



Committed to
the challenges to
transform
our society



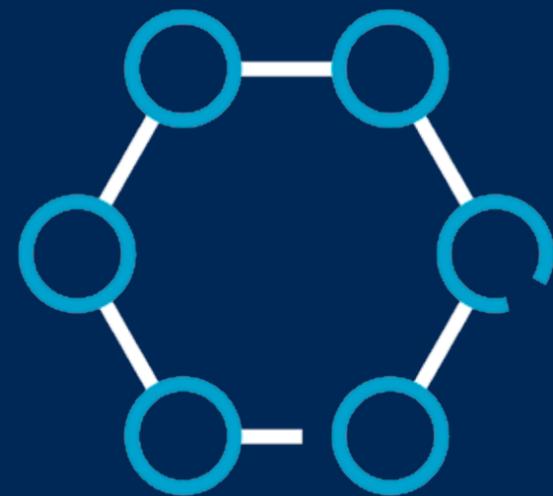
Integrated report 2017

Sacyr headquarters, Madrid (Spain)

Great progress,
Great results,
Challenges met

sacyr





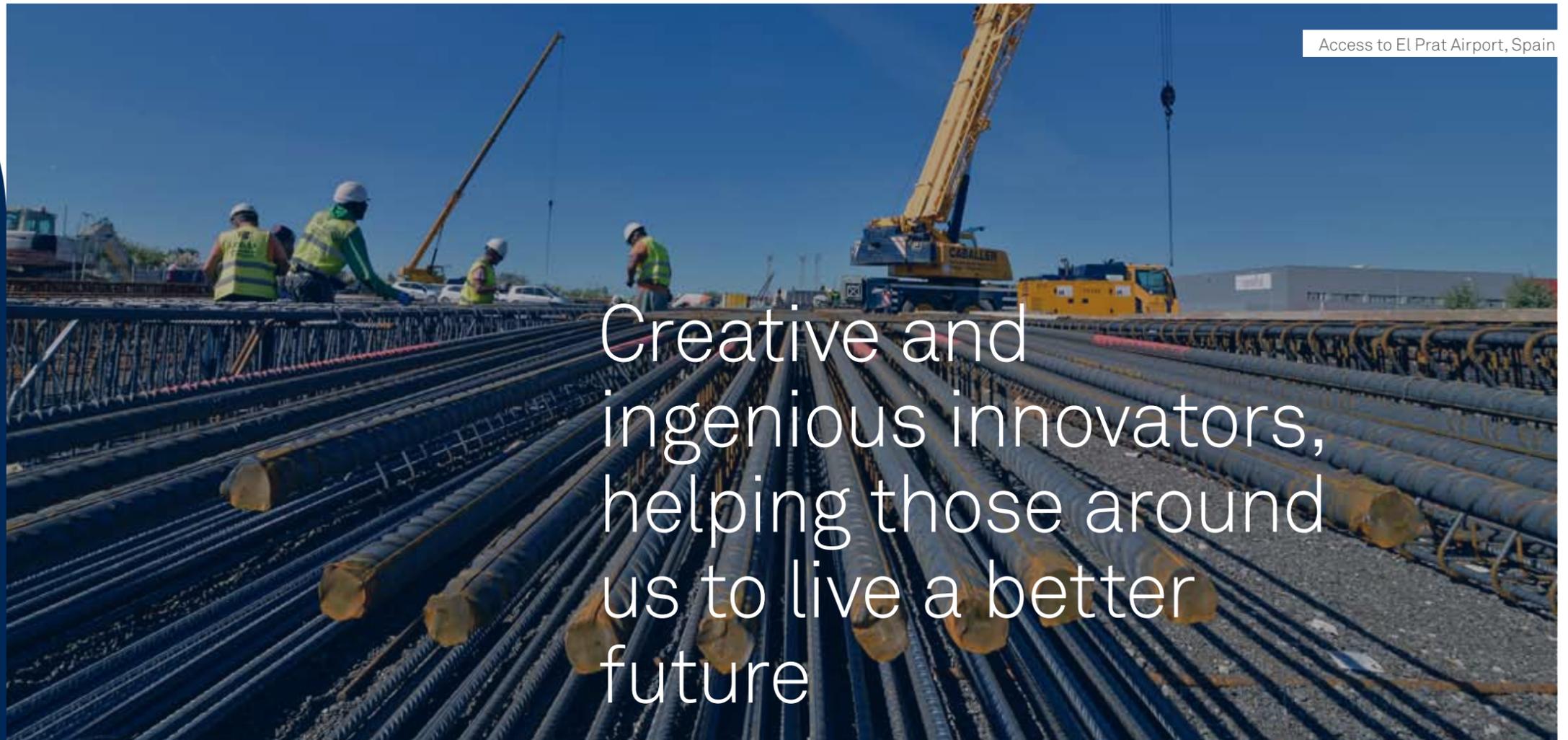
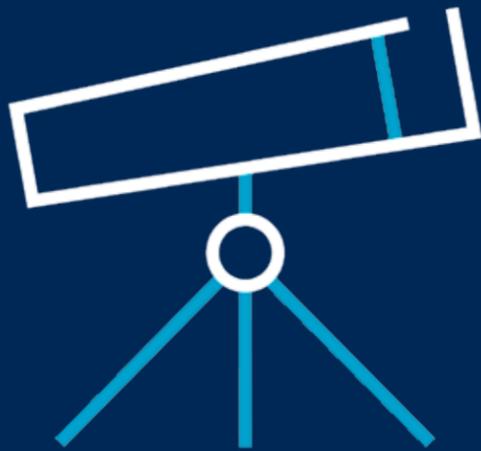
Degasification Plant, La Pampilla, Peru

We believe in a better world that changes with us

Construction of the Pumarejo Bridge, Colombia

We imagine, we dream and we create the future we want to live in





Access to El Prat Airport, Spain

Creative and ingenious innovators, helping those around us to live a better future

Antofagasta Hospital Concession, Chile

We are commitment,
energy and
determination.
We are optimism



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Key figures

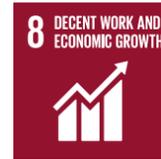
Hisgaura Bridge Construction project, Colombia



Great progress,
Great results,
Challenges met



1



Each project represents an opportunity for transforming society and improving the life of individuals

58% of this revenue and 73% of the backlog were generated outside Spain

<p>Group revenue</p> <p>3,092.6</p> <p>[+8.11%]</p> <p>Millions of Euros</p>	<p>Revenue backlog</p> <p>41,101</p> <p>[+57.96%]</p> <p>Millions of Euros</p>
<p>EBITDA</p> <p>423</p> <p>[+17.50%]</p> <p>Millions of Euros</p>	<p>EBITDA margin</p> <p>13.70%</p> <p>[+1.1 p.p.]</p>
<p>EBIT</p> <p>257</p> <p>[+23.56%]</p> <p>Millions of Euros</p>	<p>Job creation</p> <p>+3,926</p> <p>[+14.88%]</p> <p>Jobs</p>
<p>Net profit</p> <p>130</p> <p>[+8.33%]</p> <p>Millions of Euros</p>	

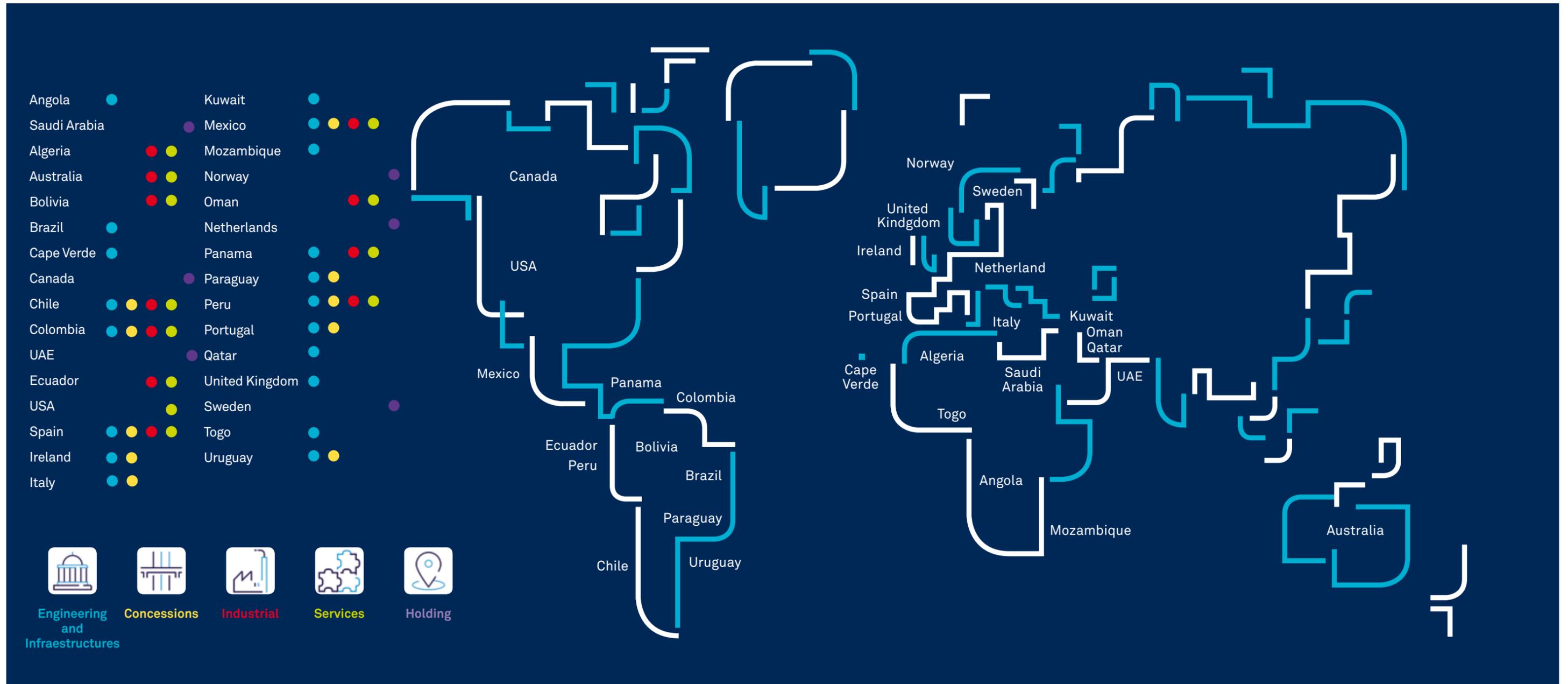
Key figures

Data in €mm	2017	2016	%
Revenue Backlog	41,001	25,956	57.96%
Turnover	3,092	2,860	8.11%
% International Turnover	58%	52%	11.54%
EBIT	257	208	23.56%
EBITDA	423	360	17.50%
EBITDA margin	13.70%	12.60%	+1,1 p.p.
Average workforce	30,309	26,383	14.88%

International backlog by business

Engineering and Infrastructures	90%	
Concessions	82%	
Services	29%	
Industrial	19%	





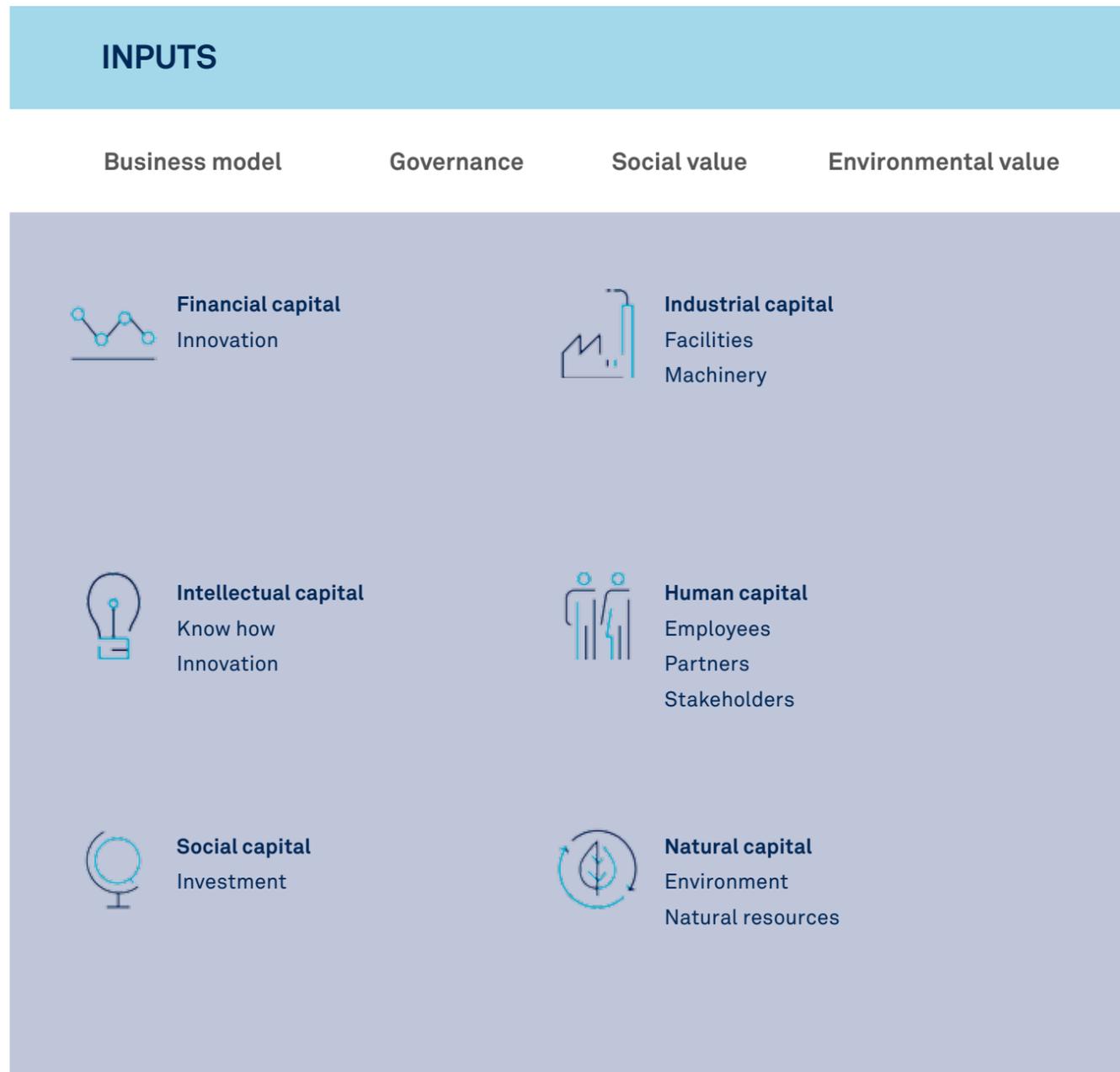
We create shared value



Bilbao Metro extension, Spain

A sustainable business model that provides value to employees, customers, shareholders and society

We create shared value



Creating Shared Value



Sustainability

Compliance

Code of Conduct

Good Governance

Tax contribution (TTC)

Paid

+234

Million Euros

Collected

+207

Million Euros

Share price

Market capitalisation

1,257.6

Million Euros

Value chain

Environmental impact assessment of a total of

1,763

suppliers

Company products and services

Total backlog

41,001

Million Euros (30 countries)

Investments

Environment

17

Million Euros

Training

258

thousand euros

Direct and indirect employment

30,309

employees

Sustainability

Construction backlog for

+40

months of activity

Innovation

R&D+i investment of

+9

Million Euros



Letter from the chairman



2

2. Letter from the chairman

102-1 102-10 102-14

Welcome to the 2017 Integrated Report. In the following chapters we aim to summarise the main activities of the companies that form Sacyr Group, showing how through our business model we create value for all our stakeholders.

We have prepared this report focusing on those matters which are really important to everyone we interact with, and using the international integrated reporting framework (IIRC) and the Global Reporting Initiative guidelines for producing sustainability reports.

The sustainability of the planet we inhabit is everybody's responsibility. Sustainability is one of the main cornerstones of Sacyr Group's activities and we have made huge advances, within the three areas that comprise our business, to contribute towards its development in those societies where we operate.

The world we live in is constantly progressing, which creates numerous opportunities and an enormous need for innovation.

For this reason, Sacyr has transformed itself through the integration of innovation into all new project generation processes and management decision-making within our organisation.

This report is an example of our commitment to transparency in what we do and how we do it, and Sacyr Group's desire to maintain a fluid and constant dialogue with our stakeholders. Our commitment is based on providing relevant, balanced and concise information for our stakeholders so that they can learn about the company's work in a transparent and open manner.

I will now move on to take a look at the key management figures relating to the activities of Sacyr Group and its companies.

The Group's revenue was 3,092.6 Million Euros, up 8.1% on 2016, as a result of the fine performance of the Concessions, Services and, in particular, Industrial divisions, which showed a notable growth in their level of activity. The Group maintains its strong commitment to international growth, evidence of this is that 58% of revenue and 73% of the backlog is generated outside Spain.

EBITDA amounted to 422.6 Million Euros, 17.5% above the 2016 figure, as a result of our strategy of focussing on profitability and generating cash from projects, as well as the strict risk management system and cost control. Net attributable profit amounted to 130.6 Million Euros, 8.7% higher than in 2016.



2. Letter from the chairman

In the past nine years, the Group has considerably reduced its net debt, from 19,526 Million Euros at 31 December 2008 to 3,421 Million Euros at 31 December 2017, a fall of 82.5%.

The Group's activity was widely secured by the backlog, which in 2017 stood at 41,001 Million Euros, 58% higher than the previous year thanks, mainly, to the inclusion of "Pedemontana-Veneta" (Italy) for close to 12,000 Million Euros.

This year, Sacyr has continued to implement the Group's new strategy, based on further strengthening those businesses in which we are leaders and experts, and on continuing to promote the two new growth drivers: the management of construction and concession projects, and the consolidation of the Group's newest industrial division, Sacyr Industrial.

All the foregoing, tied to management measures based on reducing costs and debt will lead to a stronger, more innovative and more competitive Group, that is more committed to the traditional values of our Company: prudence, austerity, quality and meeting the commitments we assume.

Construction division revenue in 2017 amounted to 1,225 Million Euros, down slightly on 2016, due to the

lower level of activity in Spain and the markets where Somague operates. Nevertheless, international growth reached 29%, as a result of the buoyancy experienced in markets such as Colombia, Mexico, Qatar and Italy. The Engineering and Infrastructures backlog at 31 December 2017, stood at 5,868 Million Euros, 42% more than the previous year.

Revenue in the Concessions division amounted to 613 Million Euros, up 11% on 2016, with income from concessions reaching 356 Million Euros, a rise of 15% on a year earlier, thanks to improved traffic and the start-up of operations of the Chilean concessionaires Hospital de Antofagasta, and the "Valles del Bio-Bio" motorway. The revenue backlog stood at 27,163 Million Euros, with 82% coming from the international market. This significant increase is mainly due to the inclusion in the backlog of "Pedemontana-Veneta".

Revenue from Sacyr Services amounted to 962 Million Euros, 5% higher than in 2016, thanks to the positive performance of the Multiservices and Environment businesses, with strong tendering activity in all its business areas both in Spain and abroad.

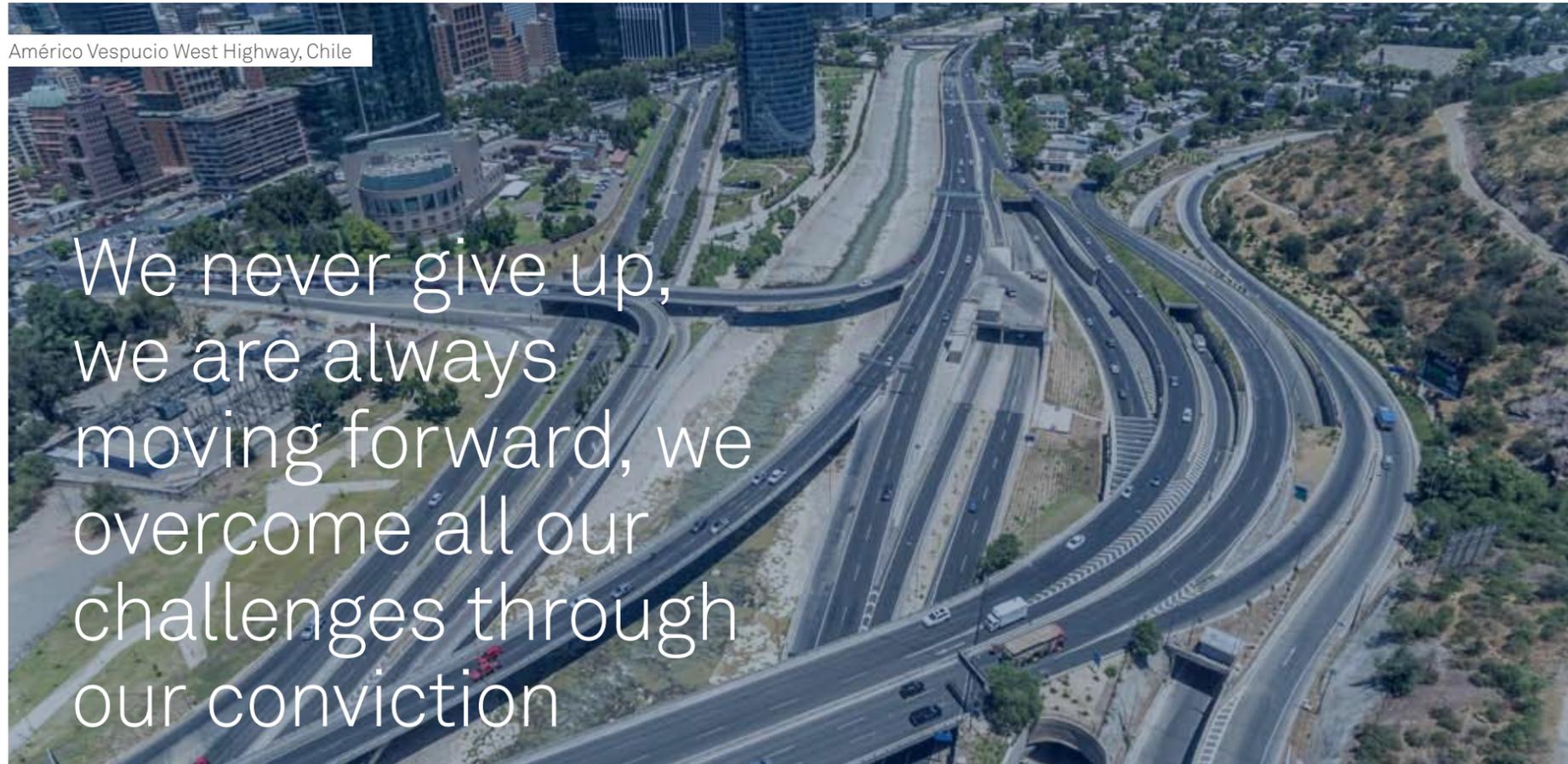
Revenue for Sacyr Industrial was 523 Million Euros in 2017, growth of 31% on the previous year. This was a result of the completion of an Oil & Gas contract

for the "La Pampilla módulo diésel" (Peru) and of a regasification contract in Cartagena de Indias (Colombia), along with the start of new projects in Peru, Oman, Ecuador and Chile, and also, due to the strategic alliances made in previous years, with companies like Flúor, Nervión and Isotrón.

For yet another year we have demonstrated that in 2015 we chose the right path when we set out the Group's new strategy, and in the next few chapters we will give you more detailed information on the management performance over the year in all the areas and businesses that have made these excellent results possible.

Manuel Manrique Cecilia
Chairman and CEO

Economic environment



3

3. Economic environment

3.1. The international economic environment

The global economy is growing in a synchronised manner

For the first time since the financial crisis struck, the global economy is growing in a synchronised manner. 2017, in general terms, has been characterised by an improvement in the outlook for economic growth, thanks to the good performance of the world's major economies: United States, Japan, Canada and the majority of the euro area and EU countries. Both the US Federal Reserve and the European Central Bank continued to provide monetary stimulus policies during the year, though the US has raised interest rates for the third year running. On the other hand, emerging countries' economies continue to suffer, with commodity prices failing to recover, aside from oil, which once again spiked compared to 2016. Oil's recovery has led to prices continuing to rise, after the falls experienced in the last few years of crisis.

In 2017, the US recorded growth of 2.3% in GDP, compared with 1.6% the year before. This acceleration was due to the stimulus driven by the fiscal reform and the greater investment contribution and household consumption. Corporate income tax reduced from 35% to 11%, enabling an improvement in company profits, stimulating investment and greater shareholder remuneration. Meanwhile, individual tax rates were also cut, with the top rate dropping to 37% from 39.6%. Throughout the year, and as expected, the Fed once again raised, for the third consecutive time, its policy rate by three quarters of one point, to the range of 1.00%-1.25%, on the back of the recovery in prices and employment levels during the year. At least two

interest rate rises are forecast for 2018. With regard to employment, 2017 was another good year, with 2.05 million new jobs created, reducing unemployment to 4.1% (4.7% in 2016), its lowest rate for 17 years, implying full employment. In terms of inflation, government figures show that 2017 closed with an increase of 2.1%, the same percentage as the previous year, largely due to the moderate increase in energy prices.

Turning to the performance of the Chinese economy, according to government data, in 2017 China's GDP climbed by 6.9%, two tenths more than in 2016, representing a turnaround from the downward growth trend seen since 2010. This growth was made possible by a positive export performance, the upturn in foreign trade, the government's stimulus package and, in particular, increased consumer spending. In nominal terms, the wealth generated stood at 10.6 billion euros, with highlights including the strong growth in investment in fixed assets, +7.2% and real estate investment, +7%. Domestic consumption has established itself as one of the main pillars of the Chinese economy, contributing 58% to the year's growth.

The economic performance of euro area countries was also very uneven in 2017. Although Eurostat has not published its definitive GDP figures, and in many cases the data we have is provisional, we can confirm that the euro area as a whole grew 2.3%, compared

with 1.8% the previous year; the highest growth in the last decade and nearing pre-crisis levels. The breakdown by countries shows Spain at 3.1%, as the fastest-growing of the 5 major economies in the euro area, followed by France at 2.5% and Germany at 2.9%. Italy, meanwhile, which has accumulated a decade of economic stagnation, is advancing at just 0.3%. In the European Union as a whole, however, there was also growth of 2.3% in the year, compared to 1.9% in 2016. The United Kingdom, with growth of 1.4%, is progressing slowly and hesitantly, alongside the tense negotiations which are being held to implement Brexit. The British economy, which was performing at a similar rate to that of the euro area in 2015 and 2016, continues to run out of steam. The European Central Bank has continued to pursue its active liquidity policies, by systematically purchasing the public debt of peripheral countries, as well as through various liquidity auctions with the aim of stabilising lending in the economy. With regard to the economic forecasts for future years, the European Commission expects growth for both the euro area and the European Union to be 2.4% in 2018 and 1.9% in 2019. The recovery continued to gain ground in Europe thanks to the increase in domestic demand and improved competitiveness of its domestic markets. However, Europe's weaknesses over the next few years will be: the development of the Brexit negotiations, for the possible disruption to trade that might result, and the appreciation of the euro, which could negatively affect exports.

3. Economic environment

3.1. The international economic environment

Year-on-year inflation in the euro area, according to data provided by Eurostat, was 1.4% in 2016, compared to 1.1% the previous year. This moderate rise was due to higher energy prices, especially in the last semester of 2016. Brent crude prices rose sharply, from 56.82 US dollars at the end of 2016 to almost 67 US dollars by the end of December, an increase of 17.69%. Underlying inflation (which excludes energy and fresh food prices) stood at 0.9% in the euro area, the same as in the previous year. The outlook for 2017, once OPEC agreed to extend the cuts in the production of crude oil until the end of, at its meeting in November, it is likely that oil will continue its rise and reach 65-70 US dollars a barrel. As a result of this, the spectre of deflation appears to have disappeared, for which reason the ECB may decide to remove part of the monetary stimulus it has maintained over the last few years.

The recovery continued to gain ground in Europe



Interior of Águilas desalination plant, Spain

3. Economic environment

3.2. The economic environment in Spain

Regarding the future of the construction sector in our country the outlook is rather promising

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 3.1% in 2017, two tenths lower than the growth recorded the previous year. This is the fourth year of positive growth, following six consecutive years of contraction. By sector, the Construction sector stood out with year-on-year growth of 4.9% as well as Industry and Agriculture, livestock and fisheries, with both experiencing a year-on-year increase of 3.7%. For the fourth year in a row, domestic demand grew (2.8%), thanks once again to the boost from household consumption, the favourable performance of the labour market and the fall in the cost of borrowing for families. Turning to the trade balance, exports and imports beat historical records in 2017. The deficit increased by 31.9% compared with the previous year, standing at 24,744 Million Euros. Exports reached 277,126 Million Euros, 8.9% more than in 2016, thanks to efforts of Spanish companies adjusting their labour costs and prices, enabling them to become more competitive and increase our global market share. Imports also grew strongly, by 10.5%, to 301,870 Million Euros, due to greater demand for domestic consumption and higher oil prices. The sectors which performed particularly well were Capital goods (20.3% of total exports), Vehicles (16.3%); Manufactured goods (9.7%) and Chemicals (7.8%). 65.7% of Spanish goods were exported within the EU. Additionally, according to data provided by the Ministry of Industry, Energy, Tourism and Digital Agenda, in 2017, and for

the sixth year running, Spain saw a record number of overseas visitors, with 82 million tourists visiting the country, 8.9% more than in 2016. For the first time, our country overtook the United States, positioning Spain in second place for global tourism, behind France. Estimates indicate that the total expenditure by those travellers was 87,000 Million Euros, 12.4% more than the previous year, with average spend per tourist standing at 1,061 euros, 3.1% higher year-on-year.

The European Commission's forecasts for Spain in 2018 and 2019 are fairly encouraging in all key components: GDP growth, job creation and unemployment figures. In 2018, it expects an increase of 2.6% in GDP, and of 2.1% in 2019, mainly due to increased domestic demand as a result of employment growth. Exports should also continue to grow thanks to the improved competitiveness of the Spanish economy. As for unemployment, rates of around 15% and 14% are expected in 2018 and 2019, respectively.

As regards the labour market, according to data published by the Spanish National Institute of Statistics (INE), the Labour Force Survey (LFS) reflects an increase of 490,300 jobs last year, 2.65% more than in 2016, with growth in all sectors, especially Services (+289,700) and Industrial (+132,200) and Construction (+64,300). Unemployment ended the year at 16.55% of the active population, compared to 18.63% the previous year. With regard to the social security

system, 2017 saw an average number of 18.46 million employees registered, an improvement of more than 611,146 compared to the previous year, according to figures provided by the Department of Social Security, the largest rise since 2005, and the second highest figure recorded since December 2008. By Regimes, the General experienced 599,575 new members, a 4.11% year-on-year variation, meanwhile the increase under the Self-Employed Workers Regime, with 10,468 new workers, was just 0.33% versus 2016.

Turning to prices, according to INE inflation in Spain for 2017 was 1.1% compared to 1.6% the previous year. The sectors with the biggest price rises in the general index were as follows: Transport (+1.9%), due to the moderate increase in the price of fuels and lubricants in the second half of the year; Hotels, cafes and restaurants (+1.9%); Food and non-alcoholic beverages (+1.7%) and Alcoholic beverages and tobacco (+1.7%). All sectors experienced year-on-year increases, except for Leisure and Culture, which experienced a slight fall (-0.6%) and Household items (-0.5%). Core inflation, excluding food and energy products, remained at 0.8%, the same as in 2016.

Spain's main stock index, the IBEX-35, closed for the first time in three years with gains. The last trading session of the year closed at 10,043.9 points, an annual increase of 7.40%. In 2016, it experienced a 2.01% decline.

3. Economic environment

3.2. The economic environment in Spain

According to data published by the Spanish Association of Construction Companies (SEOPAN) public tenders ended 2017 with a total of 12,894.76 Million Euros of real investment, a sharp year-on-year increase of 38.3% versus tenders in the previous year. Of this total, local government accounted for 5,101.8 Million Euros (+54.66%); Autonomous Regions for 3,940.41 Million Euros (+36.13%) and central government for a total of 3,853.27 Million Euros, (+23.08%) with, within that amount, the 1,011.53 million invested by the Directorate General for Roads, the 947.06 Million Euros accounted for by ADIF (including High Speed), the 579.9 Million Euros by AENA and the 373.72 Million Euros by Port Authorities, being of particular note.

Regarding the future of the construction sector in our country, and despite the budget austerity measures imposed by the European authorities, the outlook is rather promising.

In July this year, the Government presented the new Extraordinary Plan for Road Investment (PIC), a new financing mechanism for road infrastructure which entails an investment of 5,000 Million Euros, and which will enable more than 2,000 km of roads to be worked upon over the next 4 years.

This plan, which will be secured by European financing, under the best conditions, via the European Investment Bank (EIB), will be based on collaboration with the private sector the objectives of which will be to complete the outstanding sections of the Trans-European Transport Network, resolve current bottlenecks on the existing road network and improve and adapt the main motorways to the requirements of the new legislation on accident rates, noise and CO₂ emissions.

It is envisaged that work will be carried out on more than 20 major corridors which will enable a large part of the Spanish road infrastructure system to be improved, renovated, operated and maintained.

The Ministry of Economic Development has also been driving forward, throughout the year, the new

Infrastructure, Transport and Housing Plan ("PITVI") introduced at the end of 2012, which replaced the Strategic Infrastructure and Transport Plan ("PEIT") and the Strategic Infrastructure Plan ("PEI"). The new plan is expected to remain in place until 2024.

Depending on the macroeconomic scenario in Spain, the total sum of investment earmarked in the "PITVI" Plan ranges between 0.89% and 0.94% of GDP up to 2024.

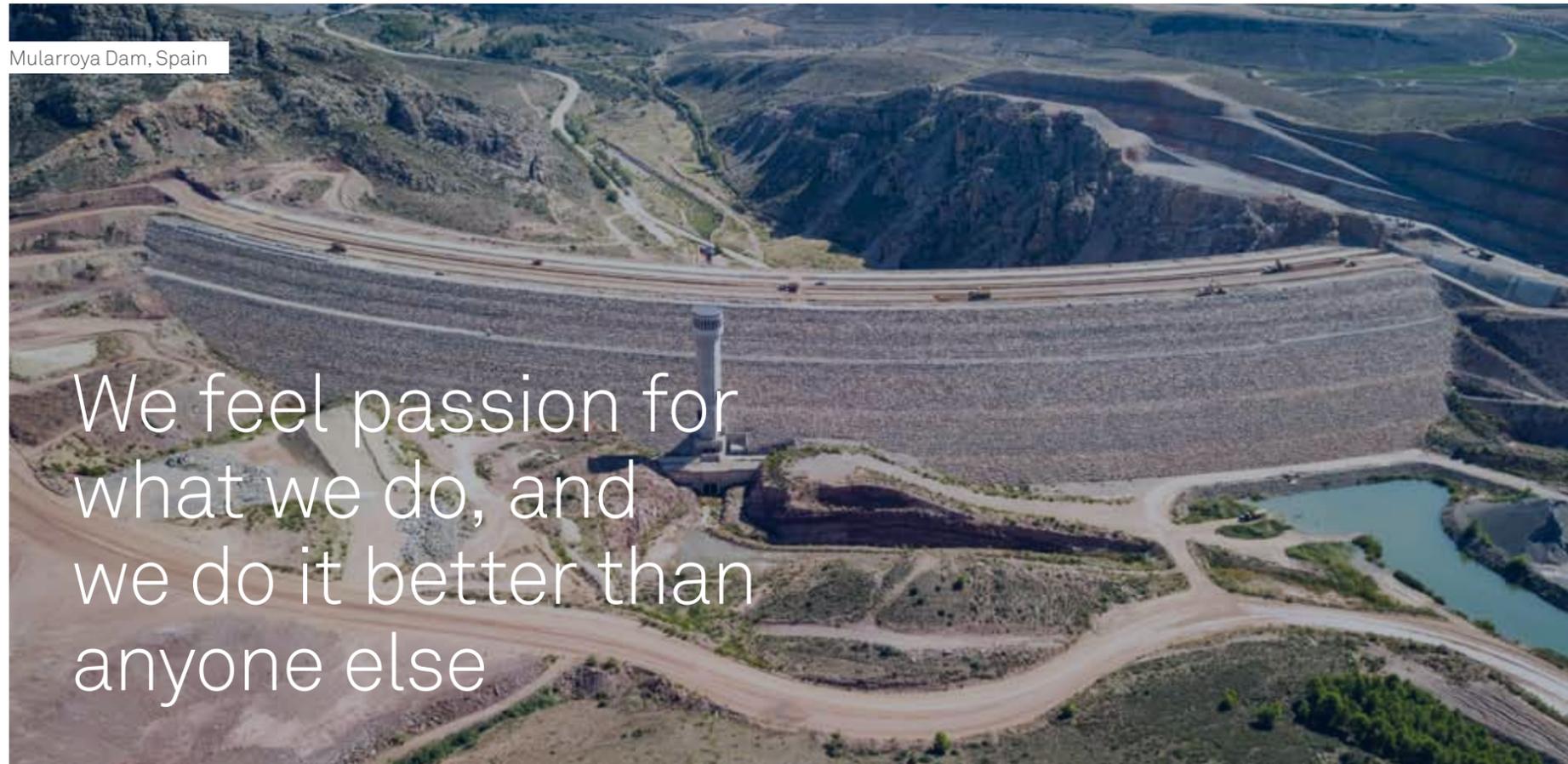
Of the total amount planned, approximately 90% is to be allocated to transport policies and 10% to housing. Of the former, €52,403 million will be allocated to roads, including €18,668 million for the construction of 3,500 km of new high-capacity routes, with a further €1,265 million earmarked for the expansion of existing roads. A 25,000 million euro package is to be allocated to Spain's high-speed "AVE" rail system. The bulk of this amount will be used for the connection to Galicia (8,517 Million Euros) and for the Basque "Y" (4,323 Million Euros), which will join the three capitals of the region. The other flagship projects will be the AVE to Badajoz, with 2,651 Million Euros, and the connection to Asturias, with another 1,719 Million Euros. Other noteworthy interventions include national ports, with 2,000 Million Euros, and modernisation of conventional railway transport, with 1,310 Million Euros.

Meanwhile, the European Commission work group continued with its meetings, created for the purpose of developing a backlog of strategic projects to be carried out in the short and medium term focusing on key sectors to drive competition and potential growth in the European Union, especially with regard to research and development, the digital economy, energy and transport infrastructure, social infrastructure and the environment.

Among other actions, the new actions outlined in the European rail transport plan are taken into consideration. Spain, with five corridors crossing the entire country, is to be one of the main beneficiaries. The network, which will criss-cross the country's territory, should be completed before 2030, and is expected to receive a total investment of 49,800

Million Euros, of which at least 10% will be covered with EU funds. The Central Corridor will link Algeciras to France through the centre of the peninsula; the Atlantic-Mediterranean Corridor will run from Lisbon to Valencia; a branch of the corridor will run from Portugal to France, crossing the Castile plateau and the Basque Country; the Mediterranean Corridor will link Algeciras to Murcia, Valencia, Catalonia and the French border; and another corridor will run from the Cantabrian Sea to the Mediterranean, linking Bilbao to Valencia and passing through Pamplona and Zaragoza.

Business model and operating environment



Mularroya Dam, Spain

We feel passion for what we do, and we do it better than anyone else



4

4. Business model and operating environment

4.1. Mission, vision and values

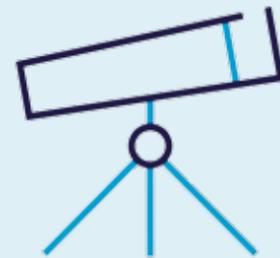


MISSION

To develop complex infrastructure projects and services that contribute to improving citizens' quality of life, providing opportunities for personal and professional development for our employees and creating value for our customers, partners and shareholders.

VISION

To be a leading Group with an international focus that is seen as a benchmark in developing innovative, high-value projects, that grows steadily and profitably, providing quality employment opportunities for our employees while being environmentally friendly.



POSITIONING

We are a global Group committed to meeting any challenge in order to transform our society; working with effort and passion to improve people's infrastructure and services.

VALUES

Our values guide us internally, and in relation to our external public, they help us build our competitive position and define ourselves in the market.

What we feel, what drives us

> A passion for excellence

- Committed to quality, things done right, detail and rigour.
- We like perfection, the recognition of those whose work is professional and reliable.
- We are passionate about what we do, and we do it better than anyone.

> Integrity is our watchword

- No double meanings, transparent, honest and honourable. We work for those who put their trust in us and we repay them with work of the highest quality.

> Believe you can do it

- We never give up, we are always moving forward, we overcome all our challenges through our conviction. We are commitment, energy and determination. We are optimism.

> Dream tomorrow

- We believe in a better world that changes with us. We imagine, we dream and we create the future we want to live in. Creative and ingenious innovators, helping those around us to live a better future.

