



Sacyr

20
14

INTEGRATED
REPORT

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BASIC FIGURES

2,901

Millions of euros
Total Business
Turnover

26,260

Millions of euros
Total
Portfolio

1,427

Millions of euros
International
Turnover

33

Millions of euros
Profit after
taxes

Economic and Financial Data	Dec 2014	Dec 2013	% Var. 14/13
Total Business Turnover	2,901	2,672	8.5%
EBITDA	382	294	30%
EBITDA Margin	13.2%	11%	2%
EAT	33	-498	106.6%
Net Margin	1.1%	-18.7%	19.8%
Total Construction portfolio	4,987	4,396	13.4%
Construction portfolio abroad	3,042	2,743	10.9%
Construction portfolio Somague	1,110	760.9	45.9%
Concesiones Turnover	148	123	20%
Concesiones EAT	18,885	533	3,445.2%
Valoriza (Services) EAT	29	-32	189.6%

* Adjusted for disposals in 2014

International Business Portfolio



EBITDA

Year	Value	% Var.
2014	382	+30%
2013	294	

Business Turnover

Year	Value	% Var.
2014	2,900,726	+8.5%
2013	2,672,312	

EBITDA Margin

Year	Value	% Var.
2014	13.2	+2%
2013	11	

Concesiones Turnover

Year	Value	% Var.
2014	148	+20%
2013	123	

Total Construction Portfolio

Millions of euros

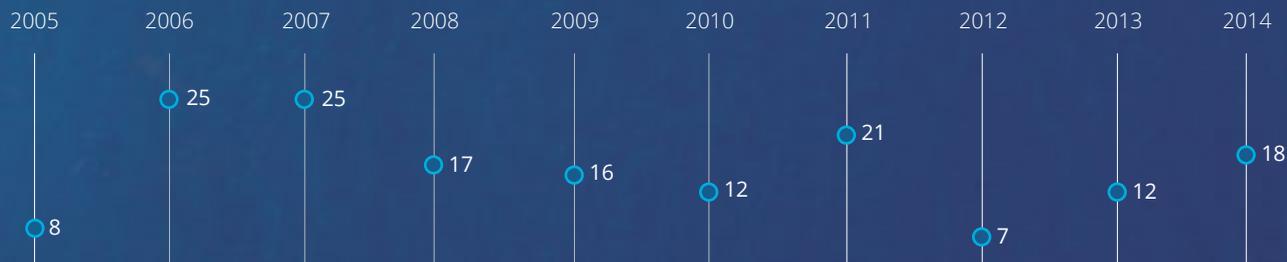
+13.4%



R&D&I Projects

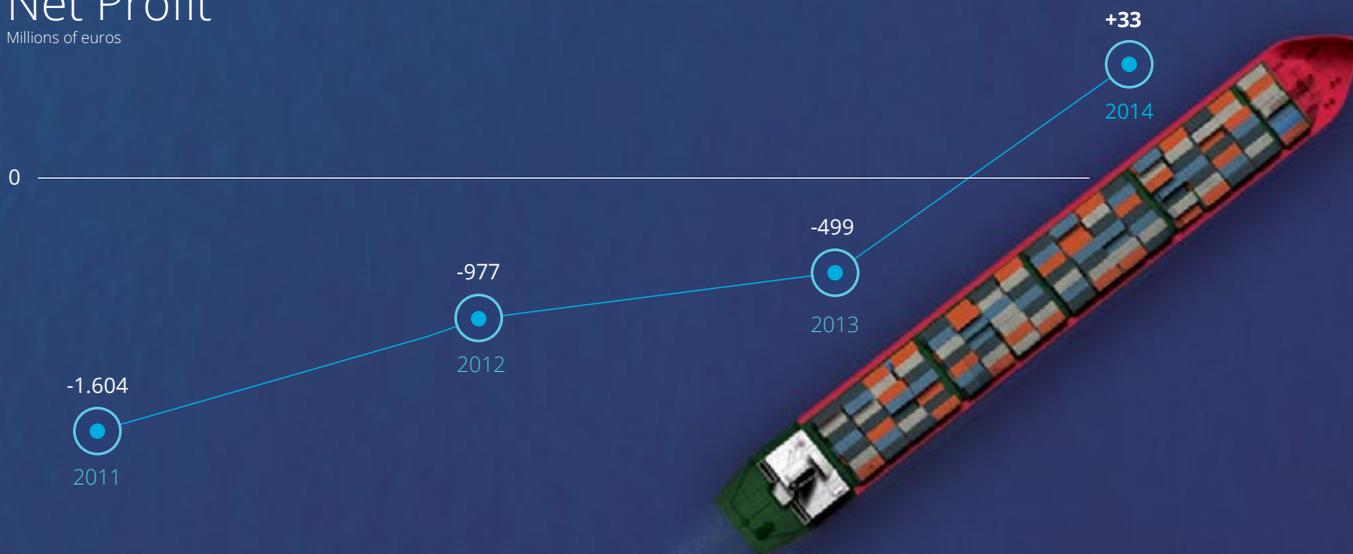
Number of projects

164 Projects



Net Profit

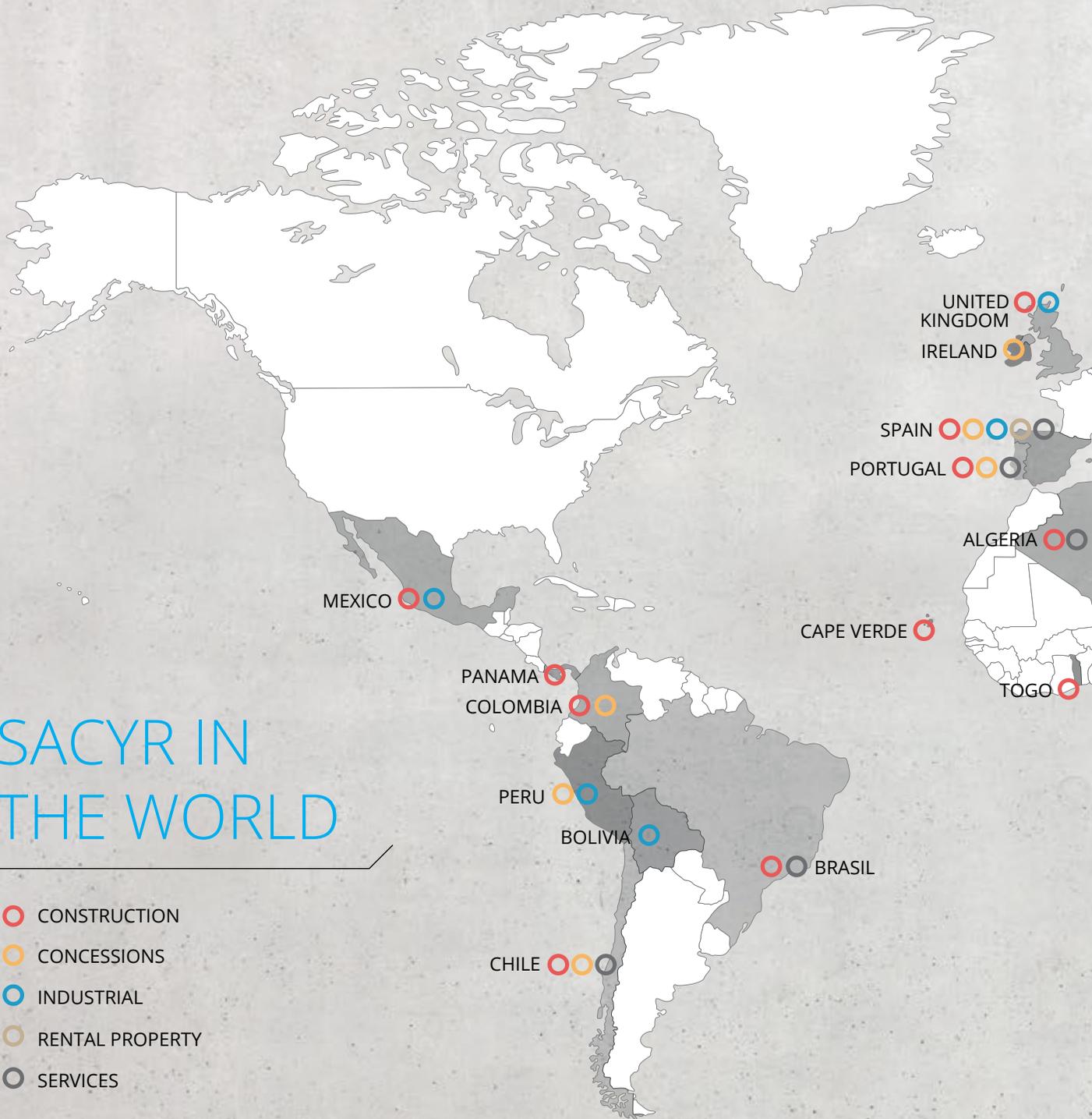
Millions of euros

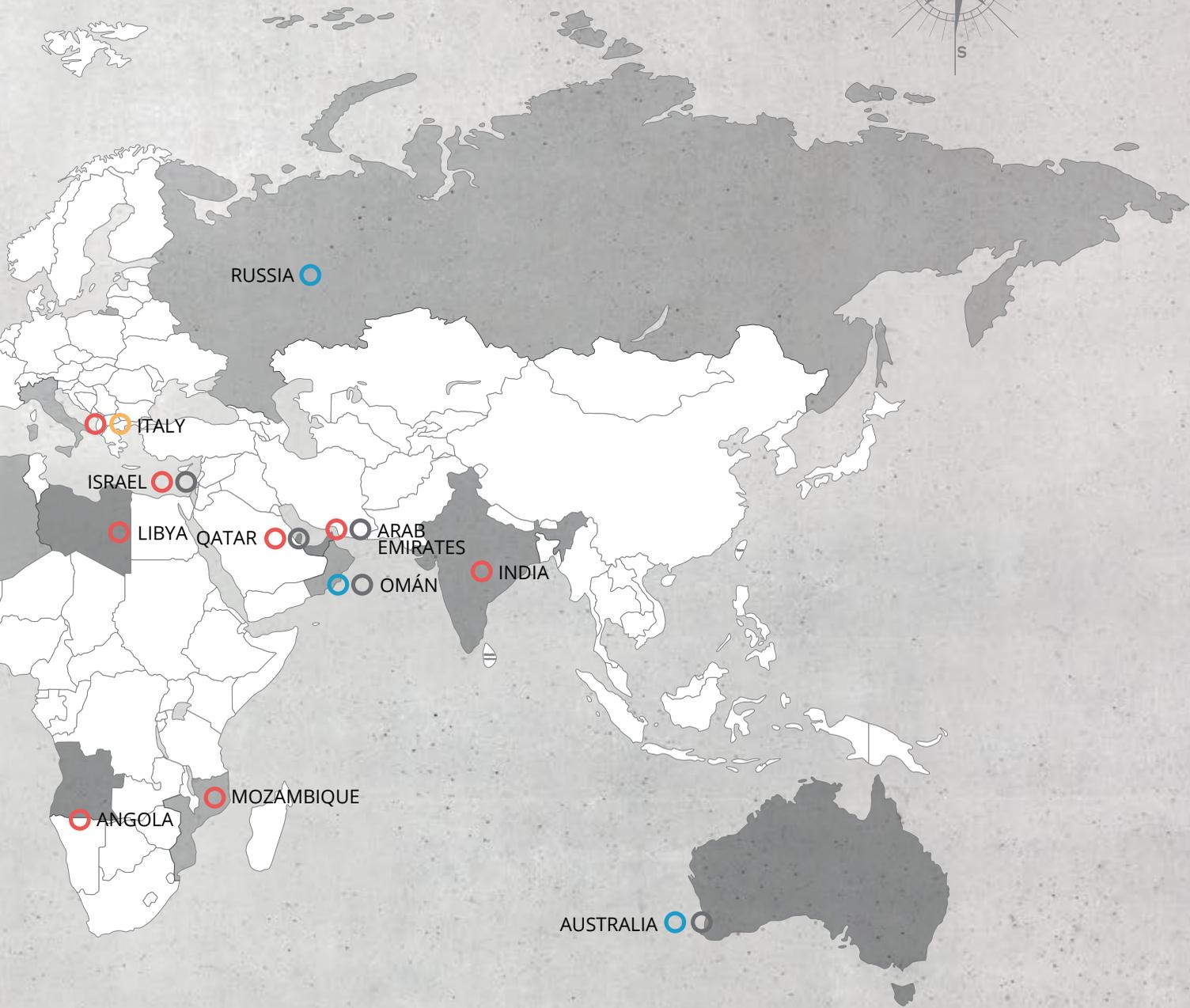
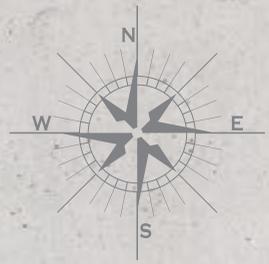


SACYR IN THE WORLD

- CONSTRUCTION
- CONCESSIONS
- INDUSTRIAL
- RENTAL PROPERTY
- SERVICES

G4-6 G4-8



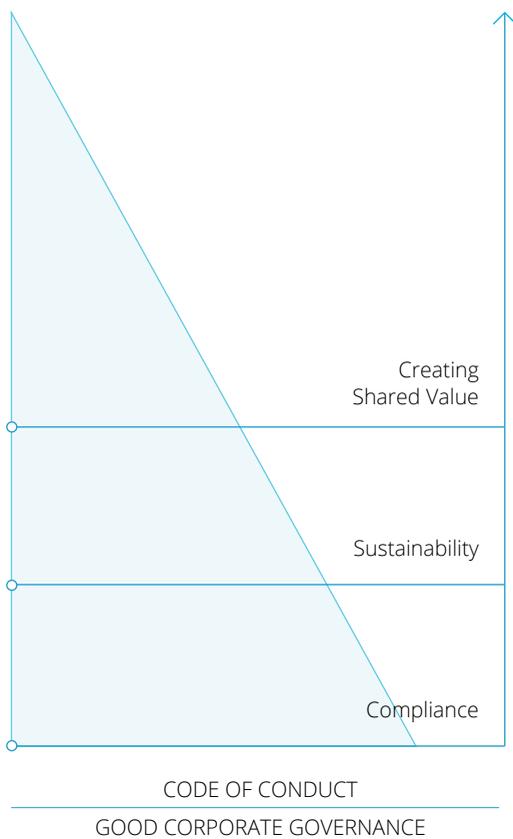


WE CREATE SHARED VALUE





VALUE CREATION INDICATORS



VALUE CHAIN

EIA of a total of
1,546 supplierst

SUSTAINABILITY

Works portfolio to
+35 months of activity

PRODUCTS AND SERVICES OF THE COMPANY

Total Portfolio 26,260 thousand. €
in 22 countries

INNOVATION

Investment in R+D+i
of +10 mill. €

DIRECT AND INDIRECT EMPLOYMENT

+ 2.5% workforce Increase

TAX CONTRIBUTION (TTC)

Third party taxes +95 mill. €
Own taxes +148 mill. €

INVESTMENTS

Environment +13 mill. €
Training +850 thousand. €

SHARE PRICE

Market Capitalization
1,437 mill. €



LETTER FROM THE CHAIRMAN

**Manuel Manrique
Cecilia**
Chairman & CEO.



From consolidation to growth

LETTER FROM THE CHAIRMAN G4-1, G4-13

Whereas last year I spoke to you of Sacyr as a company in the midst of transformation, today I can state that that transformation has concluded and that we are clearly on the road to consolidation and growth. The relevant processes that we successfully concluded in 2014 and early 2015 are pointing us to a promising future in which our strengths will become competitive advantages.

