combating gender violence. The Awards of the Fourth Event have recognized the work of social organizations and non-profit organizations that help women victims of gender violence.

The jury, comprised of individuals from the institutional world and civil society, evaluated 118 projects. Taking into account the social value and scope of the initiatives, the 3 best projects have been rewarded with an award and a cash prize of € 10,000 each.

The best journalistic work was also awarded, under the theme of violence against women with an award and a cash prize of € 7,000.

The best initiative to raise awareness of gender violence, was also rewarded with an award.

The winners of the fourth edition were:

Best Projects:

- Santa María La Real Foundation for its project "Empleo Mujer de Castilla y León"
- AXEL for its project "Blester, capsules of knowledge"
- Don Bosco Foundation for its project "Itinerarios integrados de inserción sociolaboral"

Best Journalistic Work:

- Marisa Kohan of the newspaper "Público".
- Best initiative to raise awareness of "Tolerancia cero. Contra el maltrato, la fuerza de todos" of **Antena 3 News** and **Mutua Madrileña Foundation**.
- The jury awarded special mentions to **María José Garrido Antón**, Captain of the Civil Guard, for her work and the preparation of the Guide for Psychological First Aid in Gender Violence ("Guía de Primeros Auxilios Psicológicos en Violencia de Género") and the **Candelitas Association** and **ARED Foundation** for their work in including women victims of gender violence within Clece.



EDUCATE TO TRANSFORM, IHSA

Iberoamericana de Hidrocarburos SA (IHSA), is a consortium formed by Cobra with Monclova Pirineos Gas, tenderer of the development of the Nejo block in the Mexican state of Tamaulipas. During its work in the area, it has implemented the social action program "Committed to San Fernando" ("Comprometidos con San Fernando") to promote local development.

This program has focused on the students from the surrounding area and their families, with actions in the field of education, health and values. This program culminates in the initiative referred to as the Educate to transform project, launched in 2012, focused on selecting the most outstanding students of the municipality and those with limited resources, providing support for their professional studies and offering job opportunities in the company. To do this, IHSA periodically offers a communication and

application submission stage, followed by a selection process and a follow up phase.

The selected students study in the field and the university of their choice and the support of IHSA consists of the payment of all the costs of the studies, from the beginning of their career until the finalization of both the degree and certification, in addition to a monthly amount for the respective maintenance throughout the student's career.

Generation	Scholarship Period	Students
1st	2012-2017	8 graduates
2nd	2013-2018	10 graduates
3rd	2014-2019	2 graduates, 9 active
4th	2017-2021	10 active
5th	2018-2022	12 active



6.6.2. SOCIAL ACTION OF THE ACS FOUNDATION

The objective of the Foundation is to integrate and manage the ACS Group's efforts in matters involving patronage and cultural, institutional, sporting or environmental sponsorships, awards and scholarships, training and research, charity and similar activities, at the national and international levels, while providing greater social involvement.

The Social Action of the Foundation allows the ACS Group to give back a portion of its profits to society, in order to collaborate in improving the quality of life of the citizens.

To this end, various programs focused on this objective are carried out:

- Improvement in the quality of life of people with physical or sensory disabilities, or in a situation of dependence, through three sub-programs:
 - Universal Accessibility.
 - Training, workforce inclusion and social integration.
 - Inclusion in sports.
- Defense of and support for best practices in relation to the environment.
- Collaborations with institutions in the field of innovation, engineering, science, economics and law.

CAPITULARY ROOM OF THE PRIMATE CATHEDRAL OF TOLEDO

Among the monuments that make up the historic center of the city of Toledo, which was declared a World Heritage Site by UNESCO in 1986, the Cathedral of Santa Maria de Toledo Cathedral of Spain stands out and is one of the best examples of a Gothic church in our country.

Construction of the Primate Cathedral began in 1227, with a French Gothic influence on the foundations of the ancient Visigothic Cathedral of Toledo, built in the sixth century and later reused as a mosque.

The construction of the Capitulary Room of the Primate Cathedral was the result of the desire of Cardinal Francisco Jiménez de Cisneros to have a space for the meetings of the Cabildo, which until then were held in a space located at the base of the tower.

The spectacular mural paintings of the Capitulary Room were executed by Juan de Borgoña and his assistants between 1509 and 1511. In them, the north and south walls depict the life of the Virgin, with the Passion of Christ on the east wall and the Last Judgment on the west wall, while the

lower frieze is occupied with 72 figures of the bishopric of Toledo, which were painted by Juan de Borgoña.

From the first known interventions applied to the paintings, work of the painter Blas de Prado in the sixteenth century, numerous interventions have been documented, the most recent being in 1974. This succession of repaints concealed the authentic painting of Juan de Borgoña, which needed to be removed from it.

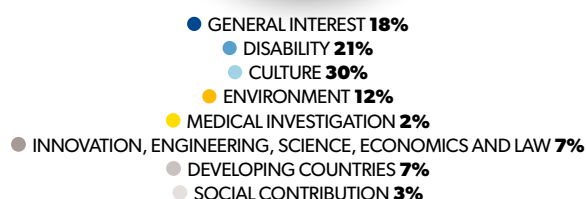
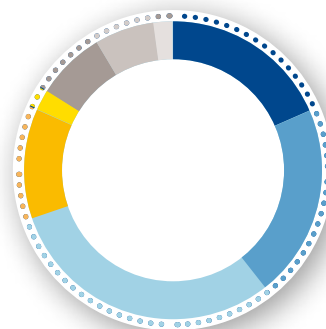
The intervention followed criteria based on prior knowledge of the surfaces to be treated and respect for the materials and techniques used by the artist. To do this, work was performed to identify the subsequent additions, by objectively assessing the feasibility and suitability of their removal, and the progressive development of treatments to maintain greater control over the evolution of the works. The final objective was to at all times guarantee the stability of the paintings and the preservation of all the historical and documentary information that they behold, without losing their artistic and aesthetic characteristics.



- Contribution to the dissemination, restoration and maintenance of buildings belonging to Spain's artistic heritage.
- Cultural support by making Contributions to the promotion, rehabilitation and maintenance of the buildings of the Spanish Artistic Heritage, as well as support for the entities that improve the cultural level of the people.
- Support for research, mainly medical research, including rare diseases.
- Cooperation for development and technical assistance, for the purpose of supporting the development objectives and respecting human rights, through collaboration with competent bodies.
- Social collaboration with stakeholders.

A budget of €5.2 million has been approved for 2019. In 2018, the ACS Foundation spent €4.49 million.

FOUNDATION BUDGET BREAKDOWN BY CATEGORY (IN M€)



6.7. SUPPLIERS AND CONTRACTORS

96.9%

ADHERENCE WITH
THE ACS GROUP'S
CODE OF CONDUCT

98.4%

ANALYSIS OF THE LABOR
STANDARDS AND
PRACTICES OF SUPPLIERS
AND SUBCONTRACTORS

99.5%

EVALUATION OF
CERTIFICATION IN
ENVIRONMENTAL
ASPECTS

99.5%

EVALUATION OF
CERTIFICATION IN
QUALITY ASPECTS

Supplier and contractor management is an important aspect for the Group, since the work performed thereby has a direct influence on the quality of the final result of the projects carried out by the Group.



In ACS Group companies, the purchasing departments are responsible for managing the relationship with suppliers and contractors by means of specific systems for managing, classifying, approving and controlling the risk thereof.

As a characteristic that differentiates the Group from its competitors, it is important to highlight the distinct manner in which purchasing and supplier management departments is decentralized, in this regard. This provides Group companies with a competitive advantage as a result of the agility flexibility and autonomy granted by this model.

ACS has a variety of systems in this aspect, which vary according to companies' operating needs. A central corporate reference department defines the policies and prices, with a greater level of autonomy, while always using a common and generalized policy. In this regard, it should be noted that in 2018, the Board of Directors of the ACS Group approved the Code of Conduct for Business Partners of ACS, which establishes the principles of action based on the Group's Code of Conduct that Business Partners must comply with and accept expressly in their relationship with ACS.

The Group companies handle three different types of suppliers or subcontractors:

- Suppliers of materials and/or services defined by the customer.
- Suppliers of services or subcontractors contracted by the ACS Group.
- Materials suppliers contracted by the ACS Group.

In the first instance, the customer determines the type of suppliers through contracts, as well as the quantity and characteristics of the materials to be used, and the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing and supplier departments have established a control procedure to verify the efficiency of the supplier designated by the customer, which enables any delays to be reported and corrective measures to be implemented for other work.

If suppliers of services and materials are directly contracted by the ACS Group, whether through a central purchasing department or in a decentralized manner by construction managers, detailed management and control processes are defined, which have the following points in common in all Group companies:

- There are specific standards and a system for managing, classifying, proofing and controlling the risk of suppliers and subcontractors.
- The level of compliance with these systems is analyzed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.
- There is an extensive comparison policy that promotes the participation of various suppliers in selection processes. In order to objectively take decisions and facilitate access for new suppliers in different parts of the world, a study on customary suppliers has been launched.
- Visible purchasing portals for all services are being developed, offering a wide range of products from different suppliers. This is a real aid to cost saving



(because the most competitive prices are identified) and to controlling material consumption by employees or construction managers. In Spain this portal helps local suppliers to sell their products domestically, promoting their development and growth.

SUPPLIER APPROVAL SYSTEMS

Companies representing 96.76% of the ACS Group's procurement expenses have a formal system for approving suppliers and subcontractors, in line with a series of clearly established criteria, which is subsequently used by the construction managers of

the projects and provides them with information on the suitability or otherwise of a supplier to fulfill the intended task. The main concepts used for approving suppliers are as follows:

- Cost, payment and collection period, experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Additional non-financial criteria, related to compliance with the Code of Conduct for Business Partners, shown in the table below.

Degree of implementation of the non-financial criteria in the approval of suppliers (% of ACS Group purchases)	2017	2018
Adherence with the ACS Group's Code of Conduct	97.0%	96.9%
Adherence with international standards in relation to human rights and labor rights	90.3%	92.7%
Certification in quality aspects (ISO9001)	98.2%	99.5%
Certification in environmental aspects (ISO14001, EMAS or equivalent)	98.3%	99.5%
Analysis of the labor standards and practices of suppliers and subcontractors	96.2%	98.4%



The ACS Group's supplier approval system includes a phase for subsequently analyzing the suppliers that were contracted, a process that provides feedback for the system. This process, which seeks to guarantee compliance with contractual clauses and agreements and includes the identification of economic, environmental and social risks, is based fundamentally on the detection of non-compliance and on corrective or management measures to be applied.

In the case of detection and control initiatives, they are based on internal and independent audits performed on a regular basis.

Once any non-compliance or risks are detected, the relevant corrective measures are applied, which are adapted taking into account the following circumstances:

- If it is a critical supplier for the company, the reasons for the negative assessment are analyzed and initiatives proposed to strengthen the identified areas for improvement including, among others, training and collaboration activities.
- If the company is not critical for the company, it is classified as not approved in the database.
- In the case of serious breaches, the contracts or agreements regarding supplier relations may be immediately terminated.

ANALYSIS OF CRITICAL SUPPLIERS

The ACS Group's companies carry out an analysis to identify critical suppliers in their supply chains. The Group considers a supplier to be critical when the percentage of procurement or subcontracting expenses are significantly greater than the average for the company's other suppliers.

Therefore, companies that represent 94.9% of the Group's procurement expenses have determined processes to identify critical suppliers. As a result of these processes, the main data from the analysis of critical suppliers is as follows:

- Companies representing 83.1% of suppliers have performed this analysis.
- Of these, 5.9% are considered critical suppliers.
- These suppliers represent 37.5% of the total costs for Group companies with critical suppliers.
- Almost all these suppliers consider ACS to be a key customer to their business activity.

Likewise, given the importance of the supply chain analysis for risk management, ACS Group companies have begun to identify critical suppliers of their direct suppliers. The ACS Group evaluated 2,307 suppliers considered to be tier-1 in terms of sustainability in 2018.

AVERAGE PAYMENT PERIOD TO SUPPLIERS

The following table details the information required by the second additional Provision to Law 31/2014, of December 3, which was prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of January 29, 2016 concerning the information to be included in the management report with regard to the average payment period to suppliers in commercial transactions:

	2017	2018
	Days	
Average period of payment to suppliers	65	66
Ratio of transactions paid	66	65
Ratio of transactions pending payment	64	67
	Thousands of Euros	
Total payments made	2,403,985	3,248,352
Total payments pending	1,494,087	1,423,922

6.8. COMMITMENT TO QUALITY WITH THE CUSTOMER⁹

6.8.1. QUALITY IN OUR ACTIVITIES

For the ACS Group, which works in an industry with high technical sophistication, quality represents a fundamental competitive advantage over the competition.

Quality management at the ACS Group is decentralized, whereby each company is responsible for managing quality. Although each company has the autonomy to manage quality according to their interests, a series of common lines of action have been identified:

- Establishment of objectives and regular assessment of compliance therewith.
- Development of actions aimed at improving the quality of the services provided.
- Performance of actions in collaboration with suppliers and subcontractors to improve quality.

In order to move forward in this regard, most Group companies have a quality management system. These systems are audited on a regular basis to verify compliance with the benchmark standard, customarily ISO 9001.

The improvement targets customarily set are as follows:

- Obtain and expand the scope of the certifications, especially with regard to developing a new technique or expanding activities to a new geographical area.
- Implement tools to improve management.
- Improve specific performance indicators.
- Improve the training of supervisors, operators and works managers.
- Increase customer satisfaction indices, reducing complaints due to problems in execution and incidents.
- Comply with delivery periods, adjusting to quality expectations.
- Investment in measures to promote and improve quality.

Production certified in accordance with ISO 9001	2017*	2018
Construction	47.8%	47.3%
Industrial Services	94.8%	92.1%
Services	96.0%	93.3%
ACS Group's Total	58.5%	57.1%

Other management indicators	2017	2018
Number of Quality Control audits	1,254	1,407
Number of Quality Control Audits per million of Euros	0.037	0.040
Investment in measures to promote and improve Quality*	3.2	3.3
Intensity of investment in measures to promote and improve Quality (investment in Euros / Millions of Euros in Sales Revenue)	96.13	95.12

*The figure for 2017 has been re-stated as the scope has expanded. As a result, in 2017 and 2018 these indicators achieved a coverage of greater than 95% of the Group's sales, with these ratios therefore being calculated based on this revenue.

9. The ACS Group, given its business activity as a supplier of infrastructure and the services thereof, works with clients, as opposed to the final consumers.

6.8.2. CUSTOMER RELATIONS

Given the nature of the ACS Group's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of customers with which the company relates is very limited or they are large corporations or public institutions from around the world.

The ACS Group's commitment focuses on maintaining a high degree of customer loyalty and offering services with high added value over time. The strategy of customer relations is built on the following main principles:

- Focus on problem solving.
- Customer relationship feedback.
- Information on the ACS Group's capabilities.
- Identification of future needs and opportunities for collaboration.

FOLLOW-UP AND COMMUNICATION

The ACS Group companies hold regular follow-up meetings with customers, through the managers of each project. In those particular projects where customers devote resources to controlling production, an even more ongoing relationship is maintained.

In addition, targets, follow-up systems and plans for reporting to the customer for each project are determined. These plans establish control points at the end of important phases in the production, certification meetings for payment in instalments of the construction work and partial follow-up points.

Similarly, computerized customer relationship management (CRM) systems are gradually being implemented to collect information relating to customers, in order to facilitate analysis and carrying out actions to improve satisfaction. In 2018 ACS Group companies representing 78.62% of sales have implemented a computerized CRM (Customer Relationship Management) system.



CUSTOMER SATISFACTION

ACS's second key customer relationship management policy is measuring customer satisfaction and establishing plans for making improvements. Many Group companies have established individual channels and processes to enable customers to file their complaints and claims.

For those projects that pose a greater technological challenge, the ACS Group also establishes alliances with partners (normally detailed engineering companies), which contribute to offering end customers the best technical and economic solution.

Another of the Group's values is confidentiality. ACS Group companies' contracting and customer relationship departments promote responsible use of information, therefore guaranteeing customer confidentiality.

As a result of this good relationship, proximity, transparency and customer satisfaction regarding quality expectations on the services provided, the level or recurrence of ACS Group customers is very high.

Main Management Indicators - Customers	2017	2018
Number of customer satisfaction surveys received	1,154	1,269
Responses from "satisfied" or "very satisfied" customers as a percentage of the total surveys RECEIVED (%)	87.6%	92.6%

*In 2017 and 2018 these indicators reached a coverage of 31% and 69% of sales, respectively.



6.9. TAX INFORMATION

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

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

In particular, in Spain in 2010, ACS signed the Code of Best Tax Practices promoted by the Spanish Tax Authority (Agencia Estatal de la Administración

Tributaria) and, in application thereof, voluntarily provides the Annual Fiscal Transparency Report to the said authority, with special emphasis on the Group's international composition, including information related to tax havens.

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

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



Following this criterion, the following table shows, by country, the income before taxes, the income taxes paid and the subsidies received in 2018:

Country	Earnings before taxes	Income taxes paid	Subsidies received
THOUSANDS OF EUROS			
Australia	336,125	3,067 ⁽¹⁾	0
Spain	284,979	117,064	1,215
Indonesia	194,526	12,937 ⁽¹⁾	0
Brazil	99,816	46,330	0
India	93,248	531 ⁽¹⁾	0
Singapore	72,940	8,494	0
United States	70,493	52,092	21
Mexico	61,339	6,579	0
Hong Kong	52,901	9,878	14
Luxembourg	34,130	3,652	0
Mongolia	33,267	7,203	0
United Arab Emirates	28,630	0	0
Saudi Arabia	26,810	992	0
Japan	18,887	1,546	0
Malaysia	16,749	925	0
Argentina	11,723	2,076	0
Portugal	10,685	-289	0
New Zealand	10,256	334	0
Algeria	9,424	2,782	0
Ireland	6,583	86	0
Others with profit less than €5 million or losses	-144,170 ⁽²⁾	22,180	6
Non-attributable consolidation adjustments	-64,856 ⁽³⁾	3,368	0
Total	1,264,488 ⁽⁴⁾	301,826 ⁽⁵⁾	1,242

(1) The reduced tax paid in these countries is due to the effect of the return of taxes paid in excess in previous years, as well as the application of carry forward losses, also from previous years.

(2) This includes profits obtained in countries considered to be tax havens under Spanish law, or "non-cooperative countries and territories for tax purposes" according to the European Union regulation, for a total of €1,329 thousand for which a payment has been made for taxes in the amount of €341 thousand.

(3) Accounting consolidation entries not subject to attribution to specific countries are included (essentially amortization of PPA - Purchase Price Allocation- from acquisitions), without having an impact on the payment of taxes in any of them.

(4) It corresponds to the profit before taxes according to the Consolidated Income Statement, without including the financial results through the equity method (which are presented, in accordance with the accounting standards, and net of taxes, without any additional information being available, as they are not companies controlled by the group); without excluding the attribution to non-controlling interests.

(5) Significant deviations from the nominal tax rates of each country are due to the fact that the tax regulations themselves generate differences between the taxes in terms of payment and the tax on the accrual basis, representing differences that are offset in the long term.