Innovation	Excellence	Team spirit	Adaptability	Integrity
Imagination	Rigour	Trust	Resilience	Honesty
Creativity	Talent	Collaboration	Pragmatism	Transparency
Courage	Passion	Loyalty	Austerity	

214

R&D+i projects

41,001 +30,000

Backlog
(millions of euros)

Employees

82.5%

debt
reduction
since 2008

0

breaches
of Code of
Conduct

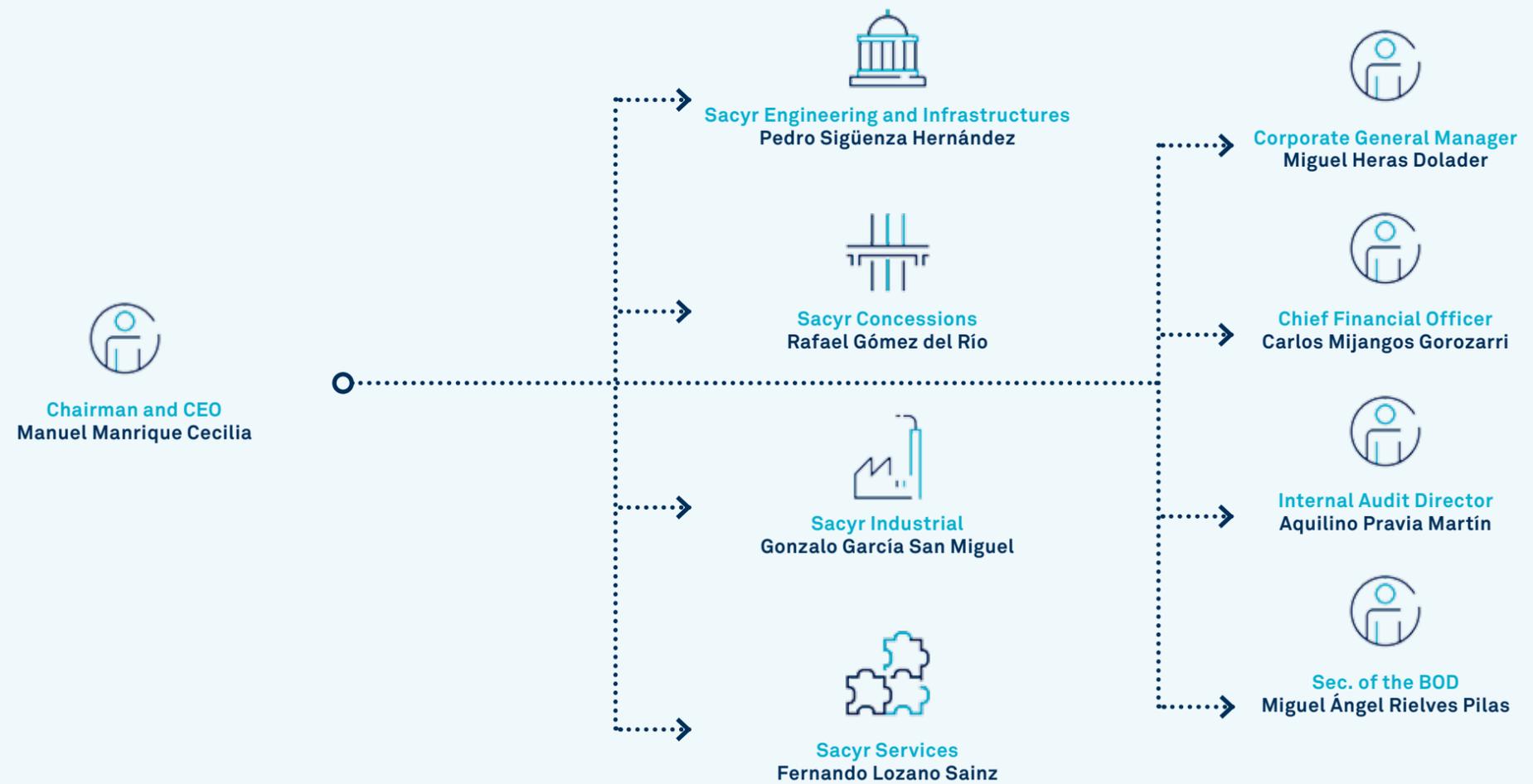
We are talent at the service of progress

4. Business model and operating environment

4.1. Mission, vision and values

Organisational chart

The Group's organisational structure is arranged around the figure of the Executive Chairman and CEO, to who are accountable, firstly, the non-executive Chairmen and the Managing Directors of each business area, and secondly, various departments which provide support to the rest of the Group: the General Finance Department, the General Corporate Department, lastly, the General Legal Advisory Department/ Secretary to the Board of Directors.



4. Business model and operating environment

4.2. Business model

102-2



ENGINEERING AND INFRASTRUCTURES

WHAT IS IT?

Focuses on construction activities, including:

- Civil works
- Buildings
- Water projects
- Turnkey/EPC

High technological capacity

90% of international exposure

KEY RESOURCES

Financial capital



Industrial capital



Intellectual capital



Human capital



Social capital



Natural capital



KEY FIGURES

CONSTRUCTION BACKLOG (millions of euros)

5,868

% INTERNATIONAL

90%

SIGNIFICANT INFORMATION

Sacyr Engineering and Infrastructures principles are: meeting deadlines; promoting innovation; internationalising its activity; and building in compliance with high safety and quality standards and with respect for the environment.

Leading infrastructures company that handles all kinds of projects across the world: civil works, motorways, underground and railway, buildings, airports, ports and hydraulic infrastructure.

CONCESSIONS

WHAT IS IT?

Diversified infrastructures portfolio:

- Asset diversity
- Several geographic markets
- Combination of mature assets and concessions with growth potential

36 assets in 10 countries

23 years remaining on assets

High potential for growth and increasing value

KEY RESOURCES

Financial capital



Intellectual capital



Human capital



Social capital



KEY FIGURES

CONSTRUCTION BACKLOG (millions of euros)

27,163

% INTERNATIONAL

82%

SIGNIFICANT INFORMATION

During its 20-year history, Sacyr Concessions has demonstrated its experience and technical expertise, as well as its financial capacity with 28,000 million euros in overall investments.

It specialises in greenfield projects and handles design, funding, construction and asset management.

22 assets in operation
Young assets with 23 years left.

14 assets under construction
Ongoing investments, 14,000 million euros



4. Business model and operating environment

4.2. Business model

102-2



SERVICES

WHAT IS IT?

Focuses on public service concessions:

- Water, environment and multiservices
- Stable activity and long-term cash flow generator

Solid portfolio of public and private contracts

- Good track record
- Improvement in turnover and margins

KEY RESOURCES

Financial capital



Industrial capital



Intellectual capital



Human capital



Social capital



Natural capital



KEY FIGURES

REVENUE BACKLOG (millions of euros)

5,661

EBIDTA MARGIN

8,8%

SIGNIFICANT INFORMATION

Environment:

- Municipality services
- Waste treatment
- Regeneration

Water:

- End-to-end water cycle
- Waste water treatment plants

Multiservices:

- Facility services
- Homecare assistance
- Infrastructure maintenance
- Catering
- Mining

INDUSTRIAL

WHAT IS IT?

EPC energy projects, waste and water treatment:

- Electrical infrastructure
- Industry & Energy
- Oil & Gas
- Environment & Mining
- Water
- Core business with high growth potential

Maximum technological capacity

- +100 power plants
- +300 water treatment plants
- The most dynamic and highest-growing business area



KEY RESOURCES

Financial capital



Industrial capital



Intellectual capital



Human capital



Social capital



Natural capital



KEY FIGURES

REVENUE BACKLOG (millions of euros)

2,310

EBIDTA MARGIN

7,6%

SIGNIFICANT INFORMATION

Engineering and industrial construction activities:

Energy generation, biomass, co-generation plants and waste-to-energy plants, conventional generation plants, co-generation and renewable energy plants, transmission lines and electrical substations, industrial factories and plants, oil and gas infrastructures and facilities, biofuel manufacturing, desalination of salt and brackish water, potable and waste water treatment, purification and reuse

Strategic alliances:

- Sacyr Fluor: Strategic acquisition of 50% Fluor S.A. for EPC projects.
- Sacyr Nervión corporation: Maintenance of industrial facilities.
- Isotrón: EPC for electricity generation and transmission.
- Sadyt: integration of EPC activity into Sacyr Industrial for water projects.

4. Business model and operating environment

4.2. Business model

The Sacyr Group, active for over 30 years, is structured into four different areas of activity and operates in a total of 30 countries:

► **Engineering and Infrastructures:** performed through the head units Sacyr Engineering and Infrastructures in Spain and Chile, Somague in Portugal, and SIS in Italy, focusing mainly on the construction of all manner of civil works and residential and non-residential building infrastructure.

► **Concessions:** business activity developed by Sacyr Concessions, the sixth largest operator of infrastructure concessions in the world, with a presence in: Spain, Italy, Ireland, Portugal, Chile, Colombia, Peru, Uruguay and Paraguay; this division is a leader in the management of infrastructure such as motorways, hospitals, transport hubs, etc.

► **Services:** provided by Sacyr Services (formerly Valoriza), with a presence in Spain, Australia, Algeria, Portugal, Mexico, Brazil, Chile, Colombia, Peru, Uruguay, Paraguay and Oman, and specialising in the management of the following services:

- **Environmental:** provided through the parent, Valoriza Environment, a leading company in the operation of:
 - **Municipal services:** leader in the management of concessions in the main towns in Spain for street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, management of parking meters, bicycle renting and towing services.
 - **Waste treatment:** builds and operates plants to treat municipal solid waste, packaging, and batteries, treatment facilities for construction and demolition debris and landfill gas removal, and plants for biomethanation, incineration, and waste-to-energy production, as well as facilities to treat, compost, and thermally dry the sludge from wastewater treatment plants.

- **Regeneration:** this area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.

- **Water:** performed via Sacyr Water and focussed on the operation and maintenance of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment, etc.), and the end-to-end management of the water cycle under public sector concessions or in the private sector.

- **Multiservices:** provided through the following companies:

- **Sacyr Facilities:** Group company specialised in the integral cleaning of buildings, facility management services, ancillary services (porter services, gardening, etc.), and energy services.

- **Sacyr Social:** Group company leader in management of homes for the elderly and day centres.

- **Sacyr Maintenance:** Group company that specialises in the maintenance and upkeep of roads and other specific infrastructure: dams, irrigation channels, etc.

- **Valoriza Mining:** mining projects in Spain in copper, gold, tin, lithium and tungsten deposits, mainly.

- **Cafestore:** Group company specialised in the operation of motorway service areas (third leading Spanish operator in this market), and in the management of restaurants and cafeterias at large facilities: hospitals, transport hubs and public and private buildings.

► **Industrial:** performed through Sacyr Industrial, which is present in Spain, Peru, Ecuador, Colombia, Chile, Bolivia, Panama, Mexico, Algeria, Oman and Australia, and is the Group division, fruit of the

integration of various companies and areas of the company, in charge of engineering and industrial construction activities. Covering the promotion, performance, start-up and operation of projects in the following business areas:

- **Engineering and energy:** Sacyr Industrial is one of the leaders in the Spanish energy sector, and it is also a pioneer internationally in conventional and renewable power plants, in cogeneration plants, and in the development of biomass, solar energy and geothermal plants. It also operates and maintains power plants and industrial facilities.

- **Environment and mining:** Sacyr Industrial is one of the leading international companies in the design, construction and operation of waste treatment and waste-to-power plants. It also has experience in mining and processing plant projects.

- **Oil & Gas:** implementation of refinery, chemical and petrochemical, gas handling and treatment and liquefied natural gas (LNG) projects, and the transportation and storage of this type of fuel.

- **Water:** business activity performed via Sadyt, global leader in engineering activity, development and operation of all types of water treatment plants: desalination, purification, drinking water plants, etc.

- **Electrical infrastructures:** engineering development and the construction of high-voltage electricity lines, electricity substations and low-, medium- and high-voltage facilities.

4. Business model and operating environment

4.3. Strategic vision

Sacyr Group's operating environment provides us with new challenges and opportunities as we continue along the path we embarked upon in 2015, when the entire Company's strategy was established.

Since Sacyr was set up in 1986, we have had good times and some more complicated moments. We have always overcome them, thanks to our people and our values.

We are a team

Thousands of people who have talent, rigour and the passion for doing a good job. We are driven by collaboration, trust in the Group, loyalty.

Strategic vision

Based on: diversification, risk control and organic growth

> FOCUS

Specialisation in priority businesses
International growth with local presence in a select group of regions/countries

> SCALE

Sustainable positioning versus large-scale competitors
Growing internationalisation

> SUSTAINABILITY

Eliminate corporate debt.
Diversify sources of finance

Solid strategic guidelines for business development

Infrastructures	Concessions	Industrial	Services
International benchmark in large-scale projects	Driver of growth and stability	New strategic focus	International benchmark in large-scale projects
<ul style="list-style-type: none"> ▶ International growth focusing on Latin America, North America and the Middle East 	<ul style="list-style-type: none"> ▶ Greenfield investments focusing on Latin America and North America 	<ul style="list-style-type: none"> ▶ Strong development in the sector focusing in oil & gas, energy and grids and water, and in Latin America, North America and the Middle East 	<ul style="list-style-type: none"> ▶ Infrastructures maintenance: increase capacities/ specialisation and attain scale
<ul style="list-style-type: none"> ▶ Combination of organic growth, alliances and inorganic growth in North America (agreement with Manhattan Construction Group) 	<ul style="list-style-type: none"> ▶ Rotation of mature assets 	<ul style="list-style-type: none"> ▶ Strengthening of capacities by a combination of organic growth, alliances and inorganic growth 	<ul style="list-style-type: none"> ▶ Environment and facilities: organic development in Spain and explore internationalisation based on the "oil stain" model
		<ul style="list-style-type: none"> ▶ Joint venture with Fluor 	<ul style="list-style-type: none"> ▶ Water: development with international focus in Latin America, North America and the Middle East

2017 Results (Millions of Euros)

Revenue	1,225	613	523	952
EBITDA	93	232	34	83
EBITDA/Revenue	7.6%	65.2%	6.6%	8.8%

4. Business model and operating environment

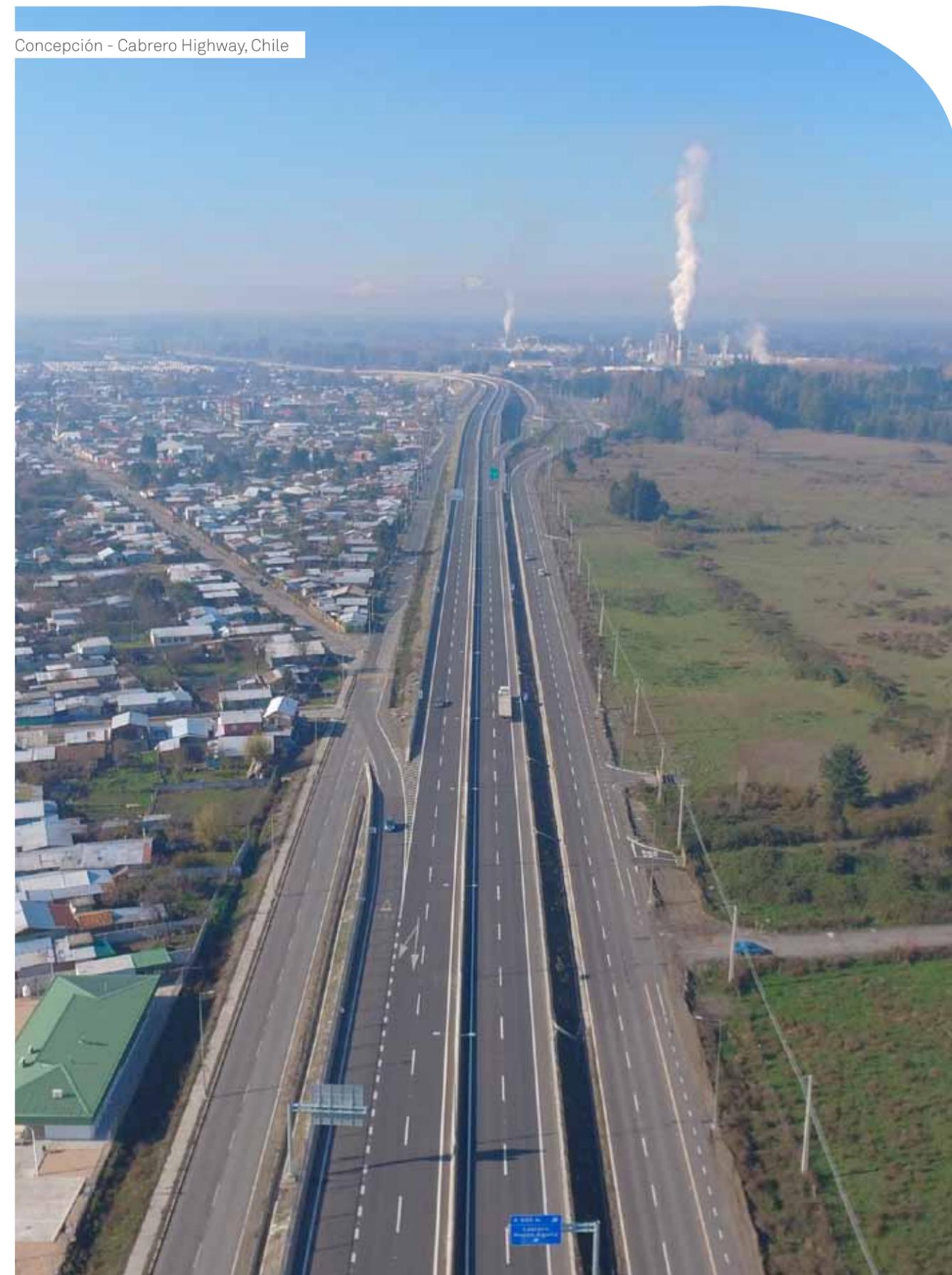
4.3. Strategic vision

Income statement

CONSOLIDATED INCOME STATEMENT	2017	2016	% Var
(Thousands of euros)			17/16
Net revenue	3,092,606	2,860,475	8.1%
Other income	176,877	103,177	71.4%
Total operating income	3,269,483	2,963,652	10.3%
External and operating expenses	-2,846,891	-2,604,091	9.3%
EBITDA*	422,592	359,561	17.5%
Depreciation and amortisation	-137,097	-113,300	21.0%
Provisions and other non-recurring expenses	-28,669	-38,180	-24.9%
EBIT	256,826	208,081	23.4%
Financial result	-174,253	-200,664	-13.2%
Gains/losses on exchange differences	-71,236	10,986	n.a.
Share of profit from equity-method companies	259,114	207,085	25.1%
Provisions for financial investments	86,210	-4,324	n.a.
Change in value of financial instruments at fair value through profit or loss	-144,754	-67,556	114.3%
Gain/(loss) on disposal of non-current assets	-362	27,244	n.a.
Profit before tax	211,545	180,852	17.0%
Income tax	-42,967	-45,600	-5.8%
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	168,578	135,252	24.6%
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	0	0	
CONSOLIDATED PROFIT FOR THE YEAR	168,578	135,252	24.6%
Attributable to non-controlling interests	-37,934	-15,010	152.7%
NET ATTRIBUTABLE PROFIT	130,644	120,242	8.7%
Gross margin	13.7%	12.6%	

*Excludes the non-recurring expense resulting from the ERE (redundancy programme) in Engineering and Infrastructures, which amounted to 17 million euros in 2017 and 25.5 million euros in 2016.

Concepción - Cabrero Highway, Chile



4. Business model and operating environment

4.3. Strategic vision

Balance Sheet

CONSOLIDATED BALANCE SHEET (Thousands of euros)	DEC. 2017	DEC. 2016	Chg. 16
Non-current assets	8,098,032	7,023,764	1,074,269
Intangible assets	17,188	13,044	4,144
Concession projects	1,370,054	1,402,267	-32,213
Property, plant and equipment	387,600	363,350	24,250
Financial assets	3,059,941	3,110,156	-50,215
Receivables from concessions	2,854,735	1,712,627	1,142,108
Other non-current assets	241,714	236,820	4,894
Goodwill	166,801	185,500	-18,699
Current assets	5,478,224	3,665,181	1,813,042
Non-current assets held for sale	454,992	475,406	-20,414
Inventories	199,937	236,121	-36,183
Receivables from concessions	260,278	173,877	86,400
Receivables	2,333,664	2,065,683	267,981
Financial assets	113,361	92,787	20,574
Cash	2,115,992	621,308	1,494,684
TOTAL ASSETS/LIABILITIES	13,576,256	10,688,945	2,887,311
Equity	2,004,421	2,080,399	-75,978
Shareholders' equity	1,652,140	1,791,524	-139,384
Non-controlling interests	352,281	288,875	63,406
Non-current liabilities	7,253,241	5,271,628	1,981,613
Financial debt	4,729,167	3,605,678	1,123,489
Financial instruments at fair value	192,800	185,829	6,971
Provisions	294,882	370,428	-75,546
Other non-current liabilities	547,141	491,399	55,742
Other hedged debt	1,489,252	618,294	870,957
Current liabilities	4,318,594	3,336,918	981,677
Liabilities associated with assets classified as held for sale	176,965	203,042	-26,076
Financial debt	921,205	829,062	92,143
Financial instruments at fair value	27,127	21,375	5,752
Trade payables	2,460,967	1,550,211	910,756
Operating provisions	122,726	220,778	-98,052
Other current liabilities	609,604	512,450	97,154

Museum of Fine Arts, Malaga, Spain



4. Business model and operating environment

4.3. Strategic vision



At Sacyr, **creativity and innovation** grow with every project we undertake

We help those around us to live a better future

Number of projects under development

38

Number of projects in progress

214

Number of projects launched

10

Number of patents registered during the year

1

Investment in R&D+i

+9

million euros

Number of employees in R&D+i

28

Number of employees who have participated in projects

216

Percentage of net income invested in innovation

0.3%

Group companies certified under UNE 166002:2014

14



Pedemontana Highway, Italy

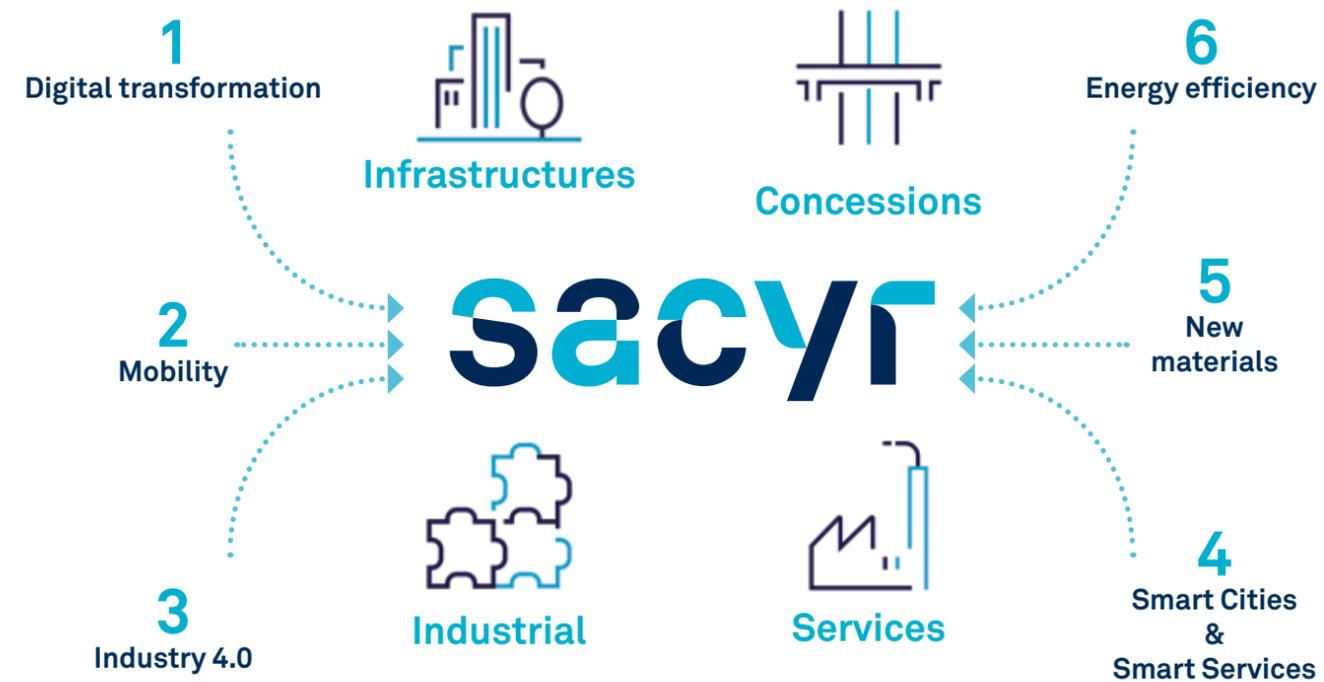
4. Business model and operating environment

4.3. Strategic vision

Innovation strategy of the Sacyr Group

At Sacyr we have developed a business model that allows us to achieve a strategic differentiation of success, create competitive advantages and be the basis for sustainable growth over time. Strategy that promotes innovation as a cross-cutting element of the entire company and makes it the engine of our performance, an instrument for the creation of value and vector of differentiation with companies in the sector at a global level. The activities related to research, development and innovation are carried

out in the different companies of the Group, and the Innovation Directorate coordinates and serves as the backbone and reference to promote progress and continuous improvement in this field. In this sense, a good number of the Group's companies have their own Innovation Department, whose responsibility is focused on the execution of specific projects, always under the coordination and supervision of the Group's Innovation Department. The innovation strategy and the transversal innovation activities are addressed in the Innovation Teams Committee.



We innovate
to improve people's
quality of life

Waste collection services in Madrid, Spain



4. Business model and operating environment

4.3. Strategic vision

Sacyr Group innovation strategy

At Sacyr our innovation-focused strategy differentiates us from other market players and enables us to work more efficiently and create added value for our customers. This strategy is reflected in a transversal model that covers the entire company and which is becoming the main instrument of value creation and the driver behind our performance. The aim of this model is to turn Sacyr into a pioneer company in the majority of the markets where it is present. This model is based on four principles:

- ▶ A clear business focus that allows us to prioritise those innovation projects that most contribute to improving the infrastructure users' experience and to reducing funding costs, which will have a positive impact on Sacyr's income statement in the short, medium and long term.
- ▶ An active governance of innovation, where the various innovation departments and committees are responsible for establishing innovation and R&D guidelines, coordinating initiatives between the different business areas and structuring initiatives that incentivise innovation.
- ▶ An innovation culture that promotes an open innovation model, based on cooperation between external agents, such as entrepreneurs, scientists, universities and business partners; and the intrapreneurs that form part of Sacyr success. The success of this cultural change is the responsibility of a multidisciplinary team of innovation, talent management and communication
- ▶ A solid process of enhancing innovation, through obtaining project certificates from public authorities and by seeking out more advanced patents for our R&D+i developments.

Research, development and innovation activities are carried out at the various Group companies, and the Innovation and R&D+i Certifications Departments coordinate and serve as the backbone of and point of reference for driving progress and ongoing improvements in this field.

In addition, the various companies that comprise the Group have their own Innovation Departments responsible for implementing specific projects, which are coordinated and supported by the Group's Innovation Department. As a result, an Innovation Team Committee has been named, which is responsible for supervising innovation activities.

Developments in R&D+i activity at Sacyr

Sacyr is carrying out an ambitious development of its R&D+i activity. Since 2004, it has obtained external official recognition in the form of loans, grants and certifications in a total of 214 projects through different public tenders.

Despite the tough economic climate, R&D+i investment in 2017 exceeded 9 million euros for the Group.

One of the pillars of Sacyr Group's innovation strategy is the identification of the challenges of innovation faced by each of the companies, and which to a large extent depends on the type of business sector they compete in. These businesses are not only defined by infrastructure type (roads, railways, ports, water treatment plants, industrial facilities, hospitals, etc.) but also by the level of involvement in their implementation and management cycle (design, financing, construction, integrated management, maintenance, etc.).

To identify these innovation challenges, the following two basic principles are established:

- ▶ Provide better service to end-users of the infrastructures, whether it be through safer roads; more efficient water or waste treatment plants, which are better integrated into the ecosystem; better equipped hospitals, etc.
- ▶ Introduce efficiency improvements throughout the infrastructures implementation and management cycle (design, financing, construction) so that the total cost is more competitive for our corporate customers, large enterprises and the public sector.

Innovation challenges

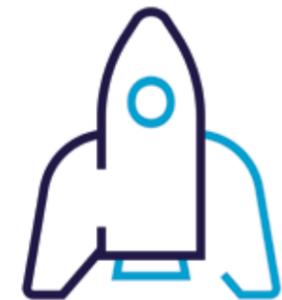
Some of the specific innovation challenges in our business lines are shown below:

1. Use of mobile applications to connect with the general population, customers, suppliers, work teams, etc.
2. Development of the Internet of Things to gather information on the use and status of the infrastructures.
3. Application of artificial intelligence and big data to analyse the information from mobile apps and sensors, to enable optimal decision-making in infrastructure management.
4. Roll out of autonomous machines drones and robotics to streamline operating processes and avoid jobs that are dangerous for humans
5. Use 3D printing and modelling, along with augmented/virtual reality, to assist with the interaction between the physical and digital worlds

Certification of the R&D+i Management System

Sacyr's R&D+i Management system is certified by AENOR UNE 166002:2014. This tool helps us to efficiently organise and systematise all our R&D+i activities and enables us to:

- ▶ Develop R&D activities across all Group companies and define the primary objectives in this field.
- ▶ Provide common guidelines for the effective organisation and management of R&D+i.
- ▶ Strengthen technological monitoring based on an analysis of the internal and external situation.
- ▶ Identify and assess the threats and opportunities posed by technological trends.



4. Business model and operating environment

4.3. Strategic vision

- ▶ Ensure that the activities of the various company departments likely to generate new technologies and patents are identified.
- ▶ Select and manage a suitable portfolio of strategic projects for the various Group companies.
- ▶ Promote R&D as a means to a competitive edge and treat it as such in all corporate reputation schemes.
- ▶ Promote collaboration with universities and public research bodies, eliminating the traditional dichotomy between the public and private sectors in this field of corporate activity.
- ▶ Attract SMEs towards R&D+i activity, thereby helping to meet the government's R&D+i investment targets.

Sacyr Innovation Awards

After seven years of these awards, the objective of the Sacyr Foundation continues to be to encourage and promote the development of high potential start-ups oriented towards the infrastructures and services sectors, and to provide them with all the support necessary during their process of maturing and entering the market.

The selection criteria of the Sacyr Awards recognise the degree of technical innovation of the projects presented, their applicability to Sacyr's various business areas and their reach in the international market.

The winning projects receive the sum of 50,000 euros in the form of a convertible loan.

Sacyr also contributes to the project's business development, providing commercial, legal and financial advice, and giving the entrepreneurs access to a wide network of global partners.

The Awards were presented for the 7th year in Spain in October 2017, and involved the participation of 40



Sacyr Innovation Awards, seventh edition. Spain

4. Business model and operating environment

4.3. Strategic vision

start-ups, including Zapiens, which was the eventual winner, with its innovative design for the gamification of knowledge management through a mobile app that incorporates artificial intelligence.

Similarly, as has been the case since the first year the Awards were presented, the merits of various of the Company's internal entrepreneurs were recognised. Their innovation projects were submitted to the collective intelligence platform, Ingenium.

More information on the previous years' Awards and new calls for projects can be found on Sacyr's website (www.sacyr.com).

Sacyr Innovation Awards in Chile

Sacyr held its first Innovation Awards in Chile, with the winners being HEAT+L and Plasticpav projects, in the National and Regional categories, respectively.

This first set of Awards had over 40 candidates linked to energy efficiency, sustainable construction and technological development. From these, five were selected to go forward to the final stage by a technical committee, where a jury made up of major personalities from the world of innovation chose the winners in the two categories.

Representatives of both the Chilean government and Sacyr were present at the award ceremony, along with the members of the media and well-known figures from the academic and business worlds. The presence on behalf of the government of the Under-Secretary for the Economy, Natalia Piergentili, and the Secretary of State for Innovation and Technology at the Ministry of Public Works, Nayib Tala, was of particular note.



4. Business model and operating environment

4.4. Performance of the Sacyr Group

2017 significant events

Some of the most significant events that took place during the year, are as follows:

a) Pedemontana - Veneta motorway (Italy)

The consortium SIS, in which Sacyr holds a 49% interest, successfully secured financing to complete the construction of the “Pedemontana-Veneta” toll motorway, in Italy. The operation involved a bond issue of 1,571 million euros: 1,221 millions maturing on 30 June 2047, with a 5% coupon payable each semester; and 350 million euros, maturing on 30 June 2027 and an 8% coupon also payable each semester.

This bond emission was one of the greatest carried out in Europe, in a greenfield project, and won the “Project Finance International 2017” award for best European operation in transport infrastructure. The bonds are traded on the Dublin Stock Exchange.

The concessionaire Superstrada Pedemontana Veneta, performs the design, construction, financing, operation and maintenance of the toll motorway, from when the construction is finalised and for a period of 39 years. Initial traffic of 27,000 vehicles daily is estimated; this may reach more than 60,000 in the final years of the concession. The Veneto Region will make a payment of 165 million euros to the concessionaire for initial availability, when it becomes operational; this will subsequently be increased annually, based on inflation and a growth ratio, which will provide a backlog of total prospective revenue of close to 12,000 million euros.

The motorway, one of the most significant infrastructures, under development in Italy, implies the construction of 162 kilometres, crossing the Veneto Region, traversing the provinces of Vicenza and Treviso. A total of 94 kilometres will be for the main road and another 68 kilometres for secondary accesses. Two tunnels and eight viaducts will also be constructed.

b) Stake in Repsol

In 2017, Sacyr remained a core shareholder of Repsol via a 7.8835% interest in the oil company.

In April, and as a culmination of the strategy of eliminating the risks associated with this stake, initiated in the second half of 2016, Sacyr arranged a new hedge on 72.7 million Repsol shares (the remaining 60% of the total shareholding). In December the hedge was modified with the aim of limiting the risk of the Repsol share falling below 12 euros/share, preserving the potential gain in case of a rise in its price, and with access to all dividends distributed by the company.

Having received the funds, 769 million euros, early redemption and settlement of the entire syndicated loan arranged initially to finance the position.

In 2017, and as a result of the Repsol “Flexible Dividend” programme, Sacyr Group, via its investees: Sacyr Vallehermoso Participaciones Mobiliarias, S. L., Sacyr Securities, Sacyr Investments y Sacyr Investments II received dividends from Repsol for 86,89 million euros (a dividend on account of 2016 profits, for 34.62 million euros, at the beginning of January and another, final, dividend of 52.27 million euros, at the beginning of July). Also, under this programme, in January 2017, it has received 495,977 new shares in Repsol, resulting from the swap of part of its pre-emptive subscription rights at a rate of one new share for every 38 in circulation.

c) Bonus share issue and scrip dividend

On 8 June 2017, the shareholders at the Annual General Meeting approved a capital increase, with a charge to unrestricted reserves, for a nominal amount of 15,679,727 euros through the issuance and placement of 15,679,727 new shares each with a par value of one euro. The new shares issued were freely assigned to the shareholders of Sacyr in the ratio of one new share for each 33 outstanding shares.

On 28 July 2017, the new shares began trading on the Spanish stock markets:

Under the same item of the agenda, a share capital increase was also approved with a charge to profits or reserves (scrip dividend), for a maximum par value of up to 17 million euros, through the issuance of new ordinary shares each with a par value of one euro, with no share premium and of the same class and series as those currently in circulation. The acquisition of rights to receive free shares was also approved, at a guaranteed fixed price, for those shareholders who opt to sell their rights to Sacyr. The conditions of the share capital increase, where not provided for, and the deadline for implementing it, were delegated to the Board of Directors.

On 17 January 2018, the Chairman of the Board of Directors, exercising the powers which he had been delegated, decided to implement the scrip dividend via the issue of up to 11,106,473 shares. Regarding the fixed price, which Sacyr irrevocably undertook to purchase each free share, for those shareholders who opted for that option, was 0.052 euros gross per right, in accordance with the formula approved by the shareholders at the Annual General Meeting to that effect.

Pre-emptive subscription rights, listed on the market from 22 January 2018 until 7 February 2018, both days inclusive.

Shareholders of 95.87% of the rights of free allocation of new shares, opted to receive new Sacyr shares, leading the definitive number of ordinary shares issued through the capital share increase was 10,647,265, with the nominal value of the increase being 10,647,265 euros. That capital increase was registered on 19 February 2018, with new shares being traded from 1 March 2018, on Spanish stock markets.

Accordingly, the holders of 4.13% of the rights of free allocation of new shares accepted the irrevocable undertaking to purchase rights assumed by Sacyr. The payment to those shareholders was made on 9 February 2018.

4. Business model and operating environment

4.4. Performance of the Sacyr Group

d) Promissory notes issue programme on the Fixed Income Alternative Market (MARF)

In 2017, Sacyr included a promissory notes issue programme on MARF, with an outstanding maximum value of 250 million euros, and with a maturity of 24 months, in order to diversify its channels of financing on the capital markets.

Banca March, S.A. was appointed as the registered advisor of MARF for the programme, and as partner entity and payment agent for different issues which may be performed.

“Project Finance International 2017” Award for the financing operation for the Pedemontana-Veneta Motorway (Italy)



4. Business model and operating environment

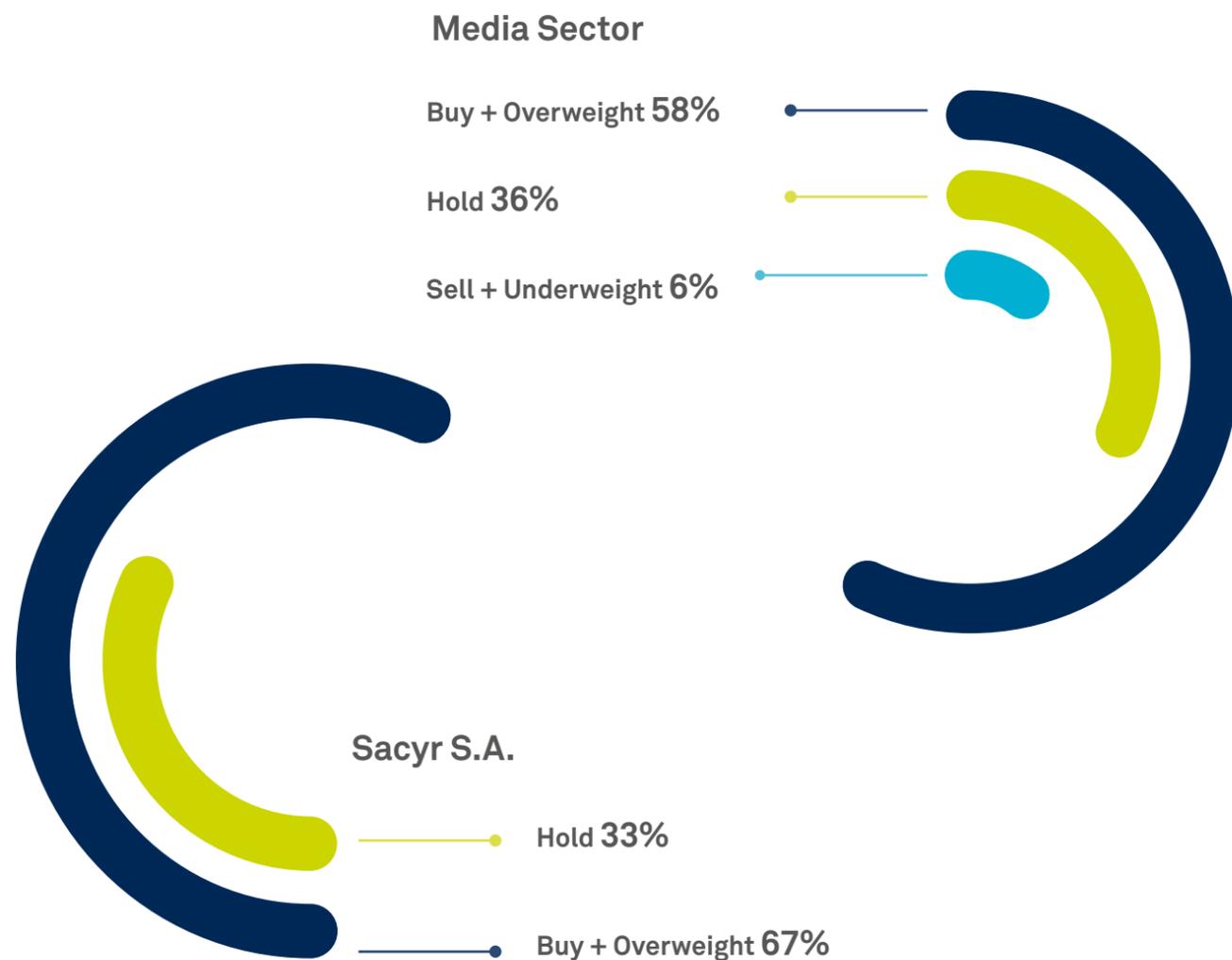
4.4. Performance of the Sacyr Group

Share price

Financial analysts

At year-end 2017, 13 analysis firms actively followed Sacyr's share. Of these, 100% were positive - either

"buy", "overweight" or "maintain". The Sacyr share, in fact, had the second largest percentage of positive recommendations in the sector.



Changes in share capital and share performance

At 31 December 2017, Sacyr's share capital amounted to 533,110,718 shares with a par value of €1 each, of the same class and series and with the same rights.

SHARE PRICE IN 2017

Number of shares admitted for trading	533,110.718
Trading volume (thousands of euros)	1,987.529
Trading days	255
Closing price 2016 (euros)	2.220
Closing price 2017 (euros)	2.359
High (on 29/05/17) (euros)	2.795
Low (on 05/10/2017) (euros)	1,900
Average weighted share price (euros)	2.345
Average daily trading vol. (no. of shares)	3,325.145
Liquidity (shares traded/capital)	1,59

At year-end 2017, Sacyr's share price was 2.359 euros per share, compared to 2.22 euros in the previous year, representing a 6.3% increase. The share price reached its intraday high of 2.795 euros on 29 May, and its daily closing high of 2.753 euros on 30 May. The intraday day low was 1.90 euros, on 5 October, and the minimum daily close was 1.922 euros per share, on 21 November.

Sacyr's share price marked an uneven performance against the IBEX-35, the IBEX Small Cap, the General Index and the National Construction Index. Sacyr's shares were more volatile than the benchmark indices, with a weighted average fluctuation of 2.345 euros per share. The average daily trading volume was over 3.32 million shares, for a total of 1,988 million euros for the year.

4. Business model and operating environment

4.4. Performance of the Sacyr Group



The key stock market indicators for 2017 are as follows:

OCK MARKET INFORMATION	2017	2016	% 16/17
Share price (euros) ⁽¹⁾			
High	2.79	2.37	17.66%
Low	1.90	1.17	61.84%
Average	2.35	1.71	37.41%
Year-end	2.36	2.22	6.26%
Average daily trading volume (no. of shares) ⁽¹⁾	3,325,145	5,097,246	-34.77%
Annual trading volume (thousands of euros) ⁽¹⁾	1,987,529	2,235,798	-11.10%
No. of shares at year end	533,110,718	517,430,991	3.03%
Market capitalisation (thousands of euros) ^{(1)*}	1,257,608	1,183,506	6.26%
Earnings per share (euros/shares)	0.25	0.23	5.46%
Price/carrying amount (no. of times) ⁽³⁾	0.76	0.66	15.23%
PER ⁽⁴⁾	9.63	9.55	0.76%

*Adjusted in 2016 for bonus share issue of 1X33 July 2017.

