

CMD
INGENIEROS ●●■

Valencia
December 19, 2012

Communication of Progress (COP)

To our stakeholders:

I am pleased to confirm that *CMD Domingo y Lázaro Ingenieros S.L.* supports the Ten Principles of the United Nations Global Compact concerning Human Rights, Labor, Environment and Anti Corruption.

Trough this annual Communication on Progress, we reaffirm our compromise of adhesion with the United Nation's Global Compact and its principles, which are always present in our strategies and working environment.

Sincerely,



Francisco José Palacios Climent
General Director

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CMD Domingo y Lazaro Ingenieros S.L.

CMD Ingenieros is a multidisciplinary office dealing with the design and execution of singular projects in the fields of engineering, architecture, landscape and urban design. Our work is based on the quest for beauty, efficiency and innovation. We are naturally inclined towards assuming appealing and demanding professional challenges, regardless of their magnitude.

Our activity is currently based on the design of singular bridges and structures, architecture and building, urban design and landscaping, civil engineering, structural analysis and the design of landmarks. Our team is qualified to assume all developmental stages of any project within these fields, from the conceptual design, study and report of technical documents to the execution or project management. We have optimum human, material and organizational resources and are fully aware that the final quality of any work depends to a great extent on the services that we provide.

CMD Ingenieros has managed to consolidate an experienced, highly qualified and perfectly united team. These professionals can use modern and effective working tools to contribute a global approach and integral solutions to every project.

Alberto Domingo and Carlos Lázaro, Doctors of Civil Engineering and Professors at the Polytechnic University of Valencia, determine our research, development and technological innovation policy. This policy constitutes one of the fundamental drives of our company, since we work on important publicly funded projects.

CMD Ingenieros is an active member of professional and scientific national and international associations. As a result of this activity our company organised in 2009, in collaboration with the Polytechnic University of Valencia, the Symposium for the 50th anniversary of the International Association for Shell and Spatial Structures (IASS). This Association was founded in 1949 by the Spanish engineer Eduardo Torroja. It is based in Madrid and is integrated into the Centro de Estudios y Experimentación de Obras Públicas (CEDEX), civil engineering research agency dependent on the Spanish Government's Ministry of Development and Ministry of the Environment.

Our approach to the 10 principles

Ever since its foundation the company has been committed to apply and communicate the human rights, labor, environment and anti-corruption principles. In 2011 *CMD Domingo y Lazaro Ingenieros S.L* joined the UN Global Compact program. The adherence to the program has been very enriching because it has provided a guideline for improvement and an opportunity to learn from others' experiences.

HUMAN RIGHTS PRINCIPLES

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Assessment, Policy and Goals

The CMD Ingenieros group actively respects and defends Universal Declaration on Human Rights and environmental protection not just within the company, but also in all groups of interest that surround us. The compliance with the law and with ethical principles is one of the pillars established in our company ever since its foundation. Our directors believe that the work we do should have a positive impact on society, and therefore our strategy of operation should be designed in a way that it protects human rights in all the spheres that we touch. It is our priority to generate a working environment where respect, tolerance and kind treatment are always present.

We have a firm compromise to make sure that our business partners and suppliers adhere to the Human Rights principle. Therefore our directors will always visit and assess the potential business partner before formalizing the alliance.

Our goal is to design and execute projects that understand the social conditions of the moment, and therefore contribute to the development of a better local society.

Implementation

During our regular meetings we discuss the values that should be followed at all times within the office and in our relationship with other stakeholders. Our directors are always available to listen to employees' complaints or issues, which will be dealt with immediately.

Since 2005 we encourage and support employees to continue their professional formation. Each individual receives support from the company to pursue courses related to their specific formation and tasks in the company.

Measurement of outcomes

Within our company the results can be seen in the cordial, respectful and tolerant working environment. Our team is characterized for being cooperative and familiar.

In the last couple of years we have been working with a lot of international projects which have provided the opportunity to interact with different cultures, learn from them and nurture values such as tolerance and respect.

The support in education that we have provided to our employees has given them access to better conditions of equality in aptitudes for their professional formation. In the last year each employee received an average of 15 hours of training. About 70% of the total hours of training are taken by the technicians and 30% by the higher charges.

LABOUR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5: Businesses should uphold the effective abolition of child labor.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Assessment, Policy and Goals

We recognize the right to collective bargaining and the freedom of association. CMD follows the 2011 Engineering Collective Convention (XVI Convenio Colectivo Nacional de Empresas de Ingeniería y Oficinas de Estudios Técnicos) legislated in Spain, that clearly states employees' rights, compensations, responsibilities, compensations, benefits.

CMD Ingenieros recognizes the labor union as an important component, as it shares our goal to maintain and develop dignified labor as a source of personal growth. We have a permanent communication with the labor union delegates.