On the other hand, to assess the overall tax contribution made to the Public Administrations, not only the taxation on profits should be considered, but also the other taxes or social charges incurred in the respective jurisdictions, with it being pertinent to emphasize, given the Group's type of business activity, those relating to its own staff, in which case it is appropriate to consider both social charges that are legally assumed by the company, which have amounted to € 1,013 million, as well as the charges and taxes, withheld from wage payments which are owed by the respective employee, also being transferred to the Public Administrations, which have exceeded € 1,400

million. The sum of both types results in a transfer of funds equivalent to 5.5 times that which is transferred as distribution of profits to the shareholders of ACS.

Finally, in order to assess the overall tax contribution made by the group, it would be necessary to additionally consider other taxes incurred, that are linked to the business activity, which are very diverse nature, which being significant, by way of example, are excise taxes for the use of fuels, or the taxes on works, present in the majority of countries, representing costs not quantified because they are internally included in other items.

6.10. INNOVATION

The ACS Group is a continuously evolving organization that responds to the growing demand for improvements in processes, technological advances and quality of service from its customers and from the company.

The company's commitment to innovation is clear from its increased investment and the R&D efforts made by the ACS Group year after year. The result of this effort leads to, among others, improvements in productivity, quality, customer satisfaction, occupational safety, the use of new materials and products, and the design of more efficient production processes and systems.

Management of innovation at Group companies normally has the following characteristics:

- The function is assumed by technology management, usually the Technological Development Committee.
- R&D is managed through recognized management systems. Usually, standard UNE 166002:2006.
- Compliance with reference standards is reviewed through independent audits.

Compliance with the requirements of the systems usually involves the development of individual strategic lines of research, collaboration with external organizations and an investment that seeks to promote research and regular generation of new patents and operating techniques.

The ACS Group's capabilities were strengthened and complemented through the alliances with technological centers, research institutes and universities, as well as other institutions related to R&D in order to successfully complete the innovation processes.

THE ACS GROUP INVESTED € 30 MILLION IN TOTAL, IN RESEARCH, DEVELOPMENT AND INNOVATION IN 2018.¹⁰

IN 2018, THE ACS GROUP HAD 107 PROJECTS UNDERWAY¹⁰ AND REGISTERED 5 PATENTS. OVER THE LAST 10 YEARS, GROUP COMPANIES HAVE REGISTERED A TOTAL OF 57 PATENTS.

¹⁰. Scope of the data: 30.63% of total sales.



6.10.1. CONSTRUCTION

The management of research, development and innovation in construction activities is coordinated by the Dragados departments and by Hochtief companies.

In accordance with the targets established by the head companies, at the end of 2018 the ACS

Group's construction companies had a total of 46 projects in progress. A total of €13.9 million was invested in 2018 in order to conduct its RD&I activities.

FASSTBRIDGE PROJECT (DRAGADOS)

The FASSTBRIDGE R&D project: Fast and Effective Solution for Steel Bridges Life-Time Extension, has received funding from the ERA-NET Plus Infravation Programme. The Infravation program has been co-financed by several European countries and the United States, as well as the 7th Framework Programme for Research and Technological Development of the European Commission. The project was developed between 2015 and 2018 by a consortium formed by 8 organizations from Spain, France, Germany, Italy and the United States, in which DRAGADOS has been the main industrial partner.

In many countries steel bridges are vital components in transport infrastructures, which frequently cause negative impacts in densely populated areas due to service disruptions, accessibility problems, delays, etc. In addition, the problems derived from its inadequate functionality also cause significant impacts on the economic activity of the affected area.

In Europe, 15% of the 300,000 existing bridges are made of steel or have structures made of concrete and steel. From this number, it is considered that approximately 68% are in need of structural interventions. In the United States, 34% of the 599,000 existing bridges are made of steel. From this number, approximately 9% is classified as structurally deficient, 15% functionally obsolete and 9.5% structurally deficient and functionally obsolete. Many of these bridges were built with outdated standards and a service life designed for 50 years that is coming to an end or has already been surpassed. In Europe, in the current scenario, it is estimated that the necessary repairs will represent 40% of the total costs of construction contracts, while in the United States, the Federal Highway Administration has declared that each year 10,000 bridges must be renovated.

The objective of the FASSTBRIDGE project has been to develop a preventive, reliable and easy to apply method to anticipate fatigue problems in existing steel bridges and use this information to calculate the life expectancy of these existing bridges using the AASHTO code or the Eurocode.

The methodology includes a method for evaluating the service life considering the fatigue of existing structures and the design and application of a reinforcement system. A new reinforcement methodology based on plates made of CFRP (Carbon Fiber Reinforced Polymer) placed by using an adhesive has been developed. The system combines a specifically formulated adhesive within the project and a commercially available CFRP plate. The materials and the system have been validated experimentally in the laboratory. Finally, a pilot application has been carried out on the Bridge over the Jarama River in Madrid, in order to validate the methodology and the system.

In the real-scale application, six welds were reinforced with three different reinforcement configurations, consisting of the application of 1, 2 and 3 layers of CFRP. All selected welds were monitored with a strain gauge to demonstrate the effectiveness of the FASSTbridge methodology before and after reinforcement. A load test was performed before and after the application of the CFRP, which included static and dynamic tests: quasi-static (20 km / h) and at low speed (50 km / h). For all measurements, a decrease in strain between 8% and 30% was measured, in accordance with the theoretical expectations. This has allowed to prove the efficiency of the solution, which implies an improvement in the useful life of the structure.

PROJECT MENHIR (DRAGADOS)

The MENHIR R&D project: Offshore floating wind turbine made of concrete in deep waters, approved in the RETOS-COLABORACIÓN 2015 notice, has been co-financed by the Spanish Ministry of Economy and Competitiveness within the State Program for Technological Research, Development and Innovation, having been executed during 2015-2018 and coordinated by DRAGADOS.

The general objective of the project has been the development, at the level of the design specifications, of a semi-submersible platform for offshore wind at great depths, built in concrete and steel, which will allow for the development of the offshore wind industry in deep waters using Spanish technology and with competitive costs for offshore wind compared to conventional methods.

The project has focused on the development of a floating structure and its anchoring system, for use in deep water, specifically designed to serve as a platform for the integration of new wind turbines. The structure is stable and resistant to the impact of waves, wind and currents, guaranteeing its durability in the hostile and extreme conditions of the high seas, which are typical for the Spanish or European coasts.

The structure was designed to be capable of offering adequate and sufficient operational conditions to accommodate a high-power turbine (10MW), satisfying the standard requirements required by the respective turbine manufacturers in order to be able to offer a sufficiently attractive production framework. The structural elements that contribute to ensuring

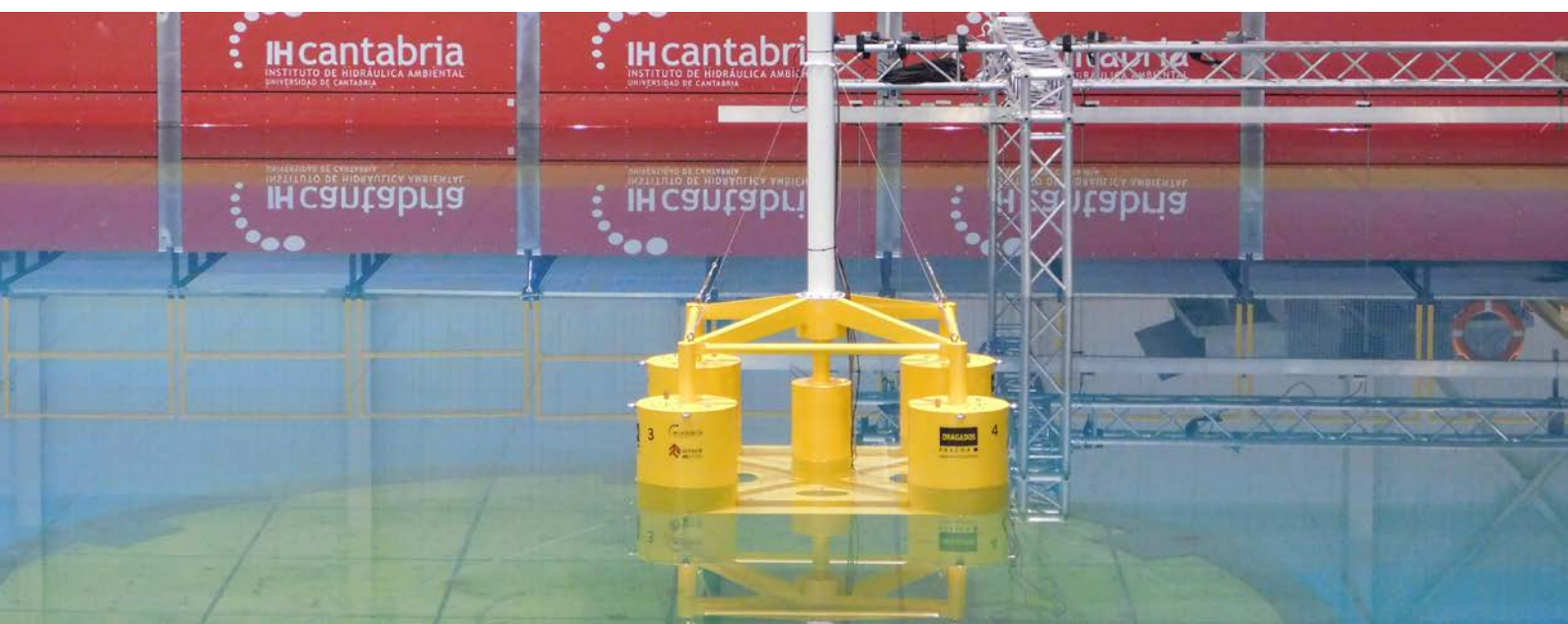
the structural integrity of the solution: hull, transition piece, tower, anchoring lines and other elements, were also designed.

The constructive process, towing and positioning have been studied, including land and marine means, as well as the estimation of construction times, operability and sizing of the supply chain.

The technical-economic feasibility study of the equipment and its construction method, has paid special attention to its production, manufacturing costs, installation costs as well as the costs related to operation and maintenance.

For the validation of the solution and the numerical models developed, a prototype at 1/35 scale on which a battery of 101 tank tests has been carried out, consisting of two phases. During the initial phase, dry characterization tests were carried out, and characterization in water (damping, tilt, static offset), including that of the heave plates. Subsequently, during the main testing phase, 85 simulation tests of environmental conditions of waves (regular and irregular), current and wind were conducted. Likewise, the execution of the tests has included the simulation of loads in two directions, both at 0 degrees and at 45 degrees.

The test has validated the design of the executed platform. Essentially, laboratory tests involve the reproduction, at laboratory scale, of operational and extreme waves (up to 12 meters of significant height), which demonstrate that the design achieved, meets the technical requirements of the project.



EXPANSION OF BIM CAPABILITIES AT HOCHTIEF

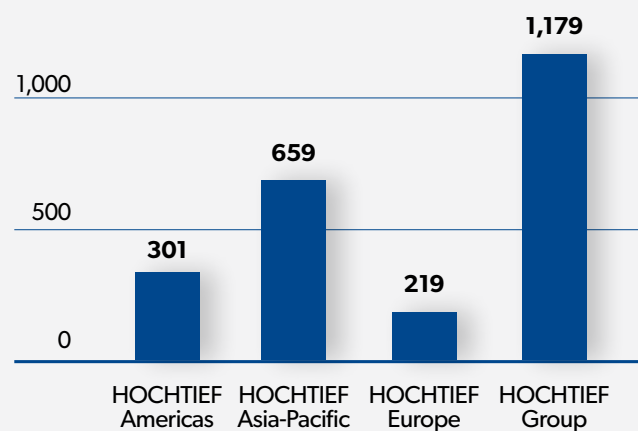
Building information modeling (BIM) is the digital tool of the future for the execution of projects. The design and construction of projects using BIM is what customers in many countries are currently demanding. The methodology is based on actively connecting all the people participating in a project using 3D computer models that can be detailed with additional information, such as deadlines, costs and utilization.

Based on this model, project participants can also calculate the carbon footprint and possible savings. HOCHTIEF recognized this potential from the outset and founded the company HOCHTIEF ViCon GmbH, which specializes in these methods. The objective is for HOCHTIEF ViCon to be the BIM expert in all HOCHTIEF, offering courses in this area both for its own employees and as a provider of courses for other companies, as well as a consultant and advisor specialized in BIM for projects undertaken by the public administration or private companies. Additionally, BIM is already used in many of HOCHTIEF's companies. In 2017, the activities of EIC were fundamental to ensure the Kitemark certification of CIMIC from the British Standards Institution (BSI) in recognition of its experience and implementation of BIM. EIC's business activities play a fundamental role in ensuring the consistent implementation of digital engineering in CIMIC. Leighton Asia, for example, used BIM in the Passenger Clearance Building project in Hong Kong to construct the Roof of 40,000 square meters at a height of 30 meters. Currently, CIMIC is the only company in Australia that has been awarded the BSI Kitemark for Design and Construction (BSI PAS 1192-2, BS 1192 and BS 1192-4).

Turner in the United States, also uses BIM for almost all its projects being a pioneer of its use in that country. The increasingly widespread use of BIM not only promotes good planning and management of the construction process, but also simplifies maintenance and operations when combined with other digital applications such as 3D printing information, which provides an optimization for the project teams, being able to reliably improve safety, reduce execution risks and improve the overall quality of the project, among other benefits.

Thus, in 2018 the number of completed projects accumulated using BIM increased to 2,300 projects (compared to 2,052 in 2017) and the number of employees trained on the subject stands at 1,179 (819 in 2017), all of which is in response to meeting the needs of the customers, while offering sustainable products and services and, therefore, improve its position in the market.

NUMBER OF EMPLOYEES PROVIDED WITH BIM OR SIMILAR TRAINING IN 2018



6.10.2. INDUSTRIAL SERVICES

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

The R&D strategy is based on an external approach, aimed at its stakeholders and an internal

approach, aimed at process modernization and improvement.

At the end of 2018 the industrial services companies of the ACS Group had a total of 57 projects underway. A total investment of €15.5 million was allocated to executing the projects.

IMPORTAES PROJECT (SICE)

The IMPORTAES project, co-financed through FEDER Funds and the Ministry of Science, Innovation and Universities, within the Challenges-Collaboration Program (Programa Retos-Colaboración), focuses on the development of a technological solution for buses that allows for the complete tracking of the journeys of travelers, supported by wireless -RFID- technology, while guaranteeing the complete privacy of the users.

The main technological objectives included in the project are:

- 1) Development of an on-board device that allows for the anonymous tracking of passengers, through the detection of passive RFID tags.
- 2) Algorithm development focused on the calculation of detailed Origin-Destination matrices, based on the data of the entry and exits of travelers along the different stops of the line.
- 3) The information extracted by the service information system may be used to establish SAE services according to the demand that improves the efficiency in the operation of the bus fleet and the quality of the service offered.

The on-board device developed consists of:

- A. Passive label carried by the traveler, which emits the "impersonal" identifier that is registered when it is "interrogated" by the RFID reader. It is characterized by its low cost.
- B. Set of antennas that cover access / exit doors to / from the bus.

C. RFID reader that collects the signals captured by the antennas and records the identifiers of each of them.

D. HW communications platform where all the information collected is stored and sent to a central server, for further processing.

Once the system is configured, different tests are carried out to measure the performance of the system. Whereby, it can be concluded that the system is capable of detecting, with high reliability, the entry and exit of bus users, despite no temporary and continuous detection of tags being present. This observation validates the technology developed as a source of information to build Origin-Destination matrices in quasi-real time.

Likewise, the system would make it possible to provide real time data on the occupation of buses in service and the number of travelers at a stop, with high a degree of reliability.

In terms of commercial viability, the low cost of the system (both RFID passive tags and the onboard platform) together with the high value of the information offered by the system, make it a potential product for public transport service managers. Likewise, the passenger detection rate is clearly higher than that offered by other types of technologies because of its approach that includes the integration of the RFID tag in the transport ticket itself.

HIDROCALERAS PROJECT

The purpose of the project is the construction of a reversible hydroelectric plant for accumulation by pumping of seawater located between the mining area of Dicedo and the La Tejilla inlet, for approximately 50 MW of nominal power.

The project includes the reversible plant, the reservoir or upper storage tank, the water intake works, the penstocks, accesses, substation and connecting power lines as well as the rest of the associated facilities.

The area where the project will be developed is located in the municipality of Castro Urdiales, between the towns of Mioño and Onton. The works will be situated between the coastline, bordered by the beach of Mioño, to the west, and the Derivados del Fluor factory, to the east, and the Alto de Camposquerra mountain. The intermediate level of the project crosses the route of the A-8 highway.

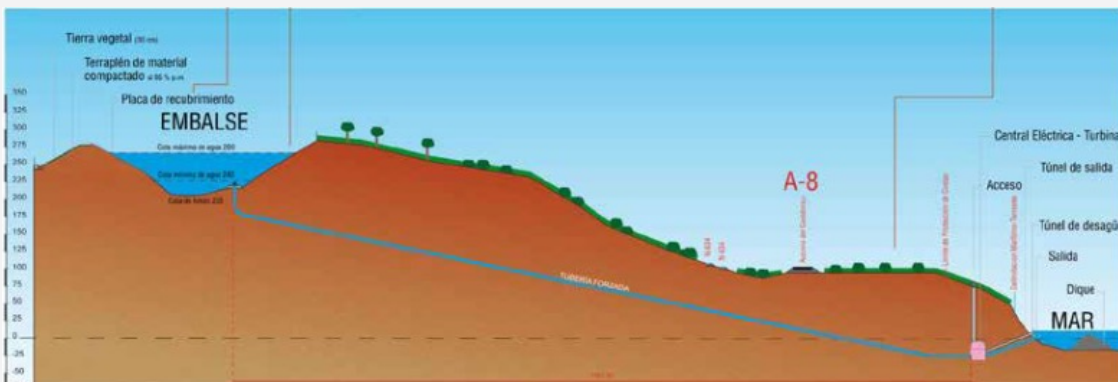
Rehabilitation and recovery of elements belonging to the industrial mining archaeological heritage existing in the Campoezquerra area are also included, as part of the environmental improvements.

It is an environmentally sustainable project, without negative environmental impacts. Most of its facilities are underground, which will not even have a visual impact on the landscape. When using the Cantabrian Sea as a lower reservoir, it has an inexhaustible source of supply, since as a result of the "reversibility" the seawater returns to its bed again. It is a hydroelectric power station

that does not produce CO₂, therefore the carbon footprint is much lower, being that it does not emit greenhouse gases. In addition, the Hidrocaleras projects clearly demonstrates very positive environmental impacts.

A highly degraded area is recovered, the waste dump of the former mining exploitation by creating a wet zone in the basin of the former mine, with the planting of native trees and plants and the consequent revival of Cantabrian fauna.

Currently, a consortium has been formed between private companies and public research centers to develop the project and seek subsidies at the regional, national and European level. The consortium is made up of: COBRA INFRAESTRUCTURAS HIDRÁULICAS (Spain), INSTITUTO DE HIDRÁULICA AMBIENTAL (Spain), UNIVERSIDAD DE CANTABRIA (Spain), LADICIM (Spain), CSM (Italy), CENTRO TECNOLÓGICO CTC (Spain), POYRY (Finland), INDAR, HIGHVIEW POWER (United Kingdom), BANCO SANTANDER (Spain), HIDROCALERAS S.L.