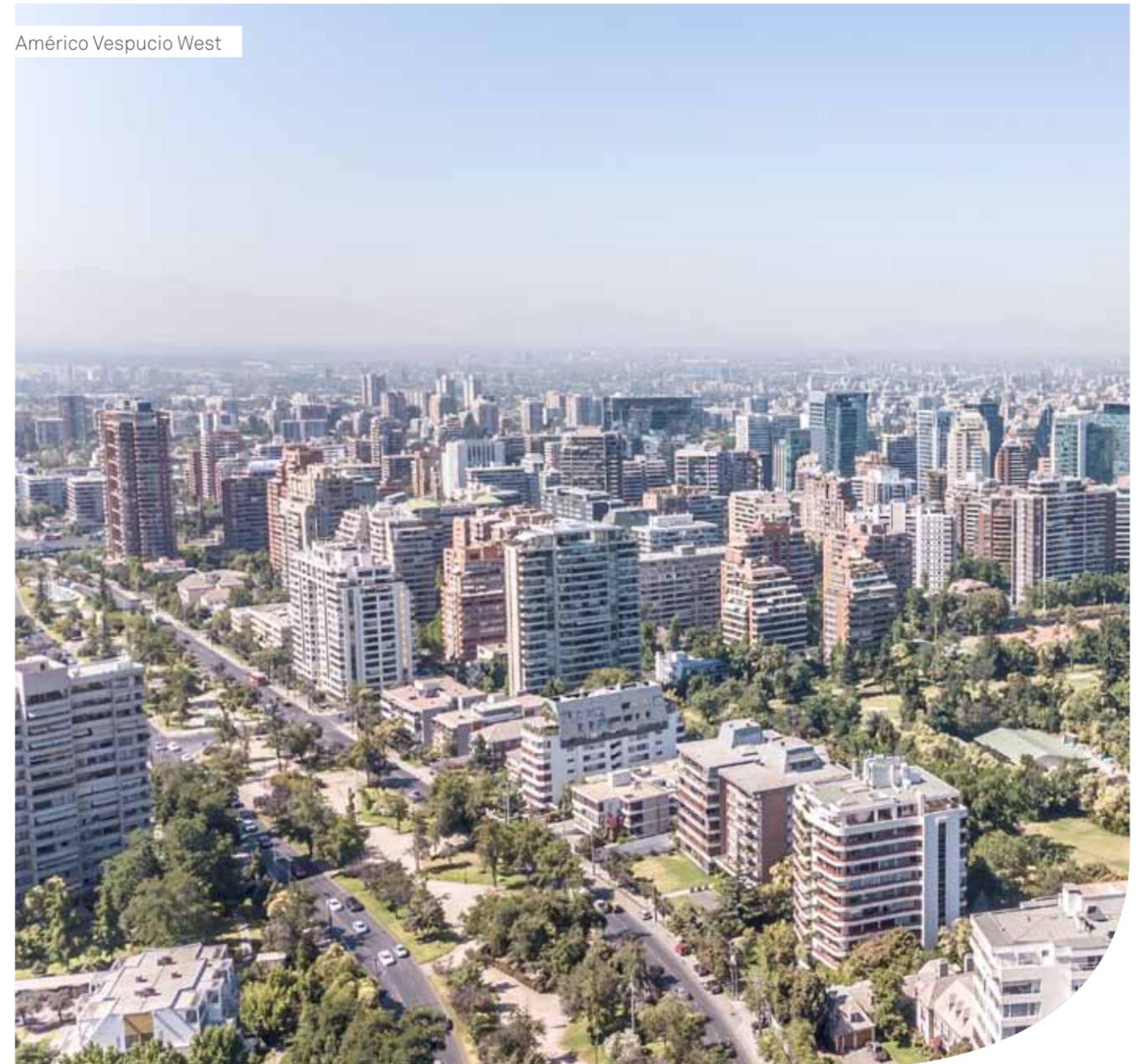
(1) Source: Continuous Market of Spanish stock markets

(2) Equity/number of shares outstanding as of close of year

(3) Capitalisation/Equity

(4) Closing share price/Earning per share attributable to parent company

Américo Vespucio West



4. Business model and operating environment
 4.5. Sacyr Engineering and Infrastructures



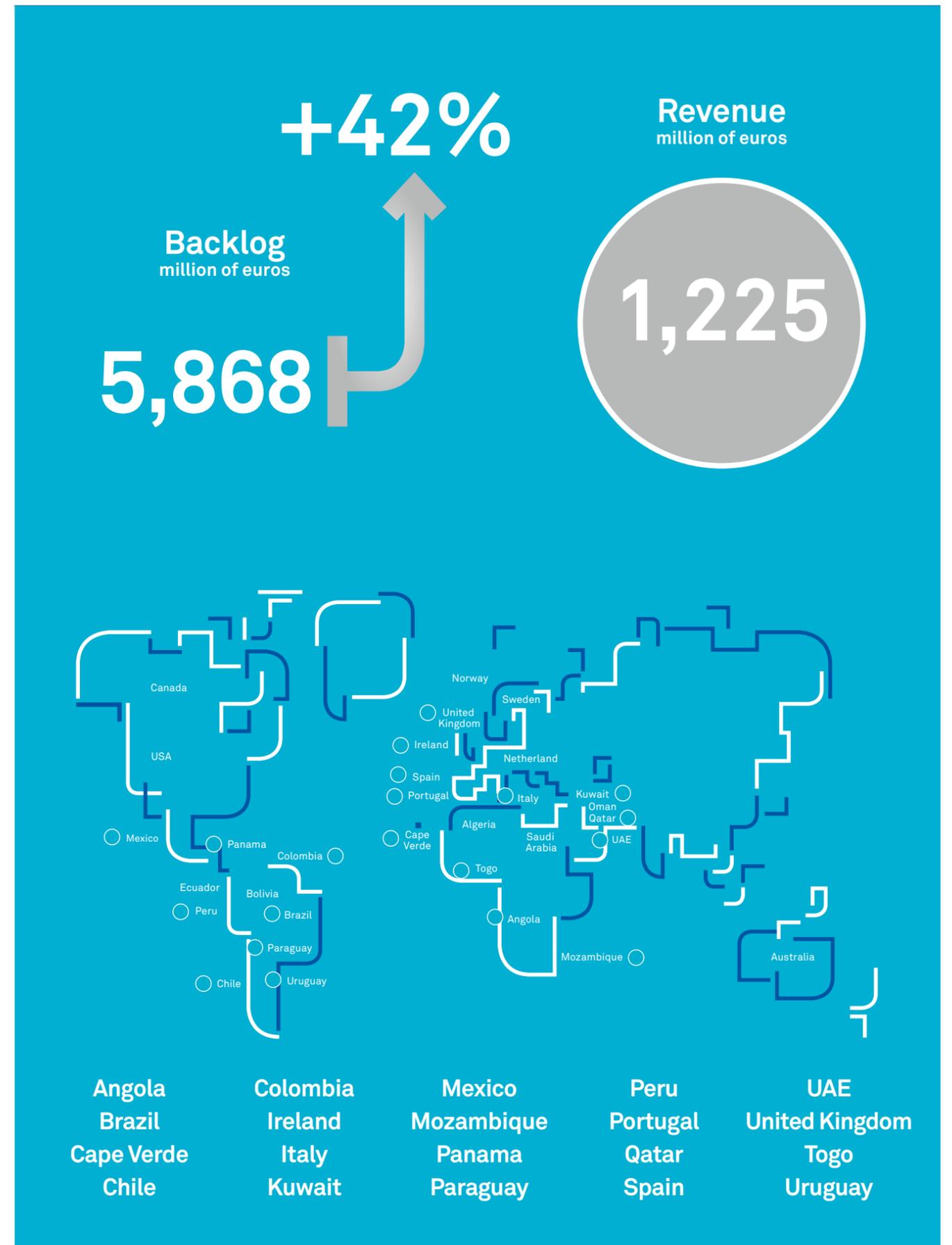
The Infrastructures division, the primary engine of our Group, has continued to grow significantly both in Spain and, in particular, internationally.

Our international expansion model has to take into account the need for local deployment, taking advantage of both the ability we have demonstrated to compete with sector-leading companies in other countries as well as our peers, and our know-how in particular segments.

We top the industry ranking for length of backlog with over 50 months guaranteed work

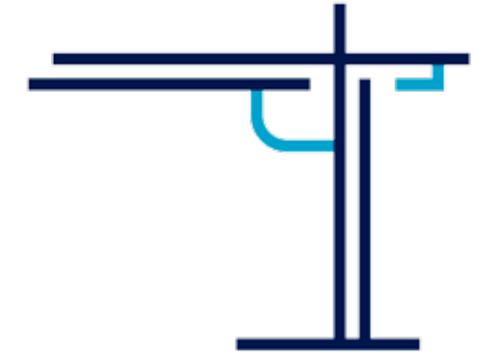
Key figures (2017 millions of euros)

Revenue	1,225
EBITDA	93 (+ 59.6%)
EBITDA margin	7.6%
Backlog	5,868 (+42%)
Months of activity	57



4. Business model and operating environment

4.5. Sacyr Engineering and Infrastructures



MAIN CONTRACT WINS 2017

<p>Colombia Fourth Generation (4G) “Cúcuta – Pamplona” motorway 478.7 million euros.</p>	<p>Paraguay Route 2 “Asunción y Coronel Oviedo” motorway Route 7 “Coronel Oviedo y Caaguazú” motorway 172 million euros 170 km long 70% of the country’s economic activity is concentrated along this motorway.</p>
<p>Chile New “Quillota Petorca” hospital (Valparaiso region) 127.6 million euros Service to +320,000 people</p>	<p>Peru Refurbishment of the of the “Andrés Avelino Cáceres” sports complex in Lima Pan American Games in 2019, for various sports 31 million euros</p>
<p>México 3 Hospitals, in the South Regional Delegation of Mexico City, in the city of Acuña and in the city of Pachuca</p> <p>New highway “Pirámides - Tulacingo - Pachuca” (States of Mexico and Hidalgo) 91.5 km long 41.3 million euros</p>	<p>Spain Industrial plant in Jabugo (Huelva) 38.83 million euros;</p>
<p>Qatar Works for the collection and treatment of waste waters, and sewage systems (Ras Bufontas) 19.5 million euros</p>	<p>Angola Refurbishment of Banco Sol HQ Luanda 7 million euros</p>
<p>Portugal Remodelling of Hotel “Alto Lido” Funchal (Madeira) 6 million euros</p>	<p>Cape Verde Refurbishment of a runway at “Aristides Pereira” International Airport Sal Rei, Isla de Boavista 3.2 million euros.</p>



Construction project Routes 2 and 7, Paraguay

4. Business model and operating environment

4.5. Sacyr Engineering and Infrastructures



MAJOR MILESTONES 2017

Brazil

OPENING | 13/03/2017

Transposition of the São Francisco river

Biggest hydraulic infrastructure project underway in Brazil, 477 km long

Water supply for 12 million people and 390 towns



Chile

Túnel Kennedy

OPENING | 31/10/2017

1,200 metres

Longest section of road tunnel in Latin America



Antofagasta Hospital

OPENING | 11/12/2017

671 rooms

Service to + 890,000 people

264 million US dollars



Qatar

Urban development semi-urban zone

OPENING | 10/05/2017

152 hectares

125 million euros



Spain

Extension of Hospital del Mar (Barcelona)

OPENING | 07/06/2017

14,228 m² extension



New line 3 of Bilbao Metro

OPENING | 10/04/2017



UTE Access to El Prat Airport, Barcelona, Spain

4. Business model and operating environment
4.5. Sacyr Engineering and Infrastructures

We grow significantly
both in Spain
and internationally



Valley of the Desert, Chile

4. Business model and operating environment

4.6. Sacyr Concessions

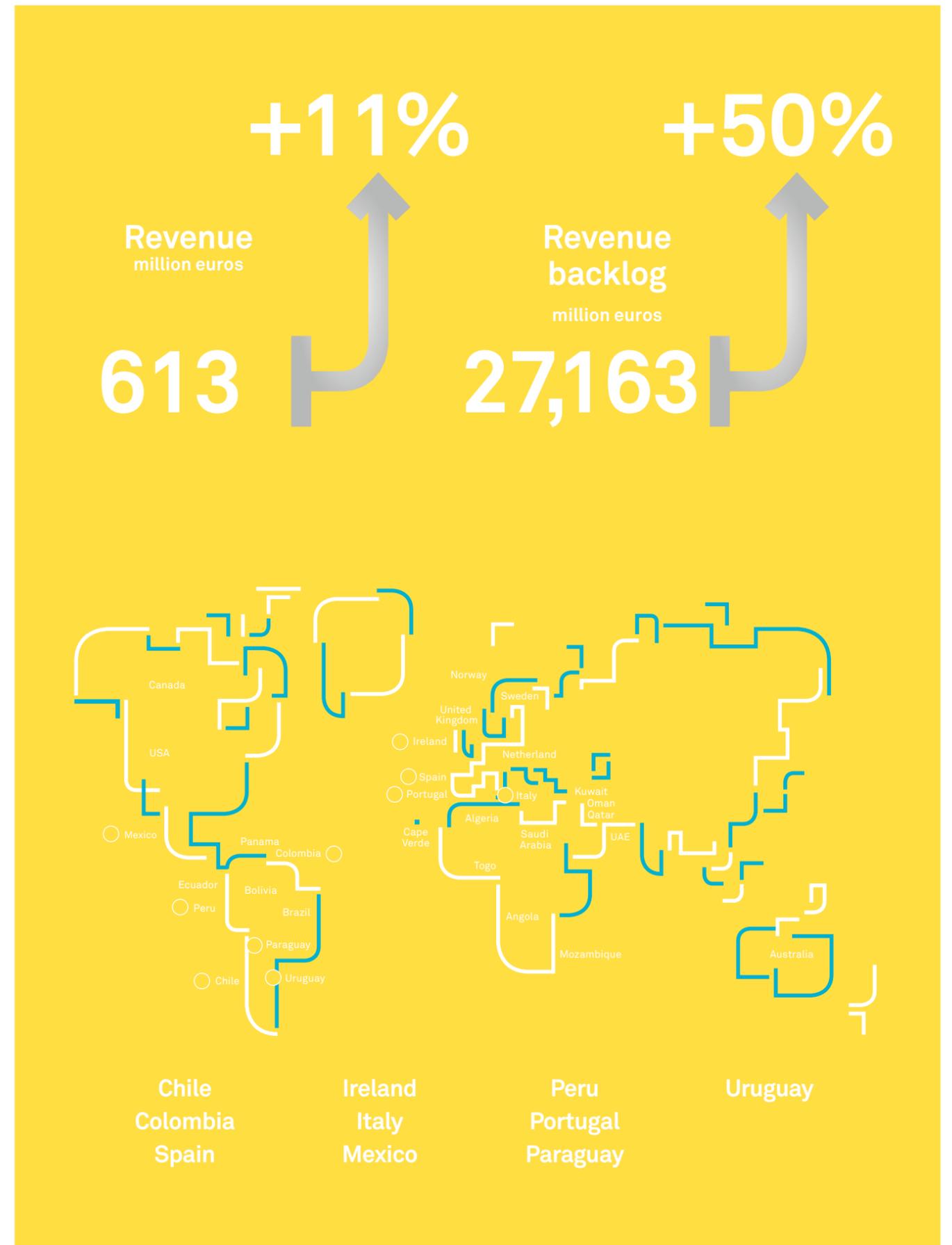


Sacyr Concessions, Sacyr Group's growth engine, has a portfolio of 36 concessions distributed throughout 10 countries, together with 2 road-maintenance companies. The diverse nature of these assets, both as a result of their location and type of asset, is noteworthy of mention

The concession business, which continues to grow, must continue to be firmly committed to greenfield investments in transport and social infrastructure in key markets. Mature assets are rotated as the same time local structures are consolidated.

Key figures (2017 millions of euros)

Revenue	613 (+ 11%)
Concession revenue	356 (+ 15%)
Revenue backlog	27,163 (+ 50%)
International backlog	82% from the international market.
EBITDA	232 (+ 12%)
EBITDA margin	65,2%
Young assets with	23 years remaining



4. Business model and operating environment

4.6. Sacyr Concessions

Sacyr Concessions has 22 in operation and 14 in development. There are 27 highway concessions and highways, divided between the EU and America (11 in Spain, 6 in Chile, 4 in Colombia, 1 in Italy, 1 in Ireland, 1 in Peru, 1 in Uruguay, 1 in Mexico and 1 in Paraguay) 4 hospitals, 2 interchange transport and 1 motorway operator.

This significant increase is mainly due to the inclusion in the backlog of “Pedemontana-Veneta” along with the following significant contracts:

CONTRACT WINS 2017	MAJOR MILESTONES
<p>Paraguay Route 2 “Asunción y Coronel Oviedo” motorway Route 7 “Coronel Oviedo y Caaguazú” motorway 30-year term Revenue backlog 1,282 million euros</p>	<p>Chile Antofagasta Hospital OPENING 11/12/2017 Service to + 540,000 people 15-year term Revenue backlog 530 million euros</p>
<p>Colombia Fourth Generation (4G) “Cúcuta – Pamplona” motorway Revenue backlog 2,441 million euros</p>	<p>Named in sixth place in the world ranking of transport infrastructure concessions managers, by “Public Works Financing” (PWF); it also occupies fourth place for developers of greenfield infrastructure projects.</p>



Antofagasta Hospital, Chile

4. Business model and operating environment

4.6. Sacyr Concessions

CONTRACT WINS 2017

México

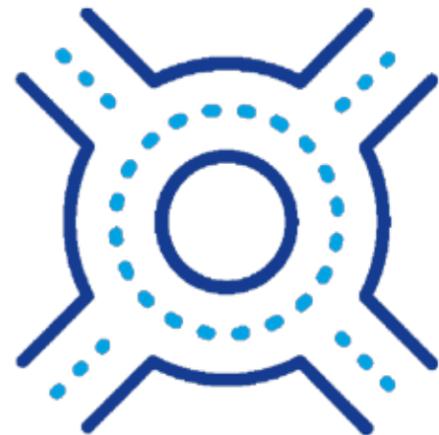
New general hospital in the southern regional district of Mexico City
23-year term

Revenue backlog 1,045 million euros

New “Pirámides – Tulacingo – Pachuca” motorway
(México and Hidalgo states)

10-year term

Revenue backlog 235 million euros



MAJOR MILESTONES

Italy

Securing of funding for the “Pedemontana – Veneto” motorway, via a bond issue to the value of 1,571 million euros.

The financing for Pedemontana has won four international awards: the 2017 Project Finance International Award in the category of best European operation in transport infrastructure; to the best European public-private project (PPP) in the Infrastructure Investor Awards 2017; to the best European financing of a road project in the IJ Global Awards 2017; Transport Project Finance of the Year of TFX.

Uruguay

Sacyr arranged the financing for Corredor Vial 21 and 24 in Uruguay, with the Uruguay infrastructure debt fund (CAF I) for approximately 76 million euros

Chile

Disposal of 49% of Sociedad Concesionaria “Rutas del Algarrobo”

“La Serena-Vallenar” motorway (Chile)

For an amount of 161 million euros, including the debt associated with the project.

Spain

Disposal of 4% of Tranvía de Tenerife (Tenemetro)

For 7 million euros.

Algarrobo Routes, Chile



4. Business model and operating environment

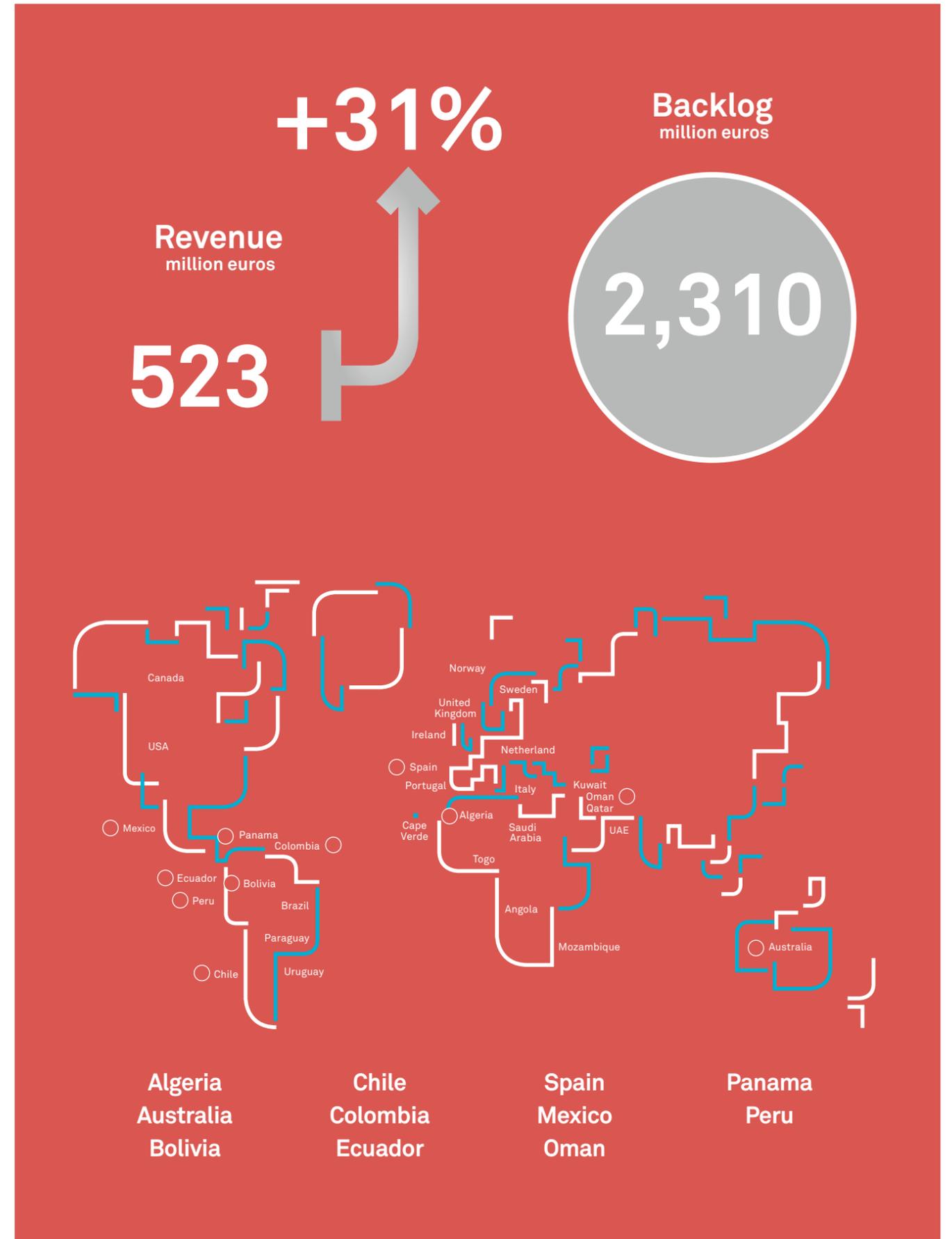
4.7. Sacyr Industrial



We are developing all types of EPC projects in energy generation, oil and gas, electrical facilities and every kind of industrial plants

Key figures (2017 millions of euros)

Revenue	523 (+ 31%)
EBITDA	34.4 (+ 14.5%)
EBITDA margin	6.6%
Backlog	2,310
International backlog	19%



4. Business model and operating environment

4.7. Sacyr Industrial

ELECTRICITY INFRASTRUCTURES:				
Revenue: 44 million euros	+8,000 km of lines maintained	1,400 MVA installed capacity	Substations and electricity lines up to 400 kV	Service to more than 900,000 people in LATAM
ENVIRONMENT AND MINING:				
Revenue: 72 million euros	150 MW in SUW energy recovery	9,000 Tm/day of clinker production	43 SUW plants designed and built	International benchmark in MBT and SUW recovery
OIL&GAS:				
Revenue: 197 million euros	Engineering capacity of 800,000 hours/year	+6.7 million man-hours without an accident	1.8 million hours refinery maintenance	Safety management. OHSAS 18001 certificate
ENGINEERING AND ELECTRICITY:				
Revenue: 133 million euros	+100 cogeneration projects	+1 million hours of operation	Own engineering with over 450 professional staff	Electricity for +2 million homes
WATER:				
Revenue: 74 million euros	TOP 6 in the world in desalination of seawater	Over 3Hm ³ /day of water treated	+300 plants designed and built	+250 specialist professionals

Sacyr Industrial's revenue grew significantly in 2017, as result of the conclusion of Oil&Gas contracts "La Pampilla módulo diésel" (Peru) and a regasification plant in Cartagena de Indias (Colombia), and the launch of new projects including: "Nuevo Mundo Gas Compression Plant" and "Expansion of La Pampilla Refinery Gasoline Block", both in Peru; the new seawater desalination plant in Sohar (Oman); the cement plant in Chimborazo (Ecuador); the new electric facilities in Chile, and projects resulting from the strategic partnership agreements signed in previous years with companies like Flúor, Nervión and Isotrón.

The performance of the electricity generation business activity has also been very positive, with sales growth up 25% on 2016 due to the increase in the price of the electrical pool, caused by climate conditions, and which pushed the average price of electricity up in that pool from €39.61/MWh in 2016 to €52.22/MWh in 2017.

The following major contracts were awarded in the year:

ENVIRONMENT AND MINING business:

New clinker and cement line at a cement plant in the town of Potosí in the Chiutara Region of Bolivia
77,72 million euros

Urban solid waste (USW) treatment plant in Melbourne Australia
30,16 million euros

Supplementary work at the Chimborazo Cement Plant Ecuador
12 million euros

OUTSTANDING PROJECTS

Chimborazo cement plant extension

Monte Arráiz CSR plant

Hornillos MBT waste treatment plant

Oruro cement plant

Mataró MBT waste treatment plant

Gomezello MBT waste treatment plant



4. Business model and operating environment

4.7. Sacyr Industrial

OIL&GAS business:

Management consultancy contract for the liquefaction plants in GL1Z and GL2Z for Sonatrach
Algeria
22,33 million euros

OUTSTANDING PROJECTS

Margarita II gas field

RLP21 refinery units

Desulphurisation of middle distillates

Nuevo Mundo compressor station

Cartagena LNG terminal

ENGINEERING AND ELECTRICITY business:

Extension and change of the configuration of the “Córdoros – Parinacota” electricity lines for Transemel and Transelec
Chile
23,54 million euros

Extension, standardisation and change of the configuration of the “Melipulli – Puerto Montt” electricity line for STS and Transelec.
Chile
15,27 million euros

Standardisation and new compensation works for the “Candelaria” electricity lines for Colbún
19,92 million euros

Full-service maintenance and power distribution on the medium and low tension lines
Panama
4,5 million euros

OUTSTANDING PROJECTS

Lebrija solar thermal power plant

Gas turbine generation

Linares biomass plant

Motor-generator cogeneration

Gas turbine cogeneration

Combined-cycle cogeneration

WATER business:

Contract to expand the desalination plant in the port of Santa Cruz de Tenerife (Canary Islands) for 8 million euros. The works will enable the flow of desalinated water to be increased from 21,000 to 28,800 cubic metres.

OUTSTANDING PROJECTS

Ashdod desalination plant

Mantoverde desalination plant

Hounaine desalination plant

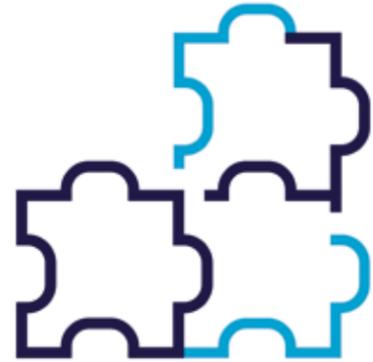
Abrera water purification plant

Perth II desalination plant

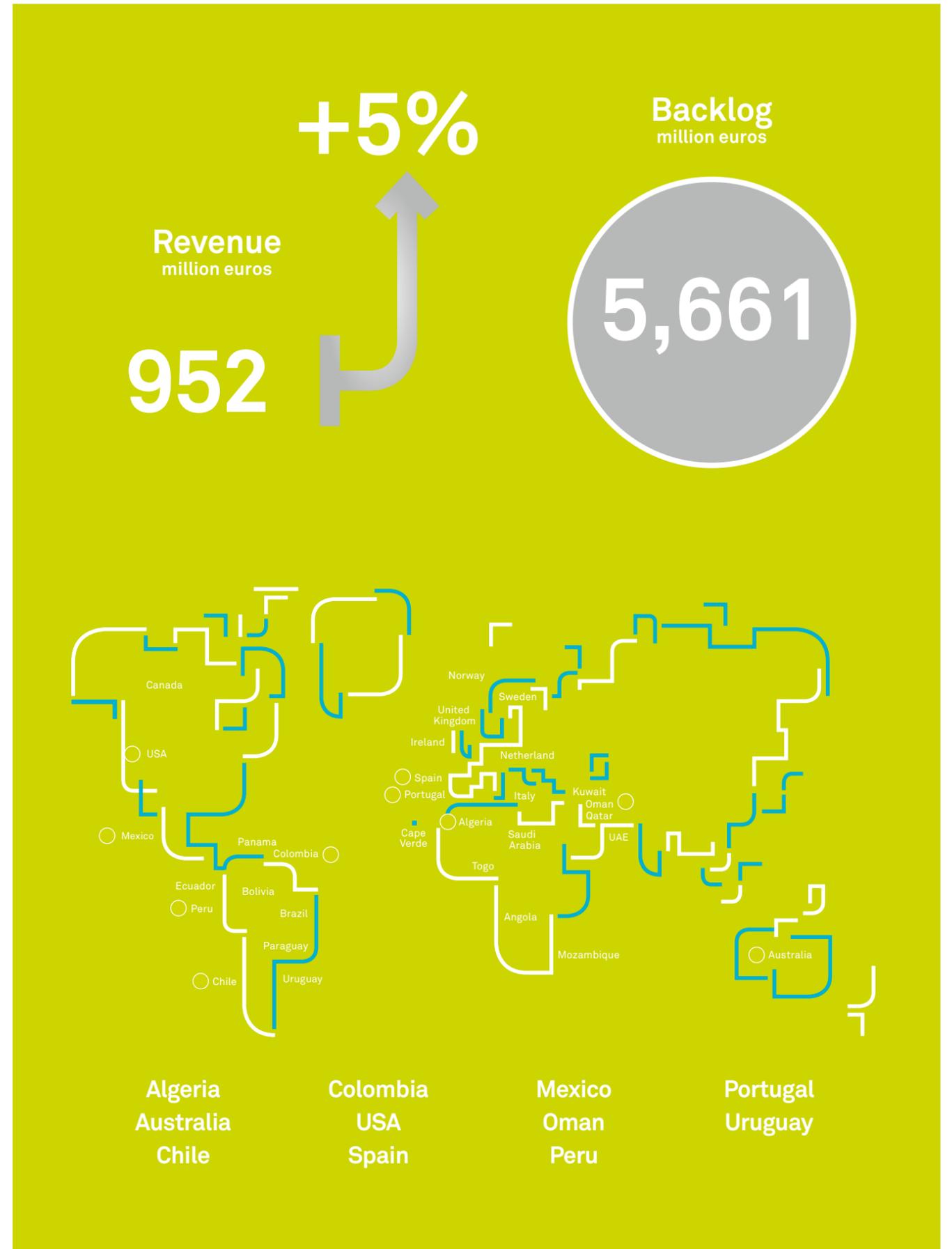
Águilas desalination plant

4. Business model and operating environment

4.8. Sacyr Services



We develop a wide range of businesses always focused on integral customer service



Key figures (2017 millions of euros)

Revenue	952 (+ 5%)
Multiservices	444 (+ 14%)
Environment	390 (+ 12%)
Water	114 (- 32%)
EBITDA	83.3 (+ 10%)
EBITDA margin	8.8%
Backlog	5,661
International backlog	30%

4. Business model and operating environment

4.8. Sacyr Services

ENVIRONMENT

VALORIZA ENVIRONMENT

Benchmark Group. The areas in which it conducts its business are outlined below:

MUNICIPAL SERVICES:

- Growth driver of the Environment Group

- Concession management of street cleaning, collection of municipal solid waste (including underground recycling containers), gardening and maintenance of green areas, management of parking meters, bicycle renting and towing services.

- 2017 included the following MILESTONES AND MAIN CONTRACTS WINS:

Cleaning service and maintenance of the green areas for the Madrid Municipal Council, contract batches 2 and 3

This 4-year contract is worth 23.5 million euros.

External cleaning services for “Adolfo Suárez – Madrid Barajas” Airport

This 3-year contract is worth 10.6 million euros.

Street cleaning and solid urban waste collection for Cádiz City Council

10.5 million euros and a 1-year contract.

Operation of the Sports Complex in the Grua district of Gandía (Valencia region)

This 15-year contract is worth 6.8 million euros.

Extension of the urban solid waste collection, road cleaning and transport services for the city of Toledo

This 1-year contract is worth 6 million euros.

Solid urban waste collection, transport and disposal for the community of towns of Bajo Tietar (Ávila)

This 10-year contract is worth 4.6 million euros.

Street cleaning contract, and other services, in the town of Coslada (Madrid)

This 1-year contract is worth 4.1 million euros.

Management of the Transfer Plant and Eco Stations in the city of Burgos

This 2-year contract is worth 3.3 million euros.

Maintenance services and conservation of green areas, gardens, trees, fountains and urban furniture, for Collado Villalba (Madrid)

This 2-year contract is worth 2.8 million euros.



06/11/2017 Registration in EMAS for cleaning and waste collection services in Majadahonda



16/06/2017 Technical Conference on the Circular Economy in Towns



13/06/2017 Valoriza Environment renews its “Excellence in Innovation” seal



26/09/2017 ISWA World Congress 2017: Valoriza in Baltimore

4. Business model and operating environment

4.8. Sacyr Services

WASTE TREATMENT:

- Major long-term concessions awarded in recent years.
- Builds and operates plants to treat urban solid waste, packaging, and batteries; treatment facilities for construction and demolition debris and landfill gas removal; and plants for biomethanation, incineration, and waste-to-energy production; as well as facilities to treat, compost, and thermally dry the sludge from waste-water treatment plants.

2017 MILESTONES:

Spain

Operation and maintenance service of the thermal sludge drying plant at the Southern Residual Water Regeneration Station (ERAR) of Madrid City Council. The concession is for a term of 1 years and is worth 15.7 million euros.

Australia

Operation of a treatment and composting plant in Melbourne. This 15-year contract is worth 113.4 million euros.

WATER

This activity covers the maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial waste water treatment, agricultural treatment, etc.) and the end-to-end management of the water cycle under public sector concessions or in the private sector.

Integrated water cycle management activities are carried out by Sacyr Water in Spain and Somague Environment in Portugal, serving a total over of 1.3 million people in the two countries.

(More information on Sacyr Water can be found in Chapter 5.3 of this report)

MULTISERVICES

Sacyr Multiservices manages the businesses of the Sacyr Services Group through five companies: Sacyr Facilities, Sacyr Social, Sacyr Maintenance, Valoriza Mining and Cafestore.

- Sacyr Facilities, top 10 in facility services (facility management, cleaning, integral maintenance of facilities, energy services and auxiliary services). 1st operator of integrated contracts for FM services in the hospital sector.
- Sacyr Social: top 3 social services. Home assistance to more than 35,000 people with more than 8,000 workers. It manages 32 residential and day centers with more than 1,500 users.
- Sacyr Maintenance: +10,000 km of maintained roads: 5th operator in Spain for revenue in infrastructure maintenance. In Chile, the largest maintenance company with 4,200 km of roads. It also operates in Peru, Mexico and Uruguay.
- Valoriza Mining: mining projects in Spain in copper, gold, tin, lithium and tungsten deposits, mainly.

(More information about these companies can be found in chapters 5.4, 6.3 and 6.5 of this Report)

CAFESTORE:

Cafestore, a Group company that specialises in catering services in concessions and has a presence in motorway service areas (third-leading Spanish operator in this market), social-health services and public-sector organisations, serving over 4 million customers a year. In addition it manages the operation of four petrol stations and a hotel.

At year-end, the Group had a total of 43 points of sale: 26 motorway service stations throughout Spain, restaurants at three hospitals in the Madrid region and two cafeterias in transport hubs, along with others at AVE rail stations, in 6 elderly care homes and in 4 public organisations of Madrid, and a restaurant under the new brand Deliquo, also in Madrid.

Of the contracts won in this area in the last year of particular note is the one to run the cafeteria, dining room and events service for the restaurant, Deliquo. For 15.6 million euros.

DELIQUO

Cafestore, the independent brand with a different concept. A carefully thought out concept which revolves around four cornerstones:

1. Subtle decoration and timeless atmosphere, to transmit peace, calm and cleanliness
2. Streamlined service, for customers with limited time.
3. Personalisation, with different meal options every day.
4. Create more customer value, so that they see the service as impeccable and special.

For more information, please visit our website: www.cafestore.es

Environmental value

San Francisco River Integration, Brazil



Sacyr promotes
a strategy that
respects the
environment



51

Third set of locks, Panama Canal



Integrated Environmental Management System

Committed to quality, projects well done, detail and rigor

5. Environmental Value

Sacyr's integrated management system model is aligned with the Company's strategy, the main elements of which are:

- Corporate environmental policies
- Environmental performance indicators, based on GRI methodology
- Quantification of environmental investments and expenses

- Setting of objectives at Sacyr corporate level, which are then incorporated into each contract

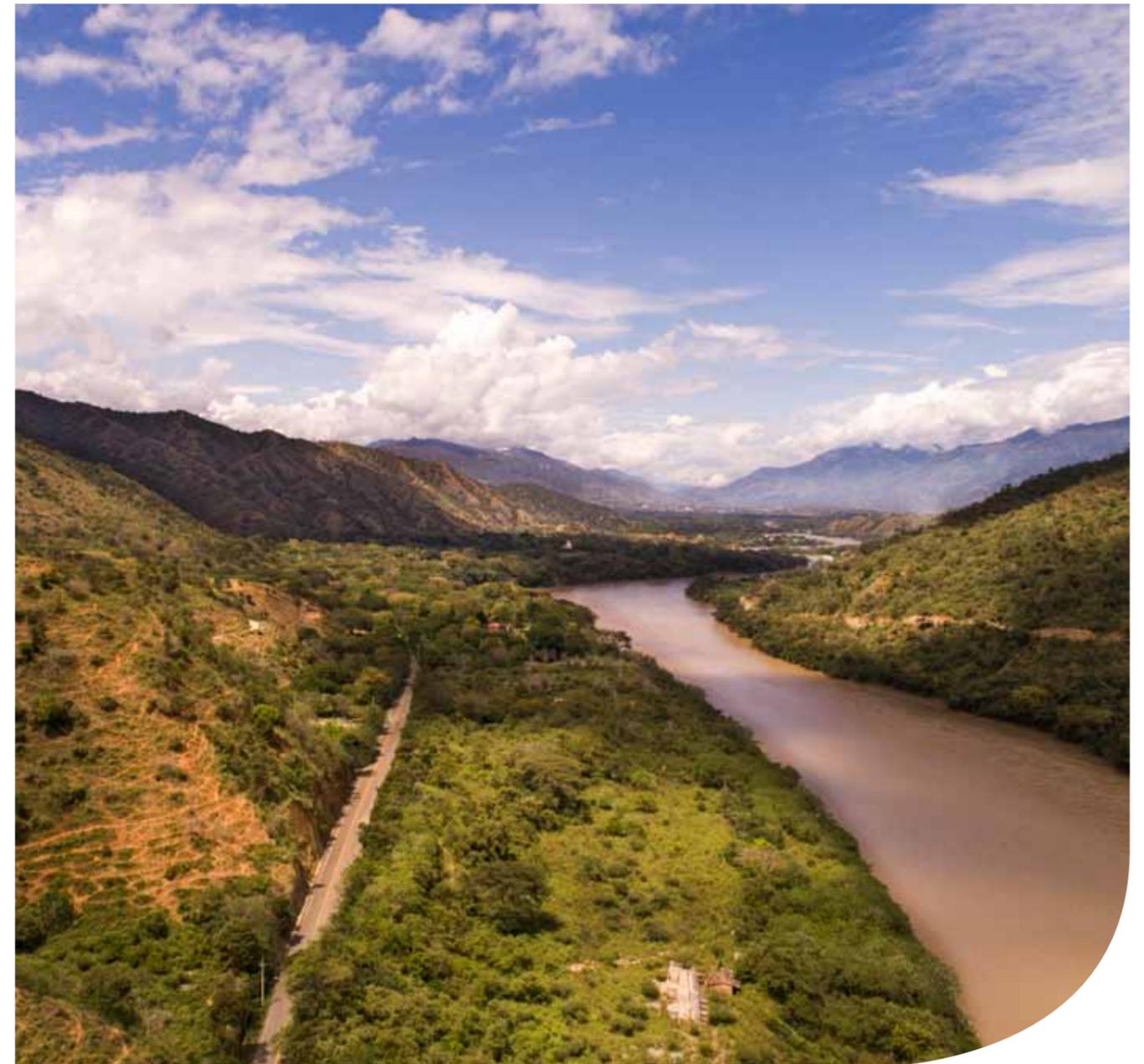
- Environmental risk management

CHALLENGES MET IN 2017

- ISO 9001 and ISO 14001 certification has been extended to other activities carried out by Sacyr, chiefly in the international business.
- Implementation and certification of an energy management system in the water business.
- Certification of the environmental services activity with ISO 27001.
- Approval of Sacyr's climate change policy.
- Registration of Sacyr's carbon footprint with MAPAMA and establishment of an emissions reduction plan.
- Adherence to the Circular Economy Pact.
- Joining the #PorElClima" Community and the Spanish Group for Green Growth.
- Participation in the FORETICA climate change cluster.
- Verification of the Environmental Declaration (EMAS), according to the new requirements of REGULATION (EC) 2017/1505.
- Identification of environmental risks at corporate level.

CHALLENGES IN 2018

- Extension of the ISO 9001 and ISO 14001 certifications to new activities.
- Efficient driving certification EA0050.
- Carbon footprint certification ISO 14064 in various business areas.
- Extension of the scope of the energy management system to new activities.
- Analysis of the life cycle of new materials.
- Implementation of UNE 150008 "analysis and assessment of environmental risks", in various facilities.
- Environmental Product Declaration (EPD) of new materials.
- EC mark for bitumen mix.
- Strengthen communications with our various stakeholders.
- Social awareness of the circular economy and climate change.



5. Environmental Value

Certifications

In Sacyr's integrated management system we have over 100 certifications, in accordance with 10 recognised international standards, 3 national standards and other sector standards, such as, Madrid Excelente. The ISO 9001 and ISO 14001 certifications are accredited by ENAC, UKAS and ANAB.

Currently, the activities the Group undertakes are certified or accredited in accordance with the following sector standards (the number of companies is indicated in each case):



ISO 9001	ISO 14001
47	42



ISO 50001	UNE 158301	UNE 158101
4	1	1



ISO 27001	UNE EN 1176/7
2	1



EMAS	Madrid Excelente	ISO 17025
3	1	1

5. Environmental Value

The milestones reached in 2017, as part of its continuous improvement, were:

New certifications and change to the scope of ISO 9001 and ISO 14001:

	Companies newly certified	<ul style="list-style-type: none"> - Sacyr Concessions Peru. - Sacyr Concessions Colombia. - Saopse Peru. - Sacyr Industrial Chile. - Saopse Chile (ISO 14001). - Sacyr Maintenance Peru (ISO 9001).
	Extension of scope	<ul style="list-style-type: none"> - Sacyr Concessions Chile: Ruta de Limari (ISO 9001). - Sacyr Social: SAD Getafe (ISO 9001). - Sacyr Water: "Analytical control of water for human consumption" (ISO 9001).