Thanks to the confidence of our customers and shareholders and the magnificent performance of the persons to work with us, Sacyr is improving, day in and day out, its position in the markets in which we compete, and our reputation as a responsible and committed company leads us to refuse to [give up any undertakings]. It is my hope that this Integrated Report, which has been prepared in accordance with the criteria set out in the Global Reporting Initiative (GRI G4) and verified by a top-level independent company, will serve to reinforce our link with our stakeholders and increase their confidence in our plans, which are the only solid foundation for the long-term business and company model to which we all aspire.

The most relevant highlights of 2014 include the agreement to continue with Panama Canal extension work, which a consortium headed by Sacyr is carrying out. Our company's commitment to the project was made clear with the co-financing agreement, which will allow us to conclude the work. The ruling by the Dispute Adjudication Board (DAB) in favour of the consortium on concrete and basalt, fully acknowledging the technical merits of our position and awarding us US\$233 million and an additional six-month term, in addition to characterising the performance of our customer

Whereas last year I spoke to you of Sacyr as a company in the midst of transformation, today I can state that that transformation has concluded and that we are clearly on the road to consolidation and growth.

as negligent, shows that our claims are reasonable and well-founded and that our performance was correct. I would like to stress that the project is advancing at an exemplary pace, with an excellent level of quality, and has been praised by everyone who visits Panama. All of the gates are now in place, and we have begun to fill the locks in order to initiate testing on all of the systems. Regarding the pending claims, we believe that the process will be long and we hope that it will end with a positive final outcome.

In addition to the success in Panama, in terms of operations we ended 2014 on a very positive note in international construction contracts, given that this was the first time in many years that the backlog was larger at the end than at the beginning of the year. This gives us confidence that we are on the right path, applying exhaustive risk and controls, yet surpassing our rivals in technical and execution capacity. We have defined very clearly our priority markets (Chile, Peru, Colombia, Panama, Mexico, Brazil, Angola, Italy, Portugal, Spain, Australia), and we will bring all of our capacity and organisational strengths to bear in those markets.

The Sacyr Group's revenue in 2014 increased by 8.5% to €2,901 million, on the back of our international business. Gross operating profit rose by a significant 30% to €382 million, meeting our expectations at the beginning of the year, while the gross margin rose by two percentage points to 13%. For the first time in four years, we had positive net income (€33 million) despite facing various extraordinary fiscal adjustments resulting from the new legislation.

LETTER FROM THE CHAIRMAN

The Sacyr Group's revenue in 2014 increased by 8.5% to €2,901 million, on the back of our international business.

Sacyr Construcción saw important growth in its revenue outside of Spain (35%) offsetting the decline within the country, and its gross margin rose by 7% to €104 million. The most salient development was the 13.4% increase in the construction backlog, which grazed the €5,000 million level thanks to international contracts, including in Brazil (São Paulo Metro), Chile (Américo Vespucio Oriente and Costanera Norte expressways), Mexico (Guadalajara Metro) and Peru ("Carretera Longitudinal de la Sierra" and two hospitals). Sacyr Construcción's international revenue now stands at 73% and its backlog stands at 80% of the Group's total revenue and backlog.

Sacyr Concesiones also posted growth in its business (18%), as it was boosted by the recovery of traffic volume and the commissioning of new concessions (a highway stretch in Chile and a hospital in Portugal). The pace of construction of assets that it will bring online in coming years also increased and the Company proceeded to retire mature assets such as 49% of the Parla and Coslada hospitals in Madrid and 32% of the Seville Metro. The subsidiary's successful expansion was further consolidated with the contracts awarded in Chile (Vespucio Oriente) and Perú (Longitudinal de la Sierra). Gross profit stood at €78 million, a 5% increase.

The Services Division, which is centred on Valoriza, had revenue of €926 million, for a 1% increase, once the effects of the new regulations on renewable energies and the divestments that have been made were stripped out. Gross profit stood at €72 million and

the backlog reached nearly €9,000 million. We must underscore the contracts awarded to Sacyr Industrial—one of the engines of future growth—for example, a cement plant in Bolivia, a liquefied natural gas plant in Colombia and several electricity-infrastructure construction contracts in Mexico.

Testa has maintained its excellent levels of occupancy (96%) and profitability (gross margin of 75%), despite the reduction in the leasable area following the divestment in Tour Adria in Paris and of a residential building in Madrid. Our property management affiliate continues to be far and away the leader in the Spanish market by volume and quality of assets, customers and contracts, and we hope to unlock this value at the most appropriate moment for the interests of the Group, thanks to the current buoyancy in this business and potential investors' interest in our affiliate.

In financial management the Company also had notable achievements in 2014. The most significant of these, which was finalised in early 2015, was the refinancing of our shareholding in Repsol, allowing us to maintain an important stake in the leading Spanish oil producer, under favourable conditions, for the coming three years.