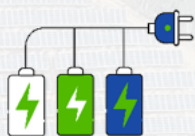




CROSSBOW PROJECT (ETRA/COBRA)

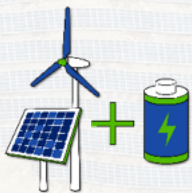


For further information:
crossbowproject.eu



ETRA has led the CROSSBOW project since 2017, with the noteworthy participation of COBRA INSTALACIONES Y SERVICIOS.

CROSSBOW is one of the most relevant innovation projects in the field of electricity transmission networks in the European Union. With 4 years of duration and co-financing from the Research and Innovation Program of the European Commission (Horizon 2020), the project has a budget of € 22 million. CROSSBOW is being developed by a consortium of 24 partners from 13 countries, including COBRA INSTALACIONES Y SERVICIOS and ETRA, the latter holding the position of project coordinator.



The main objective of CROSSBOW is to facilitate the shared use of renewable energy generation and storage units in Southeast Europe, which will allow for a greater penetration of clean energies in the market. In addition, it seeks to achieve a reduction in operating costs and an increase in the economic benefits associated with them, both for the operators of the electricity system and for the owners of the generation and storage plants.

These benefits will be achieved by fostering regional cooperation among system operators in Southeast Europe. All this will be possible thanks to the development and implementation of nine different tools that help system operators in the region and the regional coordination center in Belgrade to facilitate this greater penetration of renewable energies.

The nine solutions complement each other to offer the regional transmission network greater flexibility and solidity through:

- 1) Better control of the exchange power at international interconnection points.
- 2) Better energy storage solutions - distributed and centralized.
- 3) Better communication and control, that is, better observability of the network.
- 4) The definition of a transnational market, which proposes fair and sustainable remuneration for clean energies through the definition of new business models.



The impact of CROSSBOW products will be evaluated under real conditions for 18 months (starting at the end of 2020) in Transmission System Operators of the national electricity grid of 8 countries (Bulgaria, Romania, Greece, Montenegro, Former Yugoslav Republic of Macedonia, Croatia, Bosnia-Herzegovina and Serbia).

In summary, CROSSBOW will allow for set of solutions and technologies to be put on the market that increase the intelligence, flexibility and security of an open and sustainable European energy network, with improved use of storage technologies, flexibility of demand and increase in the proportion of renewable energies in the European energy mix.



WISEGRID PROJECT

WiseGRID (Wide scale demonstration of Integrated Solutions and business models for European smartGRID) is a European project in the field of energy that is being developed under the framework of the European Innovation Program - Horizon 2020.

The project, with a budget of € 17.6M and a consortium in which 21 partners from 8 different countries are working together, is coordinated by ETRA.

WiseGRID promotes a virtuous circle between three key aspects in future electricity distribution networks: storage technologies, renewable energy systems and the large-scale deployment of the electric vehicle as a key player in the energy ecosystem and mobility.

To this end, WiseGRID provides 9 technological solutions that will provide added value to all players in the energy ecosystem, from the distribution network operators to the end users - who become electricity prosumers. The project empowers all these players and facilitates their synergistic collaboration, whatever their size may be, in order to achieve a more decarbonized and safe electricity network.

These solutions are being deployed in five large-scale pilot prototypes in Crevillent (Spain), Flanders (Belgium), Terni (Italy), Kythnos and Mesogia (the latter both in Greece).

WiseGRID is having a great impact and has received outstanding recognition internationally. By way of example, only during 2018 the project has received three prestigious awards:

- Good Practice of the year Award, in the category of technology and design, awarded by the Renewables Grid Initiative.
- Business Award of the EU Sustainable Energy Week (EUSEW).
- Citizen's Award of the EU Sustainable Energy Week (EUSEW).

Both the European Commission and the consortium developing the WiseGRID are convinced that the technologies developed by the project will have an important impact on the process of energy transition that Europe has before it.



6.10.3. SERVICES

To carry out this function, Clece has its own specific R&D department and a formal management system certified under the UNE 166002:2006 standard, which is audited by an independent third party.

As of December 31, 2018, there were 4 ongoing research and development projects, in which € 0.9 million were invested.



6.11. LIST OF CONTENTS OF THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

.....

Information requested by the Non-Financial Information Bill	Corresponding GRI indicators	Location of Information included
General Information		
A brief description of the group's business model, which will include its business environment, its organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development and expansion.	102-2 Activities, brands, products and services 102-4 Location of operations 102-6 Markets served 102-7 Size of the organization 102-15 Main impacts, risks and opportunities	6.0. Business model Page 122
A description of the applicable group policies in regards to the said matters [environmental and social matters, that which relates to human rights and combating corruption and bribery, as well as that which pertains to staff, including the measures that have been adopted to favor the principle of equal treatment and opportunities among women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility], which shall include due diligence procedures applied to the identification, evaluation, prevention and mitigation of risks and significant impacts, along with the verification and control thereof, including which measures have been adopted.	103-2 The management approach and its components	6.0.1. Strategy and impacts Page 123
The results of these policies, including key indicators of relevant non-financial results that allow for the monitoring and assessment of progress, while favoring the comparability between companies and sectors, in accordance with the national, European or international frameworks of reference used for each matter.	103-2 The management approach and its components 103-3 Evaluation of the management approach	6.0.1. Strategy and impacts Page 123
The main risks related to these matters [environmental and social matters, that which relates to human rights and combating corruption and bribery, as well as that which pertains to staff, including the measures that have been adopted to favor the principle of equal treatment and opportunities among women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility] linked to the group's business activities, including, where appropriate and proportionate, the respective business relationships, products or services that may have negative effects on these areas, and how the group manages these risks, while explaining the procedures used to detect and evaluate them in accordance with the national, European or international frameworks of reference for each matter. Information on the impacts that have been detected must be included, along with a breakdown of them, in particular regarding the main short, medium and long-term risks.	102-15 Main impacts, risks and opportunities	6.0.2. Risks Page 124

**Information requested by
the Non-Financial Information Bill**
**Corresponding
GRI indicators**
**Location of
Information included**

Key indicators of non-financial results that are relevant to the specific business activity, while meeting the criteria for comparability, materiality, relevance and reliability. In order to facilitate the comparison of information, both in terms of time and between entities, we will use standards for key non-financial indicators in particular, which can be generally applied, while complying with the guidelines of the European Commission on this matter and the standards of the Global Reporting Initiative, with it being required to mention in the report, the national, European or international framework used for each matter. The key indicators for non-financial results must be applied to each of the sections of the status of non-financial information disclosure. These indicators should be useful, taking into account the specific circumstances, while being consistent with the parameters used in their internal risk assessment and management procedures. In any case, the information presented must be accurate, comparable and verifiable.

103-2 The management approach and its components
103-3 Evaluation of the management approach
102-54 Statement on the preparation of the report being in accordance with the GRI Standards

6.0.1. Strategy and impacts
Page 123

Environmental Matters
General Detailed Information

Regarding current and foreseeable effects of the activities of the company on the environment and, where appropriate, health and safety

-

6.1. Environment
Page 125

Regarding environmental assessment or certification procedures

-

6.1. Environment
Page 125

Regarding the resources dedicated to the prevention of environmental risks

-

6.1. Environment
Page 125

Regarding the application of the precautionary principle

102-11 Precautionary principle or approach

6.1. Environment
Page 125

Regarding the amount of provisions and guarantees for environmental risks

-

6.1. Environment
Page 125

Pollution

Measures to prevent, reduce or repair emissions that seriously affect the environment; while taking into account any form of air pollution specific to a particular business activity, including noise and light pollution.

305-1 Direct GHG emissions (scope 1)
305-2 Indirect GHG emissions when generating energy (scope 2)
305-3 Other indirect GHG emissions (scope 3)
305-5 Reduction of GHG emissions
305-6 Emissions of ozone depleting substances (ODS)
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

6.1.1. Emissions: Pollution and climate change
Page 126-127

Circular economy and waste prevention and management

Prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste.

301-2 Recycled supplies
301-3 Reused products and packaging materials
303-3 Recycled and reused water
306-1 Water discharge according to quality and destination
306-2 Waste by type and method of disposal

6.1.2. Circular economy and waste prevention
Page 128
6.1.3. Sustainable use of resources Efficient use of water resources
Page 130

Sustainable use of resources

Water consumption and water supply according to local constraints

303-1 Water extraction by source
303-2 Water sources significantly affected by water extraction

6.1.3. Sustainable use of resources Efficient use of water resources
Page 130

Consumption of raw materials and measures taken to improve the efficiency of their use

301-1 Materials used by weight or volume

6.1.3. Sustainable use of resources Consumption of materials: Sustainable construction
Page 131-134

Information requested by the Non-Financial Information Bill	Corresponding GRI indicators	Location of Information included
Direct and indirect consumption of energy	302-1 Energy consumption within the organization 302-2 Energy consumption outside the organization	6.1.3. Sustainable use of resources Consumption of materials: Energy Consumption Page 129
Measures taken to improve energy performance	302-4 Reduction of energy consumption 302-5 Reduction of the energy requirements for products and services	6.1.3. Sustainable use of resources Energy Consumption Page 129
Utilization of renewable energies	302-1 Energy consumption within the organization	6.1.3. Sustainable use of resources Energy Consumption Page 129
Climate Change		
The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	305-1 Direct GHG emissions (scope 1) 305-2 Indirect GHG emissions when generating energy (scope 2) 305-3 Other indirect GHG emissions (scope 3)	6.1.1. Emissions: Pollution and climate change Page 126-127
Measures taken to adapt to the consequences of climate change		6.1.1. Emissions: Pollution and climate change Page 126-127
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	305-5 Reduction of GHG emissions	6.1.1. Emissions: Pollution and climate change Page 126-127
Protecting biodiversity		
Measures taken to preserve or restore biodiversity	304-3 Habitats protected or restored	6.1.4. Biodiversity Page 135-137
Impacts caused by activities or operations in protected areas	304-2 Significant impacts of activities, products and services on biodiversity	6.1.4. Biodiversity Page 135-137
Social and staff related matters		
Employment		
Total number and distribution of employees according to the representative criteria of diversity (gender, age, country, etc.)	102-8 Information on employees and other workers 405-1 Diversity in governing bodies and among employees	6.2. People Page 138-139
Total number and distribution of work contract modalities, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.	102-8 Information regarding employees and other workers	6.2.1. Diversity and equality Page 140
Number of dismissals by gender, age and professional classification		6.2. People Page 139
The average remunerations and their evolution disaggregated by gender, age and professional classification or equal value	102-38 Total annual compensation ratio 102-39 Ratio of the percentage increase in the total annual compensation	6.2.1. Diversity and equality Page 142
Wage gap, equal or average salary for job positions of the company	405-2 Ratio of base salary and remuneration of women compared to men	6.2.1. Diversity and equality Page 141-142
The average remuneration of directors and executives, including variable remuneration, allowances and compensation	-	6.2.1. Diversity and equality Page 141
The payment to pension systems of long-term savings and any other collection, disaggregated by gender	201-3 Obligations of the defined benefit plan and other retirement plans	6.2.1. Diversity and equality Page 141
Implementation of employment termination policies	-	At present, the ACS Group has conciliation measures but not for labor termination
Employees with disabilities	405-1 Diversity in governing bodies and employees	6.2.1. Diversity and equality Page 140-143

Information requested by the Non-Financial Information Bill	Corresponding GRI indicators	Location of Information included
Organization of work		
Organization of work hours	-	6.2.2. Organization of work and social relations Page 144
Number of hours of absenteeism	403-2 Types of accidents and frequency of accidents, occupational diseases, days lost, absenteeism and number of deaths due to work-related accidents or occupational diseases.	6.2.2. Organization of work and social relations Page 144
Measures designed to facilitate the utilization of conciliation and encourage the co-responsible exercise of it by both parents	401-3 Parental permission	6.2.2. Organization of work and social relations Page 144
Health and safety		
Health and Safety Conditions at Work	403-3 Workers with high incidence or high risk of diseases related to their activity	6.3. Health and Safety Page 150
Work accidents, in particular their frequency and severity, as well as occupational diseases; disaggregated by gender.	403-2 Types of accidents and frequency of accidents, occupational diseases, days lost, absenteeism and number of deaths due to work-related accidents or occupational diseases.	6.3. Health and Safety Page 150
Social Relations		
Organization of social dialogue, including procedures to inform and consult staff and negotiate with them.	102-43 Approach for the participation of the interest groups 402-1 Minimum advance notice periods on operational changes 403-1 Representation of the workers in formal committees on worker-company health and safety	6.2.2. Organization of work and social relations Page 144
Percentage of employees covered by collective bargaining agreements by country	102-41 Collective bargaining agreements	6.2.2. Organization of work and social relations Page 144
Total collective bargaining agreements, particularly in the field of health and safety at work	403-4 Health and safety issues addressed in formal agreements with unions	6.2.2. Organization of work and social relations Page 144
Training		
The policies implemented in regards to training	404-2 Programs to improve employee skills and transition assistance programs	6.2.3. Developing talent Page 145-149
The total amount of training hours by professional categories	404-1 Average training hours per year per employee	6.2.3. Developing talent Page 149
Universal accessibility of people with disabilities		
Universal accessibility of people with disabilities	-	6.2. 1. Diversity and equality Page 140-143
Equality		
Measures taken to promote equal treatment and opportunities between women and men	401-3 Parental permission	6.2. 1. Diversity and equality Page 140-143
Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, hiring and the universal accessibility of people with disabilities	-	6.2. 1. Diversity and equality Page 140-143
The policy against all types of discrimination and, where appropriate, management of diversity	406-1 Cases of discrimination and corrective actions taken	6.4.1. Respect for Human Rights: The ACS Group's Code of Conduct and Human Rights Policy Page 158-159

Information requested by the Non-Financial Information Bill	Corresponding GRI indicators	Location of information included
Respect for human rights		
Human rights		
Application of due diligence procedures in the field of human rights; prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses committed	102-16 Values, principles, standards and norms of conduct 102-17 Advisory mechanisms and ethical concerns 410-1 Security personnel trained in human rights policies or procedures 412-1 Operations subjected to human rights review or impact assessments 412-2 Training of employees on human rights policies or procedures 412-3 Significant investment agreements and contracts with clauses on human rights or subject to human rights evaluation	6.4.1. Respect for Human Rights: The ACS Group's Code of Conduct and Human Rights Policy Page 156-157
Complaints regarding cases of violation of human rights	419-1 Non-compliance with laws and regulations regarding social and economic aspects	6.4. Regulatory Compliance: Human Rights and Combating Corruption and Bribery Page 156-159
Promotion and compliance with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in regards to employment and occupation; the elimination of all forms of forced or compulsory labor; and the effective abolition of child labor.	406-1 Cases of discrimination and corrective actions taken 407-1 Operations and suppliers for which the right to freedom of association and collective bargaining could be at risk 408-1 Operations and suppliers with significant risk of child labor cases 409-1 Operations and suppliers with significant risk of cases of forced or compulsory labor	6.4.1. Respect for Human Rights: The ACS Group's Code of Conduct and Human Rights Policy Page 156-159
Combating corruption and bribery		
Corruption and bribery		
Measures taken to prevent corruption and bribery	102-16 Values, principles, standards and norms of conduct 102-17 Advisory mechanisms and ethical concerns 205-1 Operations assessed for risks related to corruption	6.4.2 Combating corruption and bribery: Criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001). Page 157
Measures for combating money laundering	205-2 Communication and training on anti-corruption policies and procedures 205-3 Confirmed cases of corruption and measures taken	6.4.2 Combating corruption and bribery: Criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001). Page 157
Contributions to foundations and non-profit entities		6.4.2 Combating corruption and bribery: Criminal compliance management systems (UNE 19601) and anti-bribery management systems (UNE-ISO 37001). Page 157

Information requested by the Non-Financial Information Bill	Corresponding GRI indicators	Location of Information included
Company Background Information		
The company's commitments to sustainable development		
The impact of the company's business activity on employment and local development	204-1 Proportion of spending on local suppliers 413-1 Operations with local community participation, impact assessments and development programs	6.6. Giving back to society Page 165-169
The impact of the company's business activities on local populations and in the territory	204-1 Proportion of spending on local suppliers	6.6. Giving back to society Page 165-169
The relationships maintained with the players in the local communities and the modalities of dialog with them	102-43 Approach for the participation of the stakeholders	6.5. Management of the relationship with Stakeholders Page 161-163
The actions take regarding associations or sponsorship	-	6.6. Giving back to society Page 165-169
Subcontracting and suppliers		
The inclusion of social, gender equality and environmental issues in the purchasing policy	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria 414-1 New suppliers that have passed evaluation and selection filters according to social criteria	6.7. Suppliers and contractors Page 172-174
Consideration in the relations with suppliers and subcontractors regarding their social and environmental responsibility	308-1 New suppliers that have passed evaluation and selection filters according to environmental criteria 414-1 New suppliers that have passed evaluation and selection filters according to social criteria	6.7. Suppliers and contractors Page 172-174
Oversight systems and audits and the respective results	308-2 Negative environmental impacts in the supply chain and measures taken 414-2 Negative social impacts in the supply chain and measures taken	6.7. Suppliers and contractors Page 172-174
Consumers		
Measures for the health and safety of consumers	416-1 Assessment of the health and safety impacts of the categories of products or services	The matter is not material according to the materiality report (chapter 9.2), because the company does not have direct consumers due to the type of business (business to business). The information regarding the commitment of quality to the customer can be verified in chapter 6.8. Page 165
Complaint systems, complaints received and the respective resolution	102-43 Approach for the participation of stakeholders 102-44 Key issues and concerns mentioned 418-1 Fundamental complaints related to violations of customer privacy and loss of customer data	The matter is not material according to the materiality report (chapter 9.2), because the company does not have direct consumers due to the type of business (business to business). The information regarding the commitment of quality to the customer can be verified in chapter 6.8. Page 165
Tax information		
The profits obtained country by country	201-1 Direct economic value generated and distributed	6.9. Tax Information Page 178-179
The Income Taxes paid	201-1 Direct economic value generated and distributed	6.9. Tax Information Page 178-179
The public subsidies received	201-4 Financial assistance received from the government	6.9. Tax Information Page 178-179



7. THE ACS GROUP'S RISK MANAGEMENT



THE TWO-TIERED SYSTEM OF CONTROL AND MONITORING OF RISKS

The ACS Group conducts its business activities in a variety of sectors, countries and socio-economic and legal environments that involve exposure to different levels of risk inherent in the businesses in which it operates.

ACS Group's risk control system is based on a range of strategic and operational actions which serve to mitigate these risks and comply with the objectives established by the Board of Directors. It is the Corporation's responsibility to define the basic guidelines, in order to standardize the operating criteria in each of the divisions, so that an adequate level of internal control is ensured. The companies and divisions that comprise the Group are in charge of developing the necessary and appropriate internal regulations so that, depending on the peculiarities of the respective business activity, the internal controls are implemented to ensure its optimal operating level. In order to respond to the need for a global and homogeneous risk management system, the Corporation has established a model that includes the identification, evaluation, classification, assessment, management and monitoring of risks at the Group level and that of the operational divisions. With these risks identified, a schedule of risks is prepared which is regularly updated based on the respective variables

that comprise it and the areas of business activity that comprise the Group.