New certifications and change to the scope of other standards:

	New certification	ISO 50001 "Energy management systems" at Sacyr Water.
	New certification	ISO 27001 "IT security management systems" at Valoriza Environment.
	Extension of scope	UNE 158301 standard "Services for promoting personal autonomy. Home help service management" Sacyr Social (SAD Getafe).
	Extension of scope	ISO 17025 "Evaluation of conformity. General requirements for the competence of the testing and calibration laboratories" in the Emmasa water laboratory



Analytical control of water for human consumption

5. Environmental Value

The environmental declarations correspond to the three centres certified under EMAS regulations, last validated by AENOR on 22 December 2017, in compliance with European Union regulations 1221/2009 and 2017/1505, are published on the Group's website, where they can be freely consulted through the following link: http://www.sacyr.com/es_es/canales/canal-innovacion/calidad-y-medio-ambiente/Nuestras-experiencias/default.aspx.

In addition, in 2017 audits relating to the adaption of the new 2015 standards of ISO 9001 and 14001 were passed.

We are currently working on the certification for the standard UNE-EN ISO 22000:2005 "Food safety management systems. Requirements for any organization in the food chain" at Hospital Puerta de Hierro (Majadahonda), where Sacyr provides restaurant and catering services through its subsidiary, Cafestore.

The percentage of activity certified to these voluntary requirements under ISO 9001 and ISO 14001 at year-end 2017 were as follows:

Percentage of certified activities in SACYR Group (2017)

	ENGINEERING AND INFRASTRUCTURES	SERVICES	INDUSTRIAL	CONCESSIONS
ISO 9001	94.67%	78.15%	34.17%	51.58%
ISO 14001	95.86%	76.69%	34.17%	37.99%

Sacyr has held a Madrid Excelente seal since 2003, which recognises us as a company committed to excellence, reflecting the Group's commitment to innovation and ongoing improvement, stakeholder satisfaction and active support of economic, social and environmental development.

A number of Sacyr activities were acknowledged by independent entities in 2017, notable among which were the Sacyr Industrial subsidiary, Sacyr Industrial Operación y Mantenimiento, renewing its PEFC (Programme for the Endorsement of Forest Certification) certificate and FSC (Forest Stewardship Council) certificate addressing the custody of forest and biomass products used at the Group's power plants.

Environmental expenses and investments, and regulatory compliance

With the aim of improving our environmental performance, at Sacyr Group we carry out a series of environmental initiatives so as to guarantee

compliance with legal environmental requirements, the prevention of pollution, the adoption of energy saving and efficiency measures, the preservation of biodiversity, the improvement of waste management and the increase of environmental training and awareness, among other things.

Measuring and analysing the costs resulting from environmental protection allows the Group to assess the efficiency of its initiatives in this area and provide useful information to judge the value of the investments aimed at improving its environmental performance.

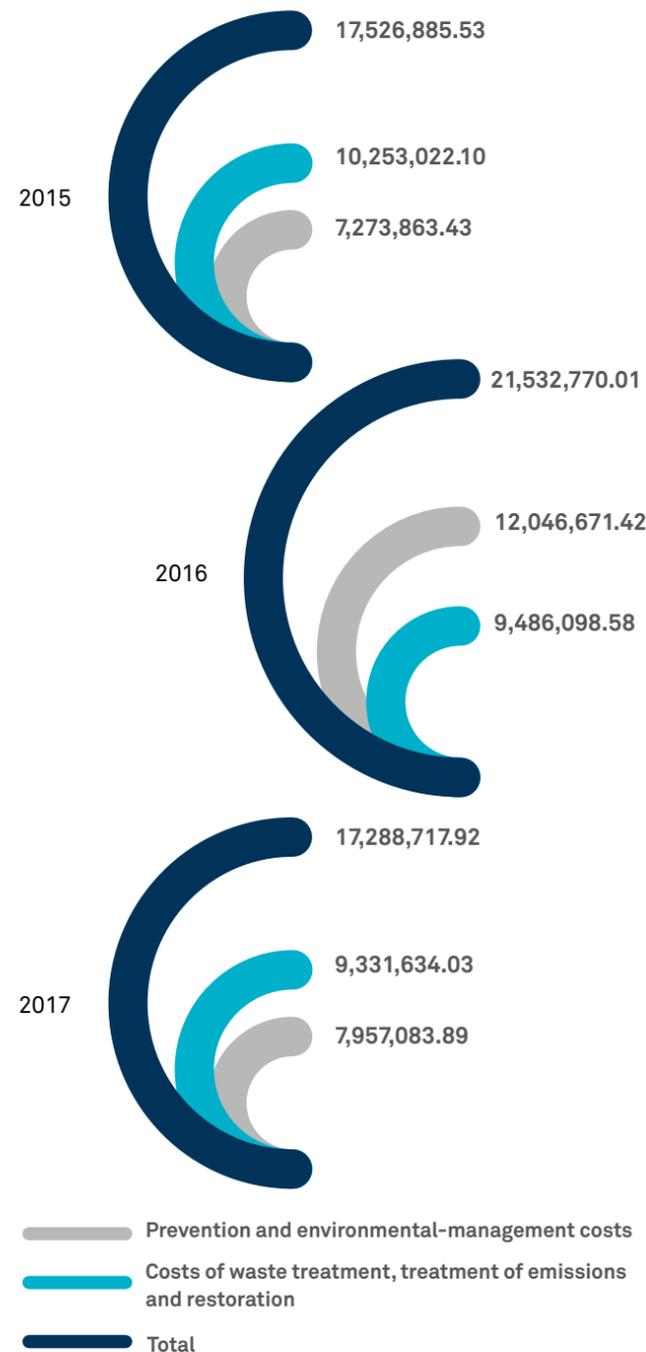
The costs associated with the environmental initiatives carried out in 2017, are as follows:

SACYR ENVIRONMENTAL EXPENSES AND INVESTMENTS (€)

	2015	2016	2017
Costs of waste treatment, treatment of emissions and restoration	10,253,022.10	9,486,098.58	9,331,634.03
Prevention and environmental-management costs	7,273,863.43	12,046,671.42	7,957,083.89
TOTAL	17,526,885.53	21,532,770.01	17,288,717.92

5. Environmental Value

Sacyr environmental expenses and investments (€)



The costs of prevention and environmental management reduced significantly in 2017, with respect to 2016, comparing the data obtained in the previous period (2015). This change is due in part to the completion of certain contracts and the start of other new ones, and also to the characteristics of the contracts: duration, type and the phase they are in the year of the survey.

It is a priority for Sacyr to comply with all statutory environmental provisions in carrying out its activities, regardless of the country in which they take place. To do this, it constantly monitors environmental legislation, to ensure it knows the impact on its activities and that it takes the necessary measures to comply with any new requirements.

Similarly, one of Sacyr's objectives is to monitor compliance with environmental regulations, therefore, as part of its environmental management system, it plans and undertakes audits to check legal compliance with these regulations. It does this through a, systematic and objective, evidence-based review, that ensures that the applicable legal requirements are met in each workplace with the aim of avoiding possible sanctions. [103-1](#) [103-2](#) [103-3](#)

In 2017, issues related to the environment led to total expenses of 1,067.81 euros, down 98.8% on 2016. [307-1](#)

The breakdown of this is as follows:

	2016	2017
1. Total amount of sanctions	94.575,21€	1.067,81€
2. Proceedings closed	2	6
3. Proceedings closed without monetary cost	1	4
4. Proposed sanctions proceedings received	6	6

Supervision of contracts

Audits are a powerful tool to control and monitor the effectiveness of management systems. Consequently, Sacyr performs periodic controls at each of its work centers in order to determine compliance with the established objectives and, based on the results of the audits, propose recommendations and improvement actions. Similarly, Sacyr is externally audited by interested parties of the organization such as customers and suppliers. In 2017, they represented 8% of the total audit days of the year.



Internal audits days

Visits and internal audits of environmental supervisión

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
262	171	556	746	6	22	15	15	839	954

System documents

With regard to the documentation of the Quality Management System, Environmental Management and Management Energetic of Sacyr, during the year 2017 58 new documents have been created and 90 have been updated, assuming a total of 148 documents. This documentation, available through the intranet and the computer application, has allowed to deepen the improvement of the processes and tools that integrate them.

Throughout these months, the mini-site of quality, environment and energy has experienced an increase of visits of 13.58% compared to 2016, maintaining the number of users. The visits are made from different countries where it has a presence the company, mainly from Spain, Chile, Colombia, Peru, Mexico and Portugal.

These results show the interest that exists in these matters. In this sense, this mini-site aims to be a reference within the Group, offering quality information and making available to people knowledge about Sacyr's Management Systems.

5. Environmental Value

Supply chain

103-1 103-2 103-3 102-9 308-1 308-2

Suppliers are a strategic part of Sacyr's performance and therefore we encourage them to adhere to our norms and values regarding sustainability.

When contracting services, in addition to assessing their resources and experience, Sacyr also assesses the supplier's degree of compliance with certain other requisites, including:

- The existence of management systems certified in accordance with ISO 14001, ISO 9001, ISO 50001 or EMAS.
- The environmental reporting of its activities
- Measurement of its carbon footprint and/or water footprint
- Eco-labelled products

Another important criterion for Sacyr is promoting sustainable purchasing from local suppliers, seeking to minimise the environmental impact of transportation and to drive the socio-economic development of the local area. In 2017, we initially assessed a total of 617 suppliers using these environmental criteria, with 246 (40%) complying with at least one of them.

One example of this is the consideration of local suppliers in the concrete purchasing process for the "Construction of Navy Lodge Navsta" in Rota (Cádiz), and the requirement for suppliers to demonstrate that the raw materials used in the construction, also came from local providers.

Sacyr also assesses the performance of its suppliers and subcontractors, considering requirements such as:

- Their degree of compliance with environmental standards set out in documents relating to the activity performed: procurement specifications, environmental commitments in the contract, construction procedures, good environmental practices, etc.

- The adoption of environmental initiatives including the use of advanced, environment-friendly technologies, minimisation of waste, restoration of land occupied by its facilities etc.

- Awareness, through employee training, to achieve greater commitment to environmental protection matters.

We assessed the environmental impact of a total of 1,763 suppliers, either in the regular reassessments or at the end of the service provision period, with 27 of them presenting a significantly negative impact.

As a result, 7.41% of these have agreed to make improvements to their environmental behaviour and the commercial relationship with the rest has been ended.

Department staff

Sacyr establishes as a priority organizational measures, human resources and resources necessary to guarantee and optimize the functioning of its management system, in which the Continuous improvement is its main objective. The strategic line of Sacyr has a clear international vocation and every year develops activities in a greater number of countries.

For the success of these activities it is fundamental to unite synergies and create global teams, people who add talent and rigor for well-developed work. Sacyr's Quality, Environment and Energy Department is a Corporate Service that serves all the Group's business areas in all the countries in which it operates and which in 2017 was composed of 216 people.

Environmental Value



5. Environmental Value

Environmental awareness

The expertise of Sacyr's human capital is fundamental to the Organisation's sustainability and progress.

For this reason, Sacyr provides permanent environmental training to its own employees and subcontracted workers who work under its control, which enables it to count on a set of professionals capable of not only applying the most-advanced knowledge and techniques when carrying out their work, but also of improving their environmental performance.

The data on environmental training in the last three years, are as follows:

ENVIRONMENTAL TRAINING SACYR 2015-2017

	ENGINEERING AND INFRASTRUCTURES			SERVICES			INDUSTRIAL			CONCESSIONS			HOLDING COMPANY			TOTAL		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
No. of training hours	44,729	1,396	494	1,752	1,116	456	78	121	42	609	3	116	0	68	88	47,168	2,704	1,195
Participants	17,797	10,431	9,175	324	952	1,439	415	3,792	5,464	23	5	1,262	0	324	619	18,559	15,504	17,959

Once employees have received this environmental training, Sacyr sends out an Environmental Good Practices Manual, which is aimed at minimising the impact on the natural environment, the effective use of resources, the correct management of waste, the prevention of emergency situations, etc. Sacyr currently has 22 manuals, aimed at the Group's various different business activities.

SACYR SOCIAL MAKES PROTAGONISTS TO THE ELDERLY IN ENVIRONMENTAL EDUCATION.

Sacyr Social, in line with Sacyr's strategy on environmental awareness, celebrated the WORLD ENVIRONMENT DAY in some of its centers with the aim of promoting environmental education for the elderly.

In the Residence of Carboneras de Guadazaón we proceeded to carry out an intergenerational activity in which we shared the realization of a mural that our elders had been preparing in the previous days, as well as the elaboration of bird feeders that were put in the zones of the residence's garden. During the day there was an emphasis on the youngest people who accompanied them, on the importance of taking care of the environment and how our elders live more linked to nature and know how to take care of it.

In the "Torres Cabezo" Day Center, an informative and dynamic workshop was held, supported by the website www.ecoembes.com on the digital board, in which it was explained by ideas, how to recycle well, the role played by society in Regarding the activity of recycling, as well as its benefits.

SACYR ENGINEERING AND INFRASTRUCTURES COLOMBIA ORGANIZES A CONTEST FOR THE BEST ENVIRONMENTAL PHOTOGRAPHY

On April 27 and 28, 2017, the "1st SST, Quality and Environment Conference" was held in Sacyr Colombia, in the city of Bogotá, which included the participation of those responsible for SST, Quality and Environment of all the projects of Sacyr in Colombia.

During this day the contest was held for the best Socio-Environmental Photography. In this space, each Project shared with all the country's team an experience in the management of Social

or Environmental Management that due to the particularity of its Project constitutes a lesson learned as a positive, negative or reflection experience, constituting a strategic way of preventing sanctions or situations that negatively impact the contracts, the relationship and the image of Sacyr.

From the exercise, the (3) best photographs were chosen and the winner was selected (Concesionaria Vial Unión del Sur) who stood out for its exhibition, socialization media and photography.



"Cosmovision of the Quillasingas towns" Vial Unión del Sur concession

5. Environmental Value

Environmental grievance mechanisms

The purpose of Sacyr's environmental commitment is to avoid involvement in any action that could lead to a grievance or claim for our stakeholders.

Sacyr establishes formal communication channels through which queries, claims and complaints can be received.

Any query and complaint in this respect can be made through the Sacyr website at the following address: http://www.sacyr.com/es_es/contacto/default.aspx y rcorporativa@sacyr.com.

Sacyr employees also have additional channels to report or complain of any violations of codes of conduct, whether they are internal, relate to markets or are with society and the environment. These channels, the Sacyr Group's Conduct Hotline and the green mailbox, are available on Sacyr's intranet.

In 2017, Sacyr received no environmental complaints through any of these channels.

Sacyr has a procedure for dealing with environmental claims made by customers. Every complaint received is exhaustively monitored until it is resolved and appropriate measures are established to avoid recurrences. In 2017, three environmental claims were received from customers and handled, with all of them being satisfactorily resolved and closed during the year.

In addition, a further complaint, initially handled in 2016, was adequately resolved in the period under analysis (2017).

The environmental communication

Communication is an essential element in the activity and the proper functioning of Sacyr, because good communication improves competitiveness of the organization, its adaptation to changes in the environment, facilitates the achievement of established objectives, satisfies your own information

needs and those of the interested parties; at the same time that serves as a motivation tool, commitment, responsibility, involvement and participation of their employees building and strengthening their identity corporate. In accordance with this philosophy, the company has of fluid communication channels, both internal as external, that allow you to offer information relevant and transparent about its performance environmental, as well as collecting the main concerns of our interest groups in this ground.

Sacyr is a member of numerous associations dedicated to the promotion of sustainable development different areas, among which are:

- Forética
- AEC - Spanish Association for Quality
- Quality Commission and Environment Commission of SEOPAN
- ASEFM - Spanish Association of Manufacturers of asphalt mixtures
- Spanish Road Technology Platform (PTC)
- Spanish Technology Platform of Technologies Environmental - PLANET
- Member of the Advisory Board for certification of construction companies, composed of Ministries of Industry, Environment and Development and representatives of construction companies
- Member of the Committee AEN / CTN 198 Sustainability in Construction
- Member of the Certification Advisory Board BREEAM

The Directorate of Quality, Environment and Energy actively participates in the working groups of these organizations, whose objective is to discuss specific issues on sustainability for generate documents and standards that serve as a guide to companies in the sector. Later, these Publications are shared with society.

Revista Paletón, Colombia

The Vial Unión del Sur concession, composed of Sacyr Concessions Colombia and Herdoíza Crespo Construcciones Colombia, publishes periodically the newsletter "Paletón", where they collect,

among other things, news of an environmental nature related to our activity in the region of Nariño, Colombia.



Construction of the Pumarejo Bridge, Colombia

5. Environmental Value



Environmental volunteering

Sacyr, according to its commitment to care and respect for the environment, promotes and collaborates with environmental volunteer projects and organizations involving all sectors of society. The actions are aimed at environmental improvement and protection and conservation of natural resources. It is a way of education and social participation in the environmental management of a territory.

Project “Complete backpack” in Mexico

Sacyr Mexico has signed an alliance with the organization charity Dignify Your Life in order to collaborate in the Complete Backpack program. The company donates paper, cardboard and PET bottles for recycling, with the objective that the income obtained be allocated to the provision of school supplies, clothing and footwear and articles of personal hygiene for boys and girls enrolled in primary education. Additionally, the promotion of financial education, prevention of racism and non-discrimination.

Educational programs of efficiency in the use of water in Spain

In line with these principles of social action and environmental, Emmasa - Mixed Water Company of Santa Cruz de Tenerife, integrated in the Sacyr Group, dedicates its efforts to raise awareness in the use of natural resources. During 2017 they have taken out different guided didactic workshops to more than 1,500 students, children and primary school, where the importance of water and its responsible consumption for sustainable development.

Highlighting the workshop “Water is life” where the students, receive a theoretical part and a part practice, in which schoolchildren become familiar with some scientific instruments and participate doing his own experiments on the stages of the integral water cycle. Specifically the practice is

called “Let’s purify the water”, where the students develop their ingenuity and reproduce Small scale, different treatment processes that allow them to purify wastewater, with the objective of reusing it in the irrigation of plants.

Archeology

Because of the nature of the activities of the company, sometimes it is necessary to apply measures to protect the archaeological heritage by legal requirement. Sacyr, in its commitment with the conservation of historical heritage at a world, carries out Archaeological Management Plans in those projects that demand it.

Archaeological findings in Colombia

In Colombia, Law 1185 of 2008 establishes that all projects that require an environmental license they must obtain, in addition, the intervention license to the Archaeological Patrimony of the Nation. In line with this requirement, the Concessionaire Vial Unión del Sur, made up of Sacyr Concessions Colombia and Herdoíza Crespo Construcciones.

Colombia, has launched the program of Preventive Archeology for the preoperative stage and construction phase of the Rumichaca-Pasto corridor. Precisely, high places have been identified potential in the areas of Pasto, Yacuanquer and Tangua, what represents a mine of cultural information and material for the historical memory of the southwest Colombian, especially for Nariño.

The company, aware of the archaeological value representative of pre-Hispanic eras and colonies of this area, does not give up in its effort to protect the heritage by applying preventive measures for its conservation. It is expected that at the end of the project results are obtained that allow us to expand the knowledge about these times.

Educational programs on the use of water

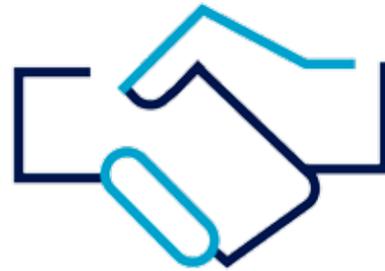


5. Environmental Value

Customer satisfaction

We consider customer satisfaction as a key factor in the company's success, but this implies knowing about both their perceptions and their expectations. For this reason we frequently analyse the information that comes from them.

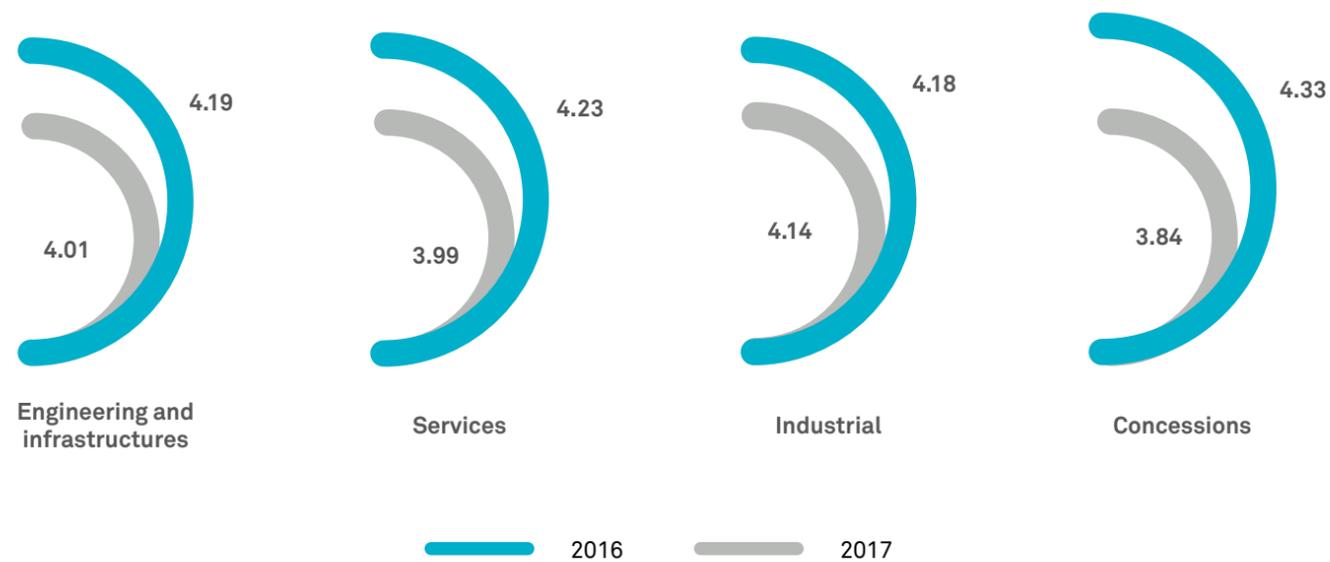
The 2016-2017 trend was as follows:



CUSTOMER SATISFACTION INDEX

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS	
2016	2017	2016	2017	2016	2017	2016	2017
4.19	4.01	4.23	3.99	4.18	4.14	4.33	3.84

Customer satisfaction index



Average satisfaction level of our customers in 2017

Scores go from 1 to 5, with 1 being the least favourable and 5 the most favourable.

5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change

To Sacyr, climate change offers major opportunities for the growth, development and competitiveness of its companies, and thereby to contribute to the improvement of our environment, society and future. [103-1](#) [103-2](#) [103-3](#)

Therefore, in 2017 we have taken our first steps in combatting climate change, achieving the following milestones:

► Approval of Sacyr's climate change policy.

With the approval of this policy, Sacyr aims to increase the engagement and involvement of all its employees in its climate change strategy.

► Registration of Sacyr's carbon footprint with MAPAMA and establishment of an emissions reduction plan

This registration, voluntarily requested by Sacyr, is part of its energy saving and climate change commitments, and its environmental objectives: which define the strategic lines to be followed in the progress towards a low-carbon economy.

► Joining the #PorElClima™ Community and the Spanish Group for Green Growth

Sacyr has joined the #PorElClima™ Community, which involves adhering to 39 actions in relation to six key areas: water, consumption, energy, carbon footprint, mobility, and prevention and management of waste.

It is also part of the Spanish Group for Green Growth: a non-profit association created to promote public-

private collaboration and make joint progress on meeting the current environmental challenges.

► Participation in the FORÉTICA climate change cluster.

Sacyr's active participation in the Forética climate change cluster, which enables, it among other things, to look in depth at the concept, application and implications of carbon pricing, analyse the link between biodiversity and climate change, converse with major opinion leaders in these matters at institutional and corporate level, promote climate change training and discover trends and knowledge.

► Adherence to the Circular Economy Pact.

With its adherence to this pact, Sacyr is committed to help change the current linear economy of extract, produce, consume and dispose; and to adopt a new model of a circular economy, which uses and optimises stocks and flows of materials, energy and waste with the aim of achieving an efficient use of resources.

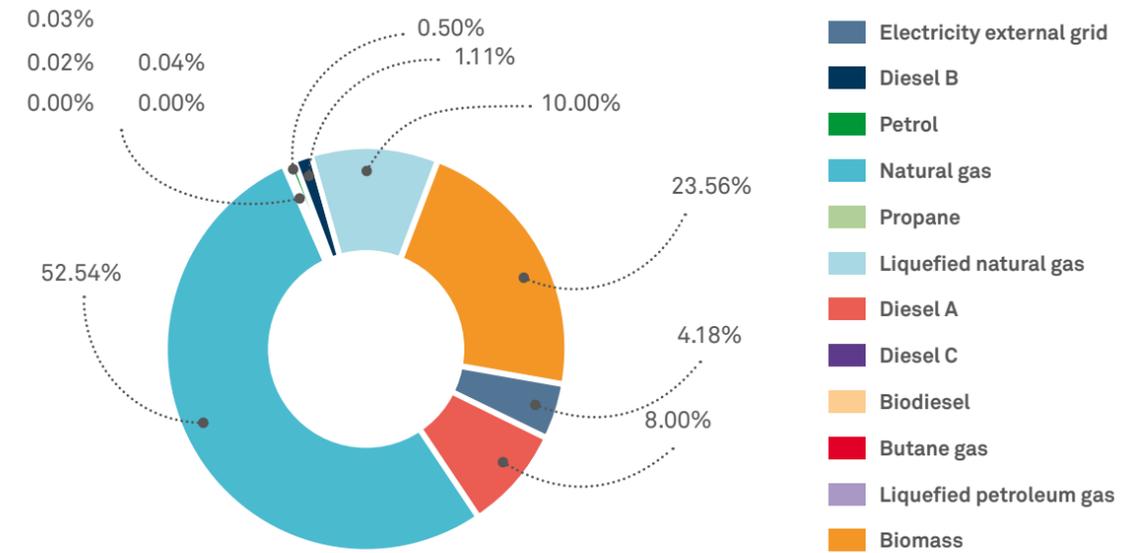
These actions make clear Sacyr's drive to make rational use of energy resources in its activities and facilities; with the purpose of optimising the consumption of these resources, reducing greenhouse gas emissions and contributing to the transition to a low-carbon model.

The trend in internal energy consumption is shown in the following table:

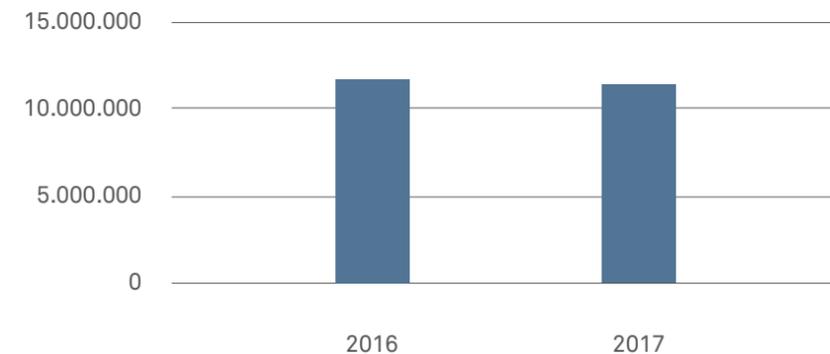
SACYR'S INTERNAL ENERGY CONSUMPTION (Gj) 302-1

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL SACYR	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
616,496.62	680,146.57	930,801.39	750,998.21	10,121,211.40	9,972,014.53	74,453.59	84,204.11	11,742,963.01	11,487,363.42

% INTERNAL ENERGY CONSUMPTION BY SOURCE



Internal energy consumption (Gj)



5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change



Sacyr also consumes biomass and renewable energies, which represent 23.56 % of its total internal energy consumption.

The energy consumption produced outside the organisation comes exclusively from company business trips and it is that which is included in the calculation of greenhouse gas emissions of scope 3. Sacyr continues to work on expanding this information and including energy consumption for other categories and activities.

Sacyr supporting a low-carbon economy

The electricity that Sacyr generates for its consumers comes from a renewable energy source and in the form of a biofuel, certified as coming from a sustainable origin. This provides a double commitment to sustainable development, in line with the Company's environmental and climate change objectives: which define the strategic lines to be followed in the progress towards a low-carbon economy.

The energy intensity figures in 2017 with regard to the Engineering and Infrastructures business in Spain and abroad are as follows: [CRE1](#) [CRE2](#) [CRE3](#)

► Energy intensity (CRE1): 53.30 Kwh/m²

► Water intensity (CRE2): 0.23 m³/m²

► Greenhouse gas emissions intensity (CRE3): 19.07 KgCO₂/m²

The intensity of the greenhouse gas emissions from new buildings and urban development amounted to 8.21 TnCO₂/million, which shows a fall of 37.47% versus 2016. [CRE4](#)

SACYR'S EXTERNAL ENERGY CONSUMPTION (Gj) 302-2

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		Total	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
42,529.08	67,681.55	12,039.00	13,453.75	9,409.82	21,742.15	4,388.54	12,578.53	68,366.43	115,455.98

Energy intensity is calculated from Sacyr's total energy consumption and its revenue. [302-3](#)

The trend in energy intensity is shown in the following table:

SACYR ENERGY INTENSITY

	2016	2017
Total energy consumption (Gj)	11,811,329.44	11,602,819.40
Revenue (€ thousand)	2,860,475.00	3,092,606.00
Energy intensity	4.13	3.75

Sacyr Facilities as an Energy Services Company (ESC) offers its customers the most technologically advanced solutions, adapts them to their needs, and guarantees both energy supply and cost savings, and environmental improvement and protection.

Energy services are based on a management model which combines all ancillary services and provisions, including, among others, Implementation and operation of energy-efficient solutions, the monitoring and control of energy variables, and the investment and installation of high-efficiency equipment and renewables.

In Sacyr's energy services contracts, 25,475.57 GJ of energy was saved in 2017, in comparison with the baseline, thus avoiding the emission into the atmosphere of 3,601.64 TnCO₂. This saving results from efforts in relation to lighting, and in the switch in heating fuel and ACS, and in mechanical facilities and those of regulation and control (scope 1 and scope 2) [302-5](#) [305-5](#)

Average emissions have fallen slightly in relation to our vehicle fleet, with an increase of -2.25% from 122.66 g CO₂/km in 2016, to 119.89 g CO₂/km in 2017. This difference is due to a reduction of industrial vehicles in the fleet compared to passenger cars and the increase in hybrid and electric vehicles.

5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change

AT SACYR WE WORK TO MAKE CITIES MORE EFFICIENT AND SUSTAINABLE

Valoriza Environment climate and idae projects

These climate projects are promoted by the Carbon Fund for a Sustainable Economy (FES-CO₂) and conceived to mark out a path for the transformation of the Spanish productive system towards a low-carbon model. The purpose of the projects sponsored by the Institute for Energy Diversification and Savings (IDAE) is to promote and incentivise action to be taken to reduce CO₂ emissions in the transport sector.

As part of its commitment to combat climate change and the improvement of the service for people, Sacyr has two climate projects presented by Valoriza Environment and approved in 2016, and two IDAE projects presented in 2017, through which it is committed to taking action to reduce greenhouse gas (GHG) emissions and noise emissions arising from its activities.

As part of its commitment to sustainable construction, Sacyr has for many years worked on construction projects which require LEED and BREEAM accreditation, generating social, economic and environmental benefits for all the people connected to the life of a building. Currently, there are three projects which

IDAE PROJECTS. MODAL SHIFT AND MORE EFFICIENT USE OF MODES OF TRANSPORT AT VALORIZA ENVIRONMENT

The "Assistance for actions of modal shift and more efficient use of modes of transport" programme is promoted by the Institute for Energy Diversification and Savings (IDAE), the purpose of which is to promote and incentivise action to be taken to reduce CO₂ emissions in the transport sector, through the implementation of energy saving and efficiency projects, thereby helping to achieve the final energy consumption target reductions, set by Directive 2012/27/EC.

As part of this programme, Valoriza Environment presented two projects in 2017 and had them both approved for Measure 2. Management of fleets used to transport goods and passengers by road and of service vehicle fleets in:

- 1.- the street cleaning and waste collection service in Alcalá de Henares.
- 2.- the external cleaning services for "Adolfo Suárez – Madrid Barajas" Airport in Madrid.

In these projects, Sacyr is committed to carrying out actions to improve the management of service vehicle fleets in order to reduce energy consumption through the installation of centralised technology systems and applications aimed at increasing energy efficiency, along with a training course for drivers and others involved in the process.

A total energy saving of 72.44 toe and a reduction of 250 tonnes of CO₂ is expected annually from the two projects.

VALORIZA ENVIRONMENT CLIMATE PROJECTS

In the programme to replace vehicle fleet with electric vehicles, approved in 2016, the substitution of fleets in the cities of Albacete and Ibiza, and in two towns in Barcelona province, has led to a reduction in 2017 of a total of 37 tCO₂e [302-4](#)

In 2017, a new project has been presented and approved to replace the fleets in the city of Alcalá de Henares.

CLIMATE CHANGE AND CITIES. COMPANIES' ACTIONS

The climate change cluster, run by Forética and composed of 50 large companies, including Sacyr, has published the study, "Climate Change and Cities: companies' actions".

Valoriza Environment ' project to replace its conventional fleets with electric vehicles, has been included in the study as being noteworthy in a key area of sustainability in cities: energy efficiency.

Valoriza Environment presented this project within the framework of the "Sustainable Life in Cities" initiative set up by Forética with the aim of encouraging the active participation of businesses in this area. The project also contributes towards the 11th Sustainable Development Goal, "Sustainable cities and communities", one of the biggest global challenges.



The Sustainable Life in Cities initiative is linked to the European project, Sustainable Business Exchange, which is part of Enterprise 2020 and was rolled out by CSR Europe, the European CSR development network made up of over 10,000 companies in 30 countries.

5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change



are being built in line with LEED certification: the “El Marqués” Regional General Hospital in Mexico and two construction works in Spain, “New Lodge Expansión” and “Nuevo Vestuario Petronor”. The building works, “Quabit 63 viviendas Sant Feliu” in Spain and “Ulster University” in Ireland, are being undertaken in line with BREEAM requirements. In addition, in 2017, the “Oulets Viladecans” works in Spain obtained BREEAM certification with a rating of very good. [CRE8](#)

As it has for many years now, in 2017 Sacyr has extended the scope of its energy management system to include new activities. Specifically, it has certified the energy management system in the integrated water cycle, with the intention of improving its performance and energy efficiency, reducing greenhouse gas emission rates and contributing to climate protection.

This Energy Management certificate, as defined in international standard ISO 50001, recognises a company that is responsible for and committed to the rational use of energy resources in its facilities.

SACYR JOINS THE #PORELCLIMA COMMUNITY

Sacyr has joined the “#PorElClima” Community”, a pioneering project to help people, companies, governments and organisations to contribute towards the implementation of the Paris Agreement in Spain and act to achieve the 13th Sustainable Development Goal (SDG) of taking urgent action to combat climate change and its impact.

Sacyr has adhered to 39 actions in relation to six key areas: water, consumption, energy, carbon footprint, mobility, and prevention and management of waste.

Becoming part of the #PorElClima Community is aligned with Sacyr Group's strategy in relation to the environment where it carries out its activities, its energy saving and climate change commitments and its environmental objectives.



5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change

Sacyr's carbon footprint

Sacyr prepares its emissions inventory following the GHG Protocol methodology and for the first time it was submitted for independent review in accordance with the standard, ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements".

The consolidation of Sacyr's greenhouse gas emissions is carried out with a focus on operational control, in other words, on those activities and contracts that it has the authority to implement its operating policies on.

Most of Sacyr's emissions are direct emissions and of these, the highest percentage comes from fuel combustion in fixed facilities.

Sacyr has among its environmental objectives to reduce the emissions of scope 1 and scope 2 in the year 2020.

SACYR'S DIRECT GREENHOUSE GAS EMISSIONS TCO₂ (SCOPE 1)

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL SACYR	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
43,363.72	44,809.75	30,805.53	31,977.35	464,426.81	404,837.61	1,555.55	1,347.17	540,151.63	482,971.87

Indirect emissions in Sacyr come from its various centres of operations and are associated with the electricity consumption of the facilities in these centres.

The latest edition of the emission factors published by the Spanish Climate Change Office is used to calculate the direct CO₂ emissions for the consumption relating to Spain. For the rest of the countries, the emission factor

Sacyr group emissions

Direct emissions in Sacyr come from its various centres of operations and are associated with:

- Fuel combustion from mobile sources: emissions resulting from fuel consumption associated with travel and machinery.

- Fuel combustion from fixed/stationary sources: emissions resulting from fuel consumption associated with stationary or fixed equipment and fixed facilities.

- Leaks emissions: emissions resulting from leaks of refrigerant gases from air conditioning equipment.

The latest edition of the emission factors published by the Spanish Climate Change Office is used to calculate the direct CO₂ emissions. [103-1](#) [103-2](#) [103-3](#)

The trend in direct emissions is shown in the following table. [305-1](#)

of the generation mix of the corresponding country is applied, as published by the International Energy Agency in its report, "CO₂ EMISSIONS FROM FUEL COMBUSTION HIGHLIGHTS 2013 EDITION".

The trend in scope 2 indirect emissions is shown in the following table. [305-2](#)

SACYR'S INDIRECT GREENHOUSE GAS EMISSIONS TCO₂ (SCOPE 2)

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL SACYR	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
2,228.95	3,888.90	27,603.31	33,228.71	3,393.47	10,708.56	4,773.19	7,277.04	37,998.92	55,103.21

Emissions shown below are the result of the Sacyr's activities, but they arise from sources that are not owned or controlled by it. Included within this scope are the emissions associated with business travel, which results from employees travelling by air, train and bus.

The trend in scope 3 indirect emissions is shown in the following table. [305-3](#)

SACYR'S OTHER INDIRECT GREENHOUSE GAS EMISSIONS TCO₂ (SCOPE 3)

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL SACYR	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
3,052.42	4,869.66	865.56	983.97	675.07	1,565.38	314.77	902.93	4,907.82	8,321.94

The emission factors used to calculate these emissions are taken from GHG Protocol -Mobile Guide (version 1.3 dated 21/03/05) and <http://www.carbon-calculator.org.uk>

The intensity of CO₂ emissions is calculated from Sacyr's total emissions and its revenue.

The trend in Sacyr's greenhouse gas emission intensity is shown in the following table. [305-4](#)

SACYR'S GREENHOUSE GAS EMISSIONS INTENSITY

	2016	2017
Total Emissions (Gj)	578,150.55	538,075.08
Revenue (€ thousand)	2,860,475.00	3,092,606.00
GHG emissions intensity	0.20	0.17

5. Environmental Value

5.1. Sacyr's commitment to the fight against climate change

At Sacyr's facilities the substances that affect the ozone layer are found in the air conditioning units, which are maintained in accordance with existing legislation. In addition, the working of this equipment is closely controlled, with the aim of minimising the chances of leaks.

The only emissions of gases that damage the ozone layer that Sacyr could generate, would be those deriving from possible escapes from its equipment.

In 2017, Sacyr emitted 0 tonnes of CFC-11 (trichlorofluoromethane) equivalent, as no R-22 gas leaks were recorded for the air conditioning units, with this being the only gas present in the Company's equipment that has the potential to harm the ozone layer. 305-6

Sacyr's sulphur dioxide (SO₂) emissions and nitrogen oxides (NO_x) originate from electricity consumption. The trend in these emissions is shown in the following table: 305-7

SACYR'S NO_x AND SO_x EMISSIONS

	ENGINEERING AND INFRASTRUCTURE		SERVICES		INDUSTRIAL		CONCESSIONS		TOTAL SACYR	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
t SO ₂	2.84	3.95	34.56	29.52	4.29	9.15	5.43	6.21	47.12	48.84
t NO _x	2.02	2.82	24.64	21.05	3.06	6.53	3.87	4.43	33.60	34.83

For the calculation of these emissions the methodology and emission factors we used are from the 2016 Electricity Observatory Report <http://www.wwf.es/>

Sustainable mobility in Somague

Somague continues to maintain the good practice of sustainable mobility at work, the shared bus. This initiative allows the journey of its workers from various points of the city of Lisbon to Linho (Sintra), where its headquarters is located. In 2017 an average of 37 employees were transported per day and the use of this daily transport service avoided the emission of 111.52 tons of CO₂.

SACYR RECORDS ITS CARBON FOOTPRINT IN THE REGISTER OF CARBON FOOTPRINT, COMPENSATION AND CO₂ ABSORPTION PROJECTS OF THE MINISTRY OF AGRICULTURE AND FISHERIES, FOOD AND THE ENVIRONMENT (MAPAMA).

As part of Sacyr's commitment to reduce the environmental impact of all its activities, it has recorded its carbon footprint in MAPAMA's Register of Carbon Footprint, Compensation and CO₂ Absorption Projects.

Specifically, Sacyr has registered the details of its scope 1, 2 and 3 emissions for its four business lines in Spain.

This contributes important added value to Sacyr, for those customers who build sustainability into their business model. It is included as supplementary information in the environment sections of documents or when required in relation to energy consumption or climate change.

This registration, voluntarily requested by Sacyr, is part of its energy saving and climate change commitments, and its environmental objectives.