In addition, the culmination of the process liquidating Vallehermoso thanks to the agreements with financial institutions has allowed us to eliminate the risk associated with the business of developing homes for sale. These debt-related transactions, together with the profitable rotation of assets, have converged with

Our growth will focus on the construction and concessions, industrial construction and services businesses. In each of these businesses we will have an international presence and we will take advantage of synergies in those countries in which we already have a strong foothold and in which we are and we feel that we are a local stakeholder.

a strengthening of the financial and equity structure through a convertible bond issue (€250 million) and a capital increase (€166 million).

Simultaneous to the operational and financial consolidation of the Company, at Sacyr we are designing and planning the new phase of sustainable growth.

This strategic phase will be based on three main concepts: intensifying our focus on the businesses and countries in which we contribute the greatest value added, increasing the scale to be more competitive globally and perfecting the processes to be sustainable over the long-term. The objective will be to create value for our shareholders as well as recover direct remuneration for them.

Our growth will focus on the construction and concessions, industrial construction and services businesses. In each of these businesses we will have an international presence and we will take advantage of synergies in those countries in which we already have a strong foothold and in which we are and we feel that we are a local stakeholder. For this new stage, we have set out an ambitious but feasible goal—to initiate operations in the United States, for which we have signed a partnership with the company Manhattan Construction. We are certain that this partnership will soon bear fruit: Manhattan's knowledge of the market is complemented by our proven technology in construction, desalination and waste treatment projects and infrastructure and industrial concessions.

Our innovative capacity is what sets our products and services apart. In this highly competitive climate, offering our customers novel and efficient solutions and committing our efforts to the attainment of results are the key elements that we believe make us unique, as we are demonstrating in the complex Panama Canal extension project. Internally, as well, we are continually innovating, improving processes and looking for new work methods that will give us the most appropriate tools for each task.

The ambitious vision that we have set out is to be a standard-bearer with an international commitment that develops innovative, high-value projects and that grows profitably and sustainably, offering quality employment opportunities to its personnel and improving people's quality of life. And, naturally, we hope that with our values—team spirit, excellence, innovation, adaptability and integrity—we will have a determining influence on the behaviour of our people.

We are taking up this challenge in body and soul.

Manuel Manrique Cecilia
Chairman & CEO





2

SECTOR OVERVIEW

SECTOR OVERVIEW

THE INTERNATIONAL ECONOMIC ENVIRONMENT

Globally and in very general terms, fiscal year 2014 was once again characterised by economic crisis, although, as was the case last year, many countries—including the US, Japan and most EU countries—experienced growth. As a result of the maintenance of the monetary stimulus packages implemented by the US Federal Reserve and the European Central Bank, and although it is still a very slow process, it would appear that a resolution to the liquidity problems of previous years suffered by states, companies and families is now on the horizon.

The risk premiums of countries in southern Europe closed at their lowest levels in recent years and it would appear that the difficult adjustments made—especially in the area of labour policies—are beginning to bear fruit, as reflected in the considerable increase in competitiveness in these Mediterranean countries. The depreciation of the euro against the US dollar in the last half of the year has allowed European countries to increase their exports, with a very positive effect on the trade balances of the members of the eurozone.

We should also highlight the sharp decline this year in oil prices, which has resulted in significant containment of prices in various economies, including historically negative CPI rates in many of them. There is still a long way to go and many steps to be taken to restore the economic health that existed prior to the crisis, although it would appear that “things are on the right track”.

THE SPANISH ECONOMY

According to data from the Bank of Spain, the Spanish economy, measured in terms of GDP, grew by 1.4% in 2014, compared to the 1.2% drop recorded the previous year. This is the first economic upturn following six years without growth. By sector, the agriculture, livestock and fisheries sectors stand out, with a year-on-year increase of 3.3%, in addition to services, with an increase of 1.6%, and Industry, with an increase of 1.5%. Although it experienced a decline of 1.2% during the year, the construction sector has improved greatly compared with 2013, when it shrank by 7.7%. For the first time in several years, domestic demand has experienced growth (2.2%), thanks to the boost from household consumption, the favourable evolution of the labour market and the fall in the cost of borrowing for families. Imports increased by 7.6% in 2014, exerting a strong pull on the trade balance. Exports of goods and services grew by only 4.2%, with destinations such as the United States and Asia being the most notable, thanks to the depreciation of the euro against the US dollar. According to figures supplied by the Ministry of Industry, Energy and Tourism, in 2014 Spain received—for a third consecutive year—a record number of foreign visitors (64.99 million tourists), up by 7.1% compared with 2013. Estimates suggest that total spending by these visitors was around €63,000 million, compared with €59,000 million in 2013.

The European Commission's forecasts for Spain in 2015 and 2016 are quite encouraging in all key items: GDP growth, job creation, unemployment and deficit. It expects GDP to increase by 2.3% in 2015 and by 2.5% in 2016, mainly due to increased domestic demand

as a result of employment growth and an increase in disposable income due to falling prices. Exports should also continue to grow thanks to the improved competitiveness of the Spanish economy. Regarding the unemployment rate, it expects levels of around 22.3% and 20.7% in 2015 and 2016, respectively.

Spain's main stock index, the IBEX-35, ended with gains for the second year running. Specifically, the last trading session of the year closed at 10,269.7 points, a gain in the year of 3.56% against a loss of 21.41% the previous year.