The risk control systems use the decentralized model characteristic of the Group, which allows each business unit to exercise its policies of control and assessment of risks under certain basic principles. These principles are as follows:

- Definition of the maximum risk thresholds that are acceptable for each business according to its expected characteristics and profitability, which are implemented upon entering into the respective contract.
- Establishment of identification, approval, analysis, control and information procedures for the respective risks of each business area.
- Coordination and communication so that the policies and procedures for the risks of the areas of business activity are consistent with the Group's global risk policy.

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

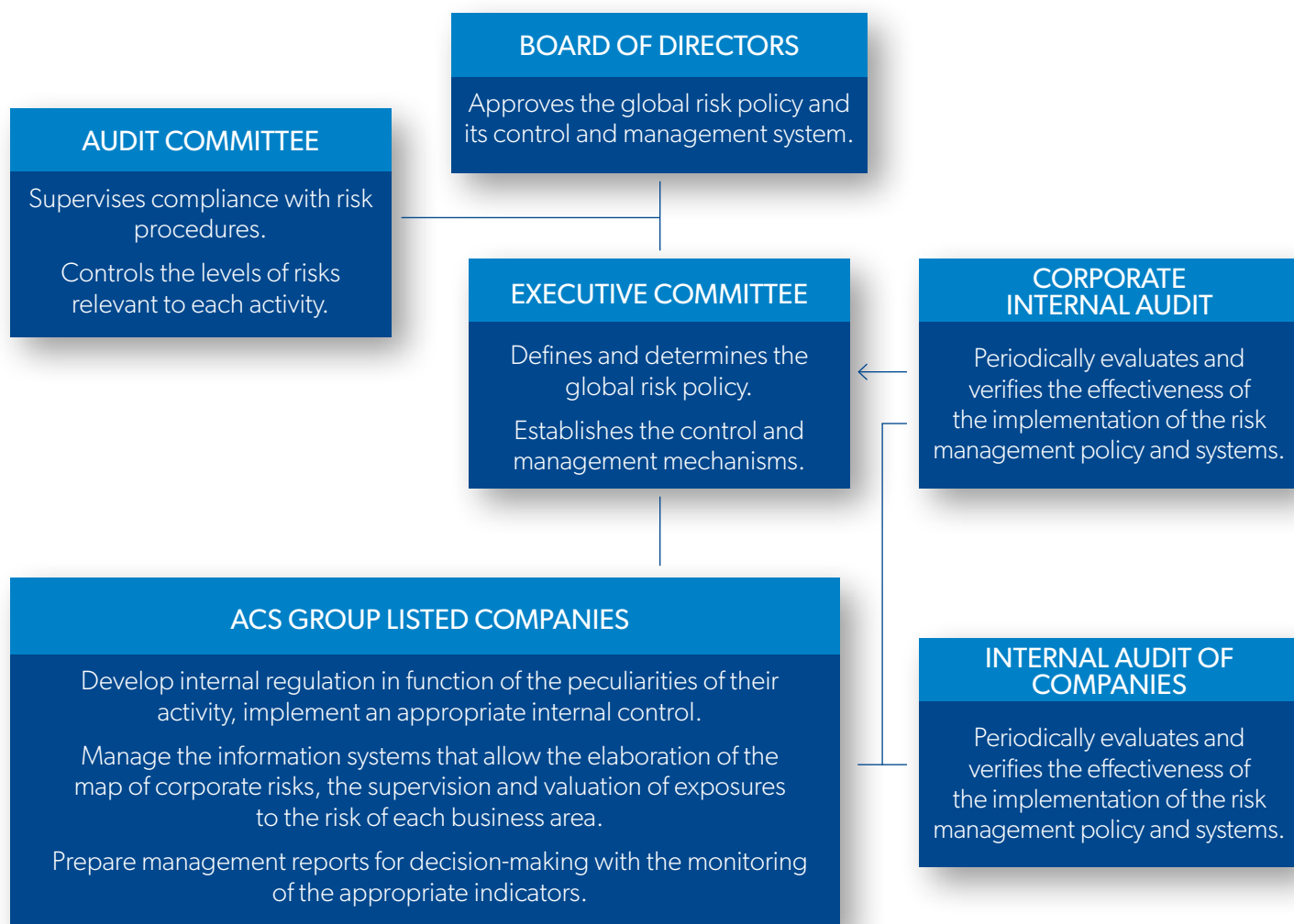
Of particular importance are the systems related to the controls in the bidding, contracting, planning and management of the works and projects, the quality management systems, as well as that of environmental management and human resources.



For further information:
General Risk Control and
Management Policy



GOVERNANCE OF THE RISK FUNCTION





The Risk Management System of the ACS Group identifies and assesses various risk scenarios grouped into two categories:

CORPORATE RISKS

Are that which affect the Group as a whole and the publicly traded Company in particular.

REGULATORY RISKS

Derived from the reliability of the published Financial Information, the litigation of the company, the regulatory regulations of the Securities Market, the data protection law, the possible changes in national and international tax regulations and in terms of civil liability regarding the integrity of the assets.

FINANCIAL RISKS

Are that which include the level of indebtedness, the liquidity risk, the risks derived from the fluctuation in the exchange rates, the risks derived from the fluctuation in the interest rates, the risks coming from the use of financial derivative instruments, investment risks and exposure to equity risk relating to investments made in publicly-traded companies.

INFORMATION RISKS

Are both the reputational risks that may affect the Group's image, as well as that of the transparency and relationship with analysts and investors.

STRATEGIC RISKS

Are that which may arise as a result of opting for a certain strategy, which could directly or indirectly influence, in a significant manner, the achievement of the ACS Group's long-term objectives.

REPUTATIONAL RISKS

Are those with a potential negative impact that may affect the Group's image, such as that of transparency and relations with analysts, investors and the respective stakeholders with expectations regarding the behavior of the Company and the Group.

BUSINESS RISKS

Are that which specifically affect each of the businesses and vary depending on the uniqueness of each business activity.

OPERATIONAL RISKS

Include the risks related to the contracting and bidding processes for works and projects, the planning and control of the execution of the various works and projects, the relationship with the client and that which involves credit, the quality of the product, as well as the environmental, purchasing and subcontracting risks.

NON-OPERATIONAL RISKS

Include risks related to prevention, workplace safety and health, Human Resources, compliance with specific laws and taxation applicable to the businesses, reliability of the accounting and financial information and the management of the financial resources and the indebtedness.

In addition to those inherent risks to the different businesses in which it operates, ACS Group is exposed to various financial risks, either by changes in interest or exchange rates, liquidity risks or credit risks.

a) Risks arising from changes in cash flow's interest rates are mitigated by ensuring rates through financial instruments which may cushion its fluctuation.

b) Risk management related to exchange rates is done by taking debt in the same functional currency as that of the assets that the Group finances overseas. To cover net positions in currencies other than euro, the Group arranges various financial instruments in order to reduce such exposure to exchange rate risks.

c) The most important aspects impacting the liquidity financial risks of ACS during 2018 and detailed in 2017 annual statements are:

- After the closing of Abertis' transaction in October 2018 and the creation of Abertis Holdco, S.A. and Abertis Participaciones S.A.U. (100% participated by this one), to where HOCHTIEF has transferred the total amount of its stake in Abertis' share capital, and has cancelled its credit line worth approximately € 18,200 million for the acquisition of Abertis Infraestructuras, S.A., which previously allowed the substitution of the complete guarantee submitted to the CNMV for the takeover bid for Abertis.
- HOCHTIEF, A.G. has issued a bond worth € 500 million euros with due date by July 2025 in order to finance Abertis' capital contribution, and has extended by a year (until 2023) the due date for its syndicated credit facility, worth € 1,700 million.
- The rating agency Standard and Poor's (S & P) has assigned ACS, Servicios, Comunicaciones y Energía, S.L. (subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) the BBB long-term corporate credit rating and A-2 short-term corporate credit rating.
- The issuance of Green Bonds by ACS, Services, Communications and Energy, S.L., worth € 750 million that have been used to refinance a large part of its financial debt, within eight years, and with 1.875% annual interest. Previously, S & P

assigned the BBB / A-2 rating to such Green Bonds.

- ACS, Actividades de Construcción y Servicios, SA, has renewed the Euro Commercial Paper (ECP) program for a maximum amount of € 750 million, the Negotiable European Commercial Paper program (NEU CP) for a maximum amount of € 300 million, and the debt issuance program called Euro Medium Term Note Program (EMTN Program).
- The rating agency Standard and Poor's (S & P) has maintained ACS, Actividades de Construcción y Servicios, S.A. the long-term BBB and A-2 short-term corporate credit rating ("investment grade"), with stable outlook, by Standard & Poor's agency. Likewise, HOCHTIEF and CIMIC have maintained the same credit rating.
- During December 2018, Dragados S.A. has executed a new syndicated loan worth € 323.8 million, divided into two different tranches. Tranche A worth € 161.9 million (currently allocated in cash), and Tranche B worth the remaining amount (available according to their particular needs). This new loan yields an interest rate based on the Euribor and with an expiry date no longer than 2023. By December 2018 drawn balance is zero.
- In the framework of the acquisition of Abertis, during ACS Actividades de Construcción y Servicios, S.A. has formalized contracts of loans with different entities by amount of 750 million euros with various maturities in 2023 (between June 28 and 12 December 2023) with interest rates of market referenced to Euribor.

The Corporate Governance Reports and ACS Group Consolidated Financial Statements (www.grupoacs.com), discusses more in detail the risks and the tools for its control. Likewise, HOCHTIEF's Annual Report (www.hochtief.com) details the risks inherent and its control mechanisms.

For the next six months, from the closing date of the accounts referred in this document, ACS Group, based on information currently available, does not expect to deal with situations of risk and uncertainty significantly different to those of the last six months of 2018, particularly those derived from the internationalization of the Group's activities.



8. CORPORATE GOVERNANCE

8.1. GENERAL SHAREHOLDERS' MEETING

8.2. BOARD OF DIRECTORS



THE CORPORATE GOVERNANCE OF THE ACS GROUP

The ACS Group, following the latest recommendations of the benchmark entities such as the Spanish Securities Market Commission and the best practices in corporate governance, has adopted a governance model consisting of the following bodies:

GENERAL SHAREHOLDERS' MEETING

The General Meeting is the supreme body of expression of the will of the Company, and its decisions, adopted in accordance with the provisions of the Bylaws, bind all shareholders. It is responsible for the approval of the annual financial statements, the allocation of the profit/loss and the approval of the corporate management. Also the appointment and replacement of the officers, as well as any other positions that may be determined by the Law or the Bylaws.

BOARD OF DIRECTORS

The Board has the broadest powers to represent the company and manage it as a supervisory body that controls its activity, in addition to directly assuming the responsibilities and decision-making regarding the management of the businesses. Its management is subjected to the approval of the General Shareholders' Meeting.

COMMITTEES DESIGNATED BY THE BOARD

EXECUTIVE COMMITTEE

Committee designated by the Board of Directors, which can exercise all the powers of the Board of Directors except for those that cannot be delegated or those that the Board considers to be solely under its mandate.

AUDIT COMMITTEE

Committee designated by the Board of Directors to which is responsible for the duties related to the accounting controls and risk management, including the oversight of the compliance with the corporate governance rules, the internal codes of conduct and that of the corporate social responsibility policy.

APPOINTMENTS COMMITTEE

Committee designated by the Board of Directors, which is responsible for nominating the Directors and Secretary of the Board, appointment of Senior Executives and the issues related to gender diversity in the Board of Directors.

REMUNERATION COMMITTEE

Committee designated by the Board of Directors that is responsible for the control of the remuneration of the directors and senior managers.

The good governance model of the ACS Group, as well as the composition, operation and duties of the governing corporate bodies are stated in the Group's corporate Bylaws.

In this manner, the Group has rules on the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, senior management or significant shareholders.

RULES RELATING TO THE GOOD GOVERNANCE OF THE ACS GROUP



Corporate Bylaws



Rules Governing the General Meeting



Rules of conduct in securities markets



Bylaws Governing the Board of Directors



Diversity Policy



8.1. GENERAL SHAREHOLDERS' MEETING

.....

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the parent company of the ACS Group, is a company publicly-traded in Spain, which as of December 31, 2018, has capital stock amounting to € 157,332,297, represented by 314,664,594 shares with a nominal value of € 0.5 per share, fully subscribed and paid up, all of which are of a single class with equal rights.

The General Meeting is the supreme body of expression of the will of the Company, and its decisions, adopted in accordance with the provisions of the Corporate Bylaws, bind all shareholders, including those absent, dissenting and abstaining.

The General Meeting is composed of all the holders of at least one hundred shares, whether present or represented. The owners or holders of less than one hundred shares can be grouped in order to arrive at that number, being represented, either by one of them, or by another shareholder who owns by itself the number of shares necessary to be part of the General Meeting.

The announcement of the convening of the General Shareholders' Meeting will be published simultaneously in the Official Gazette of the Commercial Register (Boletín Oficial del Registro Mercantil), on the company's website and on the website of the Spanish Securities Market Commission (Comisión Nacional del Mercado de

Valores), stating all the regulations which govern the following subject-matters:

- Supplement to the notice of the convening and presentation of new proposals for agreement.
- Rights of attendance and vote and register of shareholders.
- Voluntary Representation.
- Appointment or revocation of the representative and notification to the company, both in writing and by electronic means.
- Conflict of interests of the representative.
- Public request for representation and exercise of the right to vote by the officers in the event of public request for representation.
- Voting in advance remotely.
- Special information instruments: corporate website and shareholders' online forum.

From the same date of publication of the convening of the General Meeting, until the fifth day before it, including the one which the first convening is scheduled, shareholders may request in writing the information or clarifications they deem necessary or formulate in writing the



questions that they deem pertinent about the subject-matter included in the agenda, as well as that which pertains to the information accessible to the public that would have been provided by the company to the Spanish Securities Market Commission since the last general meeting took place, or with the auditor's report on the company's financial statements. The board of directors will be obligated to provide the information in writing by the day of the general meeting.

All these requests for information may be made by delivering the petition at the registered office or by sending it to the company by mail correspondence or by means of electronic communication or by calling in remotely. Valid requests for information, clarifications or questions made in writing along with the answers provided in writing by the board of directors will be included in the company's website.

In addition to the written requests for information, during the General Meeting, shareholders may verbally request the information or clarifications that they deem necessary concerning the matters included in the agenda or in relation to the information made available to the public furnished by the Company to the Spanish Securities Market Commission after the execution of the last General Meeting, or the auditor's report on the Company's

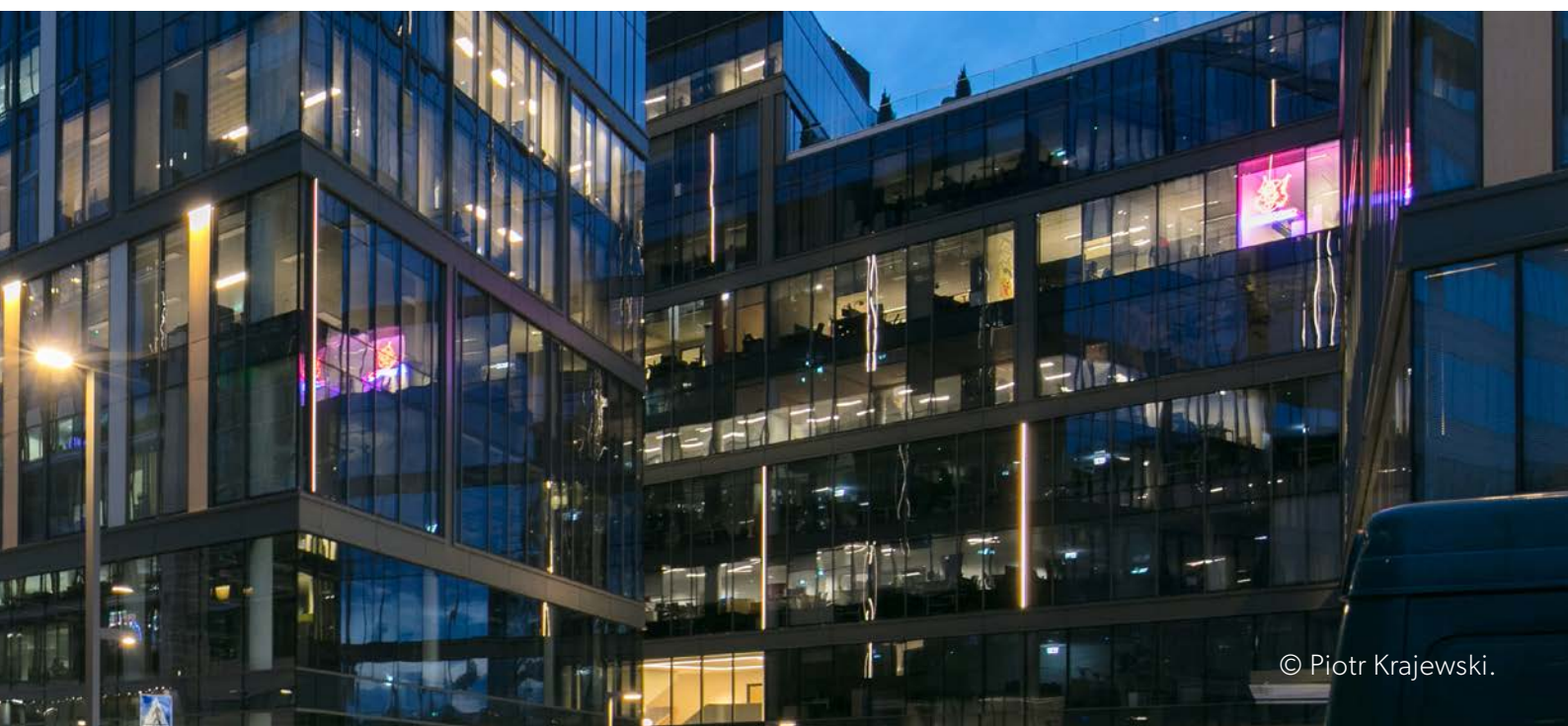
financial statements. If it is not possible to satisfy the shareholder's rights at this time, the Board of Directors will be obligated to provide the information in writing within seven days, following the completion of the Meeting.

From the publication of the convening notice and until the general meeting is held, the company will continuously publish on its website www.grupoacs.com the following information, which every shareholder can, in a likewise manner, examine at the headquarters, or obtain in an immediate and free manner:

- All documents or agreements that are submitted for the vote or consideration of the board and, in particular, the managers' and auditor's reports as well as that of the independent experts.
- The system and forms for voting by proxy, the forms for delegating the vote and the means to be used so that company can accept an electronic notification from the designated representations.
- The procedures and forms established for making the vote remotely.

The measures adopted by the Group to encourage attendance at the Board Meeting are reflected in the attendance percentages.