5. Environmental Value

5.2. Water

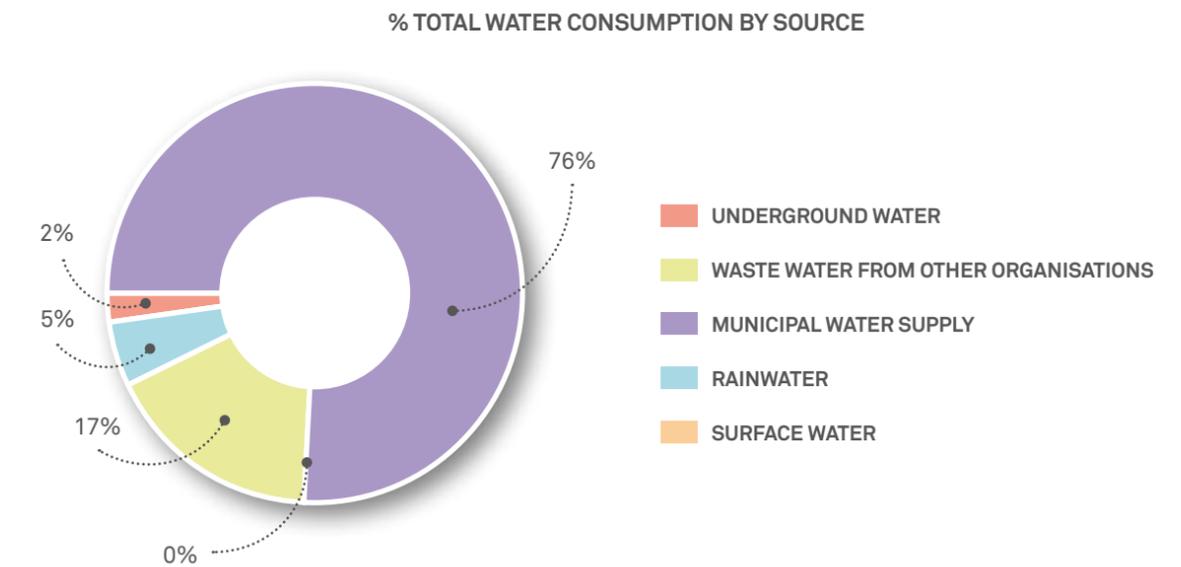
The management of water resources continues to be one of Sacyr's main objectives and commitments. Water is a scarce good globally which is affected by climate change and furthermore is indispensable in the development of our activities. In line with UN Sustainable Development Goals, Sacyr includes the efficient use of water resources in all of its business lines as part of its strategy. [103-1](#) [103-2](#) [103-3](#)

Sacyr does not carry out water withdrawals that affect water sources, because, before making them, it requests permission from the relevant bodies in each country, who establish and authorise the permitted volumes, guaranteeing in this way that it does not affect either the

water resources and related habitats, or the needs of the local population. In addition, the bodies that grant this authorisation, undertake monitoring and control to ensure compliance with the conditions set. [303-2](#)

Sacyr's water consumption by source, in the last two years, is shown below: [303-1](#)

SURFACE WATER		MUNICIPAL WATER SUPPLY		UNDERGROUND WATER		WASTE WATER FROM OTHER ORGANISATIONS		TOTAL SACYR	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
420,625.15	377,250.72	5,673,986.08	5,493,633.56	92,949.46	123,345.86	3,070,592.33	1,196,655.65	9,258,153.03	7,190,885.79



Water consumption by business area, is as follows:

TOTAL WATER CONSUMPTION (m³) BY BUSINESS AREA

ENGINEERING AND INFRASTRUCTURES		SERVICES		INDUSTRIAL		CONCESSIONS		Total	
2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
391,722.98	588,097.89	8,587,211.26	6,266,350.03	238,158.90	290,463.29	41,059.89	45,974.59	9,258,153.03	7,190,885.79

5. Environmental Value

5.2. Water



Sacyr continues working to increase the use of reused and recycled water in its processes, thereby reducing the impact of water withdrawal on the environment. In 2017, the consumption of reused and recycled water reached 1,197,772.65 m³, representing 16.7% of Sacyr's total water withdrawal. [303-3](#)

Sacyr Water

From Sacyr Water we generate new resources, through desalination, which make it possible for water used is regenerated for new uses or may be returned to nature in optimal conditions. The growth of the population, the transformation of the lifestyles and economic development have increased considerably the pressure on resources water. Water is an economic asset on which the social development. Technology allows us to put available to the human being the amount of water necessary, with the right quality for each use, without generate waste or pollutants.

Water desalination and purification

Sacyr Water experience and technical response come into play through our capacity not only to exploit the different sources of supply but also to contribute by designing and constructing the facilities required to optimise natural resources and minimise the environmental impact.

At Sacyr Water, we lead the sector of water desalination for human consumption, industry and irrigation.

Our facilities, equipped with cutting-edge technology, are capable of incorporating into the water cycle more than 1.9 million m³ per day (equivalent to the consumption of a city of 10 million inhabitants) with low energy consumption, making the most of existing natural resources.

Water production in the management of the integrated water cycle (IWC) is as follows:

- ▶ 16,095,702 m³ of purified water
- ▶ 31,687,252 m³ of desalinated water
- ▶ 17,459,935 m³ of water purchased

Integrated water cycle management

We manage the largest public-private partnership (PPP) for water supply in Spain (EMALSA) in Las Palmas de Gran Canaria, which services over 378,000 people.

We also manage the biggest PPP contract in Spain in the last 10 years, in the privatisation of EMMASA (Santa Cruz de Tenerife), which services over 203,000 inhabitants.

Quality water is much more than just drinking water. At Sacyr Water, the quality of supply is second to none, and the management of meter reading and billing according to consumption make things easy and convenient for users. We offer water quality that improves the quality of life, provides the capacity to quickly respond to new demands, and gives households peace of mind.

The Sacyr Group is a leader in activities of treatment, desalination and debugging of water



EBITDA: **19**
million euros [+9%]

EBITDA margin: **16.6%**

Engineering for water

Sacyr Water R&D+i, applied to processes, has resulted in synergies between energy generation and environmental care.

In 2017, we successfully completed projects related to environmental impacts (odours, discharge of brine), improving processes (reducing energy consumption, using renewables, improving and reusing membranes), intelligent control solutions, and the development of new technologies (forward osmosis, elimination of emerging contaminants).

5. Environmental Value

5.2. Water

Sewers and collectors

Among the many uses of water, one of the most important is for cleaning.

Both used water as well as rainwater must be removed from the urban environment and channelled in order to subsequently be treated before being returned to its natural cycle.

At Sacyr Water, aware of this fact, we ensure that all of our actions include cleaning, maintenance and the incorporation of modern remote control systems; discharge into the urban sewer and collector network; as well as systems for the pre-treatment of wastewater required for better purification.

Sacyr regenerate used water for new uses or to be returned to nature in optimal conditions.

EMMASA channels its commitment to strengthen and enrich its relationship with the community of Santa Cruz de Tenerife through the EMMASA Foundation.



Wastewater treatment

Wastewater from towns, crops and industry contains toxic elements that, if discharged directly into nature, would contaminate it and destroy the environment.

Sacyr Water closes the water cycle with its treatment in water purification plants before returning the water to nature.

The wastewater treatment plants (WWTP) built or operated by Sacyr Water in cities such as Madrid, Puertollano (Ciudad Real) or Murcia are capable of efficaciously treating a total of 890,000 m³/day.

In 2017, CIA has purified 48,849,048 m³, and also pre-treated 17,503,873 m³.

The most important milestones in 2017 included:

- ▶ General sanitation and treatment infrastructure work in the Arroyo de La Reguera (Madrid) basin, with a capacity of 80,000 m³ per day.
- ▶ Project to execute and carry out WWTP work in Arroyo Quiñones (San Sebastián de los Reyes) in order to treat 45,700 m³ per day.
- ▶ Project for the building and expansion of the Puertollano WWTP in order to treat 30,000 m³ per day.

Reuse of treated wastewater

Treated wastewater is an essential component for the efficient use of water resources and sustainable development.

We are working, through Sacyr Water, on implementing new treatment processes, through our R&D+i Department, for the effective development of technologies applicable to water reuse and regeneration, always seeking to optimise existing procedures and improve upon cutting-edge technologies.

In addition, the technology developed by Sacyr Water for wastewater treatment plants dovetails perfectly with the specific needs for water from field drainage, with solutions that make it possible to reuse wastewater for agriculture and golf course irrigation, thus contributing to environmental protection and water conservation.

What is more, the environmental-surveillance plans we make guarantee the monitoring and control of the effect of our facilities on the environment.

In 2017, 1,211,465 m³ of water was regenerated through the management of the integrated water cycle (IWC):

How we manage wastewater

Sacyr has available in its processes, treatment plants and water quality measurement systems that guarantee the return of water to its source (sea, reservoir or river) in the desired conditions, always ensuring compliance with applicable environmental legislation and reducing the risk of possible pollutant discharges through the use of preventive controls:

- Consolidated information systems of anomalies or incidents to establish the plans to minimise the risk of discharges, implementing preventive measures that guarantee a suitable state of the water.
- ISO 14001 and EMAS certificates, as continuous improvement tools.

Compliance with legislation and the search for methods of minimising the risk of discharges is applicable to all Sacyr facilities.

Sacyr also has emergency plans and protocols available to provide a suitable and rapid response in case of a discharge or spill which has a negative impact on the external environment:

- Transparency of information and close collaboration with the relevant bodies until the incident is resolved.
- Subsequent analysis of the reason for the discharge or spill.
- Adoption of the appropriate preventive measures to reduce the chances of a reoccurrence.

Sacyr implements its technology of water treatment, purification and desalination in all parts of the globe, and in that way contributes to the sustainable development of the water sector. [306-1](#) [103-1](#) [103-2](#) [103-3](#)

Sacyr discharges (m³)

2016	2017
14,663,088.23	13,077,344.98

The total volume of water discharged by Sacyr in 2017 was 13,077,344.98 m³. Of this volume, over 90% relates to the brine produced in the seawater desalination process (11,854,000.00 m³) of the desalination plants. [306-1](#)

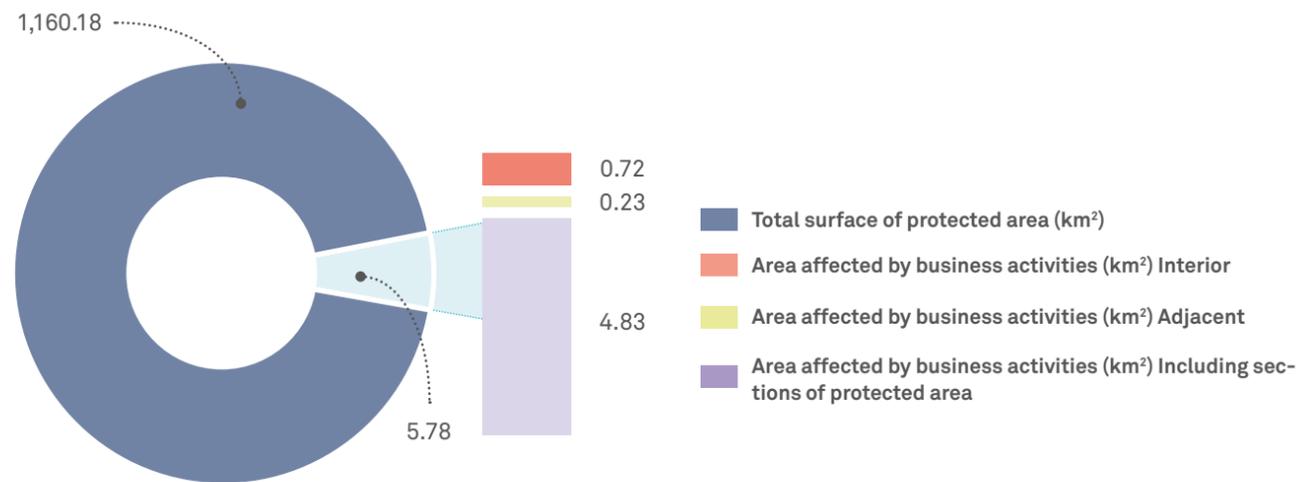
Sacyr regenerate used water for new uses or to be returned to nature in optimal conditions

5. Environmental Value

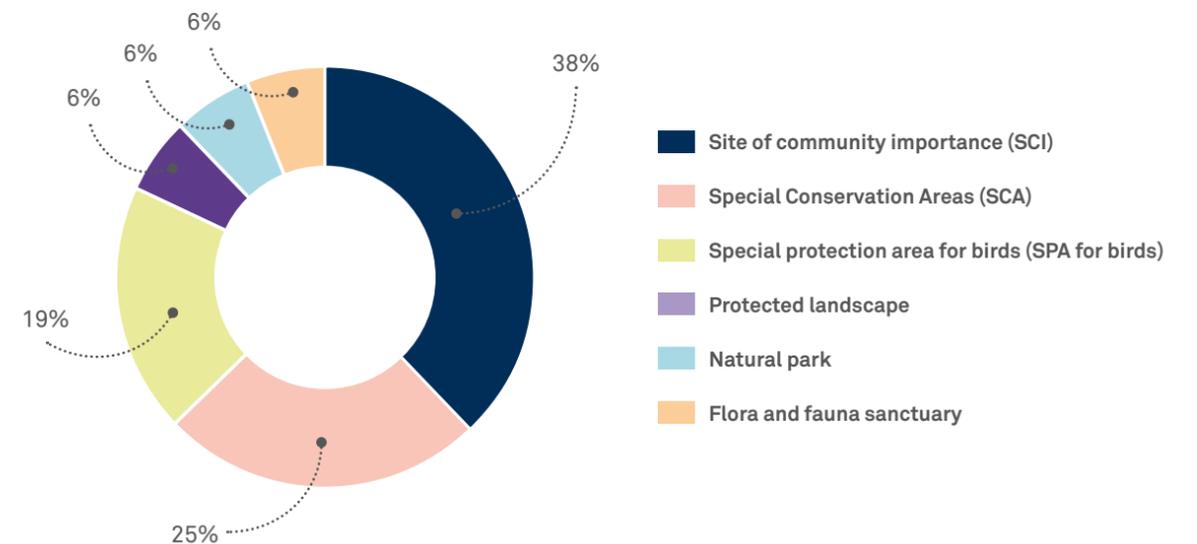
5.3. Biodiversity

Preserving biodiversity is one of our strategies at Sacyr, in addition to being one of the pillars of our environment policy.

The activities that Sacyr carries out require the use of the land, either on a temporary or permanent basis. In addition, the occupation of this land may take place within a protected area, of high biodiversity value, in the area of influence of them, or outside such areas altogether. The breakdown of data for 2017 is shown below: [103-1](#) [103-2](#) [103-3](#)



This year we have identified a total of 10 protected areas*, where we have carried out some activities, located in places other than those mentioned above (within, adjacent to or including sections of the protected area). Of these areas, 6 are Sites of Community importance (SCI), 4 are Special Conservation Areas (SCA), 3 are Areas of Special Protection area for Birds (SPA for birds) and the rest enjoys different figures of protection (protected landscape, natural park and flora and fauna sanctuary). The following chart shows the data of these locations



The protected areas identified are in Spain (La Palma Island, Jaén and Zaragoza) and in Colombia (Antioquía). They are all terrestrial ecosystems, except for La Palma which has an aquatic ecosystem. Construction, road maintenance, and energy and market management activities have all been carried out in these areas [304-1](#)

We have also undertaken various activities affecting habitats with species exposed to some degree of threat.

The IUCN Red List is the most complete source of information on the global conservation status of plant and animal species. It is based on a system that aims to assess the extinction risk of a species. Species in critical danger, in danger or vulnerable are collectively described as "threatened". More information at: www.iucnredlist.org. As well as the Red List, Sacyr also takes into account the national and regional lists that may be applicable.

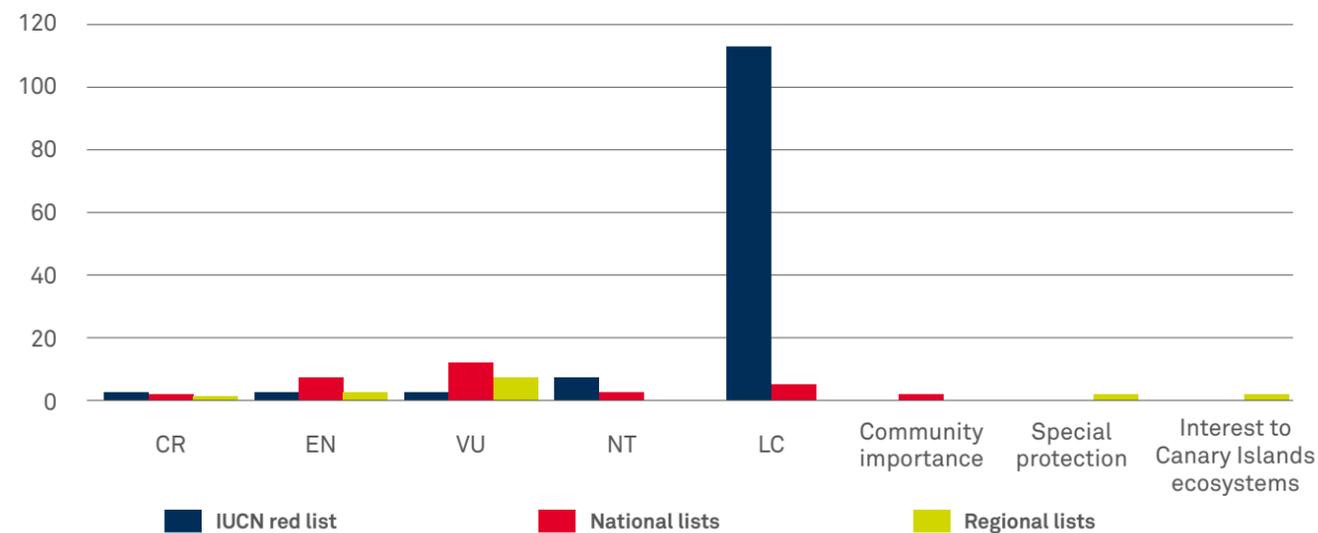
* The same protected area may contain more than one different protection figure (SCI, SCA, SPA, Etc.)

5. Environmental Value

5.3. Biodiversity

The number of these species that inhabit areas where the Company carries out its activities is shown in the following table: 304-4

DEGREE OF PROTECTION	NO. OF SPECIES			LOCATION
	IUCN Red List	National lists	Regional lists	
Critically endangered (CR)	2	1	1	Colombia: Barranquilla Spain: La Palma, Jaén
Endangered (EN)	2	6	2	Chile: Atacama Colombia: Barranquilla Spain: La Palma, Jaén
Vulnerable (VU)	3	11	7	Chile: Atacama Colombia: Barranquilla Spain: La Palma, Jaén, Zaragoza
Near threatened (NT)	8	2	-	Chile: Atacama Colombia: Barranquilla, Pasto Spain: La Palma, Zaragoza
Least concern (LC)	115	6	-	Chile: Atacama, Valparaíso Colombia: Barranquilla, Pasto Spain: Jaén, Zaragoza Qatar: Doha
Community importance	-	2	-	Spain: Jaén
Special protection	-	-	2	Spain: La Palma
Interest to Canary Islands ecosystems	-	-	2	Spain: La Palma



The rescue and relocation of fauna are a priority in the projects that we undertake in various parts of the world. The aim of these is to preserve our natural resources and develop the existing biodiversity, reducing the impact associated with the construction and operation phases of the project.

Criteria, such as the following, are used when selecting the relocation areas:

- Places close to the areas of capture;
- Places well away from the works area;
- Surroundings with similar environments to their original location.

For illustrative purposes, the following table shows the number of species involved in the rescue and relocation plans in Colombia.

Rescue and relocation plans	Species rescued and relocated	Country
Works: Vía al Mar 1	35 species	Colombia
Works: Rumichaca – Pasto	127 species	Colombia
Works: Montes de María	1 species	Colombia
Works: Cúcuta - Pamplona	1 species	Colombia
Works: Rumichaca - Pasto	127 species	Colombia

5. Environmental Value

5.3. Biodiversity



Sacyr promotes the conservation of wildlife in Colombia

Montes de María Project

The Montes María Road Concession, in line with Colombian legislation on Management Guide Environmental and wildlife management, has established mitigation, conservation and compensation measures of the impacts on the regional native fauna.

Among the strategies implemented, the immediate relocation of specimens found in the way. This action is carried out jointly with local environmental entities, taking into account the characteristics of its original habitat. The need for relocation derives from the risk of run over along the corridor.

In the image below, it is shown a sloth bear (*Bradypus variegatus* Schinz)



At Sacyr, we promote environmental restoration activities in all of our projects to mitigate the impact occurred. If there is a definite restoration project, the guidelines set for it are followed; where no such project exists, specific restoration actions are studied and promoted to ensure the most ecological success in the contract.

In both cases, the measures compensate for the environmental impact the activities could have caused. These actions typically involve environmental restoration, with the aim of integrating the structure with the landscape, restoring vegetation cover, restoring temporarily occupied areas, etc.

In 2017 we restored 33.88% of the areas affected by our activities, all of this being in Spain. 100% of the restoration measures were verified by independent external professionals. In all cases, the results of the restoration measures were considered satisfactory. [304-3](#)

The performance of our contracts may impact biodiversity as a result of occupying, altering and fragmenting the habitat. Sacyr always takes all preventative, mitigating and corrective measures necessary to reduce any possible impacts. The most significant impacts arising from the activities carried out by the Sacyr Group in 2017 were as follows: [304-2](#)

Impacts	Protection measures
<ul style="list-style-type: none"> - Destruction or fragmentation of habitats. - Disturbances to birds during breeding and rearing seasons. - Impact on wildlife and plant populations. 	<ul style="list-style-type: none"> • Preparation of specific studies to determine the actual presence of vulnerable species in the work environment and the possible impacts on them, designing species protection and breeding programmes. • Proposals for modifying the project in order to minimise the effect on plants and animals in the work areas. • Placement of signs and signals around habitats of special interest or specific species to prevent them from being affected, and boundary marking of the work area to adjust or limit the affected area so as not to exceed the scope of expropriation assigned to the project. • Transplant of species affected by the work to other non-affected areas. • Careful supervision of cutting and pruning work to avoid affecting other plants. • Plantings to compensate for the trees cut down. • Biological shutdowns that entail stopping all work during breeding, nesting and rearing seasons for certain species. • Refurbishment of clearly marked wildlife crossings. • Restoration of areas affected by the work, such as the stabilisation of slopes, the addition of vegetable soil and hydroseeding.

The activities that cause these impacts take place over 3.08km², in which there are over 224 different species present.

Due to the nature of the activities, all of these impacts are temporary, reversible, and in no case are they considered significant.

“AVIFAUNA MONITORING” – Work site: Mularroya dam, Spain,

After the Secretary of State for the Environment’s resolution, which declared it necessary to prepare an environmental impact declaration (EID) for the Mularroya dam project in Zaragoza province, various preventive, corrective and compensatory measures in relation to the negative impacts of this project have been applied.

One of these measures involves the monitoring of avifauna and bats, and the compatibility of the works with their surroundings. This project was motivated by the noise pollution from the blasting.

5. Environmental Value

5.3. Biodiversity

Noise measurements took place in areas close to the nesting sites of rock-nesting birds and vibration measurement was carried out in the area of “la cueva del árbol”. The breeding period of pairs of griffon vultures (*Gyps fulvus*) that nest around the body of the dam was also monitored. A terrestrial telescope, binoculars and video filming were used to track the avifauna's behaviour during the blasting. As regards the bat colonies, visits were organised to the shelters to carry out a census of the populations, and a study of their use of the habitat.

By analysing the results obtained, it has been possible to ascertain that the behaviour of the birds during the blasting has not been affected. In addition, it has been concluded that in 2017, the reproductive success rate in the colony has been around 80%, which is above the rate posted for vultures in Spain in 2008 (67%) and in Zaragoza province (57%). The censuses for the bat colonies were normal and their habitat has not been altered by the construction work.

“NURSERY PLAN”- Work site: RAS BUFONTAS, Qatar

The urban development works for the QEZ-1 is located in an area with species of ecological interest for Qatar. Sacyr UCC -the consortium formed by Sacyr Engineering and Infrastructure and UCC-, as part of its commitment to preserving biodiversity, has undertaken conservation measures for these species while the project is executed.

179 specimens belonging to five species of ecological interest have been transplanted. One of these species (*Delonix regia* or Royal Poinciana) is included in the IUCN Red List and others are endemic species.

A series of protection and maintenance measures will be carried out by qualified personnel in the area where the specimens have been temporarily relocated, with the aim of replanting them in the work area, once the project is completed. These measures are:

- Regular watering as the plant requires (according to season, weather conditions, species and soil cover).
- Soil and water salinity control.
- Preventative and corrective phytosanitary treatments (control of diseases, insects, plagues, weeds, etc.).
- Use of the correct kind and amount of fertilizer for each plant biotype.
- Regular pruning and tidying.
- Physical protection against erosion.
- Preparation of monthly reports on the actions undertaken and the state of individual specimens, including close monitoring of any that are infected.

In this way Sacyr shows its commitment to the conservation of autochthonous biodiversity, avoiding the introduction of species and protecting the landscape and the soil.

“RESCUE AND RELOCATION OF PLANTS IN DANGER OF EXTINCTION”

Sacyr Colombia has contributed to the conservation of the species through the execution of the Environmental Management Plans approved by the different environmental authorities involved with each project, where actions aimed at the protection of endangered species such as epiphytes are contemplated .

Epiphyte plants grow on other plants – called phorophytes – using them merely as support, but they are not nutritional parasites. Thanks to this structure, their importance is based on their capacity to serve as food, refuge and protection to a wide variety of animals. In addition, they accumulate large amounts of water, and thus are considered to be an important factor in the water cycle. The populations of these species have been severely affected by human activity, especially deforestation and changes in land use.

As a measure to guarantee the survival of these species, the project's environmental management plan includes rescue and relocation measures for vascular epiphytes, such as orchids and bromeliads, established in the phorophyte trees that will be subject to forest felling.

In the projects of Autopista al Mar 1 and Rumichaca - Pasto, 3,909 individuals have been rescued and 3,406 relocated. On the other hand, in the projects of Cúcuta - Pamplona and Montes de María, where the rescue and relocation activities have not yet begun, the following relevant species have been identified: 25 species of vascular epiphytes (20 of bromeliads and 5 of mosses) and 161 species of non-vascular epiphytes (including mosses, liverworts and lichens), found mainly in plant formations of forest, shrubs and trees present in agricultural areas.



5. Environmental Value

5.4. Natural resources and environment

Circular economy

The optimisation of the use of natural resources, the reutilisation of waste as raw materials, the prioritisation of recycling and reutilisation of waste and the inclusion of eco-design criteria, are all key elements of the new economic model: the Circular Economy. Sacyr has adhered to the Circular Economy Pact, which is promoted by the Spanish Ministries of Agriculture and Fisheries, Food and the Environment and of the Economy, Industry and Competitiveness, and currently underpins the EU's Europe 2020 strategy for generating growth and employment.

Sacyr's objective is the reduction of waste generation in all of the processes or activities it carries out. Waste management is undertaken in accordance with the

following principles:

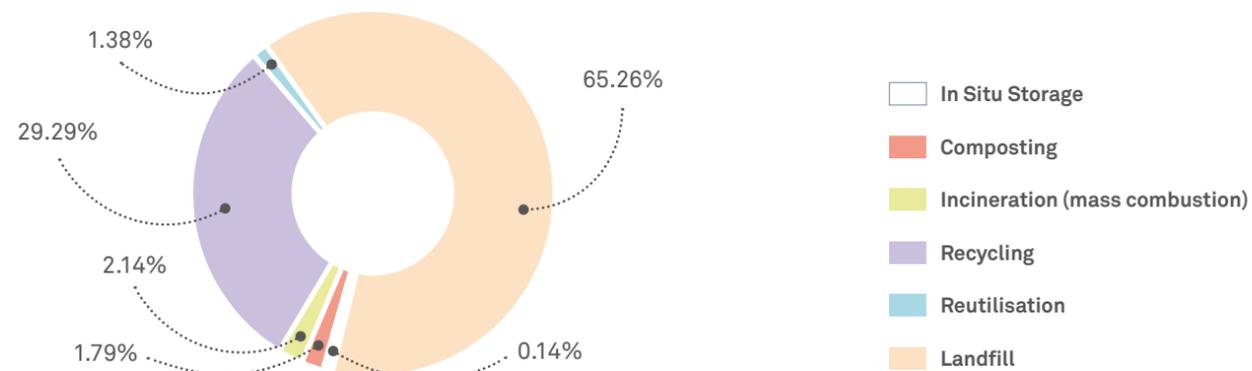
- Measures aimed at minimising waste generation.
- Prioritisation of waste reutilisation, recycling and recovery.
- Prevention, treatment and management of hazardous waste; in line with the existing legislation of each country.
- Awareness campaigns on minimising waste.

Sacyr's environmental management system includes a waste treatment protocol, where each contract involves measures directed at the minimisation and improvement of waste management. [103-1](#) [103-2](#) [103-3](#) [306-2](#)

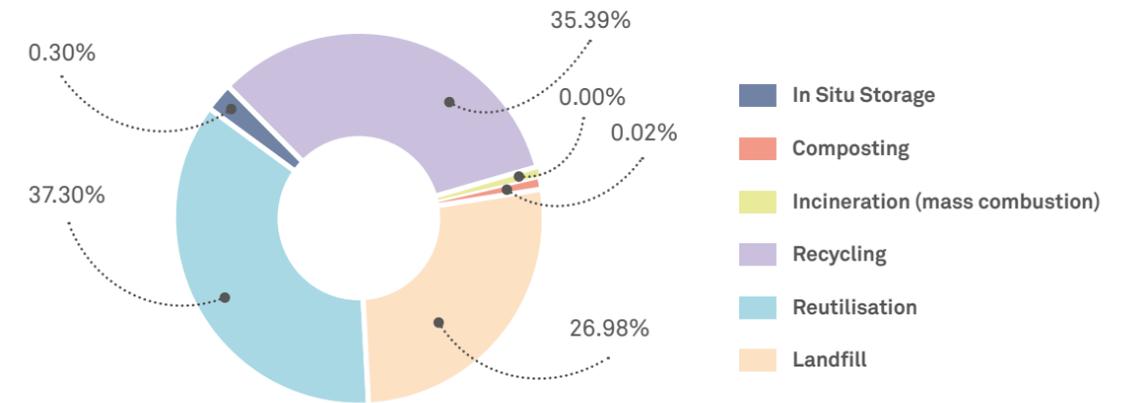
SACYR'S TOTAL WEIGHT OF WASTE MANAGED BY WEIGHT AND TREATMENT METHOD (T)

TYPE OF WASTE	ENGINEERING AND INFRASTRUCTURES		CONCESSIONS		INDUSTRIAL		SERVICES		TOTAL	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
CDW	1,054,717.58	1,203,497.56	0.00	0.00	0.00	26,446.98	9,184.85	0.00	1,063,902.42	1,229,944.53
NHW	2,420.90	13,416.37	217.73	337.62	1,971.46	1,853.02	13,701.15	55,869.14	18,311.24	71,476.15
HW	330.40	226.17	11.74	6.46	32.19	2,124.92	232.63	5,367.43	606.96	7,724.98
TOTAL	1,057,468.88	1,217,140.10	229.46	344.08	2,003.65	30,424.92	23,118.63	61,236.57	1,082,820.62	1,309,145.66

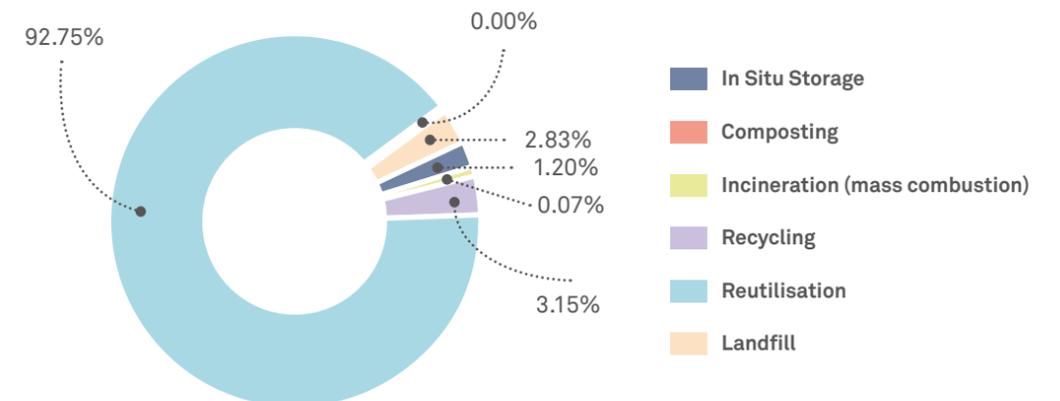
% Breakdown of non-hazardous waste (NHW) by treatment type



% Breakdown of construction and demolition waste (CDW) by Treatment Type



% Breakdown of hazardous waste (HW) by treatment type



Consumption of materials

22.20% of the materials used by Sacyr in carrying out its activities were recycled. One of the main materials Sacyr reuses is that resulting from excavation work, which reduces the need to buy new resources and the generation of waste. This in turn also saves energy, reduces emissions and cuts costs. [301-2](#) [103-1](#) [103-2](#) [103-3](#)

In line with the Sustainable Development Goals, Sacyr prioritises the choice of products, processes and suppliers who are most environmentally-friendly and the efficient use of natural resources, reducing the generation of waste through policies of prevention, reduction, recycling and reutilisation.

Sacyr is committed to the advantages that this type of action offers and has implemented a series of measures that guarantee sustainable consumption and production models.

In addition, through its environmental strategy, Sacyr promotes, implements and defends the circular economy, where it is aimed to keep products, materials and resources in the economic cycle for as long as possible, thereby reducing the generation of waste. This contributes to a new model of society that uses and optimises materials and waste, giving them a second useful life.

The variety of Sacyr's activities involves the use of a wide range of materials and the consumption of the most significant of these, by business area, is shown in Table I of Appendix V. [301-1](#)

5. Environmental Value

5.4. Natural resources and environment



Sacyr promotes the circular economy through the improvement in local roads in Peru.

Sacyr has delivered 10,000 m³ of recyclable materials for the improvement of 10 km of local village roads in the 2nd section of the road building project, “Carretera Longitudinal de la Sierra” (Peru), which is in its execution phase. This project promotes a sustainable environment through the working of the circular economy.

The bitumen waste that comes from the material milled for asphalt is considered inert material and can be reused as wet-mix macadam. among other applications.

The reutilisation of the milled material offers a great economic and energy saving as it requires less additional bitumen than new asphalt concrete; less energy is needed in the production of recycled paving and the transport costs are lower.

With these types of initiatives, Sacyr, through signing inter-institutional agreements with local governments, strengthens its environmental commitment with its search to find ways to optimise resource consumption and reduce waste generation.

Circular technology

A clear commitment to the circular economy

Society cannot ignore the environment, and for that reason working to achieve environmental improvement and a reduction in emissions, must be part of our company policies.

In this sense, it is fundamental that the linear consumption model of use and dispose be put to one side and be replaced by a circular economic model. Both in Europe and the rest of the world there is growing support for a change of productive model leading to more sustainable economies.

Sacyr Group is not only part of this, but it also sees sustainability as an opportunity to create new activities and businesses.

CIRTEC, CIRCULO TECNOLÓGICO, www.cirtec.es, is the first Spanish company created to generate technical solutions for the asphalt sector with a clear circular economy criteria.

CIRTEC was formed in April 2017, and since then has grown in the asphalt with waste tyre dust (WTD) sector; becoming market leader in Spain in its first year of operations.

CIRTEC has two branches to its business:



1. Revolutionary additive for the manufacture of asphalt using waste tyre dust.

- Composed of over 60% waste tyre dust.
- Removes the limitations in the use of waste tyre dust in any asphalt plant.
- It is used dry, which aids its use.
- Highly exportable.
- Enables any type of asphalt mixture to be made and in any quantity.

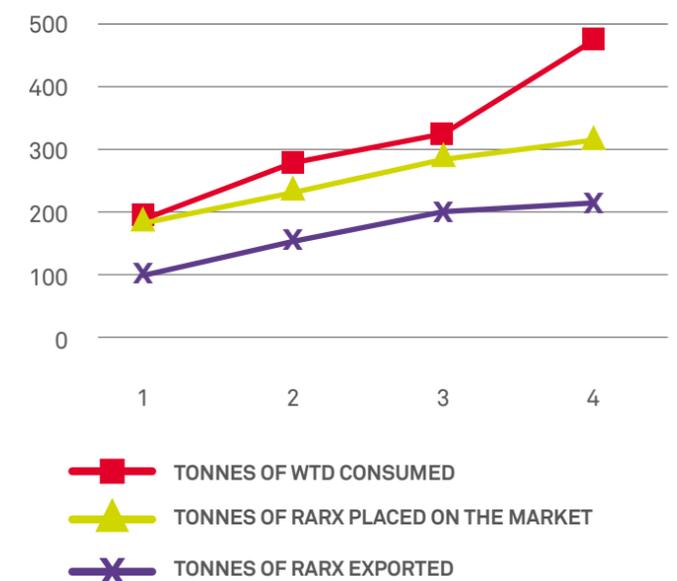
Works have already taken place in Fuenlabrada, Malaga, Lérida, Oviedo and it has been exported to a number of countries including Indonesia, Italy, Germany, and now Mexico, where Sacyr Engineering and Infrastructure is to build the Piramides-Tularcingo motorway using anti-cracking asphalt made with RARX.

2. On-site wet manufacture of bitumen using waste tyre dust

- There are two manufacturing teams.
- Highest quality bitumen.
- With service guarantees.

Since July 2017, the Villanubla and Fuerteventura airports have executed the Fuenlabrada asphalt operation, and currently the Beas to Trigueros motorway works in Huelva are being executed.

EMISSIONS REDUCTION AND ENVIRONMENTAL DATA



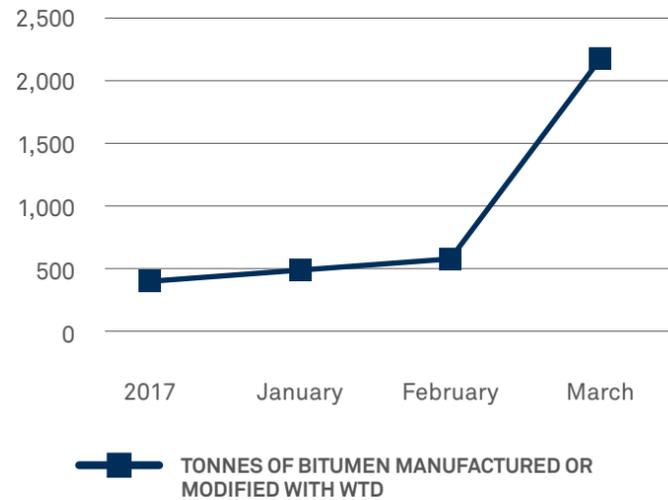
As part of its commitment to the environment, CIRTEC has signed the MINISTRY OF THE ENVIRONMENT'S 2018-2020 CIRCULAR ECONOMY PACT.

Under this pact four activity indicators are evaluated to assess our commitment.

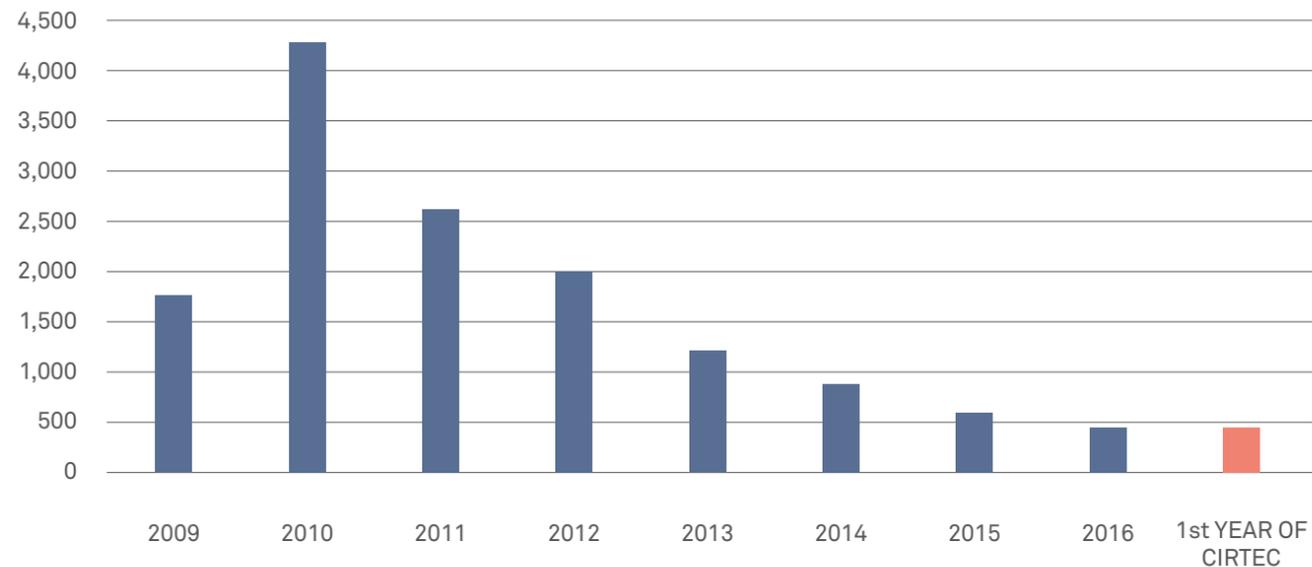
- TONNES OF BITUMEN MANUFACTURED OR MODIFIED WITH WTD
- TONNES OF WTD CONSUMED
- TONNES OF RARX PLACED ON THE MARKET
- TONNES OF RARX EXPORTED

5. Environmental Value

5.4. Natural resources and environment



Tonnes of waste tyre dust (WTD) consumed in the spanish market as a whole



According to the annual reports of SIGNUS ECOVALOR and TNU, integrated management systems for tyres in Spain, the consumption of WTD on roads in 2016 was no more than 500 t, with CIRTEC equalling this figure in barely a year of activity.

CIRTEC expects to clearly exceed this amount this year, forecasting consumption of WTD in 2018 at over 2,000 t, a four-fold increase on the total consumption of all sector companies in 2016.

RARx export growth shows CIRTEC's technological commitment, creating a product with a highly competitive price and quality in international markets through a by-product, CIRCULAR ECONOMY OF QUALITY.

According to studies done by certain authors, savings of around 25,000 kg of CO₂ equivalent can be expected.

Spills

306-3 103-1 103-2 103-3

The 1,723 preventive operational control actions implemented in workplaces should also be mentioned, which include the construction in Spain of 40 depositories to collect potential spills in the storage of hazardous substances and waste.

Sacyr develops adequate procedures aimed at identifying, preventing and responding to possible incidents, accidents or potential emergencies that may have an impact on the environment. Consequently, these types of incidents arise infrequently and do not have serious consequences.

Of all the spills recorded in 2017 there were only 2 minor incidents, with a total of 0.504 m³ of chemical substances spilled. In both cases the established action protocol was applied and the incidents were satisfactorily resolved.

Sacyr approved an acting protocol suitable to identify, prevent and remedy possible environmental impacts

5. Environmental Value

5.4. Natural resources and environment

VALORIZA ENVIRONMENT

Valoriza Environment is a benchmark services company for people in Spain, which responds to society's commitment to achieving sustainable development with efficient management.

Revenue: **390**
million euros [+12%]

EBITDA: **47**
million euros [+9%]

This commitment has been channelled through an extraordinary specialisation and technological development that has allowed the Company to attain a leadership position in the environmental and energy sector in Spain.



At Valoriza Environment, we contribute to generating value for the community by carrying out our activities in the division's business areas:

Municipal services:

- ▶ Manages street cleaning concessions and services
- ▶ Waste collection
- ▶ Gardening and maintenance of green areas and trees
- ▶ Urban mobility (management of parking meters, tow trucks, priority residential areas, bicycle renting, processing of complaints, etc.).
- ▶ Maintenance of urban infrastructure (underground containers, road upkeep, public lighting, maintenance of fountains and sports facilities)

Waste treatment and management:

- ▶ Operation of USW plants and containers
- ▶ Transfer plants
- ▶ Plants to process used tyres and waste from construction and demolition
- ▶ Organic composting plants (FORM)
- ▶ Degasification and post-closure maintenance of disposal facilities
- ▶ Biomethanisation plants
- ▶ Incineration
- ▶ Cogeneration
- ▶ CSR (selected waste fuel)
- ▶ Waste-to-energy production
- ▶ Facilities to treat, compost, and thermally dry sludge from wastewater treatment plants

Environmental regeneration work:

- ▶ Water quality control services
- ▶ Silvicultural treatment and forestry work
- ▶ Landscape restoration
- ▶ River restoration
- ▶ Bioengineering



Efficient
management
to reach
a sustainable
development

Committed to face any challenge that transforms our society



2017 Innovative Natural Awards



6. Social value

6.1. Corporate Social Responsibility

Sacyr helps to generate sustainable value in the communities where it operates by carrying out its activities and promoting sustainable initiatives.