According to data published by the Spanish Association of Construction Companies ("SEOPAN"), public tenders finished 2014 with a total value of €8,657.8 million in actual investments, down 3.29% on the figure for 2013. By companies, ADIF invested a total of €3,372.5 million; Puertos del Estado, €776.5 million; Aguas, €660.7 million; SEITT, €563.9 million; and ENAIRE, a newly created company that includes AENA, €550.3 million. With regard to investment by programmes, €1646.9 million was earmarked for roads and €106.9 million for infrastructure and water quality.

With regard to State investment for 2015, the total budget of €9,483.1 million— 9.01% more than 2014 — could well mark a change in the trend after six consecutive years of falling investments. The largest budget item, €3,372.5 million, will be for the "AVE" rail system, followed by the road programme, with €1,721.3 million, infrastructure and water quality, with €871.2 million, and State ports, with €863.9 million.

Despite constantly calling for austerity, European authorities are aware of the importance of developing Europe-wide infrastructure in the new world economic order. At the end of 2014 the European Commission therefore created a workgroup to implement a portfolio of projects in the European Union 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, 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, of which at least 10% will be covered with Community 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 this corridor will run from Portugal to France, crossing the Castille 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.



3



3

BUSINESS MODEL

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			3.9	Holding in Repsol, S.A.	72

BUSINESS MODEL

3.1 Mission, Vision and Values

MISSION

To develop complex infrastructure projects and services that contribute to improve citizens' quality of life, to provide opportunities for personal and professional development for our employees and to create value for our customers, partners and shareholders

VISION

To be a leading group with an international focus and a reference in developing innovative high-value projects, growing steadily and profitably, providing quality employment opportunities for our employees, being environmentally friendly



VALUES

INNOVATION

Imagination, Creativity, Courage

164

R&D&I projects

TEAM SPIRIT

Trust, Collaboration, Loyalty

+21,000

employees

+2.5%

compared to 2013

INTEGRITY

Honesty, Transparency

0

cases of noncompliance with the Code of Conduct

ADAPTABILITY

Resilience, Pragmatism, Austerity

+70%

debt reduction since 2011

EXCELLENCE

Rigor, Talent, Passion

26,260

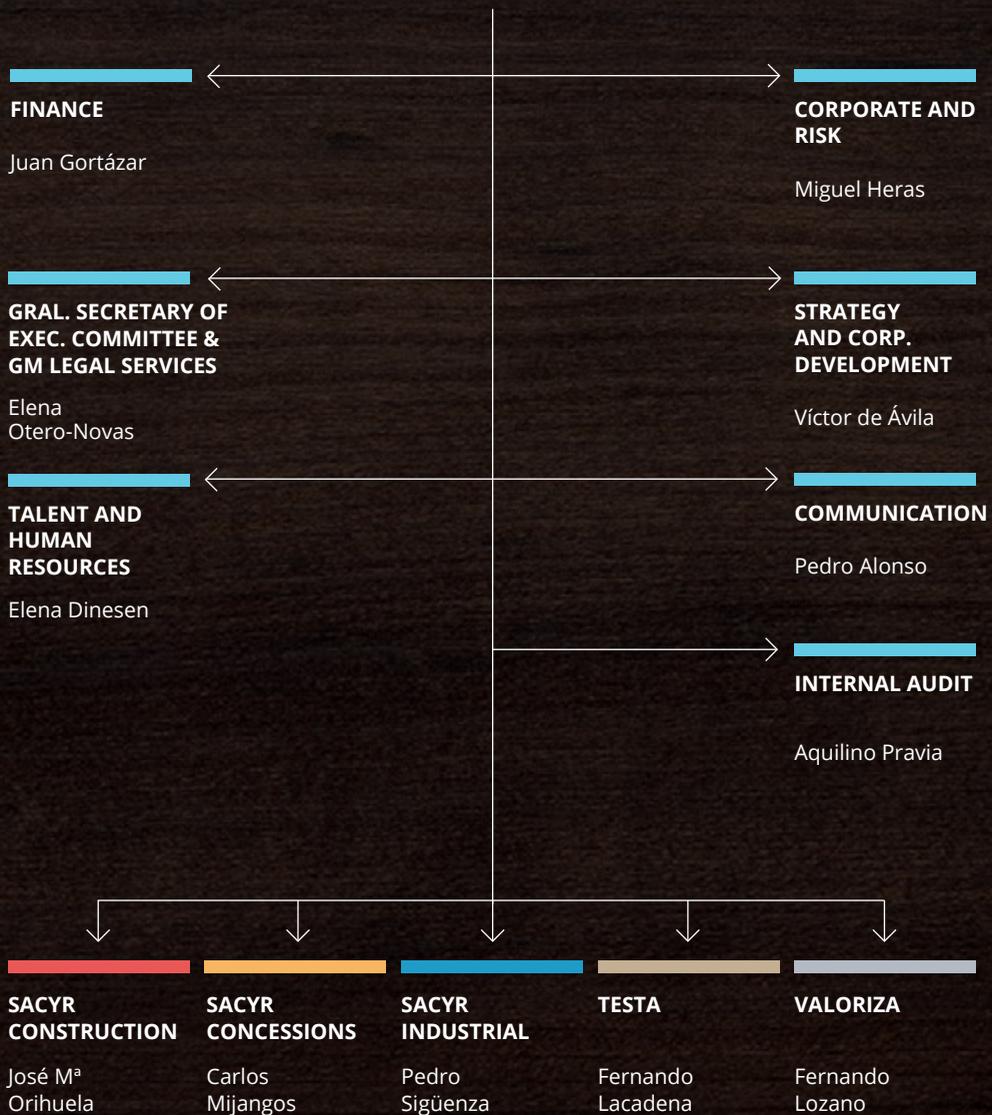
mill. € Business Portfolio



ORGANISATIONAL CHART

CHAIRMAN AND CEO

Manuel Manrique



BUSINESS MODEL

3.2 Business Model

The Sacyr Group, in business for over 28 years, is structured into five different areas of activity, and operates in a total of 22 countries: G4-4 G4-17