	2013	2014	2015	2016	2017	2018
Total Quorum	75.25%	70.20%	73.23%	70.00%	64.45%	61.51%
Quorum shareholders present	20.19%	7.31%	7.52%	6.85%	1.90%	1.59%
Quorum of shareholders represented	55.06%	62.89%	65.71%	63.15%	62.54%	59.91%



8.2. BOARD OF DIRECTORS

The composition of the Board of Directors is based on the principle of proportionality, by which, within the Board the interests of all groups of shareholders of ACS are represented.

The mission of the members of the independent and external advisory counsel is to represent the interests of the floating capital within the Board of Directors. The Chairman of the Board of Directors, Mr. Florentino Pérez, is also the CEO of ACS.

The General Meeting, for the purposes of the Board of Directors, serves to establish the exact number of Board members, while also appointing the individuals who will occupy those positions. As

of December 31, 2018, the ACS Board of Directors consisted of 18 members. The Company considers the composition of the Board of Directors to be adequate to represent the interests of the majority and minority shareholders. In this regard, we must also consider that a significant part (three of the four) of the other external board members are directors who, although due to the legal regulation for exceeding the maximum term of 12 years, prevent the consideration of independent members, they are considered to be directors who, considering their personal and professional conditions, can perform the respective duties without being conditioned by relations with the company or its group, its significant shareholders or its directors.



For further information:
Composition of the
Board of Directors of ACS
1. Management Bodies

DUTIES

The Board assumes the duties of representation and administration of the company, as the highest supervisory and control body of its activity. It includes among its non-delegable duties, among others¹¹, the following:

- The investment and financing policy.
- The definition of the structure of the group of companies.
- The Corporate Governance policy.
- The Corporate Social Responsibility policy.
- The approval of the financial information.
- The Strategic or Business Plan, the management objectives, and the annual budgets.
- The remuneration policy and performance evaluation of senior managers.
- The control and risk management policy, including the auditors, and the supervision of the internal information and control systems.
- The dividend policy, as well as that which pertains to the company's treasury stocks and interests
- The related-party transactions, except in those cases provided for by the Bylaws.
- The determination of the tax strategy of the Company.

The principles governing the composition of the Board and its functioning can be revised in the Corporate Governance Report prepared annually by the ACS Group.



Annual Corporate
Governance Report

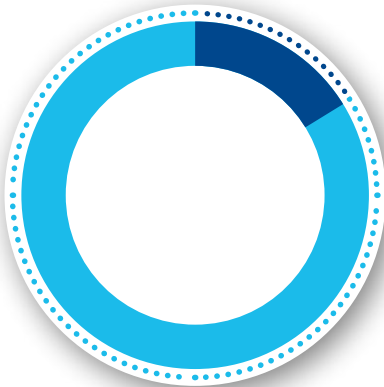
¹¹. The complete list of non-delegable duties can be found in article 5 of the Bylaws Governing the Board of Directors.

An analysis of the competences of the members of the Board of Directors was prepared, the results of which are reflected in the following matrix of competences:

MATRIX OF COMPETENCES OF THE BOARD OF DIRECTORS

	Executive Chairman	CEO	Vice chairman 1	Vice chairman 2	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12	Board Member 13	Board Member 14
EXPERIENCE																		
Sectorial	•	•	•	•	•			•		•	•		•	•		•	•	•
International	•	•		•				•	•		•		•			•	•	•
Academic	•			•		•	•		•	•	•	•	•		•	•		
Public administration	•					•	•		•	•		•	•	•		•	•	•
KNOWLEDGE																		
Accounting and finance	•	•	•	•	•			•	•		•		•	•				•
Risks	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Operations	•	•	•	•	•					•			•				•	
Legal and fiscal						•	•	•	•		•			•		•		•
Technology and digital trans-formation		•						•										•
Human resources	•	•	•	•				•		•		•	•		•	•	•	•

COMPOSITION OF BOARD OF DIRECTORS



• WOMEN 3
• MEN 15

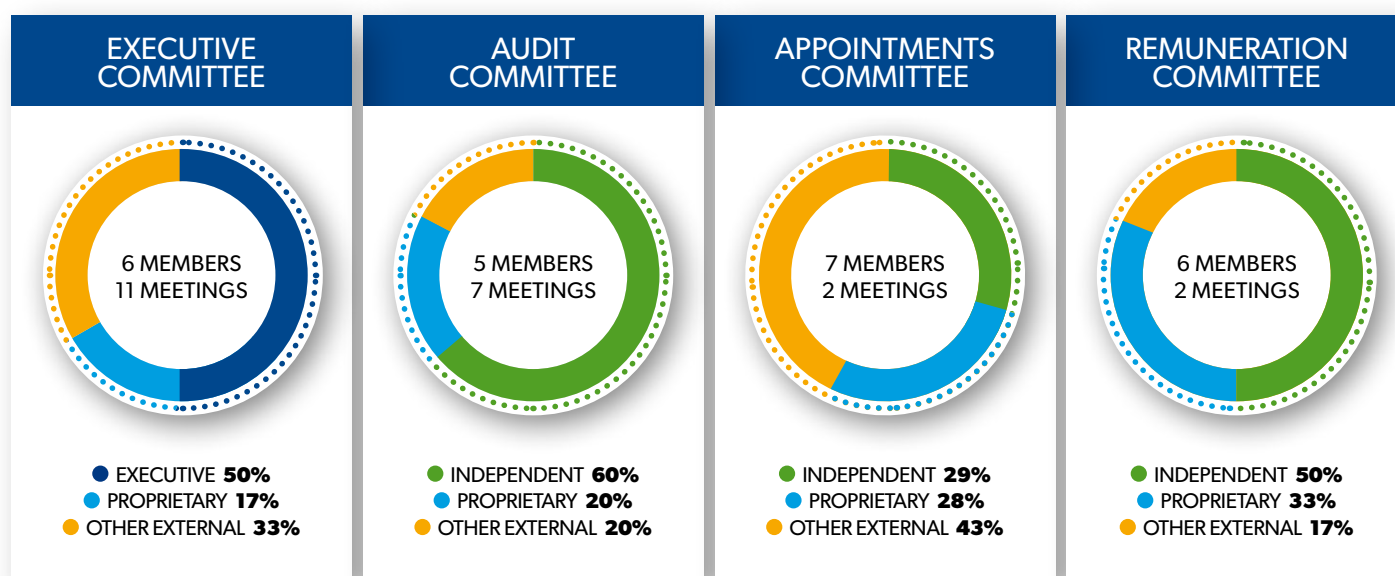
COMPOSITION OF BOARD OF DIRECTORS BY TYPE OF BOARD MEMBER



• EXECUTIVE 28%
• PROPRIETARY 22%
• INDEPENDENT 28%
• OTHER EXTERNAL 22%

8.2.1. DELEGATED COMMITTEES

The specific and detailed functions of each of the Committees delegates of the Board of Directors of the ACS Group are described in title four of the Regulations of the Board of the ACS Group.



8.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the members of the Board is defined by a general policy approved by the Board as a whole, in accordance with the recommendations of the Remuneration Committee.

The detail of the remuneration received by the Board of Directors, as well as the criteria for its determination, are published in the Annual Remuneration Report.

During the 2018 General Shareholders' Meeting, the remuneration of the Board was approved with 59.10% of the votes in favor, based on the votes cast.

	Number	% over total
Votes cast	193,543,887	61.51%
Opposing votes	78,320,976	40.67%
Votes in favour	114,391,920	59.10%
Abstentions	830,991	0.43%

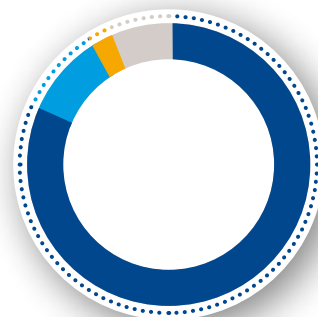


Annual Report on
Directors' Remuneration

8.2.3. GOOD GOVERNANCE

During the 2018 year, the parent company of the ACS Group continued to carry out the task of adapting its internal regulatory body to follow up on recommendations of the Code of Good Governance of the listed companies. The degree of follow-up of them can be consulted at the point G. of the Corporate Governance Report that is part of and is attached to this Report of Consolidated Management.

COMPLIANCE WITH THE RECOMMENDATIONS OF THE GOOD GOVERNANCE CODE



- COMPLIES **77%**
- PARTIALLY COMPLIES **13%**
- EXPLAIN **3%**
- NOT APPLICABLE **8%**





9. APPENDICES

9.1. REPORTING PRINCIPLES

9.2. IDENTIFICATION OF MATERIAL ASPECTS

9.3. NON- FINANCIAL INFORMATION APPENDICES

9.4. ECONOMIC-FINANCIAL APPENDICES



9.1. REPORTING PRINCIPLES

This report from the ACS Group was prepared following the principles established in the framework of the International Financial Reporting Standards (IFRS¹²).

This report includes the financial and extra-financial information considered relevant to the stakeholders of the ACS Group. The information related to the extra-financial matters has been reported in accordance with the Standards of the Global Reporting Initiative, including the additional applicable information required by the Construction and Real Estate sectoral supplement. This report has been prepared in accordance with the Exhaustive option of the GRI standards. This extra-financial information has been verified by an independent third party, including the verification letter on page 244-245 of this document.

Regarding the financial and management information of the Group, the Integrated Annual Report addresses the recommendations of the Spanish Securities & Exchange Commission contained in the Guide for preparing management reports of publicly traded companies, as well as Law 11/2018 regarding the disclosure of non-financial information and information on diversity.

The main subjects identified as relevant and that are addressed in this report are the following (in order of priority):

- Responsibility with local communities.
- Efficient management of resources.
- Development and talent of diversity.
- Ethical and responsible companies.
- Zero accidents objective.
- The climate: a global concern.
- Responsible supply chain.
- Resilient and socially responsible infrastructures.
- Protection of Human Rights.
- Tools and new financing models.

To prepare this report, the ACS Group has applied the following criteria:

PRINCIPLES FOR DEFINING THE CONTENT OF THE REPORT:

Inclusion of stakeholders: the ACS Group aligns the management of relevant matters with the expectations of its stakeholders. To do so, it has mechanisms for dialog adapted to its relationship with each one of them (indicated in section 6.5 of this report). In line with this commitment, a review process of the materiality has been carried out, both through the external documentation and by carrying out 1,724 inquiries with stakeholders in the entire ACS Group with stakeholders in order to incorporate their perspectives about the relevant matters concerning the Group.

Context of sustainability: this report has the objective of depicting the management of the ACS Group in each one of the three dimensions of sustainability: economic, social and environmental. Throughout the document, information is provided to give context to each one of them.

Relevance: The ACS Group has performed an analysis of matters, whose methodology and results can be consulted in section 9.2. of this report, which has allowed discovering which matters are relevant to the ACS Group and its stakeholders.

Exhaustiveness: In the process of preparing this report, its coverage and scope have been clearly defined, giving priority to the information considered to be material and including all significant events that have taken place in 2018, without omitting information that is relevant to our stakeholders.

[102-48], [102-49]

Along with determining its context, the coverage of the report has been established. In 2017 and 2018, the companies of the ACS Group have been involved in transformation processes that have meant organizational and management changes, which have changed the scope of some indicators. Annex 9.3.3 indicates the scope and coverage of each one of the indicators reported. In addition, if there are significant changes to the coverage, they must be indicated throughout the chapters.

The relevant subject matters, the indicators collected and the coverage of the 2018 Integrated Annual Report offer a vision of the group of significant impacts on the economic, social and environmental areas, as well as the ACS Group's activity.

12. For more information, visit the website of the International Financial Reporting Standards <http://integratedreporting.org/>



[102-46]

PRINCIPLES FOR DETERMINING THE QUALITY OF THE REPORT:

Precision and clarity: This report contains tables, graphics and schemes with the intention of facilitating the comprehension thereof. The information collected is intended to be clear and precise in order to be able to evaluate the ACS Group's activity. In addition, to the greatest extent possible, the use of technical language has been avoided, whose significance may be unknown to stakeholders.

Balance: Both positive and negative aspects are included, with the objective of presenting an unbiased image and allowing the stakeholders to reasonably evaluate the Company's activity.

[102-46], [102-48], [102-49]

Comparability: To the greatest extent possible, the information reflected has been organized in such a

way that the stakeholders can interpret the changes experienced by the ACS Group with respect to previous years. For the sake of comparing data, when possible, certain data has been recalculated in 2017 with the same scope as the data reported in 2018. It has not been possible to recalculate the data retroactively in some indicators, and in these cases, the historically reported data has been presented for information purposes.

Reliability: The reliability of the data collected in this 2018 Integrated Annual Report in relation to Corporate Social Responsibility has been checked by KPMG, a firm that performed the verification thereof. The verification letter is on page 244-245.

Punctuality: The ACS Group is committed to report its performance as a Group on an annual basis. This report contains its activity throughout 2018 in the economic, social, environmental and activity areas.

9.2. IDENTIFICATION OF MATERIAL ASPECTS

[102-46], [102-47]

Following the principles established by GRI Standards to define the content of the 2018 Integrated Report, the ACS Group has carried out a process of updating the materiality analysis that it performed in 2015 and that was revised in subsequent years.

To update the analysis, the list of relevant subjects identified in 2015 has been reviewed, taking it as a base and updating it through an external cabinet study.

Public sources and international bodies of reference have been reviewed to identify the main trends and challenges that affect the sector. In addition, from the external perspective, the main aspects evaluated by investors were considered in terms of financial and extra-financial matters. Regarding the analysis of risks and opportunities present in the different markets,

it has been considered that the analysis carried out in 2015 continues to be valid, and has only been narrowly updated. In this year, special emphasis was put on the regulatory changes introduced regarding reporting non-financial and diversity information (Law 11/2018).

[102-44]

For the internal evaluation analysis, the latest materiality study carried out by HOCHTIEF has been taken into consideration. Likewise, results have been considered from surveys carried out in different areas of the company in terms of their perception about the relevance of the different trends identified and the identification of the main risks for the company. In addition, in these internal surveys, the relevance of the subjects has been consulted on in terms of the Group's strengths in managing each subject and the impact they may have.

TRENDS
MAIN TRENDS
THAT THE GROUP IS
AFFECTED

+

COUNTRY CONTEXT
MOST RELEVANT ASPECTS OF
SUSTAINABILITY IN
THE MAIN COUNTRIES OF
OPERATION

+

**INVESTORS
REQUIREMENTS**
INVESTORS ESG MATTERS MORE
RELEVANT FROM THE POINT OF
INVESTORS 'VIEW

+

LAW 11/2018
ABOUT PUBLICATION OF
NON-FINANCIAL AND
DIVERSITY INFORMATION

= **EXTERNAL
RELEVANCE**

**HOCHTIEF
MATERIALITY**
LAST ANALYSIS OF
MATERIALITY PERFORMED

+

SURVEYS TRENDS
RELEVANCE OF
TRENDS FROM A
INTERNAL POINT OF VIEW

+

**SURVEYS
RISKS,
STRENGTHS
AND IMPACT**

= **INTERNAL
RELEVANCE***

* The Materiality study conducted in 2015 was taken into account to adjust the results in order to avoid a great disruption between the materiality of 2015 and the current one.



The result of weighing the topics identified both at the internal and external levels has allowed designing a materiality matrix in which the results obtained are represented as a function of their relevance, both external and internal, identifying ten relevant aspects for the ACS Group that are detailed below:



CONSOLIDATED DIRECTOR'S REPORT 2018

Topic	Score (0-100)
RESPONSIBILITY WITH LOCAL COMMUNITIES	95
EFFICIENT MANAGEMENT OF RESOURCES	94
DEVELOPMENT AND TALENT OF DIVERSITY	92
ETHICAL AND RESPONSIBLE COMPANIES	90
ZERO ACCIDENTS OBJECTIVE	88
THE CLIMATE: A GLOBAL CONCERN	85
RESPONSIBLE SUPPLY CHAIN	82
RESILIENT AND SOCIALLY RESPONSIBLE INFRASTRUCTURES	75
PROTECTION OF HUMAN RIGHTS	65
TOOLS AND NEW FINANCING MODELS	55

■ HIGH RELEVANCE
■ MEDIUM RELEVANCE
■ MODERATE RELEVANCE





In addition, the importance of the subjects was analyzed for each one of the main countries in which the Group operates, and for each one of its areas of activity, considering the importance of the following particular sub-matters. These subjects have been identified as relevant for the ACS Group, but an identification of the internal relevance has also been carried out for each one of these topics in each one of the Group's businesses: Construction, Industrial Services and Services.

The matters identified as relevant are shown below, as well as the particular sub-matters evaluated and the risks associated with those that are addressed in the integrated report, as well as the policies and management focus of the ACS Group:

[102-44], [102-46], [102-47], [103-1], [103-2]

RESPONSIBILITY WITH LOCAL COMMUNITIES

RELEVANCE
INTERNAL 100% EXTERNAL 89%

BUSINESSES

ASSOCIATED RISKS AND OPPORTUNITIES

The company's activity may result in risks due to communities' opposition to the development of projects or due to negative perceptions of the management carried out. This may jeopardize the Group's reputation and its business license to operate. For that reason, it is important to encourage a continuous dialog with the community and provide tools that facilitate proactive and open communication and the involvement of the communities from the start of projects. If at the same time, jobs are created and the entrepreneurial and local industrial culture are promoted, efficiency will be gained and costs will be saved. By adequately managing local expectations and promoting local development, the project can become a source of pride for the community.

MANAGEMENT FOCUS

The Group promotes a proactive dialog with the community through the heads of companies and specific projects.

ACS seeks to provide value to communities through its business strategy. Its commitment revolves around an Action Plan that defines the procedures in the different businesses: responsibilities, scopes and geography of action, categories of projects, types of contribution and monitoring models

The ACS Foundation reinvests part of the Group's profits in society through sponsorships, patronages and other programs.

SUB-MATTERS CONSIDERED

- Social and environmental impact evaluations of projects.
- Proactive dialog with the community and tools for communication.
- Contribution to the well-being of the local community.
- Measures for the health and safety of communities.
- Training and transfer of knowledge to the local entrepreneurial culture.
- Economic value generated and distributed.

APPLICABLE POLICIES

- Code of Conduct.
- The ACS Group's Social Action Policy.
- Corporate Social Responsibility Policy.

CONSTRUCTION
 INDUSTRIAL SERVICES
 SERVICES
 HIGH RELEVANCE
 MEDIUM RELEVANCE

ASSOCIATED RISKS AND OPPORTUNITIES

Inefficient management of resources may represent a considerable increase in the costs of construction and management, negatively affecting the agreements established with the client. Likewise, the improper management of natural capital, in addition to causing a direct impact on the ecosystems where it carries out its activity, can also cause damage to the Group's reputation. On the contrary, responsible and sustainable management of resources implies cost savings for the company and an improved perception and legitimacy for the company.

MANAGEMENT FOCUS

The Environmental Policy and the Group's 20-20 Plan defines the commitment and objectives to improve eco-efficiency and the use of resources. Each company follows policies and plans to comply with the ISO 14001 standard. For the environmental priorities of each activity, objectives and programs for improvement are established, whose supervision is the responsibility of the Environmental Management Department of the group of companies.