With our **corporate social responsibility policy** (hereinafter, CSR policy) and our corporate social responsibility strategic plan (hereinafter, CSR plan) we assume a global commitment with the societies where we operate. This commitment is the basis of our business culture and the source of excellence-based management.

CSR POLICY

The CSR policy, approved by the Sacyr Group Board at the end of 2017, is aligned with Sacyr's Code of Conduct, which establishes the principles and guidelines of behaviour in accordance with the Group's values and is the central pillar of successive corporate social responsibility strategic plans.

These principles include the following:

- **Compliance with legislation.** The Sacyr Group's business and professional activities will be carried out in strict compliance with the legislation in force in each of the countries and territories in which it operates.
- **Integrity.** Maintaining irreproachable conduct, in accordance with ethics, honesty and integrity, avoiding all forms of corruption and respecting all parties involved in the Group's activities.
- **Transparency.** Disclose adequate and reliable management information; which is clear, truthful and verifiable.
- **Safety.** Provide optimal health and safety conditions in the workplace.
- **Respect for human rights.** All action taken by the Group and its employees must respect the human rights and civil liberties set out in the Universal Declaration of Human Rights.

2020 GLOBAL COMPANY PLAN

To define the CSR plans of Sacyr Group, we have launched a dialogue process with our stakeholders regarding the most relevant topics that must inspire our strategies and decisions. This has helped us to attain a clearer idea of the role we wish to play as social and economic actors.

As a result of this dialogue, we have been able to identify the goals and commitments that make up the basis of our CSR policy; also, we have determined the courses of action that represent the structure of our sustainability strategy, which we follow to respond to the challenges presented by the societies where we operate, and we do all this through our corporate social responsibility strategic plan. 2020 Global company plan.

GLOBAL COMPANY PLAN

4 OBJECTIVES
10 MATERIAL ISSUES
28 LINES OF ACTION
112 PROJECTS

Objectives and action commitments:

1. Dialogue and accountability:

"We want to become the leading management example in the sector by ensuring constant dialogue with our stakeholders and upholding a basic principle of transparency with all such stakeholders".

- **Solvency and the long term:** we are and want to keep being a solvent business group where financial prudence and long-term vision are defining characteristics in the eyes of our shareholders and investors.
- **Listening:** we are always aware of our surroundings; we establish communication channels that are always open, and transparency is the basis of our links to our stakeholders.
- **Ethics:** zero tolerance to unethical behaviour.

2. People:

"We want to place people at the heart of our activities and become the first choice for the sector's professionals".

- **Safety:** our constant ambition is to achieve zero accidents.
- **Development:** we strive to offer the best professional development conditions.
- **Rights:** we respect and protect the rights of who works with us – partners, contractors and suppliers.

3. Society:

"We want to be closer to the societies where we operate".

Global commitment
with societies where
we operate

6. Social value

6.1. Corporate Social Responsibility

- **Social value:** with each project, we look for options that add more value to the society we are serving.

- **Diversity:** we promote diversity inside and outside the company.

4. Environment:

“We want to provide the most efficient solutions”.

- **Efficiency:** we commit to developing the most efficient option.

- **Impact:** we always propose solutions with the least impact on the environment.

At Sacyr we also contribute to the development and welfare of the communities where we work through our Foundation. The **Sacyr Foundation** implements a wide range of social initiatives, which can be divided into two categories: promoting innovation and social action.



Also, the 17 UN Sustainable Development Goals (SDGs) work in addition to the CSR strategy to focus the efforts of the Sacyr Group on striving to offer better development for our communities.

Monitoring system for CSR practices with stakeholders:

- The CRS policy of the Sacyr Group is developed and implemented through the Corporate Responsibility area that is part of the Communication Department.

- All CSR initiatives are promoted by the Corporate Responsibility Committee, composed of one or several representatives of each business area and one representative of each of the corporate departments most directly involved in guaranteeing the company's responsible management.

- Sacyr performs an annual follow-up on the CSR plan and the risks associated with the initiatives derived from this plan and, subsequently, reports the results by writing the Annual Integrated Report. This document is drawn up as per internationally accepted standards and it is checked externally by an independent organisation in accordance with international standards on assurance commitments. This report is made available to shareholders on the corporate website at the time of the General Shareholders' Meeting.

Stakeholder relations

At Sacyr, we base our management on excellence, responding to the needs of our stakeholders, contributing value to society and seeking economic and environmental sustainability.

At Sacyr, we consider stakeholders to be any social group that is or may be affected by the Company's activity, now or in the future, and/or that legitimately affects or may affect the Company's activity and, therefore, our results. 102-42 102-40

- ▶ Employees
- ▶ Analysts and investors
- ▶ Shareholders

- ▶ Media
- ▶ Customers
- ▶ Local communities
- ▶ Public authorities
- ▶ NGOs and other members of civil society
- ▶ Suppliers and contractors

Transparency and dialogue with stakeholders are fundamental for the progress and development of our strategic plan as well as for our CSR plan.

Social Media



Sacyr Group has launched a new app to connect with their stakeholders all around the world. The app, Sacyr Life, opens a window on your mobile phone and tablet to everything that happens in the construction,

infrastructures and services multinational. With this app, Sacyr strengthens its communication channels at a time of expansion all around the world.

The app is principally aimed at the more than 30,000 employees that work in one of Sacyr Group's companies, but it is open to anyone who is interested in the firm, who wants to download it and discover the latest about the Group.

In Sacyr Life, the user can navigate using a menu which groups together the main areas of the app: Sustainability, People, Wellbeing at Work, News and Innovation.

6. Social value

6.1. Corporate Social Responsibility

We are also present in the main social networks to maintain contact with our public

Facebook, LinkedIn, YouTube, Twitter and Instagram.



Shareholders, analysts and investors

Personalised customer service

Sacyr's Investor Relations Department provides minority shareholders, financial analysts and investors with a number of direct and personalised contact channels:

- Shareholder hotline: 900.101.930
- Website: www.sacyr.com
- E-mail: ir@sacyr.com - accionistas@sacyr.com

Face-to-face meetings: Investor Relations Department personnel meet with these minority shareholders and attend meetings with various financial stakeholders.

General Shareholders' Meeting: This is an excellent forum for exchanging information between the Company's directors and shareholders. At these meetings, directors report on the progress of the Company, its profits, and the main milestones reached and planned, while shareholders can request information and clarification and make any comments they deem appropriate.

Financial information: In accordance with prevailing legislation, the Sacyr Group prepares the annual report, half-yearly and quarterly financial results and the annual corporate governance report on a regular basis and the Annual Directors' Remuneration Report. These reports may be viewed on the CNMV's website, www.cnmv.es, and on Sacyr's website, www.sacyr.com

Sacyr's website (www.sacyr.com) contains all relevant corporate and financial information regarding the Company's performance, and all information made public through various financial and economic reports and communications (annual report, quarterly results, etc.).

Collaborations with leading innovation institutions

102-13

Sacyr is a member of various benchmark organisations in the field of innovation and takes part in forums that promote its development. Participation in these initiatives makes it possible to exchange experiences and good practices with other professionals, and encourages joint reflection by a large number of specialists regarding the varied aspects of innovation. Some of the organisations or forums in which Sacyr actively participates are:

► **Spanish Construction Technology Platform (PTEC):** This platform, of which the Group is a member, brings together all players in the construction sector in order to identify the challenges of innovation in construction, develop the necessary strategies and plans to meet these challenges and implement the results obtained.

Sacyr is on the board of trustees of the PTEC Foundation, and sits on the Permanent Commission and the Strategy Council. Within the PTEC Foundation, Sacyr heads the Strategic Transport Networks taskforce and participates in the "Sustainable Construction" and "Materials" taskforces.

► **Spanish Technological Environmental Technologies Platform:** responsible for defining and supporting the implementation of the R&D+i strategic agenda in the field of environmental technologies.

► **Building Research Establishment Environmental Assessment Methodology (Breeam) Spain Advisory Board:** the world's leading and most technically

advanced method of building sustainability assessment and certification.

► **Participation in the Spanish Road Technology Platform:** forum for all agents in the science-technology-business system which play a major role in fostering employment, competitiveness, and growth in the road infrastructure sector in Spain.

► **SEOPAN R&D Committee:** Sacyr actively participates in this Committee of the Spanish Association of Construction Companies (SEOPAN) through its Head of Innovation.

► **Disruptive Innovators Network:** network of innovation managers of large corporations, very open and active in innovation (with entrepreneurs of startups and other market agents)

► **Know-How and Innovation Executive Club:** Sacyr belongs to this private initiative that promotes and stimulates improved productivity and competitiveness through the management of intellectual capital, know-how and innovation.

► **R&D+i Committee of the Spanish Employers' Confederation (CEOE):** this committee makes contact with government authorities and ministries responsible for R&D+i and groups them into sectors to develop and undertake R&D+i projects.

6. Social value

6.1. Corporate Social Responsibility



In addition, to support each other in the development and implementation of innovation activities, Sacyr and a number of universities and research centres and organisations have entered into cooperation agreements.

Universities:

- ▶ Madrid Polytechnic University
- ▶ Valencia Polytechnic University
- ▶ Alfonso X el Sabio University
- ▶ University of Granada
- ▶ Polytechnic University of Catalonia
- ▶ University of Huelva
- ▶ University of Almería
- ▶ University of Cordoba
- ▶ University of Cantabria
- ▶ Madrid Complutense University
- ▶ University of Salamanca
- ▶ University of Alicante
- ▶ Catholic University of Chile
- ▶ University of Extremadura
- ▶ Carlos III University of Madrid
- ▶ University of Vigo
- ▶ University of Castilla La Mancha
- ▶ Polytechnic University of Cartagena

Public Research Centres and Foundations:

- ▶ Centre for Public Works Research and Innovation (CEDEX)
- ▶ Gómez Pardo Foundation
- ▶ Almería Solar Platform (CIEMAT)
- ▶ Madrid Institute of Advanced Water Studies (IMDEA AGUA)
- ▶ Centre for Development, Research and Application of New Technologies (CEDIANT)
- ▶ Advanced Mining Technology Centre (part of the University of Chile)
- ▶ Energy and Environment Technology Centre (Cetenma)

SACYR FOUNDATION



Sacyr Foundation, set up in 2008, enables the Group to maximise the impact of the company's social initiatives for its beneficiaries and

contribute more effectively to the well-being and development of the communities in which the Group conducts its activities.

Aims of the Foundation:

- ▶ To promote human rights, to foster respect for all persons and cooperation in the development of disadvantaged regions and groups.
- ▶ To provide social and healthcare assistance, to support the voluntary sector, and to promote community action and care for persons at risk of marginalisation.
- ▶ To safeguard the environment and to raise awareness of, provide training in and support research into environmental matters.
- ▶ To support all types of education to advance career development and to promote training, scientific research and technological development in any sphere, but in particular, though not limited to, areas related to construction and engineering.
- ▶ To promote and support sport as an essential element in the balanced and full development of the human race and as a means of teaching about competition and respect for rules.
- ▶ To protect our historical and artistic heritage.
- ▶ To raise awareness of and provide institutional support for civil education, to promote constitutional values and to strengthen the rule of law and democracy.

▶ To foster and disseminate art and culture in the broadest sense, to encourage cultural and artistic talent and to bring culture close to society.

▶ To support victims of acts of terrorism or any other form of violence.

In 2017 the Sacyr Group assisted various community projects, which can be broken down into two different categories: Promoting innovation and social action [102-12](#)

These projects are channelled through the Sacyr Foundation, which establishes objective criteria to be used as reference points for the selection of projects:

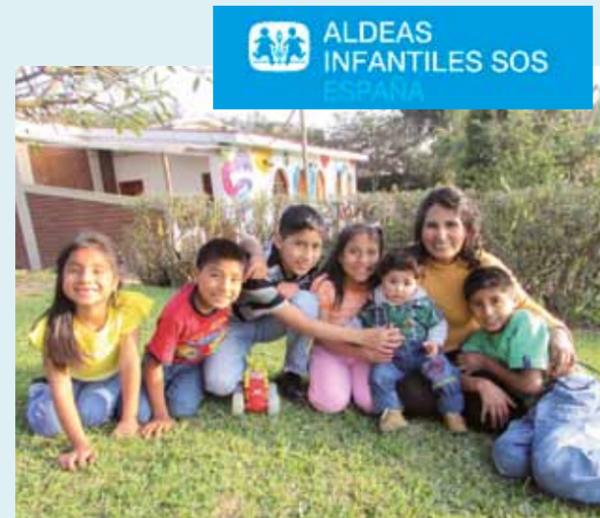
- ▶ The project must be aligned with the aims of the Sacyr Foundation set out in its bylaws.
- ▶ Social return on investment: assessment of the need for and urgency of aid, and of the number of potential beneficiaries.
- ▶ Regional balance: the Group seeks to prioritise projects in the areas in which it is active and to avoid imbalances in the geographical distribution of aid.
- ▶ Funding balance: the Group aims to avoid excessive concentrations of aid in any one of its specific remits.
- ▶ Technical and financial solidity of the partner or beneficiary organisation.
- ▶ Budget adequacy.

The following are highlights of the agreements and collaborations closed during the year:

6. Social value
6.1. Corporate Social Responsibility



Aladina Foundation



SOS Aldeas Infantiles Spain: Pachacamac Village



Sacyr Innovation Awards
(Launch 7th year of Best Start-up)



Ayuda en Acción



Caminos Foundation



Princess of Asturias Foundation Trustees

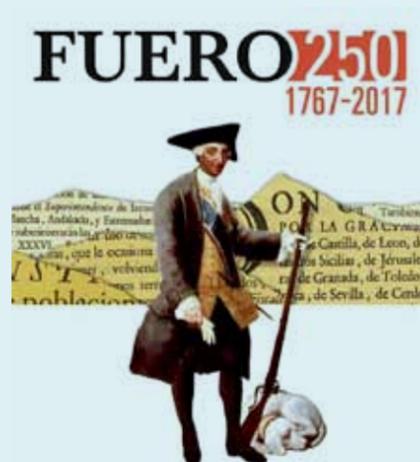


Juan XXIII Roncalli Foundation Trustees

6. Social value
6.1. Corporate Social Responsibility



Collaboration with CSIC and UIMP on the Masters at SEDUREC



Collaboration with FUERO 250



Sports and Challenge (Deporte y Desafío) Foundation



Collaboration with Eyes of the World (Bolivia)



Seres Foundation

6. Social value

6.2. Safety, Health and Wellbeing

In order to guarantee and reinforce its preventive culture, Sacyr regularly imparts training courses that include the training of its employees in matters of safety and health. During 2017 the training team of the Directorate of Health and Safety managed a total of 32,016 hours of training.

In addition to these training hours, we must add the training provided by the team of Safety Health and Prevention Department in Spain, so the total number of training hours in 2017 amounts to 47,388 and the total number of workers 10.604. The investment in training during 2017 amounted to 258,620 euros of which 190,916 euros were subsidized.

In Sacyr we consider a priority objective to guarantee that our activities are carried out keeping the maximum level of security for all of our workers and collaborators. We aspire to build a differential preventive culture, which allows to reach the highest safety standards, through the involvement of the entire organization, of its suppliers and contractors and collaborating companies, in all its activities and in all the countries where it operates. We bet on the concept of Integrated Security for what we have a Health and Safety Policy at work as a performance model of our activities and reference for our Management System of Health and Safety at Work.

We go further integrating safety, health and well-being in our business strategy. We do not settle with safe and protected employees, but we include the promotion of health at work to achieve happy employees in a healthy company with which you feel identified. Complying with the legal requirements in terms of Safety and Health at Work, the preventive activity in The Group is organized through its own resources and others arranged with an external prevention service to the company.

- ▶ Health and Safety Division
- ▶ Support Structure
- ▶ External Prevention Service

The internal requirements that emanate from the

System of Management in matters of security exceed the legally established in the countries where the company develops its activities. For this reason, during 2017 returned to submit the System to a revision, by which has adapted to the new needs of the Group in each country, becoming an action protocol international. The result of this work has been the success obtained in the legal and compliance audits of OHSAS 18001: 2017 safety management system and health at work they have implanted in their centers of work the companies of the Sacyr Group.

Certified risk prevention system

In addition to fully complying with all legal requirements, all Sacyr companies are implementing occupational health and safety management systems certified to OHSAS 18001, the principal international benchmark for occupational health and safety.

The system has been implemented in 73 subsidiaries of the Group worldwide, 28 of which also hold the OHSAS 18,001 certification (6 more than in 2016), which represents over 92.93% of the Group's workers internationally and 94.78% of workers in Spain. [CRE-6](#)

71.7% of all Sacyr Group employees in Spain are represented on Health and Safety Committees.

In addition, 6.3% of the Group's total workforce has union representation through prevention officers. Although these officers do not form part of a Health and Safety Committee because the minimum number of employees is not met, they actively participate in health and safety-related issues by periodically attending meetings with executive company representatives. [103-1](#) [103-2](#) [103-3](#) [403-1](#)

This ORP management system helps to correctly identify, review, manage and improve monitoring of the occupational risks to which Group employees are exposed and to comply with prevailing legislation.

Objectives met

- ▶ Restructuring the Occupational health and safety management system (OHSMS) in compliance with regulatory requirements as well as auditors' requirements, in addition to implementing the system in all Group companies.
- ▶ Development of the PRESYV computer application as a tool of prevention management, developing new functionalities and adapting the application to new OHSMS.
- ▶ Implementation of an external subcontractor-validation system at Sacyr Ingeniería e Infraestructuras and subsidiaries.
- ▶ Creation of a Healthy Habits Programme within the company, covering different domains such as sports, food and health.

Future challenges

Short term:

- ▶ Reduce the rate of accidents with leave of absence by 10% with respect to the rate achieved last year.
- ▶ Reduce the rate of accidents without leave of absence by 10% with respect to the rate achieved last year.
- ▶ Exceeding the average score of the previous year in both documentary and field safety terms, as stipulated in the management review.
- ▶ Reduce the rate of accidents with leave of absence by 10% for subcontractors in those companies that have the most subcontracting.
- ▶ Continuing to maintain and expand the Prevention Departments in all countries where we are present.

Medium term:

- ▶ Implementing an external subcontractor-validation system at the remaining Group companies.
- ▶ Migrating the PRESYV computer application to a different programming language that allows for a multisite and multilingual environment, which can be used across the world.
- ▶ Implementing and certifying the road safety system at the remaining Group companies.

Long term:

- ▶ Creating internal ORP awards.

Health and Safety
management
systems
certified to
OHSAS 18001

6. Social value

6.2. Safety, Health and Wellbeing

Results of ORP management

The efforts made by Sacyr Group in the area of risk prevention have significantly improved the quality of workplaces, as measured by an internal scoring system that assesses each workplace in relation to its compliance with our prevention obligations.

Thanks to the involvement and commitment of Senior Management, employees, suppliers, contractors and collaborating companies, the Sacyr Group is moving towards the construction of a desired safety culture. Proof of this is the downward evolution of loss ratios in recent years, reflecting the fact that the measures adopted are in a good direction.

In 2017, the Sacyr Group recorded three serious accidents involving its workforce in Spain: one at Sacyr Maintenance, one at Sacyr Water and one at Valoriza Environment, and in addition 67 cases of work-related illness. [403-2](#) [403-3](#)

In terms of accidents involving subcontractors, three serious accidents were recorded in 2017. The prevention service carried out the usual investigation for these cases, analysed the causes and took the necessary measures to prevent any reoccurrences.

In terms of types of accidents, the most significant accidents over the last two years were as follows:

403-2

TYPE (%)	2013	2014	2015	2016	2017
Physical overexertion – musculoskeletal system	41	39	38	47	41
Crush injuries as a result of a fall	20	21	19	17	23
Crush injuries as a result of tripping over or crashing into an immovable object	9	7	7	8	5

Contractors and occupational risks

In addition to guaranteeing the safety of its own employees, Sacyr also takes appropriate measures to guarantee that of subcontracted employees.

It deploys a specific “Business Coordination” procedure to this end, the main objectives of which are as follows: [102-9](#)

► To ensure that subcontracted workers are fully informed about the risks to which they are exposed in their respective jobs and about the applicable protective and preventative measures.

► To ensure that subcontractors effectively fulfil their responsibilities, taking all necessary measures and providing their employees with the appropriate means to ensure their safety.

► In 2017, Sacyr complied with construction industry subcontracting regulations, limiting the number of levels in the subcontracting chain by using subcontracting records and requiring subcontractors to produce evidence of compliance.

Awards

► SACYR Chile - Innovation in prevention - Safety monitors

► SACYR Qatar - Al Kheesa Ashghal - Award in recognition of having reached a mile under OHS laws

► SACYR Qatar - Bani Hajer Ashgha - 2 awards in recognition of having reached a mile under OHS laws

► SACYR Chile - 2016 PEC Excelencia certificate - Mutual de Prevención

Circulation of the prevention policy

The Sacyr Group considers essential the knowledge of its Health and Safety Policy at all levels, as a fundamental step for the performance of all the company’s activities.

For this reason, the Sacyr Group encourages all staff to know and integrate in their working procedures the Safety and Health Policy guidelines, the central document of the Management System, which establishes, among others, the following Principles of action:

· Analyze procedures, technical processes, techniques, means and raw materials in order to eliminate, reduce or control the different types of concurrent labor risks.

► To guarantee the own workers, suppliers, contractors and collaborating companies workers, a training in Safety and health at work sufficient and adequate for the correct development of their duties.

► Guarantee the human and material resources necessary for the fulfillment of the preventive activity.

Both the Prevention Manual and the General Procedures are available to all employees through the Sacyr Portal and the “PRESYV” application. Employees can also use the Sacyr Portal to pick up technical guides, prevention documentation and technical notes relating to occupational risk prevention.

6. Social value

6.2. Safety, Health and Wellbeing



Sacyr Sports Club

The purpose of the Club is to promote participation in both team and individual sports activities, depending on the sport, and the personal development and sports training of the partners and participants in the activities organised by the Club.

The Club's aim is basically to make participating in sports activities a habit for a large number of employees at Sacyr, to help them be in the best health possible, and to encourage relationships between employees in activities outside the work environment, thereby favouring the creation of a corporate culture and increasing their sense of belonging.

The main objective of the Sacyr Sports Club is to be a meeting point for many Sacyr employees whose quality of life and relationships with other colleagues are benefited by participating in the Club.

At its core, Sacyr has many points in common with sports culture: sacrifice, effort, teamwork, fellowship and the desire to succeed. And this culture is one of the best ways for Sacyr to transmit its concern for the internal and external health and well-being of its employees.

For more information, please visit the Club's website (<http://clubdeportivo.sacyr.com/>)

+500
participants

+40
activities



Engineering Week, Madrid (Spain)

6. Social value

6.3. Sacyr Maintenance

Sacyr Maintenance is the Sacyr Group's company in charge of performing maintenance on all types of infrastructure. Its main activities are the maintenance of roads, ports and canals.

In its maintenance function, the main operations that it carries out are maintaining all infrastructure components in perfect operating condition. It performs conservation, exploitation and maintenance work on roads, dams, channels, irrigation networks, ports, airports and railways.

In order to provide full-service maintenance, we have the latest materials and machinery:

- Inspection drone
- 7 automatic horizontal signalling machines
- 80 winter road lorries
- 7 passenger cars and off-road vehicles
- Winter road simulator
- 3 telescopic cranes
- 5 street sweepers, one of which is a jet washer
- 9 pile driving machines
- 25 crane lorries
- 6 tractors
- 1 joint sealing machine

+800 employees
10,000 km km managed
+140 km km irrigation channels

Innovation

► Participation in the first R&D+i public procurement by the Ministry of Economic Development and, for the time being, the company has passed all phases and has even obtained an "a" grant to develop the system to be implemented.

► Application for the Company's second patent, in this case based on a new system to help drivers in

situations of reduced or very reduced visibility as a result of dense fog.

► Installation and start-up of the first system worldwide for melting ice on roads using inert gases such as vector fluid in geothermal installations.

► Entry into operation of a system able to predict the useful life of large structures (bridges and viaducts) by measuring changes in their vibrations caused by atmospheric variables (artificial excitation).

► Entry into operation of the first serious game to train employees in the infrastructure maintenance sector.

► Construction of the anti-collision system for the industrial sector.

Significant milestones

► SAOPSE Uruguay has been created, and it has begun to operate on November 1 on route 21 and 24.

► SAOPSE Mexico has been created, and operation began on 1 December on the Pirámides-Tulancingo-Pachuca highway.

► During the year 2017, SAOPSE Chile, has been awarded five contracts with the Ministry of Public Works

► Chilean: Iquique Norte, Santiago cordillera, Santiago area metropolitan, Chañaral and Copiapó.

► We have been awarded the first contract by levels of Service in Peru, for PROVIAS, an agency dependent on Ministry of Peruvian Public Works.

► The conservation contract of the AP-9 has been renewed, AG-55 and AG-57 in Galicia for 6 years plus two extension.

► The Valladolid and Zamora contracts have been extended for one more year.

How do we create value in the communities where we operate?

With all conservation contracts, the entire workforce must live near the conservation site and, as such, the workforce is hired locally. Also, the company pays tax on economic activities to the local councils; and we tend to outsource smaller jobs to local companies.

Future challenges

We remain committed to improving our activities and services in order for the company to be the sector leader and experience sustainable growth over time.

Short term:

► Increase our presence internationally.

► Consolidate the company as the fourth largest Spanish company in maintenance services.

► Launch the website www.sacyrconservación.com.

Medium term:

► Creation of structure in Peru, Colombia, Uruguay and Paraguay.

► Become a benchmark in maintenance in Chile.

► Enter the Anglo-Saxon market.

► Creation of new offices in Spain (Eastern office).

Long term:

► Opening new lines of business.

How do we face these challenges?

► Through concessions, and by leveraging synergies to open new markets in the countries where we have implemented our business.

► By increasing business figures based on diverse jobs and new lines of business with growth potential.

► By increasing the number of contracts, especially with regional bodies.

► Implementation in new geographic areas.

We keep all the elements of the infrastructure in perfect conditions so these fulfill their function

6. Social value

6.4. Local communities

Sustainable Development Goals



There are currently 17 Sustainable Development Goals under discussion between UN member states. These goals will set the international agenda over the next 12 years, covering the challenges to be tackled until 2030 for a fairer and better world.

These **17 Sustainable Development Goals (SDGs), with their 169 associated targets**, were put forward by a group of experts after numerous meetings in which various government institutions, UN agencies, representatives of private entities and civil society organisations participated.

The world governments, including Spain, must apply the 2030 Agenda in their domestic and international cooperation policies in order to reach the 17 SDGs and 169 targets, and thus generate better opportunities and well-being for all. All governments will have to adopt measures to meet these goals.

At Sacyr, we have joined this initiative and the SDGs are part of our new CSR policy. [102-12](#)

(For the table of Sacyr Group contribution to the achievement of the SDGs see Appendix VI of this report)

United Nations Global Compact



In 2007, Sacyr adhered to the Global Compact, an ethical commitment promoted by the United Nations to create corporate citizens that make it possible to reconcile corporate interests and processes with the values and demands of civil society.

In becoming a signatory of the Global Compact, the Group undertook to support and implement the ten ethical principles underpinning the initiative, which are based on universal declarations and conventions and encompass four areas: human rights, labour, the environment and anti-corruption. [102-12](#)

This commitment is specified in our Code of Conduct and forms part of our Basic Ethical Principles.

Respect for human rights

[406-1](#) [408-1](#) [411-1](#) [103-1](#) [103-2](#) [103-3](#)

The 10 principles which are basis of this Code of Conduct, include those referring to human rights and employment, and we respect them wherever we operate. They apply to all subsidiaries, or companies in which we are a majority shareholder, over which Sacyr, S.A. exercises effective control, directly or indirectly.

The Conduct Hotline is the mechanism for accessing help, or whistle-blowing channel, made available to deal with any Code of Conduct related question or issue and, in general, together with the Regulatory Compliance Model and through which any breaches or risks relating to the guidelines and behaviour regulated by the Code of Conduct or the Regulatory Compliance Model can be safely reported.

Suppliers are a strategic part of Sacyr's performance and, therefore, when hiring their services, we value the degree of alignment of these suppliers to our

standards and ethical values, and we encourage their adherence to them.

The Sacyr Group also adopted an comprehensive risk management system. Regarding the management of human rights-related risks, in the risk maps (operational and criminal) all existing risks have been identified (which are managed via the control procedures established to mitigate them), which also include those related to human rights in the company's actions.

In virtue of this commitment, in 2014, the Sacyr Group signed a Framework Agreement with the trade unions: International Federation of Building and Wood Workers, CC.OO. of Construction and Services and UGT - MCA.

This agreement is based on the joint commitment, of the signatories, to respect and promote the principles defined in the Universal Declaration of Human Rights, the Tripartite Declaration of the ILO, the OECD Guidelines for Multinational Companies and the United Nations Global Pact.

Sacyr Group provides the necessary resources to ensure compliance with the provisions of the ILO, particularly those related to under age workers, and assumes the commitment to developing their business and professional activities in accordance with the effective legislation in each of the locations where it operates, and promotes and drives this recognition and respect among contractors, sub-contractors and suppliers. [102-9](#)

Through this agreement the following guidelines are established:

The SDGs are integrated into the new CSR policy of the Sacyr Group

6. Social value

6.4. Local communities



1. Freedom of association and the right to collective bargaining is respected

All the workers have the right to set up and join trade unions if they choose to.

2. Employment is freely chosen

There is no forced, bonded or involuntary prison labour.

3. Non-discrimination

All workers will have the right to equal opportunities and treatment without consideration of their ethnic origin, religion, political views, nationality or social origin (ILO Conventions 100 and 111).

4. Protection of migrant workers

Migrant and expatriate workers enjoy the protection and conditions established by the existing national legislation. Agencies that send workers to other countries will be required to repatriate these workers when their employment terminates.

5. Child labour is not used

Child labour shall not be used. Only workers above the age of 15 years, or over the compulsory school-leaving age, if higher, shall be employed (ILO Convention 138).

6. Living wages are paid

Workers shall be paid wages and benefits that must conform, at least, with the conditions of the national legislation or the collective bargain applicable to the sector or industry in question.

7. Hours of work are not excessive

Hours of work shall be in accordance with national legislation and national agreements. All workers shall receive, a minimum of one day-off per week or its equivalent if an irregular working time distribution is

the case, always as permitted by the valid legislation of each country.

8. Health and Safety of the workers

A safe and healthy working environment shall be provided.

9. Workers' welfare

At every work place the company shall provide adequate facilities for the provision of work.

10. Specialised training

SACYR, S.A. undertakes to provide the means to contribute to learning and training of its employees and to update their knowledge and skills.

11. Employment relationship

SACYR, S.A. will respect obligations towards all the workers established under the labour and social security laws and regulations and the regulations relating to the employment contract.

Social cashflow

At Sacyr we contribute to the economic and social development of the communities in which we are present through the development of a solid business model. The economic value generated has allowed the distribution of wealth among our main interest groups. **The economic value distributed in 2017 in these communities was 2,294 million Euros.**

In 2017, we can stress that “We make our values the reality of each project” in which we have become involved, both professionally and personally. [102-12](#)

Generated and distributed economic value of the Sacyr Group

Millions of euros

Sacyr Group 2016			
Operating cash flows	156	Payments on investments	(525)
Disposals	413	Financial payments	(1.640)
Cash flows from dividends	98	Payment of dividends	0
Financial cash flows	1.516		
Economic value generated	2.183	Economic value distributed	(2.165)
Economic value retained	18		
Sacyr Group 2017			
Operating cash flows	292	Payments on investments	(379)
Disposals	69	Financial payments	(1.915)
Cash flows from dividends	106	Payment of dividends	0
Financial cash flows	3.322		
Economic value generated	3.789	Economic value distributed	(2.294)
Economic value retained	1.495		

Challenges:

1. To define the strategy for our relationship with the communities in the area of influence of the road project, based on an analysis of impact, influence, interest and expectations.
2. To identify, prioritise and characterise the following groups: authorities, employees, suppliers and associations.
3. To consolidate a comprehensive relationship strategy that contains all of our stakeholders by setting goals, initiatives, communication channels and monitoring indicators.

We have carried out several projects:

Sacyr Colombia

The greatest challenge faced by large infrastructure development and road construction projects is social legitimacy. They must integrate legal compliance with regulations, obligations and the requirements in the concession contract with the interests of the affected groups in the project's area of operation as well as their contribution to the region's sustainable development in the context of full respect for human rights.

In line with this challenge and as a socially responsible company, we have drawn up a social and environmental responsibility plan (SERP), which orchestrates our contractual social management programmes with the environmental demands of road projects and our comprehensive management system. This plan is aimed at implementing the best organisational practices to generate economic, social and environmental performance based on responsibility, ethics and transparency.

6. Social value

6.4. Local communities



The SERP integrates the corporate social responsibility elements defined in international standards such as the Equator Principles, ISO 26000, GRI standards, AA 1000 accountability standard and the Sustainable Development Goals.

Faced with challenges derived from the interaction of different groups in our globalised world, all organisations need to work with others and depend on them to achieve their strategic goals. As a result, appropriate management of the relations between the company and its stakeholders is a key factor of business success insofar as it facilitates sustainable organisational operations and generates aggregate value for the interested parties.

Given this challenge, we have defined a stakeholder relation model with the main aim of strategically administering our interactions with stakeholders so as to consolidate the trust-based relationships and social legitimacy of our operations.

Our relation model has been developed from the definition of occasional commitments with each of our stakeholders. They have been materialised by identifying, prioritising and characterising them and, as a consequence, gaining an in-depth view of their main social and economic characteristics and of their motivations to then be able to establish trust-based relations.

Consequently, the relation strategies we are currently defining with each of our stakeholders stem from an exhaustive analysis of the impact of our activities on each of them, their interests and expectations vs. how this impact is managed, their influence on the organisation or other stakeholders and the type of initiatives we have developed to manage our relationship with them. [102-11](#)

In 2017, in the context of applying this model, we worked on identifying, prioritising and characterising the communities in the municipalities under direct influence of the road project, including community organisations, community leaders, grassroots organisations, educational institutions, indigenous

people and vulnerable individuals. Our goal was to define our community relationship strategy for each municipality and subgroup.

Training, education and raising of awareness among the community affected by the project

In the context of our commitment with the social and environmental circumstances, we have created a training and awareness programme for communities that allows them to gain deeper knowledge of the importance of the environment, their role in maintaining neighbourly relationships with other individuals and their active role in the decisions and activities that impact the region's growth and development.

To this end, we carried out the following activities in 2017:

- ▶ Diagnosis of the training needs to then draw up a training plan with the communities and educational institutions of AID.
- ▶ Environmental training imparted knowledge about this subject and led to the creation of school groups called "Environmental Guardians", which look after the surroundings and environment.
- ▶ Seminars on Public Management Social Control, Governance for Peace and Human Rights through an agreement with the Public Administration of Schools. As a result, the communities gained knowledge that favours human rights and social participation.
- ▶ Management and signing of four inter-institutional agreements for strategic alliances with SENA, ESAP, EMAS and the DITRANS police to develop training sessions. Also, training sessions on healthy life styles for older adults along the road corridor, in coordination with EMSSANAR and Instituto Departamental de Salud.

Social fees and procedures in the event of defaults

At Sacyr, we wish to help achieve the 6th Sustainable Development Goal, "Water", through our water resources management activities and our Corporate Social Responsibility policy.

We are aware that in the places where we carry out our activities access to drinking water and to sanitation services is possible thanks to the infrastructure put in place by the governments of the contracting countries; however, even in developed countries, there are groups that are impoverished and at risk of exclusion and that lack the economic resources to gain access to water.

For this reason, in all the services managed by Sacyr Water, we analyse, in particular, cases of users who have the intention to pay but who have short-term difficulties in doing so, and we postpone the suspension of the service or reach agreements on partial payments, and thus finance their debts.

These are some of the 2017 social actions:

- ▶ Valdáliga
 - 50% rebate to families with income below the national minimum wage (two and one-half times the national minimum wage in the case of large families).
- ▶ Las Palmas de Gran Canaria
 - When more than four persons live in a housing unit, raising the second consumption block by 7 m³ in each two-month period, for each person above that number.
- ▶ Santa Cruz de Tenerife
 - Average rebate of 25% on the two highest consumption blocks for large families.
 - Agreement with the city government not to suspend the supply/reconnect the service for users who the Council of Social Affairs considers to be at risk of social exclusion.

Environmental Guardians look after the surroundings and environment

6. Social value
6.5. Sacyr Facilities



Sacyr Facilities, a company in the Sacyr Group, specialises in providing facilities services: facility maintenance, cleaning, auxiliary services, energy services and social-health services.

In the international arena, the “oil stain” growth strategy designed for Chile has been a success, with major contracts being won. These include: the cleaning and maintenance of two lines of the Santiago de Chile Metro; facilities maintenance of the headquarters of the National Congress and the cleaning of the Iquique free trade zone shopping centre.

Another important milestone in international activity in 2017 was the start up of operation of the new Antofagasta Hospital in Chile; an example of teamwork between different business areas of Sacyr Group: Engineering and Infrastructures, Concessions and Services. The hospital’s operating company, largely owned by Sacyr Facilities, will provide all the non-medical services necessary for the hospital’s correct working over the next 15 years.

In Mexico, Sacyr Concessions was awarded the contract for the new Tláhuac Hospital in Mexico City. Sacyr Facilities played an active role in the preparation of the bid, and will be the majority shareholder in the hospital’s operating company, which should enter into operation in 2020.

16,603
EMPLOYEES:

Sacyr Social: **7,368**

Sacyr Facilities: **9,235**

345

million euros in contracts

Revenue:
+333

million euros (+14%)

Backlog: **+1,190** million euros

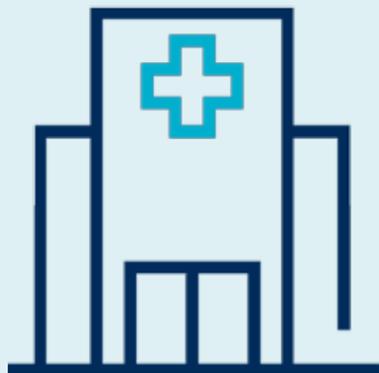
“The highest amount in the company’s history”

6. Social value
6.5. Sacyr Facilities



CONTRACT WINS 2017

Operation and maintenance of Antofagasta University Hospital (Chile)
This 15-year contract is worth 139 million euros.



Cleaning of stations on lines 3, 6 and 11 of the Metro de Madrid.
34.3 million euros for an initial term of 48 months.

OPENINGS 2017

Sacyr Facilities has shared its experience in employing disabled people in the first meeting between Socially Responsible Companies as part of the “Increase the employability of disabled people” programme, organised by COCEMFE Valencia.

The aim of the session was to bring the world of work closer to people actively seeking employment and are participating in two programmes: career guidance and finding employment.



As part of the 3rd Facility Management and General Services Procurement Day, organised by AERCE at the headquarters of The Madrid Association of Industrial Engineers, we had the opportunity to take part as speakers in the roundtable debate, “Procurement of facilities services, cleaning, maintenance, office materials, etc.”.

Facility management model in Repsol’s headquarters in Madrid and regional offices across Spain.

31.2 million euros for an initial term of 5 years.

Cleaning and maintenance of lines 2 and 6 of the Santiago de Chile Metro.

25.4 million euros and 42-month contract.

Home assistance service in Valladolid province

17.2 million euros with a term of 3 years.

Cleaning and laundry, disinfection, insect and pest control services for the Gerencia de Atención Integrada health service in Albacete

15.2 million euros for a period of 4 years.

Home assistance service in Ávila province

12.5 million euros and 24-month contract.

Comprehensive cleaning service for the Ministry of Finance and Civil Service’s state buildings, premises and offices.

9.46 million euros for a period of 15 months.

Cleaning of Royo Villanova Hospital and Zaragoza motorway

9.4 million euros for a period of 4 years.

Senate of the Republic of Chile - Service of Operation, Maintenance and those related to the Systems of the Sanitary Installations and of Air Conditioning, for an amount of 1.41M € and an initial term of 3 years.

Sacyr Facilities was one of the winners for the best new app initiative at the 7th Sacyr Innovation Awards. Its winning app records and plays equipment maintenance videos using QR codes.



At the “Natural Innovators Awards” award ceremony, Valoriza CEE was one of the winners in recognition of the boost given by the Special Employment Centre to the integration of people with disabilities into the labour market; achieving extraordinary employment figures, with 98.5% of people with a disability contracted.



6. Social value

6.5. Sacyr Facilities



Cleaning and pest control of buildings of the General Directorate of the Guardia Civil in Madrid, Baleares, Badajoz, Cáceres, Albacete, Ciudad Real, Cuenca, Guadalajara, Toledo, Ceuta, Melilla and Canarias.

8.98 million euros for a period of 12 months.

Iquique free trade zone (Chile) – toilets, gardening and post-office services for the shopping centre; contract amounting to 4.6 million euros with an initial term of 3 years.

Merlin Properties – Management, maintenance and cleaning of its buildings in Madrid, for 2.4 million euros, with a 1-year term.

Particular note in the area of employment are the activities of the Valoriza Special Employment Centre, which in its first year of operation beat all targets set for integrating a group at risk of exclusion into the job market. Having set an initial objective of at least 80% of its workforce having disabilities, it has actually achieved a figure of 95%.

valoriza centro especial de empleo

Project Lazarus

Presented in the Centre for the Development of Industrial Technology (CDTI), and recognised with its certification, it has the potential to be applied in Sacyr Social's contracts and has involved the development of two different milestones: Development of a new patient monitoring system: wrist-wearable mobile app (APPS) for patient management and monitoring in controlled environments (care homes).

Full development (hardware and software) of a mobile app (APPS) using augmented reality to detect architectural barriers for disabled people.

Significant events

- In meeting the objective of increasing the Company's operating income, in 2017, various actions were begun in three different areas: Systems improvements, process optimisation, and loyalty and training of people.

- As part of the Company's systems plan, we have put a new document management tool into operation, which enables internet access to all the information on contracts and invoices with customers and suppliers. Its main aim is to provide the staff with the necessary technological means

to ensure that they have the information they need in the time and form necessary to improve decision-making, optimise operations, reduce the administrative workload and apply best practices. This should result in a better service provision for our customers and, at the same time, give us a competitive edge over other companies in the sector.