CONSTRUCTION

Performed through the head units Sacyr Construcción, in Spain and Chile; Somague in Portugal; and SIS in Italy, focusing mainly on the construction of all manner of civil engineering and residential and non-residential building infrastructure.

CONCESSIONS

Activity performed by Sacyr Concessions, with a presence in Spain, Portugal, Italy, Ireland, Chile and Peru; this division is a leader in the management of infrastructure such as tolls roads, hospitals, transport hubs, airports, etc.

RENTAL PROPERTY

Managed by Testa and involved mainly in the lease of offices, shopping centres and homes in Madrid and Barcelona.

SERVICES

Provided by Valoriza, which specialises in managing the following services:

Environmental: Provided through the head unit Valoriza Servicios Medioambientales, 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, towing services and the removal of vehicles from public roads.
- **Waste treatment:** With important concessions in the scope of the construction and operation of plants to treat municipal solid waste, packaging and batteries, treatment facilities for debris from construction and demolition, landfill gas removal, and plants for biomethanation, incineration, and waste-to-energy production, as well as facilities to treat, compost, and thermally dry sludge from wastewater treatment plants.
- **Regeneration:** This area encompasses water quality control, atmospheric control and recovery of landscapes and woodlands.

Water: Provided by Valoriza Agua and Sadyt, in two areas: engineering, development, construction, maintenance and operation of all types of water-related plants (drinking water and water purification plants, desalination plants, tertiary treatments and recycling, industrial wastewater treatment, agricultural treatment, etc.) and the integrated management of the water cycle under public sector concessions or in the private sector.

Multi-services: Provided through the following companies:

- **Valoriza Facilities:** Group company specialised in the integral cleaning of buildings, facility management services, ancillary services (porter services, gardening, etc.), energy and social-health services.
- **Valoriza Conservación de Infraestructuras:** Group company that specialises in the maintenance and preservation of roads and other specific infrastructure: dams and irrigation channels, etc.
- **Cafestore:** Group company specialised in the operation of toll road 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, the Group division, as a result 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 energy 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.

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

BUSINESS MODEL

3.3 Strategy

We want to achieve a large-scale portfolio in activities with better growth prospects and with more capacity to create value, focusing on a selected number of countries, mainly through a balanced financial sustainability.

Sacyr's strategy is designed to bring the Group back to its traditional values and to the business lines that have brought us the greatest success:

- The "construction + concessions" mix, targeted at greenfield projects, with a strong contingent of institutional investors and the expectation that more will be brought on board.
- Public works with a large technology component, generating high margins, prestige and recognition.
- Businesses with high added value, underpinned by a portfolio of dedicated subsidiaries with significant expertise, such as in water and waste management, desalination, tunnelling and high-speed rail businesses.
- Other businesses built around the quality of their assets and contracts - the best example is Testa, with unbeatable earnings stability and an undeniable potential for improvement.
- Sacyr's industrial construction business, which has emerged as another clear growth driver. Its recent award of a gas pipeline contract, and more than 250 plants already built in Spain and abroad, provide demonstrate its capacity.

Naturally, this strategic framework incorporates the strengths of each of our business areas. Some noteworthy examples are:

- Testa's solidity and potential.
- The expertise in the international backlog in the construction area, which now accounts for 80% of that backlog.
- Sacyr Concesiones's expansion capacity and growth potential.
- The added value of the industrial area.
- The large portfolio of the utmost-quality services within Valoriza.

High-speed rail network in the Basque Country. Bergara - Bergara stretch. Guipúzcoa (Spain)



NEW STRATEGY FOR THE COMING YEARS

During the last quarter of 2014, and led by the Executive Committee, we have made a major effort of strategic thinking to project our growth. This new strategy will be defined and will begin to be implemented in the first months of 2015. To begin this new stage we are in a process of internal reorganization to strengthen the decision-making bodies, increase the risk control and costs procedures, placing the support procedures in Holding' strategic businesses and giving more prominence to innovation as a cross element to the entire company.