SUB-MATTERS CONSIDERED

- Responsible environmental management and raising awareness.
- Resources dedicated to preventing environmental risks.
- Circular economy: reduce, reuse and recycle. Use of respectful and long-lasting materials.
- Efficient management of water and energy.
- Innovation and new efficient technologies.

APPLICABLE POLICIES

- Environmental policy.
- Construction materials policy.
- Corporate Social Responsibility Policy.

DEVELOPMENT OF TALENT AND DIVERSITY

ASSOCIATED RISKS AND OPPORTUNITIES

Providing a pluralistic environment, where diversity and the equality of opportunities take priority, offering competitive advantages to the companies, such as loyalty and productivity programs for employees. In addition, the increased complexity of projects and the new requirements of the sector –for example, standards and certifications of energy efficiency and sustainability in construction– require greater awareness and specialization. If these are not acquired with flexibility, they will represent a disadvantage for the company against the competitors, and therefore a detriment for the business. However, the efforts in attracting and retaining talent, and the commitment to training help ACS to remain at the cutting edge.

MANAGEMENT FOCUS

The 20-20 Plan includes the commitment to improve professional performance, by increasing the investment in training.

Within this common framework, each company manages the development of its professionals in accordance with its specific needs, complying with the Group's Policy. They define training, and personal and professional development programs, and evaluate their impact on the participants.

SUB-MATTERS CONSIDERED

- Contribution to economic growth and job creation.
- Remuneration, type of labor contract and distribution in the staff.
- Strategies of attracting, developing and retaining talent.
- Measures of social dialog, organization, flexibility and work-life balance.
- Policies, plans and measures for diversity and equality between men, women and people with disabilities.

APPLICABLE POLICIES

- Code of Conduct.
- Human Rights Policy.
- Diversity Policy.
- Skill Development and Assessment Policy.
- Corporate Social Responsibility Policy.

ASSOCIATED RISKS AND OPPORTUNITIES

The organizations that do not respect the highest ethical standards and that do not show an integral behavior may have their reputation damaged. ACS strives for a governance model based on professional and ethical criteria, and adequate management with controlled risk. For that reason, ACS must have the necessary resources to fight corruption, fraud and bribery. It must fairly compete in the market, comply with the fiscal obligations in all jurisdictions and demonstrate good practices, such as fiscal transparency and collaboration with the corresponding tax administrations.

MANAGEMENT FOCUS

To guarantee the principles of transparency, ethics and integrity, the ACS Group has the Ethics Channel, the Code of Conduct and the Supervisory Committee that ensures compliance. The 20-20 Plan includes the commitment to these principles through the objectives that prevent and eradicate poor practices.

ACS has developed and adapted its regulatory bodies and its compliance management systems to obtain the UNE 19601 and UNE-ISO 37001 certifications.

SUB-MATTERS CONSIDERED

- Compliance policies and systems.
- Mechanisms to prevent corruption and fighting against money laundering as well as channels for reporting corrupt behavior.
- Transparency in the fiscal policy, bidding processes and contributions to foundations.
- Corporate governance.

APPLICABLE POLICIES

- General risk control and management policy.
- Corporate Fiscal Policy, Internal Control over Financial Reporting System (ICFRS).
- Criminal and Anti-bribery Compliance Policy.
- Treasury Stock Policy, Rules of Conduct in Securities Markets.
- Policies and Procedures of gifts and hospitalities, and relations with public officials and equivalents.
- Corporate Social Responsibility Policy.

OBJECTIVE: ZERO ACCIDENTS

ASSOCIATED RISKS AND OPPORTUNITIES

Despite the advances in the infrastructures and services sector, the frequency indexes in the accident ratios continue to be higher than in other sectors, negatively affecting the perception of the stakeholders. This fact, along with the costs that are associated with the accident rate of the employees and low productivity, negatively affect the companies. To prevent this, having the correct management of safety and health, improving the metrics, reducing the operating costs and building a reputation are crucial.

MANAGEMENT FOCUS

The 20-20 Plan is committed to reducing the accident rate indexes in individual employees. In order to achieve this overall commitment, each company manages safety and health independently, planning and putting in practice activities and measures, such as periodic risk evaluations and the definition of prevention plans with annual objectives. The majority have a management system to comply with the action plans that is approved by upper management. The Group collaborates with specialized organizations and participates in conferences about this subject.

SUB-MATTERS CONSIDERED

- Safety and health standards, also required of the supply chain.
- Zero accidents policy, mitigation plans and reduction objectives.
- Training and raising awareness about safety and health.
- Monitoring accident rate, frequency and severity indicators.

APPLICABLE POLICIES

- Corporate Social Responsibility Policy.

ASSOCIATED RISKS AND OPPORTUNITIES

The ACS Group is facing the physical risks derived from climate change (for example, natural disasters), in addition to the risks of transition derived from regulatory changes (demanding green energy objectives, efficiency and reduction of emissions by governments), technological changes or new preferences on the markets. However, climate change presents opportunities such as the development of resilient infrastructures as well as the development of products and services that contribute to the decarbonization of the economy. In this regard, the growing importance that stakeholders like the investment community present against the management of these risks and opportunities is notable, due to their potential impact on the bottom line.

MANAGEMENT FOCUS

The Group's 20-20 Plan defines the commitment and objectives to improve eco-efficiency and the use of resources. The global responsibility of the climate change strategy falls on ACS's Board of Directors.

Each company is responsible for carrying out an inventory of emissions, identifying the main focuses and developing initiatives for their reduction, such as the LIFE Footprint analysis (Roads) or the Clece Carbon Footprint Reduction Plan. The Group offers its clients construction products and services that contribute to promoting an economy that is low in carbon.

SUB-MATTERS CONSIDERED

- Policy, strategies and resources to mitigate and adapt to climate change.
- Pollution prevention and reduction measures.
- Efficient technologies and renewable resources.
- Objectives of reducing pollutant emissions.
- Carbon pricing.

APPLICABLE POLICIES

- Environmental policy.
- Construction materials policy.
- Corporate Social Responsibility Policy.

RESPONSIBLE SUPPLY CHAIN

ASSOCIATED RISKS AND OPPORTUNITIES

The poor practices of a company's suppliers represent a potential risk, and in the event they materialize, they may reduce the capacity to do business. It is necessary to evaluate the counterparty risks to which it is exposed and be involved in a constant improvement of its performance. The management systems of suppliers and contractors allow mitigating the potential risks for the Group, and allow improving the work processes and conditions, thus benefiting all parties.

MANAGEMENT FOCUS

All companies of the Group have specific standards and a formal system to classify, approve and control the risk of suppliers and subcontractors, which evaluates, among other aspects, the non-financial criteria—such as environmental and social characteristics—and establishes corrective measures in the event of non-compliance.

SUB-MATTERS CONSIDERED

- Purchasing policy that includes ESG aspects.
- Preparation of procedures and codes for suppliers.
- Qualification, evaluation and approval of suppliers as a function of risk.
- Measurement systems of fulfilling the responsibility objectives.
- Correction measures in case of non-compliance.

APPLICABLE POLICIES

- Code of Conduct.
- Code of Conduct for Business Partners.
- Corporate Social Responsibility Policy.

ASSOCIATED RISKS AND OPPORTUNITIES

The increasingly frequent extreme climate events, the scarcity of natural resources, the condition and social context of the territory are conditioning factors of the Group's activities. ACS must work on the design and execution of resilient, sustainable and environmentally respectful infrastructures. It must carry out projects that involve a sustainable management of resources for the client, responding to the growing demand. This opportunity is presented in emerging countries, with a high demand for infrastructures, as well as in developed countries, by adapting and maintaining the existing ones.

MANAGEMENT FOCUS

The ACS Group, through its different activities, provides services that contribute to create more efficient and sustainable infrastructures and cities –sustainable construction, building public transport systems, traffic management services, etc.–

ACS offers the client the use of recycled and/certified construction materials. Projects by Hochtief, Turner, CIMIC and Dragados comply with the different certifications of sustainable construction, in addition to CEEQUAL, ISCA and Greenroads in terms of efficient infrastructures.

SUB-MATTERS CONSIDERED

- Resiliency of the infrastructures to climate change.
- Sustainable projects and services that are respectful of the environment.
- Measures adopted to preserve, reduce and restore the impact on biodiversity.
- Raising awareness of the client in long-lasting and efficient construction.

APPLICABLE POLICIES

- Environmental Policy.
- Construction Materials Policy.
- Corporate Social Responsibility Policy.

PROTECTION OF HUMAN RESOURCES

ASSOCIATED RISKS AND OPPORTUNITIES

Human rights violations may represent a risk in certain countries and it requires a robust and homogeneous application of protection policies that must extend to the supply chain. ACS must become an active agent that ensures the protection of human rights within its area of influence by establishing measures and mechanisms that allow verifying the compliance of its commitments for all of its activities. The inadequate implementation of monitoring systems may overlook human rights violations that represent a great impact on the company's reputation and jeopardize its business license to operate.

MANAGEMENT FOCUS

The 20-20 Plan includes the Group's commitment to train its employees about Human Rights, Ethics and Integrity. The Code of Conduct contains the principles of the United Nations Global Compact. The Group complies with a process of due diligence to identify, prevent, mitigate and be accountable for the negative consequences caused by human rights violations. It has developed and adapted the internal standards and management systems, including evaluations and preventative measures to comply with the regulatory aspects related to human rights.

SUB-MATTERS CONSIDERED

- Human Rights Policy.
- Procedures of due diligence in terms of human resources, prevention of risks and repair measures for possible abuses.
- Training regarding human resources.
- Denunciation of violations.

APPLICABLE POLICIES

- Human Rights Policy.
- Code of Conduct.
- Universal Human Rights Declaration, United Nations Ruggie Report.
- Corporate Social Responsibility Policy.

ASSOCIATED RISKS AND OPPORTUNITIES

The diversity of financing tools, initiatives and organizations to invest in infrastructures: multilateral entities, institutional investors, retirement funds, sovereign wealth funds and small-scale players open up a range of opportunities for the companies in the sector, which must remain aware of proposals for new projects. The failure to adapt on time to these new models or not having the necessary tools implies a possible loss of business opportunities and a risk to companies of not being recognized by the stakeholders as an innovative agent and precursor of “green” projects.

MANAGEMENT FOCUS

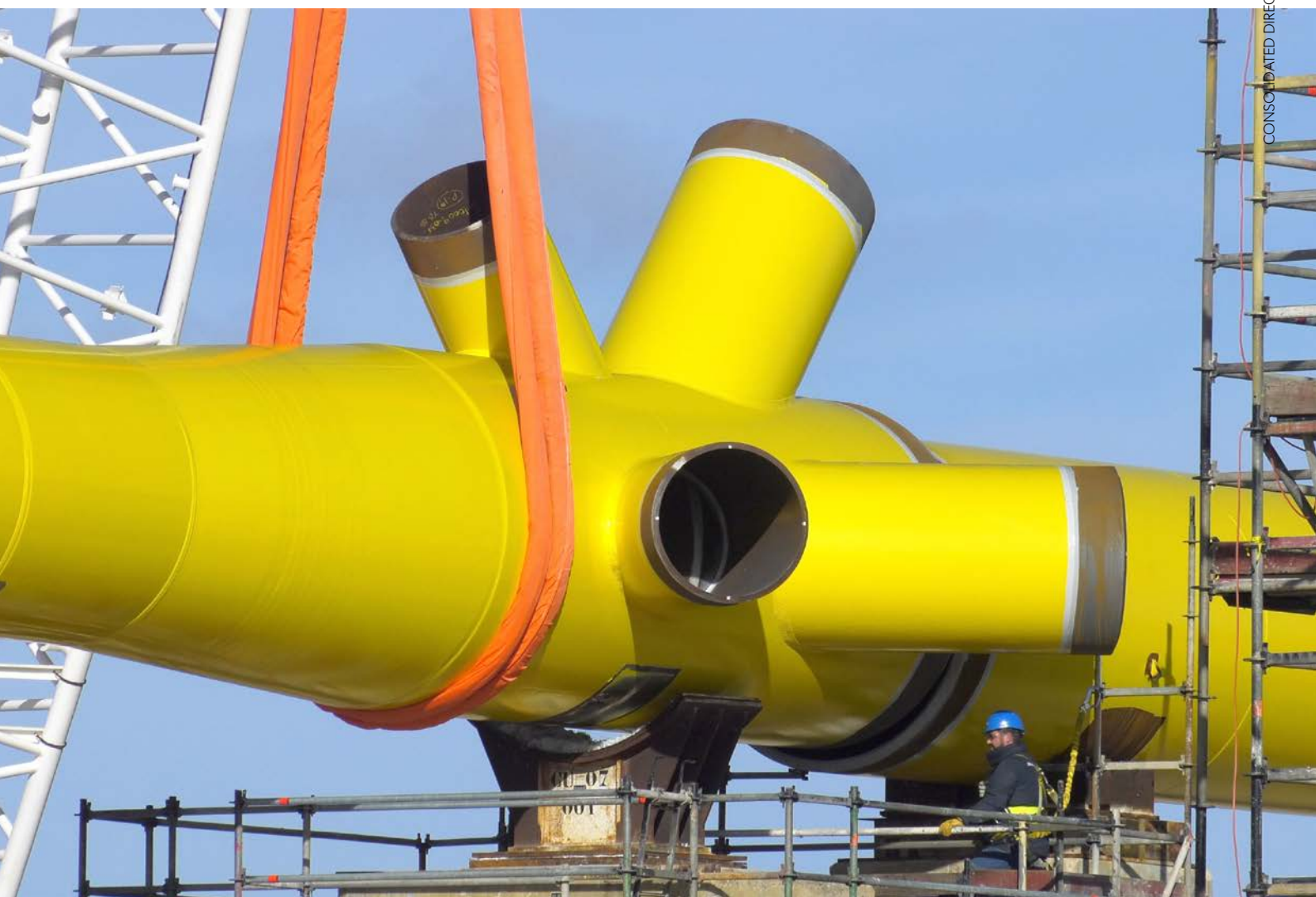
The Group is seeking opportunities in markets that are at a favorable time for investment, from the point of view of certainty at the administrative, financial and legal levels. For this reason, it is committed to public-private projects as a good alternative in developing infrastructures, and complies with the state plans of investment and development. In the field of sustainable financing, the affiliate ACS Servicios, Comunicaciones y Energía is notable. In 2018, it issued green bonds with a BBB rating from Standard and Poor’s and a value of 750 million euros.

SUB-MATTERS CONSIDERED

- Public-private alliances.
- Search for local partners.
- Sustainable financing.
- Financial solvency and solidity.
- Public subsidies received.

APPLICABLE POLICIES

- N/A.



9.3. NON-FINANCIAL INFORMATION APPENDICES

9.3.1. GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Spanish version of the report.

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	9		Yes (244-245)
	102-2 Activities, brands, products, and services	24-25		Yes (244-245)
	102-3 Location of headquarters	24		Yes (244-245)
	102-4 Location of operations	24-25		Yes (244-245)
	102-5 Ownerships and legal form	206		Yes (244-245)
	102-6 Markets served	28-29		Yes (244-245)
	102-7 Scale of the organization	24-25		Yes (244-245)
	102-8 Information on employees and other workers	138-139		Yes (244-245)
	102-9 Supply chain 156-159	172-174		Yes (244-245)
	102-10 Significant changes to the organization and its supply chain	38-39		Yes (244-245)
	102-11 Precautionary Principle or approach	198-201		Yes (244-245)
	102-12 External initiatives	244		Yes (244-245)
	102-13 Membership of associations	162		Yes (244-245)
Strategy	102-14 Statement from senior decision-maker	12-13		Yes (244-245)
	102-15 Key impacts, risks, and opportunities	216-217		Yes (244-245)
Ethics and Integrity	102-16 Values, principles, standards, and norms of behavior	156-157		Yes (244-245)
	102-17 Mechanisms for advice and concerns about ethics	158-159		Yes (244-245)
Governance	102-18 Governance structure	204-205		Yes (244-245)
	102-19 Delegating authority	204-205		Yes (244-245)
	102-20 Executive-level responsibility for economic, environmental and social topics	208-209		Yes (244-245)
	102-21 Consulting stakeholders on economic, environmental, and social topics	216-217		Yes (244-245)
	102-22 Composition of the highest governance body and its committees	16-17		Yes (244-245)
	102-23 Chair of the highest governance body	16-17		Yes (244-245)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Governance	102-24 Nominating and selecting the highest governance body	208-209		Yes (244-245)
	102-25 Conflicts of interest	209		Yes (244-245)
	102-26 Role of the highest governance body in setting purpose, values, and strategy	208-209		Yes (244-245)
	102-27 Collective knowledge of highest governance body	208-209		Yes (244-245)
	102-28 Evaluating the highest governance body's performance	208-209		Yes (244-245)
	102-29 Identifying and managing economic, environmental, and social impacts	208-209		Yes (244-245)
	102-30 Effectiveness of risk management processes	208-209		Yes (244-245)
	102-31 Review of economic, environmental, and social topics	Economic: at least quarterly, Social and Environmental: at least annually		Yes (244-245)
	102-32 Highest governance body's role in sustainability reporting	208-209		Yes (244-245)
	102-33 Communicating critical concerns	158, 161-163		Yes (244-245)
	102-34 Nature and total number of critical concerns	158		Yes (244-245)
	102-35 Remuneration policies	204, 210		Yes (244-245)
	102-36 Process for determining remuneration	204, 210		Yes (244-245)
	102-37 Stakeholders' involvement in remuneration	204, 210		Yes (244-245)
	102-38 Annual compensation ratio	141		Yes (244-245)
	102-39 Percentage increase in annual compensation ratio	142		Yes (244-245)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Stakeholder engagement	102-40 List of stakeholder groups	161-163		Yes (244-245)
	102-41 Collective bargaining agreements	144		Yes (244-245)
	102-42 Identifying and selecting stakeholders	161-163		Yes (244-245)
	102-43 Approach to stakeholder engagement	161-163		Yes (244-245)
	102-44 Key topics and concerns raised	217-218		Yes (244-245)
Reporting practice	102-45 Entities included in the consolidated financial statements	9		Yes (244-245)
	102-46 Defining report content and topic Boundaries	124, 215-216, 218		Yes (244-245)
	102-47 List of material topics	217		Yes (244-245)
	102-48 Restatements of information	214-215		Yes (244-245)
	102-49 Changes in reporting	214-215		Yes (244-245)
	102-50 Reporting period	9		Yes (244-245)
	102-51 Date of most recent report	Last report: 2017		Yes (244-245)
	102-52 Reporting cycle	214		Yes (244-245)
	102-53 Contact point for questions regarding the report	237		Yes (244-245)
	102-54 Claims of reporting in accordance with the GRI Standards	214		Yes (244-245)
	102-55 GRI content index	224-229		Yes (244-245)
	102-56 External assurance	244-245		Yes (244-245)
Material Topics				
Zero accidents target				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	220		Yes (244-245)
	103-2 The management approach and its components	220		Yes (244-245)
	103-3 The evaluation of the management approach	150		Yes (244-245)
GRI 403: Occupational health and safety 2016	403-1 Workers representation in formal joint management worker health and safety committees	144,231		Yes (244-245)
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities	152-153,231		Yes (244-245)
	403-3 Workers with high incidence of high risk of diseases related to their occupation	153		Yes (244-245)
	403-4 Health and safety topics covered in formal agreements with trade unions	144,231		Yes (244-245)
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	152		Yes (244-245)
Developing local talent				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	219		Yes (244-245)
	103-2 The management approach and its components	219		Yes (244-245)
	103-3 The evaluation of the management approach	145-149		Yes (244-245)
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	149		Yes (244-245)
	404-2 Programs for upgrading employee skills and transition assistance programs	145-149		Yes (244-245)
	404-3 Percentage of employees receiving regular performance and career development reviews	149		Yes (244-245)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Responsible supply chain				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	221		Yes (244-245)
	103-2 The management approach and its components	221		Yes (244-245)
	103-3 The evaluation of the management approach	172-173		Yes (244-245)
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	45		Yes (244-245)
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	172-173		Yes (244-245)
	308-2 Negative environmental impacts in the supply chain and actions taken	172-173		Yes (244-245)
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	172-173		Yes (244-245)
	414-2 Negative social impacts in the supply chain and actions taken	172-173		Yes (244-245)
Interest in local communities				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	218		Yes (244-245)
	103-2 The management approach and its components	218		Yes (244-245)
	103-3 The evaluation of the management approach	164-165		Yes (244-245)
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	23.73%		Yes (244-245)
	413-2 Operations with significant actual and potential negative impacts on local communities	21.41%		Yes (244-245)
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		No
management of resources				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	219		Yes (244-245)
	103-2 The management approach and its components	219		Yes (244-245)
	103-3 The evaluation of the management approach	129-134		Yes (244-245)
GRI 301: Materials 2016	301-1 Materials used by weight or volume	230		Yes (244-245)
	301-2 Recycled input materials used	230		Yes (244-245)
	301-3 Reclaimed products and their packaging materials	128		Yes (244-245)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	129, 230		Yes (244-245)
	302-2 Energy consumption outside of the organization	126, 230		Yes (244-245)
	302-3 Energy intensity	129		Yes (244-245)
	302-4 Reduction of energy consumption	127-129		Yes (244-245)
	302-5 Reductions in energy requirements of products and services	130-134		Yes (244-245)
GRI 303: Water 2016	303-1 Water withdrawal by source	130		Yes (244-245)
	303-2 Water sources significantly affected by withdrawal of water	130		Yes (244-245)
	303-3 Water recycled and reused	130		Yes (244-245)