- Similarly, we are developing and implementing a tool adapted from QlikView, for economic and budgetary control, which will optimise and facilitate contractual and economic management

of our entire structure and result in increased profitability for the Company.

- On 22 December, Sacyr Facilities México was set up. This is a limited company with variable capital, which arose directly as a result of the award last September of a concession contract for the construction and operation of the Tláhuac Hospital (Mexico City) to Sacyr Concessions in a consortium with Global Enterprise corp.; where Sacyr Facilities owns 60% of the future hospital's operating company. The incorporation of that company is a further step along the international path laid out in Sacyr's strategic plan, once our presence is consolidated in Chile, as the contract awards obtained during 2017 suggest is happening.

Future challenges

The key objectives we have set ourselves for 2018 are as follows:

- Improvement of the operational results of the company, through the triple set of measures begun in 2017: Systems, processes and people.
- Write-off plan or termination of unprofitable contracts.
- Maintain the level of contracts awarded in the domestic public sector.
- Increase commercial activity in the private sector.
- Continue to expand our business in Chile, ensuring the profitability of operations.
- Initiate entry into the Mexican market, with our "oil stain" growth strategy, building on the award of the contract for Tláhuac Hospital.

In Valoriza Center Special Employment more than 95% of its workforce are people with disabilities

6. Social value

6.6. Human capital



At Sacyr, we are committed every day to our employees, offering them the opportunity to develop as people and professionals.

At the Sacyr Group, we have more than

30.000 direct employees throughout the world, in our workplaces, engineering and infrastructures works, concessions, industrial projects and our broad network of services.

Our employees are the foundations of the Sacyr Group. The key for the success of our activities and projects is to attract, develop and retain the most talented professionals. [103-1](#) [103-2](#) [103-3](#)

Our workforce is made up of persons with a high degree of commitment to a job well done. The diversity and excellence of our work teams are the source of the development of the best services and constructions, and this comes from their application of their knowledge and transmission of the values of the organisation when carrying out their work.

These differences help us remain more in touch with the needs of our projects in all the countries where we have a presence.

Description of the workforce:

Our success is based on the dedication and technical experience of our employees. We do our utmost to attract and retain the best. To this end, we offer them secure and attractive positions, opportunities for development and comprehensive training and a human resources policy oriented to the long term. We also have a variety of measures to allow employees to balance work with private life.

The Sacyr headcount in 2017 was 30,309 employees (consolidated average headcount). Numbers were up by 14.8% compared to the previous year. Of total staff, 14,797 are men and 15,512 women. [102-8](#) [405-1](#)

Almost 84% of the total work force is employed in Spain, although the Group also has a large number of employees in Chile, Colombia, Peru Portugal and Angola, among other countries.

Recruitment

We invest in continually attracting and training talent. This allows us to ensure that our human resources needs are met in a volatile environment. The Sacyr Group's comprehensive package encompasses a series of measures from professional training to high-potential programmes for managers.

In this regard, performance evaluations were carried out for 1,696 employees, of which 74% were men and 26% were women. These figures, by professional category, are broken down as follows: 2.12% senior management, 3.54% management, 28.77% middle management and 65.57% technical personnel [404-3](#)

Sacyr recruits employees using transparent, confidential, rigorous procedures to ensure equality and non-discrimination.

These procedures include objective tests to exclusively assess the merits, qualifications and skill profile of each candidate in order to optimise the job-person match.

The Sacyr Group selection processes are governed by the Smart Recruiting Model (SmartRec). SmartRec is a talent attraction, recruitment and assessment methodology developed by Sacyr during 2017.

This methodology aims to:

- Homogenise, provide rigor and objectivity, and optimise the efficiency of selection processes at global level (all businesses and all countries).
- Base the fundamental operating principles in the field of talent acquisition on diversity and equality.

- Provide those managers who need to recruit personnel with the necessary tools to make an appropriate choice of people for their team.

Training

[103-1](#) [103-2](#) [103-3](#) [404-1](#) [404-2](#)

Through our training model we want to guarantee the permanent development of our employees, globally; aligning training with the needs generated by business strategies, within the framework of a business culture of innovation, integrity and excellence.

The deployment of all kinds of training initiatives, underlines Sacyr Group's commitment to enhance the skills and abilities of its employees, optimising their performances and boosting their levels of competitiveness. This also helps attract and retain talent.

Training hours by gender:	2016	2017
Men	89,806	82,103
Women	33,028	49,938
Total	122,834	132,041

Hours of training by staff category:

Senior managers:	5,765	1,714
Middle managers:	15,307	12,801
Specialist level:	36,164	35,625
Other staff:	66,598	81,901

Given the recent technological breakthroughs in the areas of our business activities, as well as wide-ranging changes in the labour market, the ongoing training of our employees is increasingly important. Our training courses attempt to cover the existing needs in this field by promoting the individual strengths of our workers, and among them our senior managers. For example, the executives management plan includes languages courses among others.



In Sacyr we commit every day with our employees offering them opportunities for personal and professional development

6. Social value

6.6. Human capital

We carry out both external and internal training (**62% of training hours**), the latter at the hands of our expert employees.

Our training model is structured into 5 main “Schools” or Content areas. –

- **Skills development centre** - Training in skills and attitudes that translate into critical, observable and measurable behaviours that drive the success of the people who make up Sacyr.

- **Language school.** - As part of Sacyr’s strategic plan, it establishes expansion and international positioning, as one of its key objectives. To undertake this process with complete confidence, a critical element is to be able to rely on teams of professionals capable of communicating and carrying out their activities in various languages.

- **Functional skills.** - Transversal training programmes to all business lines in subjects like: Finance, personal data protection law, Legal, Compliance, office IT, induction of new entrants and so on.

- **Technical schools.** - 4 technical schools: Engineering and Infrastructures, Concessions, Industrial and Valoriza. Specific training programmes with a high technical component aimed at boosting the income of the business.

- **ORP school.** - Classroom, online and distance training, to provide the knowledge, abilities and attitudes in relation to ORP.

Training hours by content area.-

	9,728 7%	COM
	39,829 30%	TEC
	38,883 29%	FUN
	11,635 9%	IDI
	32,016* 24%	ORP

* Only ORP hours managed by the Training Department are considered

In 2017, we undertook a series of training programmes (**3,079**) which, due to their nature, are detailed in this section:

1. Skills Programme

During 2017 we continued to roll out our Skills Model, having produced various training programmes to develop the following skills. -

<u>Skill Group</u>	
Resilience/Adaptation to change	Technicians
Quality of work	Support
Leadership	Managers
Teamwork	Technicians

Blended methodology:

- ▶ Online (6 hours)
- ▶ Classroom (2 hours in the Industrial Organisation School)

2. Digital transformation

This programme contains a series of resources where various experts explain the concept of digital transformation, its impact on the global economy and the challenges it brings.

It not only addresses the characteristics of the digital transformation processes in certain companies, but also how Sacyr’s various business areas are involved in the process.

- ▶ Methodology: Online
- ▶ Hours: 5
- ▶ Group: Technicians and Managers

3. 2017 e-learning language course

Our e-learning programmes enable every employee to undertake training from anywhere at any time, at a pace that fully adapts to the employees’ needs.

The “Learnlight” language programme consists of a study plan for each level with between 20 and 40 units structured and aligned with the Common European Framework of Reference for Languages.

Students also have access to a weekly magazine with entertaining and up-to-date content, which gives them the freedom to learn about the topics they like the most.

6. Social value

6.6. Human capital



It is a global award-winning learning environment, used by 50,000 students in over 100 countries in the world.

- ▶ Initial level test
- ▶ The learning methodology is self-study
- ▶ Groups: all

Encouraging a work-life balance

We support our employees in their search for a healthy work-life balance. To achieve this, we offer a wide range of tools to make their work hours and workplaces more flexible and to help them with caring for children and other dependent persons who require attention.

Sacyr Group has an action procedure in relation to the reconciliation of work, private and family life. To help achieve this commitment, the following improvements have been implemented:

- ▶ Flexible working hours

Employees enjoy a degree of flexibility in terms of their arrival, departure and lunch breaks. In this way, it seeks to make the working day compatible with other personal and family needs of workers.

- ▶ Compressed hours

Employees have a compressed working day from 8:00 to 15:00 every Friday of the year and over the summer months.

- ▶ Reduced working day for legal guardians
- ▶ Cumulative breastfeeding breaks
- ▶ Leave of absence

Sacyr Concilia

Programme that aims to undertake actions to improve employees' work-life balance:

- ▶ Non-school days

On working days when there is no school, activities are organised for employees' children aged between 3 and 14.

- ▶ Availability of childcare options

There are agreements with various nurseries and schools.

In addition, leisure activities are often provided for employees' children during the summer and Christmas holidays.

- ▶ Design/modification of the work calendar in line with the school calendar

Equal opportunities and non-discrimination

Equality, social inclusion and diversity have important benefits for society, for the communities in which we operate, for companies and for the economy. [103-1](#) [103-2](#) [103-3](#)

Sacyr is committed to managing its human resources strictly on the basis of professional criteria, preventing all types of discrimination due to race, religion or beliefs, political or trade union views, nationality, language, gender, marital status, age or disability.

Our employee hiring process begins with the Talent Selection Department filling in a form with the profile requirements. In this document, gender is not allowed to be included in candidate requirements.

Before the selection process begins, salary range is assigned to the position which is defined by the job role. This salary range is maintained regardless of the gender of the final candidate receiving the offer. The guideline in all cases, from the Corporate Talent Acquisition Departments, and from the different businesses and holdings, to the interviewers from the businesses, is that, on equal terms, preference should be given to hiring the gender with lowest representation in the department, level of responsibility, etc. [405-2](#)

We have participated in the Promotion Project ("Proyecto Promociona"), driven by the Ministry of Health, Social Services and Equality, that aims to build skills, both technical and women's leadership, in their rise to the top of the organisation.

Sacyr has worked throughout 2017 on the Group's new equality plan which is expected to be approved at the start of 2018. This plan was created by the Equality Committee, who will monitor its compliance within Sacyr Group.

Equality training

Subsequently, and as part of the Sacyr Group Code of Conduct training programme, this programme was completed by 5 executives and pre-executives, receiving a total of 30 hours training. [205-2](#)

There are sections covering equality and non-discrimination in this training. Sacyr is firmly committed to the principle of equal treatment at work being respected in all Group companies.

Sacyr is firmly committed to the principle of equal treatment at work being respected in all Group companies.

99.71% of employees are covered by collective bargaining agreements. [102-41](#)

Sacyr Concilia
Actions that favor
the balance between
personal and
professional time
of the employees

6. Social value

6.6. Human capital

Employee turnover, sick leave and absenteeism:

Sacyr considers the “turnover rate” to be the proportion of the workforce leaving the Company over a given period (month and year), which indicates the percentage of employees within the Group whose status changes as compared with the average headcount.

We consider the causes of turnover to be:

- ▶ The worker’s voluntary departure
- ▶ Unpaid leave
- ▶ Permanent disability
- ▶ Loss of temporary disability
- ▶ Retirement
- ▶ Death

Sacyr adapts to the conventional realities of the sectors in which it operates, and the following reasons are not considered “departures” in connection with the turnover rate:

Contract termination - Subrogation - Consecutive changes

The information is calculated on a monthly basis by business units.

A annual breakdown of the data is made by gender, autonomous community, reason and age.

The highest turnover is recorded in the Services and Concessions divisions, due to the special circumstances of these business units.

Freedom of association and labour/management relations

Sacyr supports freedom of association, union representation and collective bargaining for all its employees, pursuant to prevailing legislation in each country. [103-1](#) [103-2](#) [103-3](#)

The labour conditions of the Sacyr Group’s workforce in Spain in 2017 are set forth in 293 agreements from different sectors and provinces. Only 0.37% were not governed by an agreement, because there was no agreement for their sector of activity.

Welfare benefits

[401-2](#)

Sacyr currently has two policies contracted for employees that meet the following requirements: have an indefinite contract, are employees that cannot be subrogated, have been with the company for more than one year, belong to a technical or higher professional category, being the following:

- ▶ Private medical insurance: The company provides its employees with medical insurance with a list of doctors covered under the policy.
- ▶ Life insurance: The company offers life insurance for an insured sum of 72,121.46 euros in the case of death or disability for any reason.
 - o Personnel included in the insurance prior to 12/31/2016: The greater of the following sums, or 1.5 times the annual gross fixed salary of the employee or 72,121.46 €
 - o New registrations in the insurance from 01/01/2017: The sum will be 1.5 times the annual gross fixed salary.

Tax benefits

Flexible compensation plan (Sacyr Flex)

Sacyr Flex is a programme that allows company employees that meet the following requirements to voluntarily and individually modify the structure of their current remuneration, by exchanging part of it for certain goods or services:

- ▶ Employees with an indefinite contract
- ▶ Employees that cannot be subrogated
- ▶ Employees with tax residence in Spain
- ▶ Employees that have more than 500 euros in fixed remuneration with regard to their salary in the collective bargaining agreement
- ▶ Employees of joint ventures that are wholly owned by Sacyr may also belong to this group.

Personal income tax exemption for work carried out abroad

Article 7.p of the Personal Income Tax Law is currently applicable, which exempts income received for work effectively carried out abroad from taxation, when certain requirements are met, and when the services were rendered abroad for a minimum of 15 days per year.

General Shareholders Meeting 2017

We live on the trust of those who offer it to us, and we are committed to that confidence with the maximum guarantee

20 JUNTA GENERAL DE ACCIONISTAS Sacyr



7

7. Governance

7.1. General Meeting, Board and committees

Governing bodies

102-18 102-19 102-20 102-22 102-33 405-1

The Company's ultimate decision-making body is the General Shareholders' Meeting. It represents all Sacyr Group shareholders, and thus all of its share capital.

At the General Meeting, the shareholders make decisions on matters placed within their review either by law or the company bylaws, including, merely by way of example, the approval of the financial statements, the allocation of profit or loss and the approval of corporate management, as well as the appointment and removal of directors, amendments to the company bylaws, and approval of the director remuneration policy.

In all areas other than those reserved for shareholders at the General Meeting, the Board of Directors is the Company's main decision-making body. The main responsibilities thereof include the approval of the Company's general strategies and policies. 102-26

Sacyr's Board of Directors had 14 members at 31 December 2017: 1 executive director, 9 proprietary directors, 3 independent directors and 1 non-executive director.

This composition ensures that the Board remains vigilant concerning profitability for all shareholders and monitors strict compliance with the company's strategy. 102-27

In accordance with the Spanish Corporate Enterprises Act, executive directors include those that carry out management functions at the Company or its Group.

When a director carries out management functions and simultaneously is or represents a major shareholder or a shareholder that is represented on the Board of Directors, this director is considered an executive director.

Non-executive directors include all of the Company's remaining directors, which may be proprietary, independent or other non-executive:

► Proprietary directors are directors that have a shareholding greater than or equal to the amount legally considered significant or that have been appointed due to their status as shareholders, even if their stake is less than this amount, and those representing this type of shareholder.

► Independent directors are directors that are appointed in view of their personal and professional characteristics, and can carry out their functions without being affected by relations with the Company, its significant shareholders or executives.

We collaborate
with integrity,
honesty
and transparency

NAME	POST	REPRESENTATIVE	DIRECTORSHIP	REPRESENTING	DIRECT VOTING RIGHTS	INDIRECT VOTING RIGHTS	TOTAL
Manuel Manrique Cecilia ⁽¹⁾	Chairman and CEO		Executive		272	0	272
Demetrio Carceller Arce ⁽²⁾	First Vice-Chairman		Proprietary	Disa Corporación Petrolífera, S.A.	5,553	527,933	533,486
Isabel Martín Castella	Director		Independent		111	0	111
Grupo Satocán Desarrollos, S.L.	Director	Juan Miguel Sanjuán Jover	Proprietary	Grupo Satocán S.A.	319	0	319
Matías Cortés Domínguez	Director		Other external		136	0	136
Beta Asociados, S.L. ⁽³⁾	Director	José del Pilar Moreno Carretero	Proprietary		29,322,755	0	29,322,755
Prilomi, S.L. ⁽⁴⁾	Director	José Manuel Loureda López	Proprietary		24,817,563	0	24,817,563
Prilou, S.L. ⁽⁴⁾	Director	José Manuel Loureda Mantiñán	Proprietary		16,842,937	0	16,842,937
Cymofag, S.L. ⁽¹⁾	Director	Gonzalo Manrique Sabatel	Proprietary		8,289,440	0	8,289,440
Grupo Corporativo Fuertes, S.L.	Director	Tomás Fuertes Fernández	Proprietary	Gr. Empresarial Fuertes S.L.	33,431,764	0	33,431,764
Francisco Javier Adroher Biosca	Director		Proprietary	Disa Corporación Petrolífera, S.A.	30,909	0	30,909
Augusto Delkader Teig	Director		Independent		111	0	111
Raimundo Baroja Rieu	Director		Proprietary	Disa Corporación Petrolífera, S.A.	5,084	0	5,084
Juan María Aguirre Gonzalo	Lead Director		Independent		11,145	0	11,145
Elena Otero Novas-Miranda ⁽⁵⁾	Non-Director Secretary						
Estibaliz Pérez Arzoz	Non-Director Vice-Secretary						

*The information contained in this section is that recorded at 31 December 2017, with the Spanish securities registration and clearing house "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." ("Iberclear").

(1) Manuel Manrique Cecilia's indirect interest is held through Telbasa Construcciones e Inversiones, S.L., which in turn controls 100% of the share capital of Cymofag, S.L.U.

(2) Demetrio Carceller's indirect interest is held through a controlled company (0.099%) and related parties (0.001%).

(3) In connection with the holding of Beta Asociados, S.L., José del Pilar Moreno Carretero controls 100% of Beta Asociados, S.L. through a stake in Altec, Empresa de Construcción y Servicios, S.A. and Marbevelsa, S.L. He also has control over Cantevel 1, S.L. through Marbevelsa, S.A.

(4) Prilou, S.L. it has a total participation of 7.814% (3.159% direct and 4.655% indirect through Prilomi, S.L.). Don José Manuel Loureda Mantiñán owns 49% of the share capital of the company Prilou, S.L. and Prilou, S.L. it has 86% of the share capital of Prilomi, S.L.

(5) In the Board of Directors held on September 7, 2017, the resignation presented by Doña Elena Otero Novas-Miranda to the position of Secretary General (non-director) of the Board of Directors of the company. The General Secretary, from then, it was attended by the Deputy Secretary of the Board, Doña Estibaliz Pérez Arzoz.

7. Governance

7.1. General Meeting, Board and committees

Significant shareholdings represented on the Board of Directors and included in the financial statements are as follows:

2017

Concerted action (Disa Corporación Petrolífera, S.A. + Grupo Satocán, S.A.)	14,488%
Grupo Corporativo Fuertes, S.L.	6.27%
Beta Asociados, S.L.	5.50%
Prilomi, S.L.	4.66%
Prilou, S.L.	3.16%
OTHER	65.92%
TOTAL	100.00%

The Board of Directors' Regulations, which govern its organisation and functioning, provide for three committees to help it carry out its functions:
[102-19](#) [102-20](#)

► The Executive Committee, which is delegated all the Board's powers other than those reserved exclusively for the Board by law, company by-laws or the Board's own regulations.

► Some of the most important functions of the Audit and Corporate Governance Committee are the following: The Audit and Corporate Governance Committee, the key duties of which include reporting at the General Meeting on issues raised by shareholders in areas within the remit of the Committee; proposing to the Board of Directors, to then be submitted at the General Meeting, the appointment, re-election or replacement of the auditor, in accordance with applicable regulations; overseeing the drafting process and the integrity of the financial information of the Company and, where applicable, of the Group, reviewing compliance with regulations, proper delimitation of the scope of consolidation and proper application of accounting criteria; supervising the effectiveness of the Company's internal control and internal audit functions and, where applicable, reviewing risk

management and internal control systems to ensure that major risks are identified, managed and properly brought to light; discussing with the auditor any major weaknesses in the internal control system detected during the audit process; overseeing the drafting and presentation of the regulated financial statements; liaising with the auditor, receiving any information on certain issues that could jeopardise the independence of the auditor and on any other issues relating to the audit process, and receiving information and maintaining communication with the auditor as stipulated in audit legislation and other technical auditing standards.

In any event, the Audit and Corporate Governance Committee must receive annual written confirmation from the auditor of their independence from the Company and any companies linked directly or indirectly to the Company, and information concerning additional services of any kind provided to these entities by the auditor or by persons or entities related thereto, pursuant to prevailing audit regulations; and issue an annual report containing an opinion on the auditor's independence, prior to issue of the audit report on the financial statements. This report must contain information on providing the additional services mentioned above, and on transactions with Board members of the Company that entail or may entail conflicts of interest or related transactions which, according to the Spanish Corporate Enterprises Act and the Board Regulations, must be made known to the Board of Directors.

► The Appointments and Remuneration Committee, which evaluates the competencies, knowledge and experience necessary on the Board of Directors. This committee ensures that candidates proposed to the Board of Directors have recognised solvency, skills and experience.

This Committee also makes recommendations to the Board of Directors on the appointment of independent directors; advises on proposals for the appointment of other directors; proposes the annual remuneration system and amount to be paid to directors and members of the Company's Management Committee

and to directors carrying out executive functions; regularly reviews the remuneration schemes, assessing their suitability and performance (with the participation of independent consultants); informs the Board of Directors of those cases where it deems that continued membership on the Board of one or several directors could jeopardise the interests of the Company or negatively impact its image and reputation; and ensures transparency in remuneration.
[102-24](#) [102-36](#)

As set out in the Board Regulations, in general the Board delegates day-to-day management of the Company to executive bodies and the management team to enable it to focus on its general supervisory role.

At individual business level, it is the Chief Executive Officers of the different business units who are responsible for day-to-day company management and, at the corporate level, it is the CEO with the assistance of the Management Committee:

Name or corporate name	Post/s	Senior management
Manuel Manrique Cecilia	Chairman and CEO of Sacyr, S.A. and Chairman of Sacyr Concesiones, S.L.	x
Rafael Gómez del Río	CEO of Sacyr Concesiones, S.L.	x
José María Orihuela Uzal	CEO of Sacyr Ingeniería e Infraestructuras, S.A.	x
Fernando Lozano Sainz	CEO of Valoriza Gestión, S.A.	x
Pedro Sigüenza Hernández	CEO of Sacyr Industrial, S.L.	x
Carlos Mijangos Gorozarri	Chief Financial Officer	x
Miguel Heras Dolader	Corporate General Manager and Talent Management and HR General Manager	x

*At 31 December 2017

7. Governance

7.2. Good Governance practices

For further information, see our website (www.sacyr.com) or the CNMV website (www.cnmv.es) and download our corporate governance report. [102-5](#) [102-23](#) [102-34](#) [102-35](#) [102-45](#)

Our corporate governance practices are geared towards guaranteeing efficient governance of the Company, safeguarding the rights of all shareholders and ensuring maximum transparency in reporting the Company's operations and financial position.

Sacyr complies with all legally imposed corporate governance requirements and uses the recommendations set out in the Unified Good Governance Code issued by the Spanish Securities Market Commission ("CNMV") as its principal reference for best practices in its management tasks.

This structure is governed by internal regulations consisting of the company bylaws, the Board of Directors' Regulations, the General Meeting Regulations, and the Internal Code of Conduct, all of which can be consulted on the Group's website.

Sacyr chiefly complies with best corporate governance practices in the following areas:

► The Sacyr bylaws do not contain any "poison pills" limiting the maximum number of voting rights that can be exercised by any one shareholder or any other type of restriction designed to block a potential takeover bid through purchase of shares on the market.

► Sacyr has increased the percentage of compliance with the recommendations that are applicable to society (5 and 38).

► Sacyr is aware of the importance of balanced participation of women and men in the company's governance bodies, and to that end, the Board has

approved a director selection policy which expressly aims to ensure that at least 30% of the total number of Board members are female by the year 2020.

► The bylaws and Board of Directors' Regulations establish that Directors must formally tender their resignation to the Board of Directors, and where the Board deems it appropriate, resign when they reach the age of 65, among other conditions. They may, however, remain on the Board as non-executive directors.

► The distribution of different types of directors at Sacyr may be considered appropriate to the Company's capital structure, such that directors represent shareholders from different areas, and do not make up a monolithic block. This diversity among proprietary directors encourages a culture of mutual oversight that benefits all shareholders. There is also a vice-chairman, who is a non-executive proprietary director. Power is further decentralised through the Executive Committee, which is composed of three directors.

► The company's governance structure does not operate as a mere figurehead. In 2017 the various governing bodies were active in many genuine areas of the Group's operations requiring a total of twelve meetings of the Board of Directors, nine of the Executive Committee, ten of the Audit and Corporate Governance Committee and five meetings of the Appointments and Remuneration Committee.

► The Audit and Corporate Governance Committee, also made up exclusively of non-executive directors, carries out a broad range of tasks designed to reinforce the transparency of the Company's management. [102-32](#)

► The procedures for proxy voting at general meetings have been broadened and improved, as have attendance procedures, with the introduction

of remote appointment of proxies and remote voting through electronic and postal communications, and rollout of a shareholder e-forum.

► To help shareholders exercise their vote to the best effect, separate votes are taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case, notably on the appointment or ratification of directors.

Good governance practices create value for our stakeholders

► The Sacyr Board takes steps to periodically check and assess the quality and efficiency of its own operation and that of its committees, based on reports prepared by the committees. The Appointments and Remuneration Committee also evaluates the work of the Chairman. [102-28](#)

► The Board of Directors conducted a self-assessment of its functions in 2017 pursuant to current legislation, and it was found that these were efficient and of good quality. [102-28](#)

► The risk control and management policy is formally presented to and reviewed and approved by the Board of Directors.

► There is a Code of Conduct and the Regulatory Compliance Unit is the body responsible for its oversight and application for the Group as a whole.

► As part of this Code of Conduct, a Whistleblower Hotline has been set up with two functions: one for consultation, and another to report breaches of rules set out in the Code of Conduct. The latter function ensures the confidentiality of the whistleblower and respect for the rights of the person reported.

7. Governance

7.2. Good Governance practices

► The Board of Directors' Regulations specifically govern the procedures for avoiding conflicts of interest within the maximum governing body. In this regard, directors are required to notify the Board of any potential direct or indirect conflict between their own interests and those of the company. In the event of a conflict, the director affected shall refrain from participating and voting in the deliberations on the transaction to which the conflict relates. [102-25](#)

► The Board Regulations also state that the Audit and Corporate Governance Committee is responsible for reporting information regarding transactions with Sacyr directors or related parties.

► The Internal Code of Conduct regulates management of insider information, significant events, transactions carried out on their own account by individuals subject to this code, and transactions involving treasury shares.

► The Board of Directors encourages informed participation by shareholders at general meetings and is committed to adopting whatever measures may be necessary to ensure that the General Shareholders' Meeting can effectively exercise the functions that correspond to it according to the law and the Company's bylaws. In particular, the Board of Directors adopts the following measures: [102-21](#)

- Prior to the General Meeting, the Board shall distribute to shareholders all information that may be of interest and may reasonably be distributed, in addition to all the information that is legally required.
- The Board shall respond, to the best of its ability, to requests for information made by shareholders prior to the General Meeting.
- The Board shall respond, to the best of its ability, to questions posed by shareholders during the General Meeting.

The advice of administration promotes the participation informed of the shareholders in the meetings general



SACYR



**SACYR GROUP
CODE OF
CONDUCT**

7. Governance

7.3. Remuneration and incentives

The individual breakdown of the amounts received by directors for the exercise of their duties in 2017 may be found in the Annual Remuneration Report on our website (www.sacyr.com) and on the CNMV's website.

Directors' remuneration 102-36

The remuneration system for directors acting as such requires that it meet the following characteristics:

- ▶ It must be in line with corporate governance standards and market circumstances based on the Company's characteristics and its business activities.
- ▶ It must provide incentives and compensate dedication, ability and responsibility, based on the positions and responsibilities assumed by each director on the Board of Directors and in its committees.
- ▶ The directors acting as such should not receive variable remuneration, in accordance with recommendations on good corporate governance.

Pursuant to the bylaws, members of the Sacyr, S.A. Board of Directors are entitled to receive remuneration from the Company comprising a fixed annual sum and per diems for attendance to meetings.

For 2017, the remuneration agreed by the Board was as follows:
102-35 102-37

- ▶ Board of Directors: Chairman (93,600 euros), Vice-Chairman (82,800 euros) and member (72,000 euros)
- ▶ Executive Committee: Chairman (58,500 euros) and member (45,000 euros)
- ▶ Audit and Corporate Governance Committee: Chairman (28,600 euros) and member (22,000 euros)
- ▶ Appointments and Remuneration Committee: Chairman (26,000 euros) and member (20,000 euros)

Total salary remuneration (including fixed and variable* remuneration) paid to the executive director amounted to 3,518 thousand euros.

At the end of the year the Group had no commitments to members of the Board of Directors acting as such in respect of pension obligations, life insurance premiums or any share-based payments.

There were also no agreements entitling the Company's directors acting as such to receive compensation upon their removal or resignation from the Board.



Sacyr Board of Directors June 2017

7. Governance

7.4. Anti-corruption



Code of Conduct 102-16 103-1 103-2 103-3 206-1

The Sacyr Group's Regulatory Compliance Model includes a Code of Conduct and it has established the Regulatory Compliance Unit as the body responsible for its oversight and application for the Group as a whole.

The Regulatory Compliance Model includes a Whistleblower Hotline which has two functions: one for consultation, and another to report breaches of the rules set out in the Code of Conduct and, in general, in the Regulatory Compliance Model. The latter function ensures the confidentiality of the whistleblower and respect for the rights of the person reported.

The Board of Directors' Regulations specifically govern the procedures for avoiding conflicts of interest within the maximum governing body. In this regard, directors are required to notify the Board of any potential direct or indirect conflict between their own interests and those of the company. In the event of a conflict, the director affected shall restrain from participating and voting in the deliberations on the transaction to which the conflict relates.

The Board Regulations also state that the Audit and Corporate Governance Committee is responsible for reporting information regarding transactions with Sacyr directors or related parties.

The Internal Code of Conduct regulates management of insider information, significant events, transactions carried out on their own account by individuals subject to this code, and transactions involving treasury shares.

Corruption and bribery 103-1 103-2 103-3 205-1 205-2

In 2015 the Sacyr Group's new Code of Conduct was approved, bringing our commitment to good governance into line with the regulatory requirements and recommendations of the control and supervisory bodies. In July 2017, a new version of the Code of Conduct was approved with the purpose of including the Sacyr Foundation within its scope.

The Code of Conduct expressly prohibits any behaviour by its employees which could be considered to entail corruption or bribery.

All of the employees and members of the governing bodies of Sacyr Group and Sacyr Foundation, as well as the joint ventures and companies over which it has management control, have been informed of the Company's policies and procedures to fight against corruption through our Code of Conduct and the circulars issued.

Among other provisions, the Code expressly prohibits Sacyr employees from offering any type of payment to illicitly obtain benefits, and from accepting gifts or any considerations that could compromise employees' objectivity or influence a commercial, professional or administrative relationship. 103-1 103-2 103-3 415-1

The Regulatory Compliance Unit, in coordination with the Group Internal Audit Department and other areas of the Group, is responsible for detecting and investigating any cases of corruption that may arise. The Department has specific fraud-detection software and avails itself of external experts whenever necessary, and also deploys specialist personnel to prevent and detect any such instances.

Any signs of corruption are analysed in depth, and specific action is taken accordingly. In all cases the Department reviews and analyses possible solutions for the specific business procedure which did not serve to preclude corruption practices, and improvements are sought.

Any questions can be channelled through the following addresses 102-17

- Money laundering: sacyr.prevencionbc@sacyr.com
- Personal Data Protection: lopd@sacyr.com
- Whistleblower Hotline: codigoconducta@sacyr.com

Various information campaigns were carried out internally during the year in relation to money laundering, the Code of Conduct and data protection: 103-1 103-2 103-3 418-1

The Code of Conduct
expressly prohibits
any behaviour by its
employees which
could be considered
to entail corruption or
bribery

7. Governance

7.5. Risks

The process begins with a preliminary risk identification and assessment, which, due to the changing nature of the environment in which the organisation operates, must be periodically updated.

Risk Management and Anti-Corruption 102-15 102-29

Due to its considerable international presence, the Sacyr Group carries out its activity in a number of sectors, social and economic environments, and regulatory frameworks. In this context, the company is exposed to a variety of risks, inherent to the changing environment, affecting the businesses and sectors in which it operates.

Sacyr has established a comprehensive and ongoing risk management system, organised by business units and support areas at corporate level, and has a sound policy in place to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation.

The Group's risk control and management policy, approved by the Board of Directors, establishes the scope, values, principles, governance model and operational bases of the comprehensive risk management system for the control and management of the risks inherent to Sacyr's business activities.

The comprehensive risk management system is structured around a Risk Committee supported by an independent and specialised risk control and management Department, supervised by the Audit Committee with the support of the Internal Audit Department, guarantees the involvement and the commitment of the Board of Directors and senior management in the group's risk management.

The Risk Committee is the most senior body responsible for Sacyr's risk control and management system and for all decisions associated with this. It is designated by the Company's chief executive

and its functions include establishing risk tolerance thresholds and defining and promoting a risk culture within the organisation
102-30 102-31

The Risk Control and Management Department assists the Risk Committee and, with the assistance of the Control and Risk Management Departments of the Group's different business areas, it monitors risk assessments and supports the CEO and the businesses in taking critical decisions.

Additionally, the general objective of the Internal Audit Department, which reports directly to the Sacyr Group Chairman and the Audit Committee, is the systematic assessment of the efficiency of risk identification, control and management procedures. To do this, an internal audit plan is drawn up annually and submitted to the Audit and Corporate Governance Committee for approval.
102-31

The Group's risk control and management policy is developed through a specific risk analysis regulation for each business area, which allows:

- Key business decisions to be taken establishing a systematic and structured method of controlling and managing critical risks throughout entire project lifecycles.
- The risk analysis process to be described and structured into various stages: planning, identification, evaluation, treatment, monitoring and control.
- The distribution of responsibilities to be established during the analysis process.
- Scaling in decision making to be defined according to the established risk appetite and acceptable risk tolerance level.

The Group is exposed to a variety of risks inherent to the various activities, countries and markets in which it operates. The comprehensive risk

management system integrates the main strategic, fiscal and operational risks into previous policies and regulations. These risks are grouped into categories (business environment, regulation, brand and reputation, human resources, operations, financial, information for decision-making, technology and IT systems, and good governance) to ensure that risks are properly identified, assessed, managed and controlled, and that they are periodically reported to the various committees and commissions that are involved in key business decision-making.

At operational level, the comprehensive risk management system is divided into six stages:

- **Planning:** in this stage the system management tools are activated and the parties responsible and risk owners are designated for the entire life of the project.
- **Identification:** at this stage, activities are carried out to identify sub-risks and critical risks associated with each key decision.
- **Assessment:** in this stage, activities are carried out to assess, in accordance with the scales defined, to filter and prioritise the risks and critical sub-risks of the project.
- **Treatment:** the purpose of the activities carried out during this phase is to implement mitigation plans to reduce or eliminate exposure to risk before and after maximum tolerance levels are breached.
- **Monitoring:** this stage identifies new risks and measures the evolution of existing ones, an assessment is conducted of the mitigation plans put into operation, tolerances and risk assessment scales are calibrated, and recovery plans are implemented if tolerance thresholds are breached.
- **Control:** this stage includes the activities carried out by the Risk Control and Management Department throughout project lifespans in order to embed the lessons learned for the continuous improvement of the system and its management.

7. Governance

7.5. Risks

Risk control and management activities carried out in 2017

Over the last five years, due to the international economic crisis, there have been major changes to the scope and likelihood of occurrence of the various risks. For this reason, our efforts during 2017 have focused on the effective implementation of the Risk Analysis Regulations specific to each business area covering the entire life cycle of the projects, updating the existing risk maps and the preparation of the Group's consolidated risk map and consolidation of the criminal risk map.

Furthermore, high-level risk maps have been updated independently of risk maps for the various businesses, and we can use these as tools to manage risks associated with new regulatory frameworks; supervision of internal control over financial reporting by the Audit and Corporate Governance Committee, and the impact on the Company of Spain's new Criminal Code, under which legal entities are held criminally liable for any offences committed.

In general, the Sacyr Group has monitoring plans for the main risks, which include impairment testing of all its non-financial assets at the end of each reporting period.

To a greater or lesser extent depending on the business area, the Sacyr Group is exposed to the risks discussed below, especially credit risk, liquidity risk and market risk, particularly changes in interest rates and less so foreign exchange rates.

As regards credit risk, the Group is exposed through its operating activities, basically trade receivables, and its financing activities.

Customer concentration risk is mitigated by the Group's diverse customer base, backed by public sector bodies.

The underlying borrowings that require the greatest degree of hedging against interest rate fluctuations are project financing loans and those associated with specific assets, because of their exposure for longer

periods of time given the terms involved and the strong correlation with the cash flows of the projects.

The Sacyr Group intends to continue expanding its business into other countries, which carries expansion risk as it involves markets in which the Group does not have the same degree of experience as it has in its current markets.

Each business unit performs an assessment with customers before entering into any contracts, which includes a study of their solvency. During the life of its contracts, it monitors its receivables on an ongoing basis and reviews recoverable amounts, recognising impairment as necessary.

To deal with liquidity risks, the Group has identified probable scenarios through monitoring and control of the annual budget and daily updates of its cash flow forecasts, enabling it to take decisions early. Factors that help mitigate liquidity risk include recurring cash flow generation by the Group's core businesses and the Group's ability to sell assets. The asset rotation strategy allows the Sacyr Group to unlock value from the maturity of top-quality investments and manage the liquidity raised in an attempt to enhance its competitiveness and profitability.

Regarding demand risk for concession projects, the Group has measured the recoverability of the investment by continuously reviewing its valuation models based on trends in traffic and the economic growth outlook for the market where each concession operates.

The Group has implemented control systems to adequately identify, quantify, evaluate and remedy all these risks, in order to minimise or eliminate the consequences. The Group also takes out and renews insurance policies.

The Group seeks to serve society in all its business areas by applying a sustainable and profitable business model that adds value for all stakeholders through innovation, technological progress and excellence in delivery.

Regulatory compliance risks

According to the Sacyr Code of Conduct, compliance with the law is one of the basic ethical principles underlying the conduct of the Sacyr Group and its employees. The Code establishes that the Sacyr Group is committed to reliable and respectful compliance with all legal obligations to which it is subject in any country in which it carries on its business.

Compliance with the various regulations is mainly supervised by the Regulatory Compliance Unit, in coordination with the Internal Audit Department (which has had a specific regulatory compliance department since 2008), and in exercising its functions it may also request the collaboration of other bodies, departments, areas, people or companies of the Group. Other organisational areas, including the Quality and Environmental Department and the Occupational Health and Safety Service, also help guarantee respect for prevailing legislation in the corresponding activity areas.

In view of the high volume of the Group's activities and its diverse and complex nature, claims occasionally arise in respect of the supply and use of products and services or other causes derived from the different regulatory and sector regulation environments applicable to Sacyr subsidiaries. These claims are processed accordingly, and are either accepted or challenged by the Group. The number of claims is not significant in respect of the Group's overall activity.

Sacyr is committed to respectful compliance with all legal obligation to which it is subject in any country in which it carries out its activities.

7. Governance

7.5. Risks

Other risks

In addition to the aforementioned regulatory compliance risks, the Group's risk management and control policy also establishes control and communication mechanisms for a number of other risks, including the following:

- ▶ Risk of inadequate adaptation to the environment or market in which the company operates.
- ▶ Risk of inadequate management of aspects relating to corporate social responsibility, sustainability and image.
- ▶ Human capital risks: positioning, training, flexibility, dependence on key personnel, work climate, etc.
- ▶ Risk of inadequate information for the decision-making process.
- ▶ Technology and information system risks: network management, physical and programme security and information integrity.
- ▶ Money laundering prevention.

In addition to its risk management and control policy, the Sacyr Group also establishes control and communication mechanisms for other types of risks



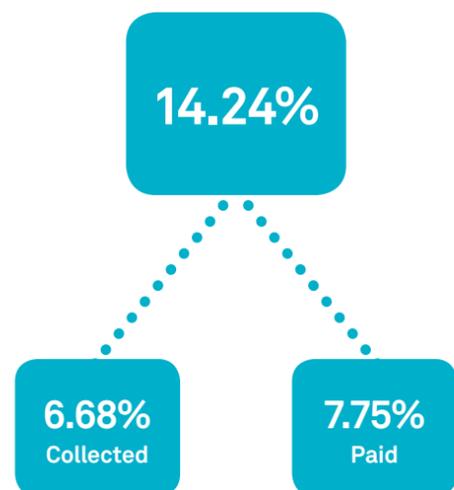
Sacyr headquarters, Spain

7. Governance

7.6. Tax transparency

This chapter details the Total Tax Contribution (TTC) of the Sacyr Group to the public treasuries of those countries where we carry out our activities

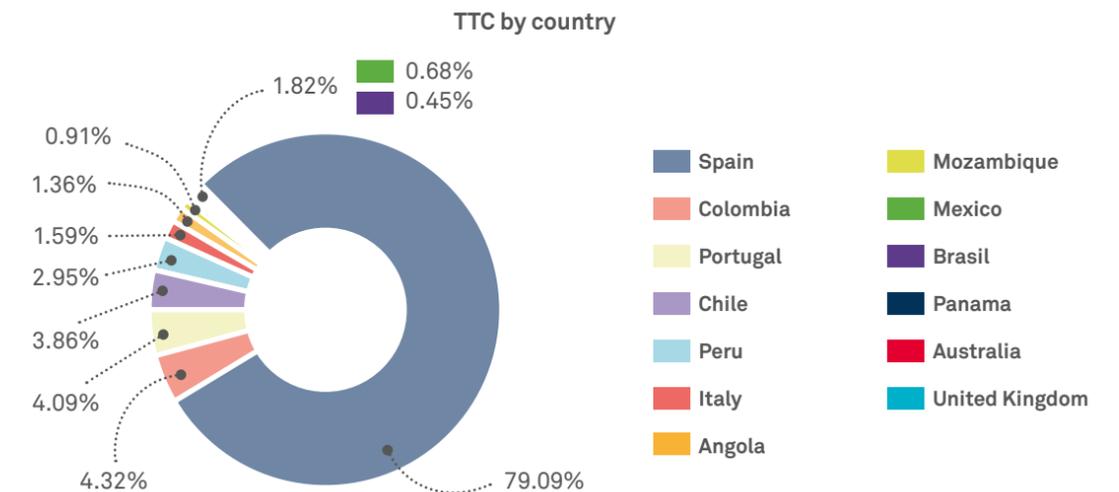
TAX CATEGORY (Mill. €)	PAID	COLLECTED
Taxes on profits	38	3
Taxes on property	9	-
Employment-associated taxes	170	106
Taxes on products and services	9	96
Special taxes	8	1
TOTAL	234	207
TOTAL TAX CONTRIBUTION 2017		440



For every 100 euros of company's turnover, 14.24 euros are destined to the payment of taxes

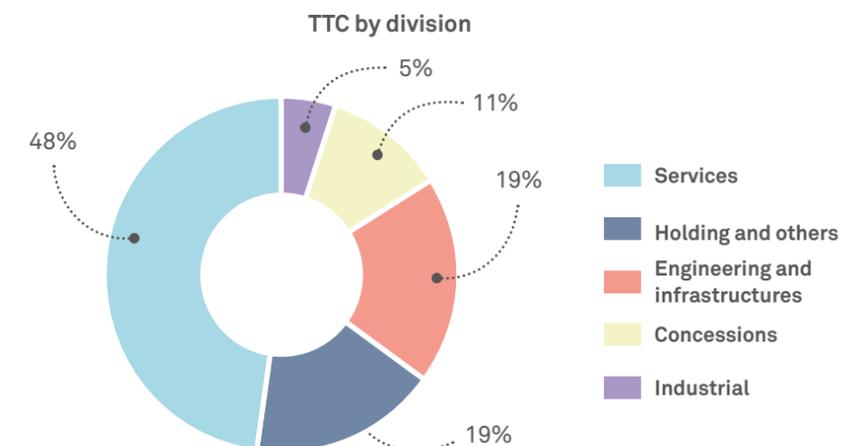
This information is in line with the principles of transparency and corporate social responsibility of Sacyr and its purpose is to identify and value the economic and

social contribution we make by taxing administrations in all the countries where we work.