Our company is committed to the elimination of forced labor and child labor. We offer equal opportunities of employment and development, and do not make any kind of employment discrimination.

Implementation

CMD organizes seminars for the employees to be trained on automobile safety and labor safety, in order to reduce risks. Emergency simulacrum are practiced every semester and

certain people are designated specific tasks that should be held in case of an emergency. New employees receive a training in which they are introduced to the quality system and are given security recommendations.

We comply with the law on Liberty of Labor Unions (Ley 11/1985: Ley Orgánica de Libertad Sindical) that states that all employees have the right to create a union for the promotion and defense of their economic and social interests.

CMD Ingenieros only employs adults who are legally employable on a temporary or permanent basis. CMD promotes performance driven culture within the company, without any kind of gender, ethnicity or race discrimination.

To CMD it is very important that its business partners and providers are compliant with employment policies.

Measurement of outcomes

CMD is 100% compliant to all employment contracts, in accordance with the 2011 Engineering National Collective Convention. CMD works in collaboration with the labor union. We have formed a Company Committee consisting of four employees that work with the labor union and have monthly meetings.

The average age of our employees is currently 32 years; it varies between 25 and 50. During the last year, in average 32% of our employees have been female and the remaining 68% male. During the year 2012 we have had many temporary and permanent workers from diverse nationalities; in average we have had 3 international employees at the same time. We have had people from Venezuela, Uruguay, Argentina, Colombia, Swiss, Germany, Portugal, Slovenia, Georgia, Saudi Arabia, Italy, Algeria and Morocco.

ENVIRONMENTAL PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

CMD has a written environmental policy to improve internal operations by optimizing the use of resources, motivating and creating consciousness in employees, with the objective of reducing negative impacts in the environment.

Since CMD is mostly office-based, direct environmental impact coming from our operations is relatively small. However we are conscious of the importance of our indirect environmental

influence in the projects we design. We are committed to pursue sustainable design in our projects and promote the diffusion of environmentally friendly technologies. Our designs are meant to communicate to other stakeholders, like clients and users, the importance of innovative design and technologies that create comfort without generating negative impacts on the environment.

Our main environmental goal for the upcoming years is to continue innovating, creating new and better sustainable solutions for the projects we design and execute.

Implementation

In CMD offices environmental policies are implemented in all internal operations. We are committed to manage and control waste (paper, cartridge, fluorescent tubes and plastic) and consumption (water and energy). We pursue a continual improvement by setting up goals to reduce waste and consumption in accordance to our requirements.

CMD's main objectives are the use of new materials, the implementation of new constructive methods and the innovation in design. Stone, acrylic glass, studying the anchorage system, shapes and textures that can be applied in every kind of building, experimenting with LED illumination, creating living facades, we innovate in possibilities to create environmentally sustainable edifications that require little energy consumption and that generate less and less negative impacts on our planet.

Measurement of outcomes

Internally, CMD has reduced energy consumption and the use of paper by diffusing environmental policies. Currently the company spends an average of 1730 Euros on electricity monthly bills and an average of 150 Euros on paper each month. This year CMD virtualized its servers in order to reduce the energy consumption in the Data Processing Center (DPC) by 50%.

The outcomes of our commitment to sustainability can also be seen in the innovative projects we have developed. In 2011 CMD received the patent for the Solar Tracker, a new support for photovoltaic panels that improves the energetic production of solar plants outside urban areas. The main innovation is the two-axis transmission system that turns panels towards the sun maximizing their performance. This system is already being used by GSF Capital.

We are pioneers in the use of recycled concrete, the best way to eliminate demolition waste and therefore the contamination it would have generated. This new material was used in the bridge over the Turia river between Manises and Valencia.



We have also integrated green roofs in some of our designs, such as the Parliament Building in Georgia, to achieve higher climate comfort without incrementing energy consumption.



Additionally, we have experimented with special serigraphy glass that allows better control over solar light and therefore over the temperature inside the building. The Opera House in Georgia used this material for its double façade to optimize energy consumption.



ANTI-CORRUPTION PRINCIPLES

Principle 1: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

CMD has a zero-tolerance policy for corruption, bribery and extortion. We are committed to comply with all international anti-corruption laws and the anti-corruption law (Ley Anticorrupción del 2007) in Spain. We confirm our support for the UN Convention against Corruption. We are aware that corruption generates great harm to society, obstructs economic growth and distorts competition; we are therefore committed to educate all members of our team about corruption, during our regular meetings.

Implementation

We have a strict system to verify every business transaction and make sure there are no irregularities. This revision is made through different stages and in different departments, to make sure the procedure is collaborative and transparent. Every business transaction is revised by the project leader, the administrator and finally by the financial director.

Measurement of outcomes

In the last year we have achieved a greater control over the financial transactions because we have added an additional stage of revision by the administrative director before contracts can be approved by the financial director. We haven't had any incidents of corruption so far.