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	130		Yes (244-245)
	306-2 Waste by type and disposal method	128		Yes (244-245)
	306-3 Significant spills	Not available		Yes (244-245)
	306-4 Transport of hazardous waste	128		Yes (244-245)
	306-5 Water bodies affected by water discharges and/or runoff	Not available	We do not have management and collection systems for this indicator for this data. Measures to improve this aspect will be taken.	No
G4 Sector Disclosure: Construction and Real Estate	CRE1 Building energy intensity	Not available	Partial information. Pag: 134	No
	CRE2 Building water intensity	Not available	Partial information Pag: 134	No
	CRE5 Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Partial information Page: 137		No
	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	134		Yes (244-245)
Climate change is a global concern				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	221		Yes (244-245)
	103-2 The management approach and its components	221		Yes (244-245)
	103-3 The evaluation of the management approach	126-127		Yes (244-245)
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	126-127		Yes (244-245)
	305-2 Energy indirect GHG emissions (Scope 2)	126-127		Yes (244-245)
	305-3 Other indirect GHG emissions (Scope 3)	126-127		Yes (244-245)
	305-4 GHG emissions intensity	126-127		Yes (244-245)
	305-5 Reduction of GHG emissions	126-127		Yes (244-245)
	305-6 Emissions of ozone-depleting substances (ODS)	126-127		Yes (244-245)
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	126-127		Yes (244-245)
G4 Sector Disclosure: Construction and Real Estate	CRE3 Greenhouse gas emissions intensity from buildings	Not available	Partial information Page: 134	No
	CRE4 Greenhouse gas emissions intensity from new construction and redevelopment activity	126-127		Yes (244-245)

GRI content index				
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission	External verification
Protection of human rights				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	222		Yes (244-245)
	103-2 The management approach and its components	222		Yes (244-245)
	103-3 The evaluation of the management approach	156		Yes (244-245)
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	172-173		Yes (244-245)
	412-2 Employee training on human rights policies or procedures	160		Yes (244-245)
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	172-173		Yes (244-245)
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	144		Yes (244-245)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	156-157		Yes (244-245)
Ethical and responsible companies				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	220		Yes (244-245)
	103-2 The management approach and its components	220		Yes (244-245)
	103-3 The evaluation of the management approach	156-158		Yes (244-245)
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	156-158		Yes (244-245)
	205-2 Communication and training about anti-corruption policies and procedures	156-158		Yes (244-245)
	205-3 Confirmed incidents of corruption and actions taken	It hasn't been detected in 2018 cases of corruption		No
GRI 206: Anti-competitive Behavior 2016	2016-1 Legal actions for anti-competitive behavior and monopoly practices	6		Yes (244-245)
Social role of infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	222		Yes (244-245)
	103-2 The management approach and its components	222		Yes (244-245)
	103-3 The evaluation of the management approach	51		Yes (244-245)
Resilient infrastructure				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	222		Yes (244-245)
	103-2 The management approach and its components	222		Yes (244-245)
	103-3 The evaluation of the management approach	175-177		Yes (244-245)
Total and new financing models				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	223		Yes (244-245)
	103-2 The management approach and its components	223		Yes (244-245)
	103-3 The evaluation of the management approach	223		Yes (244-245)

9.3.2. ADDITIONAL INDICATORS

ENVIRONMENT

(301-1 and 301-2) Total materials used and percentage of recycled materials	2017	2018
Total wood purchased (m ³)	1,219,383	3,777,835
Percentage of certified Wood*	76.5%	82.9%
Total steel purchased (t)	551,342	1,310,393
Percentage of recycled Steel*	48.4%	45.9%
Total concrete purchased (m ³)	4,104,025	4,739,630
Percentage of cement/concrete with recycled aggregate*	11.6%	9.1%
Total recycled glass (m ²)	77,333	97,562
Percentage of recycled glass*	0.7%	0.5%

* Scope of sales data lower than 20% in 2017 and less than 30% in 2018. See table of scope 9.3.3.

(302-1) Energy consumption by source	2015	2016	2017	2018
Total ACS Group				
Petrol + Diesel (million litres)	1,187	831	928	1,135
Natural gas (m ³)	400,930	275,696	254,804	466,206
Natural gas (kWh)	27,296,944	22,164,387	22,671,327	29,108,916
Biofuel (million litres)	0	0	0	0
Electricity (MWh)	532,927	491,425	660,173	590,624
Electricity from renewable sources (MWh)	2,114	25,313	28,357	58,658
Construction				
Petrol + Diesel (million litres)	1,162	810	906	1,099
Natural gas (m ³)	279,111	271,472	241,314	296,905
Natural gas (kWh)	92,100	833,895	694,977	596,899
Biofuel (million litres)	0	0	0	0
Electricity (MWh)	418,975	400,275	537,996	421,831
Electricity from renewable sources (MWh)	557	23,776	26,682	57,773
Industrial Services				
Petrol + Diesel (million litres)	21	17	19	32
Natural gas (m ³)	121,818	4,223	13,490	169,301
Natural gas (kWh)	204,844	15,492	0	66,570
Electricity (MWh)	89,119	64,433	96,488	144,841
Electricity from renewable sources (MWh)	1,557	1,537	1,667	884
Servicios				
Petrol + Diesel (million litres)	4	4	4	4
Natural gas (m ³)	0	0	0	0
Natural gas (kWh)	27,000,000	21,315,000	21,976,351	28,445,447
Electricity (MWh)	24,834	26,717	25,689	23,952
Electricity from renewable sources (MWh)	0	0	9	0

HEALTH AND SAFETY

	2015	2016	2017	2018
Total number of hours worked	326,382,593	312,750,167	352,572,161	374,672,106
Total number of hours worked (Men)	n.a.	n.a.	n.a.	254,543,241
Total number of hours worked (Women)	n.a.	n.a.	n.a.	120,128,864
Total number of accidents with employee time off	4,256	4,294	4,318	4,231
Total number of accidents with employee time off (Men)	n.a.	n.a.	n.a.	1,560
Total number of accidents with employee time off (Women)	n.a.	n.a.	n.a.	2,671
Fatal accidents (own employees)	10	7	1	4
Fatal accidents (own employees Men)	n.a.	n.a.	n.a.	4
Fatal accidents (own employees Women)	n.a.	n.a.	n.a.	0
Fatal accidents (contracted employees)	3	6	2	7
Total number of cases of occupational diseases (employees)	35	46	65	105
Total number of cases of occupational diseases (employees Men)	n.a.	n.a.	n.a.	75
Total number of cases of occupational diseases (employees Women)	n.a.	n.a.	n.a.	30
Frequency rate for occupational disease (employees)	0.107	0.147	0.184	0.280
Frequency rate for occupational disease (employees Men)	n.a.	n.a.	n.a.	0.295
Frequency rate for occupational disease (employees Women)	n.a.	n.a.	n.a.	0.250
Total number of cases of occupational diseases (contractors)	0	0	0	0
Frequency rate for occupational disease (contractors)	0	0	0	1
Percentage of days lost through absenteeism	2.1%	2.3%	1.5%	1.2%

(403-1)(403-3)(403-4) HEALTH AND SAFETY INDICATORS	2017	2018
Total ACS Group	2017	2018
Percentage of workforce represented on formal joint health and safety committees for management and employees	76.37%	80.17%
Workers with a profession that has a high incidence or risk of illness	12,806	21,560
Health and safety issues covered in official agreements with trade unions	69.35%	70.68%
Construction		
Percentage of workforce represented on formal joint health and safety committees for management and employees	83.98%	87.50%
Workers with a profession that has a high incidence or risk of illness	13,976	16,085
Health and safety issues covered in official agreements with trade unions	26.27%	26.03%
Industrial Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	80.26%	86.53%
Workers with a profession that has a high incidence or risk of illness	1,040	5,475
Health and safety issues covered in official agreements with trade unions	91.07%	94.04%
Services		
Percentage of workforce represented on formal joint health and safety committees for management and employees	66.80%	68.60%
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%

9.3.3. SCOPE OF DATA

ENVIRONMENT

% of sales	2018
Implementation of ISO 14001 certification	99.68%
Implementation of other certifications	99.68%
Projects registered and certified as per efficient construction certifications	100.00%

% of sales	2015	2016	2017	2018
Petrol (million litres)	99.38%	97.17%	97.52%	99.68%
Diesel (million litres)	99.38%	97.17%	97.52%	99.68%
Natural gas (m ³)	99.38%	97.17%	92.69%	95.16%
Natural gas (kWh)	99.38%	97.17%	96.94%	99.22%
Electricity (MWh)	99.38%	97.17%	97.52%	99.68%
Electricity from renewable sources (MWh)	32.43%	87.47%	95.47%	97.33%
Direct greenhouse gas emissions not associated with the use of fuels (Scope 1 process emissions) (tCO ₂ eq)	32.43%	13.92%	90.15%	92.79%
Business travel: total km travelled on short-haul flights (< 500 km)	99.38%	92.49%	96.94%	99.22%
Business travel Air: total km travelled on medium-haul flights (500 km < X < 1,600 km)	99.38%	92.49%	96.94%	99.22%
Business travel Air: total km travelled on long-haul flights (> 1,600 km)	99.38%	92.49%	96.94%	99.22%
Business travel Total km travelled in private vehicles for business purposes	99.38%	97.17%	96.31%	99.22%
Business travel Total km travelled by train	99.38%	92.49%	96.94%	99.22%
Business travel Total km travelled by boat	99.38%	97.17%	96.94%	99.22%
Others (tCO ₂ eq)	99.38%	97.17%	94.17%	94.45%
Significant air emissions, in KG of Ozone-depleting substances (ODS)	n.d.	82.91%	94.17%	94.45%
Significant air emissions of NO _x .	n.d.	78.62%	95.00%	95.73%
Significant air emissions of SO _x	n.d.	77.40%	95.00%	95.73%
Other significant air emissions	n.d.	78.62%	95.47%	95.73%
Efficient use of water resources				
Water consumption (m ³)	63.84%	97.17%	62.10%	99.22%
Waste water discharged (m ³)	32.43%	97.17%	62.68%	99.68%
Volume of reused water (m ³)	99.38%	97.17%	61.71%	99.22%
Waste management				
Non-hazardous waste sent for management (t)	99.38%	97.17%	97.52%	99.68%
Hazardous waste sent for management (t)	95.01%	97.17%	97.52%	99.68%

Materials (% of Group procurements)	2017	2018
Total wood purchased (m ³)	89.92%	92.08%
Percentage of certified wood	9.20%	17.83%
Total steel purchased (t)	95.49%	97.78%
Percentage of recycled steel	15.68%	22.90%
Total concrete purchased (m ³)	95.49%	97.89%
Percentage of cement/concrete with recycled aggregate	15.58%	22.88%
Total recycled glass (m ²)	17.44%	26.00%
Percentage of recycled glass	17.44%	25.23%

ACS GROUP EMPLOYEES

Total % of employees	2017	2018
Total employees	n.a.	100.00%
Local employees	n.a.	96.78%
Employees by area of activity	n.a.	100.00%
Personnel by professional category and area of activity	n.a.	100.00%
Types of contract	n.a.	100.00%
Personnel by professional category and gender	n.a.	100.00%
Personnel by geographical area	n.a.	100.00%
Average age (men)	n.a.	96.78%
Average age (women)	n.a.	96.78%
Average seniority (men)	n.a.	96.78%
Average seniority (women)	n.a.	96.78%
Total turnover for women	n.a.	96.78%
Total turnover for men	n.a.	96.78%
Voluntary turnover for women	n.a.	96.78%
Of the employees reported, number of women with a management position (construction/project manager or similar and superior)	n.a.	96.78%
Of the employees reported, number of men with a management position (construction/project manager or similar and superior)	n.a.	96.78%
Of the employees reported, number of women management positions	n.a.	96.78%
Of the employees reported, number of men management positions	n.a.	96.78%
Management's average remuneration	n.a.	100.00%
Annual average remuneration	n.a.	93.98%
Measures to promote equal treatment and opportunities for men and women	n.a.	93.98%
Protocols against sexual harassment	n.a.	93.98%
Measures to ensure equal opportunities and avoid discrimination in the selection processes	n.a.	93.98%
People with a disability	n.a.	76.28%
Systems to ensure the universal access	n.a.	93.98%
Work-life balance measures	n.a.	93.95%
Percentage of reincorporation after parental leave	n.a.	96.78%
Total number of days lost (due to absenteeism)	97.04%	96.57%
Employees affiliated to union organizations	n.a.	76.28%
Employees covered by collective bargaining agreements or by an independent union	n.a.	96.78%
Percentage of workforce represented on formal joint health and safety committees for management and employees	n.a.	100.00%
Health and safety issues covered in official agreements with trade unions	n.a.	80.00%
Employees covered by a formal professional development system	97.27%	96.78%
Employees subject to performance evaluation processes	97.27%	96.78%
Employees covered by variable remuneration systems	96.39%	96.78%
Employees trained	97.27%	96.78%
Total teaching hours given	97.27%	96.78%
Investment in training (millions of euros)	97.27%	96.78%
Teaching hours breakdown by professional category	n.a.	93.59%

HEALTH AND SAFETY

% of employees	2015	2016	2017	2018
Percentage of total employees covered by OHSAS 18001 certification	100.00%	99.84%	100.00%	100.00%
Total number of hours worked (own employees)	100.00%	99.84%	100.00%	100.00%
Total number of hours worked (own employees Men)	n.a.	n.a.	n.a.	100.00%
Total number of hours worked (own employees Women)	n.a.	n.a.	n.a.	100.00%
Total number of accidents with time off (own employees)	100.00%	99.84%	80.22%	100.00%
Total number of accidents with time off (own employees Men)	n.a.	n.a.	n.a.	100.00%
Total number of accidents with time off (own employees Women)	n.a.	n.a.	n.a.	100.00%
Total number of working days lost (own employees)	100.00%	99.84%	100.00%	100.00%
Total number of working days lost (own employees Men)	n.a.	n.a.	n.a.	100.00%
Total number of working days lost (own employees Women)	n.a.	n.a.	n.a.	100.00%
Total number of hours worked (contractors)	75.05%	91.06%	87.90%	91.36%
Total number of accidents with time off (contractors)	74.71%	91.06%	87.90%	91.36%
Total number of working days lost (contractors)	74.47%	91.06%	86.75%	90.91%
Deaths (own employees)	100.00%	99.84%	100.00%	100.00%
Deaths (own employees Men)	n.a.	n.a.	n.a.	100.00%
Deaths (own employees Women)	n.a.	n.a.	n.a.	100.00%
Deaths (contractors)	79.32%	99.84%	100.00%	100.00%
Investment in health and safety (millions of euros)	100.00%	99.84%	100.00%	100.00%
Total number of cases of occupational diseases (employees)	79.32%	77.88%	100.00%	100.00%
Total number of cases of occupational diseases (employees Men)	n.a.	n.a.	n.a.	100.00%
Total number of cases of occupational diseases (employees Women)	n.a.	n.a.	n.a.	100.00%
Total number of cases of occupational diseases (contractors)	75.05%	73.90%	96.61%	91.36%

% of employees	2017	2018
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 (%)	100.00%	100.00%
Percentage of workforce represented on formal joint health and safety committees for management and employees	100.00%	100.00%
Health and safety issues covered in official agreements with trade unions	80.22%	80.00%

COMPLIANCE

% of employees	2017	2018
Number of communications received and handled by the Ethics Channel	100.0%	100.0%
Scope of the training plans regarding human rights, ethics, integrity, compliance or conduct	96.82%	96.26%
Number of courses given with content involving human rights, ethics, integrity, compliance or conduct	75.96%	76.13%
Number of employees trained in human rights, ethics, integrity, compliance or conduct content during the year	96.91%	96.59%
Training hours per trained employee	89.31%	96.59%
Legal complaints against for violating human rights	n.a.	100.00%
Value contributions to associations (scope % sales)	89.85%	90.29%

GIVING BACK TO SOCIETY

% of employees	2017	2018
Investment in social action by Group companies	98.36%	97.36%
Budget allocated by the Foundation	100.0%	100.0%

SUPPLIERS AND CONTRACTORS

% of Group procurements	2017	2018
Adherence to the ACS Group Code of Conduct	98.89%	100.00%
Adherence to standards for the fulfilment of ethical, social and environmental commitments	97.27%	99.48%
Certification in quality aspects (ISO 9001)	98.89%	100.00%
Certification in environmental aspects (ISO14001, EMAS or similar)	98.89%	100.00%
Analysis of labour standards and practices of suppliers and contractors	98.15%	99.48%
Suppliers identified as critical	n.a.	97.29%
Critical suppliers. % of total	n.a.	97.29%
Suppliers evaluated in terms of sustainability	n.a.	97.78%

COMMITMENT TO QUALITY WITH THE CUSTOMER

% sobre ventas	2018
Production certified under ISO 9001: Total ACS Group	97.58%
Number of quality audits	97.58%
Investment in measures to promote and improve quality	97.58%
Number of customer satisfaction surveys received	69.19%
Customer responses that are "satisfied" or "very satisfied" out of the total number of surveys RECEIVED (%)	69.19%

INNOVATION

% of sales	2018
Investment in research, development and innovation by the ACS Group	30.63%
Number of innovation projects in progress in 2018 of the ACS Group	30.63%
Number of patents registered by the ACS Group in 2018	30.63%
Number of patents registered by the ACS Group over the last ten years	30.63%

9.3.4. AWARDS, RECOGNITIONS AND MEMBERSHIPS

- In 2018, 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 August 2018. It is the second-ranking listed company worldwide on this list and the company with the most international business.