The projects carried out by our four business divisions and subsidiaries are a means of directly creating value for society, building and maintaining infrastructure and providing essential services for the growth of the

community. However, we also indirectly contribute to creating wealth in such countries through the taxes paid on our business activities.





We work with great effort and passion in improving infrastructures and services for citizens



8. Appendices

Appendix I. About this report

[102-46](#) [102-48](#) [102-49](#) [102-50](#) [102-51](#) [102-52](#) [102-53](#) [102-54](#) [102-55](#) [102-56](#)

This is the sixth INTEGRATED REPORT published by Sacyr, corresponding to 2017, and it covers the situation of the Group at 31 December 2017.

This document was drawn up in accordance with the standard published by the International Integrated Reporting Council (IIRC). It was also drawn up in line with the Global Reporting Initiative's Corporate Responsibility directives (GRI Guidelines), in accordance with its comprehensive option, and its financial information has been set out pursuant to the International Financial Reporting Standards adopted by the European Union.

This report has been externally verified by an independent entity (Price Waterhouse Coopers) pursuant to the ISAE 3000 standard. Its financial content (consolidated financial statements of the parent and its subsidiaries) has also been verified by the independent entity Ernst & Young.

The information contained in this report is balanced, including the achievements attained during the year and the objectives set for the future.

To facilitate comparability, quantitative data from previous years are included, without prejudice to the information supplied in the previous year's report. The data provided are as precise as possible and are given in sufficient detail to meet stakeholders' expectations. Clarity is one of our requirements in writing this report, so as to avoid explanations or ambiguities.

[102-48](#) [102-49](#)

To ensure reliability, the content of this report has been reviewed by all internal departments and divisions responsible for managing the entity's stakeholders and for the information reported. In some cases, and generally owing to an absence of comprehensive data, the information contained in this report cannot refer to the Group overall. This circumstance has been expressly reflected in the corresponding sections of the report. Nevertheless, Sacyr management aims to establish the necessary mechanisms to gradually eliminate these limitations to available information . [102-32](#)

Any additional information, consultation, suggestions for improvement and comments may be sent to: [102-53](#)

Corporate Responsibility Department

E-mail: rcorporativa@sacyr.com

Corporate Responsibility

Sacyr, S.A.

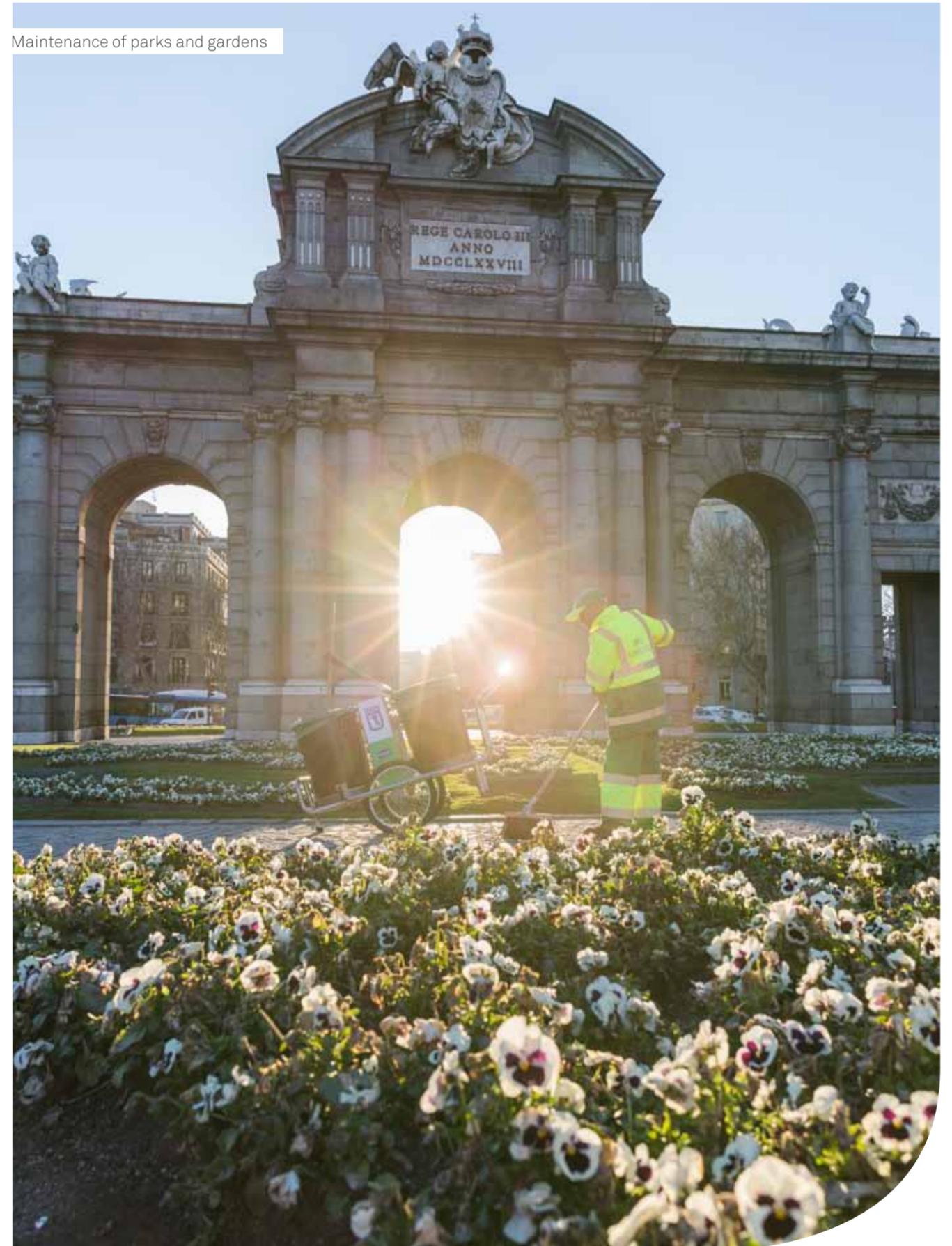
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Planta 8.a 28046 Madrid

Telephone: +34.91.545.50.00

Shareholder hotline: +34.900.101.930

Maintenance of parks and gardens



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Appendix II. Materiality analysis

1. Objective of the materiality analysis

In line with the guidelines of the International Integrated Reporting Framework and the requirements of the new Guide of the Global Reporting Initiative (GRI) on preparing sustainability reports. To write this report, Sacyr has carried out a materiality analysis with a view to representing the most important issues for the company and its stakeholders.

Material aspects are those that affect the company's capacity to create value in the short, medium and long-term, and that allow our stakeholders to obtain a true and fair view of Sacyr's performance in the corporate sphere and with regard to sustainability.

2. Methodology

The methodology decided on by Sacyr for carrying out the materiality analysis and defining the material issues to be dealt with in its 2017 Integrated Annual Report includes the conducting of three phases. [102-43](#)

3. Description of the phases

PHASE 1: Preliminary identification of material issues

The internal and external sources consulted in the desk review are shown below:

Internal Sources

Sacyr 2016 Corporate Reports (2016 Integrated Report, 2017 Economic and Corporate Governance Report), Company strategic plan, Company risk map, Sacyr's Corporate Responsibility masterplan, solutions offered by the Company and its current portfolio of projects, internal communiqués and press releases, Sacyr policies and commitments and the shareholder and investor channel on the Sacyr website.

External Sources

New GRI standards of the Global Reporting Initiative, Sectoral Guide of the GRI for the real estate and construction business, International Integrated Reporting Framework (IIRC), sustainability reports and integrated reports of peer companies prepared based on GRI standards, press releases, studies of sector

trends in the various different countries in which Sacyr operates, guides, publications and other documents from relevant organisations on related topics (ISO26000, Dow Jones Sustainability Index publications, European Directive on mandatory nonfinancial information, etc.) and minutes of public meetings (e.g., CSR national plan).

Based on this evaluation, a preliminary listing of relevant issues for Sacyr was obtained, for evaluation and validation in the next phase

PHASE 2: Validation and assessment of the relevant issues

To internally compare the issues included in the preliminary listing and continue identifying and delimiting which are and which are not material for Sacyr, interviews were held with 30 persons of the organisation representing all of the areas of the company involved in preparing the reports.

Some of these areas that participated include: Quality and Environment, Innovation, Investor Relations, Tax, HR, Facilities, Compensation, Consolidation, Training, Health and Safety (prevention), Strategy, Internal Audit, Financial, Legal Advice, Construction, General Services, Labour, Concessions, Sacyr Services, Water, Valoriza Environment, Maintenance, Industrial, Organisation and Communication. [102-44](#)

PHASE 3: Prioritisation and obtainment of the final listing

Shown below is the final listing of material issues, ordered according to their relevance, that are to be covered in the Sacyr 2017 Integrated Report. [102-47](#) [102-44](#)

Internal coverage (i)
External coverage

1. Corporate governance (i)
- 2 Risks (i)
- 3 Energy
- 4 Innovation (i)
- 5 Employment (i)
- 6 Business model (i)
- 7 Strategy (i)

- 8 Occupational safety and health (i)
- 9 Economic performance (i)
- 10 Water
- 11 Anti-corruption (i)
- 12 External factors/social and sectoral context
- 13 Customer health and safety
- 14 Regulatory compliance
- 15 Effluents and waste
- 16 Emissions
- 17 Diversity and equal opportunity (i)
- 18 Training and education (i)
- 19 Biodiversity
- 20 Non-discrimination (i)
- 21 Remuneration of workers and management (i)
- 22 Indigenous rights
- 23 Soil degradation, contamination and remediation
- 24 Environmental expenditure and investment
- 25 Supplier environmental assessment
- 26 Local communities

Our report is in line with the results obtained, so as to faithfully reflect all material issues for the company in the corporate and sustainability sphere and thus satisfy the reporting expectations of our stakeholders and facilitate their decision-making.



*Free translation from the original in Spanish.
In the event of a discrepancy, the Spanish language version prevails*

**INDEPENDENT LIMITED ASSURANCE REPORT
ON THE CORPORATE RESPONSIBILITY INDICATORS**

To the Management of Sacyr S.A.:

We have carried out our work to provide limited assurance on the Corporate Responsibility indicators contained in "GRI Index" Appendix of the 2017 Integrated Report (hereinafter "CR Indicators") of Sacyr, S.A. and its subsidiary companies (hereinafter "Sacyr") for the year ended December 31st, 2017, prepared in accordance with the content proposed in the GRI Standards of the Global Reporting Initiative (GRI) (hereinafter GRI Standards) and Construction and Real Estate Sector Disclosures of the GRI Guidelines version G4 (hereinafter Construction and Real Estate Sector Disclosures).

Responsibility of the Management

The Management of Sacyr is responsible for the preparation, content and presentation of the Integrated Report in accordance with the Comprehensive option of the GRI Standards and the Construction and Real Estate Sector Disclosures. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the CR indicators are free from any material misstatement due to fraud or error.

The Management of Sacyr is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the CR indicators, is obtained.

Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Reviewed) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling tests. The general procedures employed are described below:

- Meetings with Sacyr's personnel from various departments who have been involved in the preparation of the 2017 Integrated Report.
- Analysis of the procedures used for obtaining and validating the data presented in the CR indicators.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290



- Analysis of the Sacyr's CR indicators adaptation to the requirements established by the GRI Standards for the preparation of sustainability reports and to the Construction and Real Estate Sector Disclosures.

- Verification, through random sampling tests revisions, internal control tests and substantive tests on the quantitative and qualitative information used to determine Sacyr's CR indicators. We have also verified whether they have been appropriately compiled from the data provided by Sacyr's sources of information.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that Sacyr's CR indicators, for the financial year ended December 31st, 2017, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the GRI Standards and the Construction and Real Estate Sector Disclosures.

Use and Distribution

Our report is only issued to the Management of Sacyr, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Sacyr's Management.

PricewaterhouseCoopers Auditores S.L.

M^a Luz Castilla

May 23rd, 2018

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Appendix II. Reliability



*Free translation from the original in Spanish.
In the event of a discrepancy, the Spanish language version prevails*

INDEPENDENT LIMITED ASSURANCE REPORT ON GREENHOUSE GAS (GHG) STATEMENT 2017

To the Management of Sacyr, S.A.:

Scope of work

We have undertaken a limited assurance engagement of the Greenhouse Gas Statement (hereinafter GHG Statement) of Sacyr, S.A. and its subsidiary companies (hereinafter referred to as Sacyr) for the financial year ended December 31st, 2017, included in the Appendix of this report. This engagement was conducted by a team of sustainability and climate change assurance practitioners.

Responsibility of Sacyr's Management

Sacyr's Management is responsible for the preparation of the 2017 GHG Statement in accordance with the procedure 'Calculation of Carbon Footprint' of Sacyr, available on the following website link http://www.sacyr.com/es_en/channel/innovation-channel/commitment-to-quality/sustainability/. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410), 'Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). That standard requires that we plan and perform this engagement to obtain limited assurance about whether Sacyr's 2017 GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Sacyr's use of applicable criteria as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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1



Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries and meetings with personnel of Sacyr's various departments who have been involved in the preparation of the GHG Statement, obtained an understanding of Sacyr's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Sacyr's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Sacyr's estimates.
- Verification, through analytical and substantive tests based on the selection of a sample of the quantitative information (activity data, calculations and information generated) used to determine Sacyr's 2017 GHG Statement and the correct compilation of information based on the internal procedure applied by Sacyr.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if we had performed a reasonable assurance.

Our independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1) 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.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention which may lead us to believe that Sacyr's GHG Statement for the financial year ended December 31st, 2017 is not prepared, in all material aspects, in accordance with the procedure applied 'Calculation of Carbon Footprint' of Sacyr.

Use and distribution

Our report is only issued the Management of Sacyr in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Sacyr's Management.

PricewaterhouseCoopers Auditores, S.L.

Mª Luz Castilla

May 23rd, 2018

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Appendix II. Reliability



Appendix

SACYR'S GREENHOUSE GAS (GHG) STATEMENT CORRESPONDING TO THE YEAR ENDED DECEMBER 31st, 2017

2017 GHG Statement	tCO ₂ -e
Scope 1: GHG Direct emissions	482.971,87
<i>Emissions from mobile combustion and fixed combustion sources</i>	482.966,82
<i>Fugitive emissions</i>	5,05
Scope 2: GHG Indirect emissions	55.103,21
Scope 3: Other GHG indirect emissions	8.321,94
<i>Business Travel</i>	8.321,94

Quantification criteria

Sacyr's emissions are calculated based on operational control, i.e. on those activities/contracts over which it has the authority to introduce and implement its operational policies.

Scope

The emissions from Sacyr's activities and facilities are calculated taking into account the following scopes:

Scope 1: GHG Direct emissions (greenhouse gases)

Direct emissions at Sacyr come from its various operating centers and are associated with:

- Emissions from mobile combustion sources: emissions derived from fuel consumption associated with travel (vehicles) and machinery.
- Emissions generated from fixed combustion sources: emissions from the consumption of fuel in equipment stationary or fixed facilities.
- Fugitive emissions: refrigerant gas leaks from refrigeration equipments in the facilities, either owned by the organisation or maintained by it.

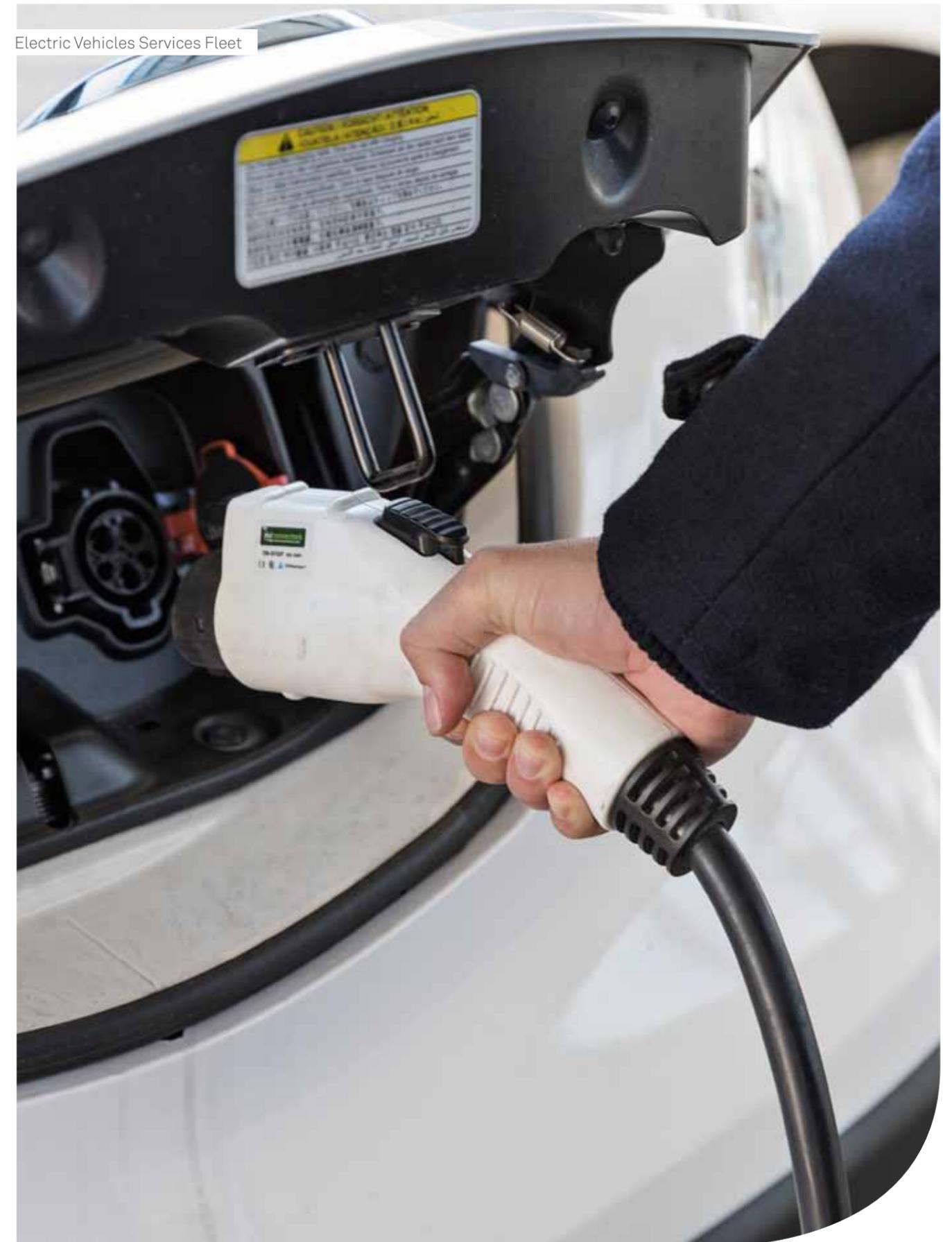
Scope 2: GHG Indirect emissions (greenhouse gases)

Indirect emissions at Sacyr come from its various operating centers and are associated with the consumption of electricity from the installations of these centers.

Scope 3: Other GHG indirect emissions (greenhouse gases)

These emissions are a consequence of the company's activities, but originate from sources that are not owned or controlled by the company.

Within this scope, the emissions associated with business travel are calculated, i.e., the emissions derived from staff travel by air, train and bus.



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Appendix III. Contact Information

102-1 102-3

HOLDING

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28046 Madrid. España

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CAVOSA OBRAS Y PROYECTOS, S.A.
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28046, Madrid. España

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ECONSTRUÇOES, S.A.
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28009 Madrid. España

SCRINSER
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(Barcelona)

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SIS S.C.P.A.
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10146 Turín, Italia

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andar-
Conjuntos 142/144-Cep 04551-010
Sao Paulo. Brasil

SOMAGUE ENGENHARIA CABO
VERDE
Achada Grandeapartado 242-
Cidade da Praia
Cabo Verde

SOMAGUE ENGENHARIA ANGOLA
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Corpo D do Complexo da Sededo
MPLA. Luanda-Angola

SACYR CONCESSIONS

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Chile

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8. Appendices

Appendix IV. GRI Index

Code	Description	Omission	Page Direct answer	Ext. Ver
Organisational profile				
102-1	Name of the organization		30, 240	✓
102-2	Activities, brands, products, and services		50-53	✓
102-3	Location of headquarters		240	✓
102-4	Location of operations		20-21	✓
102-5	Ownership and legal form		212	✓
102-6	Markets served		20-21	✓
102-7	Scale of the organization		18	✓
102-8	Information on employees and other workers	Not available information regarding subcontractors	198, 264, 265	✓
102-9	Supply chain		120, 180, 187	✓
102-10	Significant changes to the organization and its supply chain		30	✓
102-11	Precautionary Principle or approach		190	✓
102-12	External initiatives		173, 186, 188	✓
102-13	Membership of associations		170-171	✓
Strategy				
102-14	Statement from senior decision-maker		30	✓
102-15	Key impacts, risks, and opportunities		220-224	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior		218	✓
102-17	Mechanisms for advice and concerns about ethics		219	✓
Governance				
102-18	Governance structure		208-209	✓
102-19	Delegating authority		208-210	✓
102-20	Executive-level responsibility for economic, environmental, and social topics		208-210	✓
102-21	Consulting stakeholders on economic, environmental, and social topics		214	✓
102-22	Composition of the highest governance body and its committees		208-210	✓
102-23	Chair of the highest governance body		212	✓
102-24	Nominating and selecting the highest governance body		210-211	✓
102-25	Conflicts of interest		214	✓
102-26	Role of highest governance body in setting purpose, values, and strategy		208	✓
102-27	Collective knowledge of highest governance body		208	✓
102-28	Evaluating the highest governance body's performance		213	✓

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Appendix IV. GRI Index

Code	Description	Omission	Page Direct answer	Ext. Ver
102-29	Identifying and managing economic, environmental, and social impacts		220-224	✓
102-30	Effectiveness of risk management processes		220	✓
102-31	Review of economic, environmental, and social topics		220	✓
102-32	Highest governance body's role in sustainability reporting		212, 230	✓
102-33	Communicating critical concerns		208	✓
102-34	Nature and total number of critical concerns		212	✓
102-35	Remuneration policies		212, 216	✓
102-36	Process for determining remuneration		211, 216	✓
102-37	Stakeholders' involvement in remuneration		216	✓
102-38	Annual total compensation ratio	Instruments for calculating this indicator are not available within the scope of HR management in Sacyr		

Code	Description	Omission	Page Direct answer	Ext. Ver
102-39	Percentage increase in annual total compensation ratio	Instruments for calculating this indicator are not available within the scope of HR management in Sacyr		
Stakeholder engagement				
102-40	List of stakeholder groups		168-169	✓
102-41	Collective bargaining agreements		203-204	✓
102-42	Identifying and selecting stakeholders		168-169	✓
102-43	Approach to stakeholder engagement		232	✓
102-44	Key topics and concerns raised		232	✓
Reporting framework				
102-45	Entities included in the consolidated financial statements		212	✓
102-46	Defining report content and topic Boundaries		230	✓
102-47	List of material topics		232-233	✓
102-48	Restatements of information		230	✓
102-49	Changes in reporting		230	✓
102-50	Reporting period		230	✓
102-51	Date of most recent report		230	✓
102-52	Reporting cycle		230	✓

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Appendix IV. GRI Index

Code	Description	Omission	Page Direct answer	Ext. Ver
102-53	Contact point for questions regarding the report		230	✓
102-54	Claims of reporting in accordance with the GRI Standards		230	✓
102-55	GRI content index		230	✓
102-56	External assurance		230, 234-238	✓
ECONOMIC STANDARD				
Anti-corruption				
103-1	Explanation of the material topic and its Boundary		218	✓
103-2	The management approach and its components		218	✓
103-3	Evaluation of the management approach		218	✓
205-1	Operations assessed for risks related to corruption	Annually, all the business lines that operate in the countries are evaluated in terms of risks related to corruption	218	✓
205-2	Communication and training about anti-corruption policies and procedures		203, 218	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
205-3	Confirmed incidents of corruption and actions taken	In 2017, there were no incidents of corruption registered in Sacyr through the established channels for reporting them		✓
Unfair competition				
103-1	Explanation of the material topic and its Boundary		218	✓
103-2	The management approach and its components		218	✓
103-3	Evaluation of the management approach		218	✓
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		218	✓
ENVIRONMENTAL STANDARD				
Environmental Performance				
103-1	Explanation of the material topic and its Boundary		157	✓
103-2	The management approach and its components		157	✓
103-3	Evaluation of the management approach		157	✓
301-1	Materials used by weight or volume		157, 259	✓
301-2	Recycled input materials used		157	✓

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Appendix IV. GRI Index

Code	Description	Omission	Page Direct answer	Ext. Ver
301-3	Productos reutilizados y materiales de envasado	Given the nature of the products and services marketed by Sacyr, this indicator does not apply		
Energy				
103-1	Explanation of the material topic and its Boundary		130	✓
103-2	The management approach and its components		130	✓
103-3	Evaluation of the management approach		130	✓
302-1	Energy consumption within the organization		130	✓
302-2	Energy consumption outside of the organization		132	✓
302-3	Energy intensity		132	✓
302-4	Reduction of energy consumption		134	✓
302-5	Reductions in energy requirements of products and services		133	✓
CRE1	Building energy intensity.		133	✓
Water				
103-1	Explanation of the material topic and its Boundary		142	✓
103-2	The management approach and its components		142	✓
103-3	Evaluation of the management approach		142	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
303-1	Water withdrawal by source		142	✓
303-2	Water sources significantly affected by withdrawal of water	In Sacyr, during the year 2017, no significant effects of water sources linked to catchment operations were detected	142	✓
303-3	Water recycled and reused		144	✓
CRE2	Building water intensity.		133	✓
Biodiversity				
103-1	Explanation of the material topic and its Boundary		148	✓
103-2	The management approach and its components		148	✓
103-3	Evaluation of the management approach		148	✓
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		149	✓
304-2	Significant impacts of activities, products, and services on biodiversity		152	✓
304-3	Habitats protected or restored		152	✓
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		150	✓

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Appendix IV. GRI Index

Code	Description	Omission	Page Direct answer	Ext. Ver
Emissions				
103-1	Explanation of the material topic and its Boundary		138	✓
103-2	The management approach and its components		138	✓
103-3	Evaluation of the management approach		138	✓
305-1	Direct (Scope 1) GHG emissions		138	✓
305-2	Energy indirect (Scope 2) GHG emissions		138	✓
305-3	Other indirect (Scope 3) GHG emissions		139	✓
305-4	GHG emissions intensity		139	✓
305-5	Reduction of GHG emissions		133	✓
305-6	Emissions of ozone-depleting substances (ODS)		140	✓
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		140	✓
CRE3	Greenhouse gas emissions intensity from buildings		133	✓
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity		133	✓
Effluents and waste				
103-1	Explanation of the material topic and its Boundary		147, 156, 161	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
103-2	The management approach and its components		147, 156, 161	✓
103-3	Evaluation of the management approach		147, 156, 161	✓
306-1	Water discharge by quality and destination		147	✓
306-2	Waste by type and disposal method		156	✓
306-3	Significant spills		161	✓
306-4	Transport of hazardous waste	Sacyr does not transport, import or treat hazardous waste		✓
306-5	Water bodies affected by water discharges and/or runoff	In Sacyr, during the year 2017 there have been no episodes in which the liquid effluents generated by the organization have caused significant damage to water resources and related habitats		✓
Environmental Compliance				
103-1	Explanation of the material topic and its Boundary		118	✓
103-2	The management approach and its components		118	✓
103-3	Evaluation of the management approach		118	✓
307-1	Non-compliance with environmental laws and regulations		118	✓

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Code	Description	Omission	Page Direct answer	Ext. Ver
Degradation, pollution and soil remediation				
103-1	Explanation of the material topic and its Boundary		148	✓
103-2	The management approach and its components		148	✓
103-3	Evaluation of the management approach		148	✓
CRE5	Restoration lands and in need of rehabilitation	Throughout the year 2017, there have been no soil contamination in those locations in which we have developed activities. Likewise, no activities have been carried out in areas with contaminated soils, so it has not been necessary to carry out soil decontamination tasks		✓
Suppliers environmental evaluation				
103-1	Explanation of the material topic and its Boundary		120	✓
103-2	The management approach and its components		120	✓
103-3	Evaluation of the management approach		120	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
308-1	New suppliers that were screened using environmental criteria		120	✓
308-2	Negative environmental impacts in the supply chain and actions taken		120	✓
SOCIAL STANDARD				
Employment				
103-1	Explanation of the material topic and its Boundary		198	✓
103-2	The management approach and its components		198	✓
103-3	Evaluation of the management approach		198	✓
401-1	New employee hires and employee turnover		260, 261	✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		204	✓
401-3	Parental leave		262, 263	✓
Labor-company relations				
103-1	Explanation of the material topic and its Boundary		204	✓
103-2	The management approach and its components		204	✓

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Code	Description	Omission	Page Direct answer	Ext. Ver
103-3	Evaluation of the management approach		204	✓
402-1	Minimum notice periods regarding operational changes	The Sacyr Group follows the periods of notice established in the labor regulations or those included in the agreements applicable to each business, not having defined minimum periods of notice at corporate level		✓
Occupational Health and Safety				
103-1	Explanation of the material topic and its Boundary		178	✓
103-2	The management approach and its components		178	✓
103-3	Evaluation of the management approach		178	✓
403-1	Workers representation in formal joint management–worker health and safety committees		178	✓
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		180, 263, 266	✓
403-3	Workers with high incidence or high risk of diseases related to their occupation		180	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
403-4	Health and safety topics covered in formal agreements with trade unions	There are formal agreements with unions that include clauses on health and safety related to construction in Spain		✓
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized OHS management system		178	✓
Training and education				
103-1	Explanation of the material topic and its Boundary		199	✓
103-2	The management approach and its components		199	✓
103-3	Evaluation of the management approach		199	✓
404-1	Average hours of training per year per employee		199-200	✓
404-2	Programs for upgrading employee skills and transition assistance programs		199-201	✓
404-3	Percentage of employees receiving regular performance and career development reviews		198	✓
Diversity and Equal Opportunity				
103-1	Explanation of the material topic and its Boundary		198	✓
103-2	The management approach and its components		198	✓
103-3	Evaluation of the management approach		198	✓

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Code	Description	Omission	Page Direct answer	Ext. Ver
405-1	Diversity of governance bodies and employees		198, 208-209	✓
405-2	Ratio of basic salary and remuneration of women to men	Ratio not available, but qualitative response is given	203	✓
		The management of the Company and in particular the Compensation and Benefits area ensures compliance with the confidentiality requirements and the setting of its remuneration policy with equity criteria regardless of the gender condition		
Nondiscrimination				
103-1	Explanation of the material topic and its Boundary		186, 202	✓
103-2	The management approach and its components		186, 202	✓
103-3	Evaluation of the management approach		186, 202	✓
406-1	Incidents of discrimination and corrective actions taken		186	✓
Trabajo infantil				
103-1	Explanation of the material topic and its Boundary		198	✓
103-2	The management approach and its components		186	✓
103-3	Evaluation of the management approach		186	✓
408-1	Operations and suppliers at significant risk for incidents of child labor		186-188	✓

Code	Description	Omission	Page Direct answer	Ext. Ver
Rights of indigenous peoples				
103-1	Explanation of the material topic and its Boundary		186	✓
103-2	The management approach and its components		186	✓
103-3	Evaluation of the management approach		186	✓
411-1	Incidents of violations involving rights of indigenous peoples		186-188	✓
Human Rights Assessment				
103-1	Explanation of the material topic and its Boundary		186	
103-2	The management approach and its components		186	
103-3	Evaluation of the management approach		186	
412-1	Operations that have been subject to human rights reviews or impact assessments			During 2017, operations subject to human rights assessment have not been identified
412-2	Employee training on human rights policies or procedures			During 2017, no training on human rights has been conducted
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			During 2017, no agreements have been made with clauses or submitted for human rights evaluation

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Code	Description	Omission	Page Direct answer	Ext. Ver
Public policy				
103-1	Explanation of the material topic and its Boundary		218	✓
103-2	The management approach and its components		218	✓
103-3	Evaluation of the management approach		218	✓
415-1	Political contributions	During fiscal year 2017, no contributions have been made to parties and / or political representatives, as established in our Code of Conduct	218	✓
Customer privacy				
103-1	Explanation of the material topic and its Boundary		219	✓
103-2	The management approach and its components		219	✓
103-3	Evaluation of the management approach		219	✓
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the year 2017, no claims or incidents have been registered in these matters		✓
Labeling of products and services (non-material indicator)				
CRE 8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment		136	✓

8. Anexos

Appendix V. GRI tables

Shown below are the details of the amounts consumed of the most significant materials used by each business area. [301-1](#)

ENGINEERING AND INFRASTRUCTURES			SERVICES		
Steel	Tn	78,858.30	Reused land	Tn	0.00
Cement	Tn	116,489.80	Fertilisers	Tn	25.43
Concrete	Tn	860,338.50	Oils	Tn	102.04
Agglomerates	Tn	58,863.75	Sulphuric acid	Tn	54.18
Aggregates	Tn	3,234,474.56	Adblue	Tn	76.31
Reused land	Tn	1,161,580.50	Carbonic anhydride	Tn	4,598.50
INDUSTRIAL			Iron chloride	Tn	198.97
Concrete	Tn	13,847.05	Coagulant	Tn	1,169.69
Hexane	Tn	65.54	Calcium hydroxide	Tn	122.62
Hydrochloric acid	Tn	13.51	Sodium hypochlorite	Tn	1,197.87
Hypochlorite	Tn	28.04	Paints	Tn	45.92
Aggregates	Tn	3,296.13	Cleaning products	Tn	447.83
Reused land	Tn	2,557.03	Polyelectrolyte	Tn	51.25
Steel	Tn	5,991.14	Pesticides	Tn	20.34
CONCESSIONS			Fluxes	Tn	5,625.53
Fluxes	Tn	77.84	Caustic soda	Tn	459.38
Bitumen and bitumen mixes	Tn	44.49			

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Appendix V. GRI tables

NEW PERMANENT HIRING AND LABOUR TURNOVER IN SPAIN BY GENDER. 401-1

	NEW HIRING			TURNOVER		
	2017	2016	%17/16	2017	2016	%17/16
MEN	2,102	1,205	74.44%	672	597	12.56%
WOMEN	2,767	1,278	116.51%	1,081	947	14.15%
TOTAL	4,869	2,483	96.09%	1,753	1,544	13.54%

LABOUR TURNOVER IN SPAIN. 401-1

	2017	2016
	TOTAL	TOTAL
AVERAGE CONSOLIDATED WORKFORCE	25,563	21,306
TOTAL LEAVE	1,753	1,544
MEDIA LEAVE	146	129
% MONTHLY	0.57%	0.60%

NEW HIRING AND LABOUR TURNOVER IN SPAIN BY AGE. 401-1

	UP TO 20 YEARS	+20 YEARS	+30 YEARS	+40 YEARS	+50 YEARS	+60 YEARS	TOTAL
	NEW HIRING	33	878	1,175	1,554	1,112	117
	0.68%	18.03%	24.13%	31.92%	22.84%	2.40%	100%
LABOUR TURNOVER	7	240	389	381	350	386	1,753
	0.40%	13.69%	22.19%	21.73%	19.97%	22.02%	100%

NEW HIRING AND LABOUR TURNOVER IN SPAIN BY AUTONOMOUS COMMUNITY 401-1

	NEW HIRING	LABOUR TURNOVER
	ANDALUSIA	504
ARAGON	80	39
MADRID	1,800	633
C. VALENCIANA	301	88
NAVARRRE	19	10
CANARY ISLANDS	186	42
CANTABRIA	41	19
CASTILLE LA MANCHA	470	127
CASTILLE LEÓN	265	110
CATALONIA	588	289
CEUTA	2	0
MELILLA	4	0
ESTREMADURA	51	24
GALICIA	215	95
BALEARIC ISLANDS	37	20
THE RIOJA	33	18
ASTURIAS	64	23
BASQUE COUNTRY	130	71
MURCIA	79	15
TOTAL	4,869	1,753

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Appendix V. GRI tables

MATERNITY/PATERNITY LEAVE IN SPAIN (2017). 401-3

	PATERNITY	MATERNITY	TOTAL
MEN	331	3	334
WOMEN	0	238	238
TOTAL	331	241	572

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE IN SPAIN. 401-3

	ACTIVE	LEAVE	TOTAL
MEN	329	5	334
WOMEN	230	8	238
TOTAL	559	13	572

REASONS OF LEAVE AFTER PARENTAL LEAVE IN SPAIN. 401-3

CONCEPTS OF LEAVING 2017	Woman	Man	TOTAL
Subrogation	1	3	4
End of temporary contract at the request of the employer	3	3	6
End or interruption of the activity of workers fixed-temporary	1	0	1
Leave on to care for children	0	1	1
Unpaid leave	0	1	1
TOTAL	5	8	13

SICKNESS ABSENTEEISM AND OTHER REASONS IN SPAIN 403-2

	2017	2016	Var.
LOST HOURS (DISEASE AND OTHER)	4,799,960	3,595,536	33.50%
WORKED HOURS	74,752,699	59,711,903	25.19%
POSSIBLE HOURS	79,950,091	64,130,983	24.67%
% ABSENTISM	6.00%	5.61%	7.08%

ACCIDENTS (BY GENDER) 403-2

	2013	2014	2015	2016	2017
Men	412	672	630	596	628
Women	370	393	502	921	1,047
Total	782	1,065	1,132	1,517	1,675

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Appendix V. GRI tables

DISTRIBUTION OF WORKERS BY GENDER AND COUNTRY 102-8

COUNTRY	MEN'S AVERAGE CONSOLIDATED	WOMEN'S AVERAGE CONSOLIDATED	TOTAL'S AVERAGE CONSOLIDATED
SPAIN	11,072	14,491	25,563
ANGOLA	217	41	258
ALGERIA	31	2	33
AUSTRALIA	33	4	37
BOLIVIA	123	13	136
BRAZIL	11	7	18
CAPE VERDE	21	7	28
CHILE	1,356	392	1,748
COLOMBIA	454	252	706
COSTA RICA	1	-	1
ECUADOR	10	3	13
INDIA	1	-	1
IRELAND	4	2	6
ISRAEL	9	2	11
ITALY	1	-	1
LIBYA	2	1	3
MEXICO	51	16	67
MOZAMBIQUE	16	9	25
OMAN	5	3	8
PANAMA	1	1	2
PARAGUAY	17	11	28
PERU	381	82	463
PORTUGAL	855	160	1,015
QATAR	120	9	129
URUGUAY	0	2	2
USA	5	2	7
TOTAL	14,797	15,512	30,309

DISTRIBUTION OF WORKERS IN SPAIN BY AUTONOMOUS COMMUNITIES 102-8

AUTONOMOUS COMMUNITY	ENGINEERING AND INFRASTRUCTURES	CONCESSIONS	INDUSTRIAL	SERVICES	HOLDING AND OTHERS	TOTAL
ANDALUSIA	129	34	133	1,682	1	1,979
ARAGON	12	-	-	293	1	306
MADRID	546	120	248	10,740	224	11,878
C. VALENCIANA	12	29	-	986	0	1,027
NAVARRRE	-	-	-	73	0	73
CANARY ISLANDS	17	-	1	864	0	882
CANTABRIA	3	-	-	154	0	157
CASTILLE LA MANCHA	11	-	103	2,078	0	2,192
CASTILLE LEÓN	17	12	-	1,622	15	1,666
CATALONIA	82	-	157	2,259	1	2,499
CEUTA	-	-	-	12	0	12
MELILLA	-	-	-	92	0	92
ESTREMADURA	2	-	-	325	0	327
GALICIA	11	15	15	983	0	1,024
BALEARIC ISLANDS	14	20	2	166	0	202
THE RIOJA	-	-	-	216	0	216
ASTURIAS	-	21	6	216	0	243
BASQUE COUNTRY	22	-	50	411	2	485
MURCIA	40	22	109	132	0	303
TOTAL	918	273	824	23,304	244	25,563

The total of the workforce with fixed contract are 19,514 and 6,049 have a temporary contract. Sacyr's workforce in Spain can be broken down into a total of 9,167 men and 5,975 full-time women and a total of 1,905 men and 8,516 women part-time. By age groups in Spain, the workforce is made up of 16 employees up to 20 years, 1,557 +20 years, 4,748 +30 years, 8,611 +40 years, 8,212 +50 years and 2,419 +60 years, making a total of 25,563 employees.

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Appendix V. GRI tables

ACCIDENT RATES 403-2

AREA	N° Employees	N° Hours	N° Working days lost	N° Accidents Resulting in Absence	Frequency Rate (N° of WA/ Worked Hours x 1,000,000)	Severity Rate (W. days Lost/ Worked Hours x 1,000)	Incidence Rate (N° WA/ N° Workers x 100,000)
SERVICES	22,028.08	57,306,070	70,235	1,650	29	1.23	7,490.44
ENGINEERING AND INFRASTRUCTURES	899.67	2,339,130	268	8	3	0.11	889.22
CONCESSIONS	272.50	708,550	1,160	6	8	1.64	2,201.83
INDUSTRIAL	385.42	1,001,930	533	10	10	0.53	2,594.59
REAL ESTATE	6.75	17,560	0	0	0	0.00	0.00
HOLDING	224.17	582,840	82	1	2	0.14	446.10



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Appendix VI. Contribution to the SDGs



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