- In 2018, Harvard Business Review named Florentino Pérez, Chairman and CEO of the ACS Group, as one of the world's top 100 CEOs.

- According to the Merco monitor, in 2018 the ACS Group was one of the most highly respected companies in Spain, with Florentino Pérez considered to be one of the most highly esteemed leaders in Spain.

9.3.5. 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:

ACS GROUP

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Madrid 28036 (Spain)
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E-mail: infogrupoacs@grupoacs.com



For further information,
it is possible to consult the website

www.grupoacs.com

9.4. ECONOMIC-FINANCIAL APPENDIX

9.4.1 TREASURY SHARES

At 31 December 2018, the ACS Group had 6,442,991 treasury shares on its balance sheet, with a nominal value of EUR 0.5 each one, representing 2.0% of its share capital. The detail of the transactions performed in the year is as follows:

	2017		2018	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of period	4,677,422	120,981	3,756,460	120,775
Purchases	5,958,630	199,337	10,711,385	366,394
Amortisation and sales	(6,879,592)	(199,543)	(8,024,854)	(265,664)
At end of period	3,756,460	120,775	6,442,991	221,505



9.4.2 IRIDIUM CONCESSIONS PORTFOLIO

Concession - Description	Stake	Consolidation Method	Country	Activity	Phase	Units	Expiry date	Total Investment (mn €)	ACS Group Investment (mn €)
Autovía de La Mancha	75.0%	E.M.	Spain	Highways	Exploitation	52	Apr-33	128	21
Reus-Alcover	100.0%	E.M.	Spain	Highways	Exploitation	10	Dec-38	69	16
Santiago Brión	70.0%	E.M.	Spain	Highways	Exploitation	16	Sep-35	117	14
Autovía de los Pinares	63.3%	E.M.	Spain	Highways	Exploitation	44	Apr-41	97	16
Autovía Medinaceli-Calatayud	100.0%	Global	Spain	Highways	Exploitation	93	Dec-26	183	24
Autovía del Pirineo (AP21)	100.0%	E.M.	Spain	Highways	Exploitation	45	Jul-39	233	81
Autovía de la Sierra de Arana	40.0%	E.M.	Spain	Highways	Exploitation	39	n.a.	200	2
EMESA (Madrid Calle 30)	50.0%	E.M.	Spain	Highways	Exploitation	33	2025/ Sep-2040	185	35
Eje Diagonal	100.0%	E.M.	Spain	Highways	Exploitation	67	Jan-42	405	154
A-30 Nouvelle Autoroute 30	12.5%	E.M.	Canada	Highways	Exploitation	74	Sep-43	1,242	18
Capital City Link (NEAH)	25.0%	E.M.	Canada	Highways	Exploitation	27	Sep-46	984	12
FTG Transportation Group	12.5%	E.M.	Canada	Highways	Exploitation	45	Jun-34	500	2
Windsor Essex	33.3%	E.M.	Canada	Highways	Exploitation	11	Feb-44	818	6
Signature on the Saint-Lawrence Group General Part	25.0%	E.M.	Canada	Highways	Construction	3	Nov-49	1,560	0
Highway 427	50.0%	E.M.	Canada	Highways	Construction	11	Sep-50	228	0
Gordie Howe Bridge	40.0%	E.M.	Canada	Highways	Construction	3	Nov-54	2,462	0
CRG Waterford	33.3%	E.M.	Ireland	Highways	Exploitation	23	Apr-36	338	22
CRG Portlaoise	33.3%	E.M.	Ireland	Highways	Exploitation	41	Jun-37	361	23
N25 New Ross Bypass	50.0%	E.M.	Ireland	Highways	Construction	14	Feb-43	169	6
M11 Gorey – Enniscorthy	50.0%	E.M.	Ireland	Highways	Construction	32	Jan-44	253	0
Sper - Planestrada (Baixo Alentejo)	15.1%	N.C.	Portugal	Highways	Exploitation	347	Dec-38	268	15
A-13, Puerta del Tamesis	75.0%	E.M.	United Kingdom	Highways	Exploitation	22	Jul-30	266	20
SH288 Toll Lanes-Texas	21.6%	E.M.	USA	Highways	Construction	17	Aug-67	865	17
Portsmouth Bypass	40.0%	E.M.	USA	Highways	Exploitation	35	Dec-53	466	17
US 181 Harbor Bridge	50.0%	E.M.	USA	Highways	Construction	9	Oct-40	789	0
I595 Express	50.0%	E.M.	USA	Highways	Exploitation	17	Feb-44	1,403	91
Total Highways (km)						1,130		14,589	612
Línea 9 Tramo II	10.0%	N.C.	Spain	Railways	Exploitation	11	Oct-42	879	7
Línea 9 Tramo IV	10.0%	N.C.	Spain	Railways	Exploitation	11	Sep-40	612	6
Metro de Arganda	8.1%	N.C.	Spain	Railways	Exploitation	18	Dec-29	149	3
ELOS - Ligações de Alta Velocidade	15.2%	N.C.	Portugal	Railways	-	167	Aug-05	1,637	3
Rideau Transit Group (Ligth RT Ottawa)	40.0%	E.M.	Canada	Railways	Construction	13	May-48	1,288	0
Crosslinx Transit Solutions	25.0%	E.M.	Canada	Railways	Construction	20	Sep-51	3,497	0
Ottawa Phase II variation	33.3%	E.M.	Canada	Railways	Construction	n.a.	Dec-19	315	0
Finch West LRT	33.3%	E.M.	Canada	Railways	Construction	11	Sep-53	878	0
Angels flight	86.5%	Global	USA	Railways	Exploitation	n.a.	Apr-47	2	2
LAX Automated People Mover	18.0%	E.M.	USA	Railways	Construction	4	May-48	2,131	0
Metro de Lima Línea 2	25.0%	E.M.	Peru	Railways	Construction	35	Apr-49	4,217	26
Total Railways (km)						289		15,603	47
Cárcel de Brians	100.0%	Global	Spain	Jails	Exploitation	95,182	Dec-34	108	14
Comisaría Central (Ribera norte)	20.0%	E.M.	Spain	Police Station	Exploitation	60,330	May-24	70	3
Comisaría del Vallés (Terrasa)	20.0%	E.M.	Spain	Police Station	Exploitation	8,937	Apr-32	17	1
Comisaría del Vallés (Barberá)	20.0%	E.M.	Spain	Police Station	Exploitation	9,269	Apr-32	20	1
Los Libertadores	100.0%	Global	Chile	Border Facility	Construction	32,011	Nov-30	72	8
Public facilities (m2)						205,729		286	26
Hospital Majadahonda	11.0%	N.C.	Spain	Hospitals	Exploitation	749	Jul-35	257	4
Nuevo Hospital de Toledo, S.A.	33.3%	E.M.	Spain	Hospitals	Construction	760	Mar-45	284	15
Hospital Son Espases	9.9%	N.C.	Spain	Hospitals	Exploitation	987	Oct-39	305	3
Hospital de Can Misses (Ibiza)	8.0%	N.C.	Spain	Hospitals	Exploitation	297	Oct-42	129	2
Hospitals (number of beds)						2,793		976	24
Intercambiador Plaza de Castilla	4.4%	N.C.	Spain	Transfer stations	Exploitation	59,650	Feb-41	174	1
Intercambiador Príncipe Pío	8.4%	N.C.	Spain	Transfer stations	Exploitation	28,300	Dec-40	66	1
Intercambiador Avda América	12.0%	N.C.	Spain	Transfer stations	Exploitation	41,000	Jun-38	114	2
Total Transfer stations (m2)						128,950		354	4
Iridium Aparcamientos	100.0%	Global	Spain	Parkings	Exploitation	12,217	2058	49	47
Serrano Park	50.0%	E.M.	Spain	Parkings	Exploitation	3,297	Dec-48	130	21
Total Parkings (umber of places)						15,514		179	68
TOTAL CONCESSIONS								31,986	780
National								16%	63%
International								84%	37%

(1) Cover main contracts managed by Iridium Aparcamientos.

9.4.3. INDUSTRIAL SERVICES CONCESSION PORTFOLIO

NAME	% ACS STAKE	LOCATION	STATUS	#	EXPIRATION DATE
WIND FARMS					
Monte Das Augas	60%	Galicia (Spain)	Exploitation	3	2032
Requeixo	25%	Galicia (Spain)	Exploitation	11	2024
Kincardine Offshore	90%	Aberdeen (Scotland)	Construction	50	2038
Oaxaca	100%	Mexico	Exploitation	102	2032
Kiyú	100%	Uruguay	Exploitation	49	2037
Pastorale	90%	Uruguay	Exploitation	53	2038
Península	70%	Mexico	Construction	90	2038
Valdehierro	64.3%	Burgos (Spain)	Construction	15	n/a
Tadeas	64.3%	Palencia (Spain)	Construction	37	n/a
THERMOSOLAR PLANTS					
Tonopah	36.6%	Tonopah (Mexico)	Exploitation	110	2040
Manchasol 1	100%	Ciudad Real (Spain)	Exploitation	50	2035
Karoshoeck Solar One	20%	South Africa	Exploitation	100	2038
PHOTOVOLTAIC PLANTS					
Tedagua Energías Renovables	100%	Canarias (Spain)	Exploitation	0	2028
Escatrón	100%	Escatrón (Zaragoza, Spain)	Construction	350	n/a
Chipriana	100%	Chipriana (Zaragoza, Spain)	Construction	200	n/a
Alcázar	100%	Alcázar de San Juan (C. Real, Spain)	Construction	240	n/a
Bonete	100%	Albacete (Spain)	Construction	146	n/a
Aragón 3	100%	Zaragoza (Spain)	Construction	250	n/a
Galisteo	100%	Cáceres (Spain)	Construction	50	n/a
HYDROELECTRIC PLANTS					
Hidromanta	100%	Peru	Construction	20	2039
RENEWABLE				1,924	
TRANSMISSION LINES					
Jauru	33.3%	Brazil	Exploitation	939	2037
Brilhante	50%	Brazil	Exploitation	553	2042
Brilhante II (Subestación)	50%	Brazil	Exploitation	1	2042
Sete Lagoas (Subestación)	100%	Brazil	Exploitation	1	2041
Guaporé	100%	Brazil	Construction	310	2047
Redenor	30%	Chile	Construction	220	Indef.
Odoyá	50%	Brazil	Exploitation	301	2044
Esperanza	50%	Brazil	Exploitation	492	2044
Jmm	50%	Brazil	Exploitation	861	2045
Mantiqueira	25%	Brazil	Construction	1,320	2045
Sertaneja	50%	Brazil	Construction	485	2047
Giovanni sanguinetti	50%	Brazil	Construction	435	2047
Veredas	50%	Brazil	Construction	451	2047
Chimarao	50%	Brazil	Construction	937	2049
TRANSMISSION LINES				7,306	
DESALINATION PLANTS					
Benisaf Water Company	51%	Argelia	Exploitation	200,000	2035
Hydromanagement	80%	Spain	Exploitation	72,000	2034
Al-Hamra Water Co	40%	Dubai	Construction	100,000	2038
Caitan	50%	Chile	Construction	86,400	2040
WATER TREATMENT PLANTS					
Depuradoras del Bajo Aragón	55%	Spain	Exploitation	7,325	2028
SADEP	40%	Spain	Exploitation	10,030	2027
SAPIR	50%	Spain	Exploitation	3,360	2031
Taboada	100%	Peru	Exploitation	1,754,000	2034
Provisur	100%	Peru	Construction	33,264	2034
IRRIGATION PROJECTS					
Majes	100%	Peru	Construction	52,500	n/a
WATER				2,318,879	
Others					
Planta Reserva Fria de Generación Eten	50%	Peru	Exploitation	223	2035

Renewables: Installed Capacity (MW); Transmission Lines (KM); Water: (000 m³ / day).

Investment volume to 31.12.2018 (€ million)	INCURRED INVESTMENT	ACS CONTRIBUTION
WIND FARMS	533	83
THERMOSOLAR PLANTS	1,867	276
PHOTOVOLTAIC PLANTS	151	37
HYDROELECTRIC PLANTS	33	4
RENEWABLE	2,584	399
TRANSMISSION LINES	1,050	200
TRANSMISSION LINES	1,050	200
DESALINATION PLANTS	644	143
WATER TREATMENT PLANTS	76	40
IRRIGATION PROJECTS	9	0
WATER	730	183
OTHERS	121	17
TOTAL	4,485	799

9.4.4. ANNUAL CORPORATE GOVERNANCE REPORT

In accordance with that established in commercial law, the Annual Corporate Governance Report, which forms an integral part of the 2018

consolidated directors' report, is attached by reference and is available on the CNMV's website.

9.4.5. 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-18	Dec-17
Market capitalisation	Num of shares at period close x price at period close	10,645	10,264
Earnings per share (EPS)	Net Profit of the period / Average num of shares of the period	2.94	2.57
Net Attributable profit	Total Income - Total Expenses of the period - Minority interests result	915	802
Average num. of shares of the period	Daily average outstanding shares in the period adjusted by treasury stock	311.1	312.0
Backlog	Value of the contracts awarded and pending to be executed	72,223	67,082
Gross Operating Profit (EBITDA)	Operating Profit excluding (1) D&A y (2) non recurrent operating results and/or which don't imply a cash flow + Net Results from Joint Ventures	2,437	2,279
(+) Operating Profit	Operating income - Operating expenses	1,490	1,329
(-) 1.D&A	Operating provisions and fix asset depreciation	(646)	(653)
(-) 2. Non recurrent operating results and/or which dont imply a cash flow	Impairment & gains on fixed assets + other operating results	(139)	(186)
(+) 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	161	111

CONCEPT	DEFINITION AND COHERENCE	Dic-18	Dic-17
Net Financial Debt / EBITDA	Net Financial Debt / Annualized EBITDA. This ratio is broken down by areas of activity of the Group	0.0x	0.1x
Net Financial Debt (1)-(2)	Gross external financial debt + Net debt with group companies - Cash & Equivalents	(3)	153
(1) Deuda Financiera Bruta	Bank debt + Obligations and other negotiable securities + Project finance and non recourse debt + Financial lease + Other I/t non bank debt + Debt with group companies	8,427	8,040
(2) Cash & Equivalents	Temporary Financial investments + L/T deposits + Cash & Equivalents	8,431	7,887
Annualized EBITDA	EBITDA of the period / num of month within the period x 12 months	2,437	2,279
Net Cash Flow	(1) Cash Flow from operating activities + (2) Cash Flow from investing activities + (3) Other Cash flows	(50)	1,042
1. Cash Flow from operating activities	Adjusted Net Profit attributable + Operating working capital variation ex discontinued operations	2,051	1,863
Adjusted Net Profit attributable	Net profit attributable (+/-) adjustments of concepts which dont imply an operating cash flow	1,959	1,672
Operating working capital variation	Working capital variation of the period (+/-) adjustments of non operating concepts (Ej: dividends, interests, taxes, etc)	92	192
2. Cash Flow from investing activities	Net investments (paid/collected) ex discontinued operations	(1,433)	(308)
(-) Payments from investments	Payments for operating, project and financial investments. This figure may differ from that shown in section 5.3.2 for reasons of deferral (accruals) ex discontinued operations	(4,798)	(915)
(+) Collections from divestments	Collections from operating, project and financial divestments. This figure may differ from that shown in section 5.3.2 for reasons of deferral (accruals) ex discontinued operations	3,364	607
3. Other Cash Flows	Treasury stock sale/acquisition + Dividend payments + Other financial sources + Cash generated from discontinued operations	(668)	(513)
Ordinary Financial Result	Financial Income - Financial expenses	(257)	(283)
Net Financial Result	Ordinary financial result + Foreing exchange results + Impairment non current assets results + Results on non current assets disposals	(226)	(50)
Working Capital	Stock + Total accounts receivables - Total accounts payables - other current liabilities	(5,567)	(3,369)

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

Data in million 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
Net Financial Debt / EBITDA	Comparable ratio of the Group's indebtedness level. It measures the repayment capacity of the financing in number of years.
Net Financial Debt (1)-(2)	Total net debt level at the end of the period. In section 5.2.3., it is included a breakdown of the net debt of the projects (Project Finance) and the net debt of the business
(1) Gross financial debt	Level of gross financial debt at period end
(2) Cash & Equivalents	Current liquid assets available to cover the repayment needs of financial liabilities
Annualized EBITDA	
Net Cash Flow	Cash generated / consumed of the period
2. Cash Flow from investing activities	Funds consumed / generated by investment needs or divestments collections in the period
3. Other Cash Flows	
Ordinary Financial Result	Measure of assessment of the result coming from the use of financial assets and liabilities. This concept includes both income and expenses directly related with net financial debt as other non related financial income/expenses
Net financial result	
Working Capital	



ASSURANCE REPORT



KPMG Asesores S.L.
Pº. de la Castellana, 259 C
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Independent Assurance Report on the Consolidated Non-Financial Information Statement of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year 2018

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

To the shareholders of ACS, Actividades de Construcción y Servicios, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2018, of ACS, Actividades de Construcción y Servicios, S.A. (hereinafter the parent Company) and subsidiaries (hereinafter the Group) which forms part of the Group's 2018 Consolidated Director's Report.

The 2018 Consolidated Director's Report includes additional information to that required by prevailing mercantile legislation that has not been the subject of our assurance work. In this regard, our assurance work was limited only to providing assurance on the information contained in table "List of Contents of the Consolidated Non-Financial Information Statement" of the accompanying 2018 Consolidated Director's Report.

Directors' responsibilities

The Board of Directors of the parent Company is responsible for the preparation and presentation of the NFIS included in the 2018 Consolidated Director's Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards in its comprehensive option and the Construction and Real Estate Sector Disclosures of the Global Reporting Initiative (GRI Standards), in accordance with that mentioned for each subject area in table "GRI Content Index" of the aforementioned 2018 Consolidated Director's Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the parent Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

Our independence and quality control

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

Our firm 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.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report, referring solely to 2018, based on the work performed. The data for previous years were not subject to assurance according to prevailing mercantile legislation.



We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

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, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units of the parent Company and subsidiaries that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the parent Company personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the parent Company and described in the section Principles of Reporting, considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2018.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2018.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2018 and whether it has been adequately compiled based on data provided by information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries for the year ended 31 December 2018 has not been prepared, in all material respects, in accordance with the contents collected in prevailing mercantile legislation and in accordance with the Sustainability Reporting Standards of Global Reporting Initiative (GRI Standards), in accordance with that mentioned for each subject area in the table "GRI Content Index" of the aforementioned 2018 Consolidated Director's Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

12 April 2019





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