2020 PROJECTION

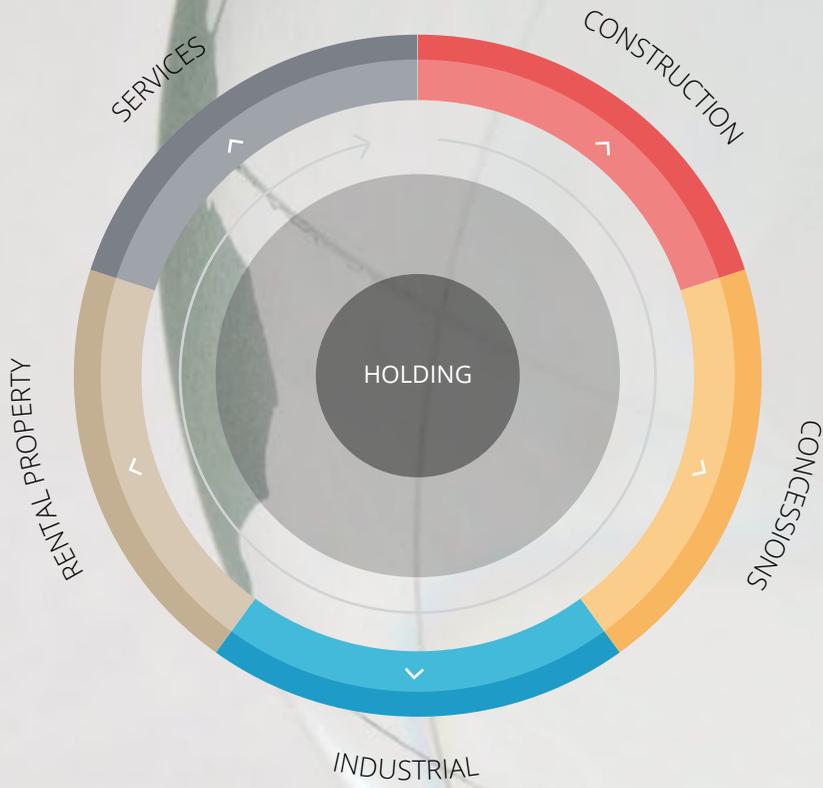
The **NEW VISION OF SACYR for 2020** focuses on five businesses: Construction, Concessions, Industrial, Services and Rental Properties. We want to obtain an adequate portfolio scale in the activities with the best outlooks for growth, and in which we have the greatest capacity to generate value by focusing on a select number of countries, and all of this with financial sustainability.

In 2020, we expect to reach a much stronger geographic position in Latin America and the United States, together with a greater presence in the Middle East. In addition, the share of EBITDA in Spain and Portuguese-speaking Africa is expected to decline.

BUSINESS MODEL

3.3 Strategy

SACYR'S BUSINESS DIVISIONS



CONSTRUCTION STRATEGY

1. Raising profitability and consolidating our long-standing experience in high-technology works: tunnels, desalination and treatment plants, advanced engineering, and a broad international presence.
2. Maintaining steady growth and increasing our market share worldwide, working alongside local partners to insert a strong local presence from the outset.
3. Examining possible areas for expansion into new markets.
4. Maintaining steady margins and giving priority to profitability rather than volume.

CONCESSIONS STRATEGY

1. Optimising our present concession-management capacity, moving forward as an expanding business platform for other areas (construction and services). Focusing on the margins.
2. Selective additions of top-ranking investors and partners for mature assets and financial partners on projects with major investment undertakings, as soon as awards are made.
3. Continuing our expansion in markets and geographic regions with the right opportunities and local partners. Reasonable, continuous growth at a rate of two or three concessions per year.
4. Boosting the deployment of new operating systems geared towards more induced traffic, and improving customer loyalty systems (payment strategies, marketing, etc.).

SERVICES STRATEGY

1. Organic growth of current business, making a priority of maintaining margins, drawing on the solid experience of our structure.
2. Work mainly geared towards management of working capital through careful selection of tenders and customers, and adapting our service level to customers' payment capacities.

INDUSTRIAL STRATEGY

1. High industrial growth potential through IBERESE; joint support and work effort in the construction division. Optimising investment. Potential improvement in terms of returns.
2. Making the most of the high technical capacity in desalination.

PROPERTY MANAGEMENT STRATEGY

1. Maintaining leadership in the Spanish market. Maintaining efficiency ratios: occupancy level above 97%, EBITDA 80% and profitability/cost at 7.60%.
2. Continuing with the "3Gs strategy": good tenants, good buildings, good contracts. Maintaining a portfolio of long-term contracts with solvent tenants to guarantee future cash flows.
3. Adding value through rotation of non-strategic mature assets and improvements in the market (creation of value and maximisation of earnings).
4. Taking advantage of opportunities: divestment mature assets.

BUSINESS MODEL

3.3 Strategy | Performance of the Sacyr Group in 2014

PERFORMANCE OF THE SACYR GROUP IN 2014

In 2014, Sacyr continued to implement the Group's new strategy, based on boosting those businesses in which we are leaders and experts, and on continuing to promote the two new growth engines, i.e., the management of construction and concession projects, and the consolidation of the Group's new industrial divisions: Sacyr Industrial.

The foregoing, tied to management measures based on reducing costs and debt, will lead to a stronger, more innovative, more competitive Group, more committed to the traditional values of our Company: prudence, austerity, quality and compliance with the commitments assumed.

Some of the most significant events are set out over the next few pages:

STRENGTHENING OF THE FINANCIAL STRUCTURE

On 24 April, Sacyr issued convertible bonds for a nominal amount of €250 million, maturing at five years from the disbursement date, i.e., 8 May 2019. The bonds were issued at par value and have a nominal value of €100,000 each.

The initial conversion price of these bonds was €5.725. The bonds are listed on the unregulated organised secondary market (Freiverkehr) of the Frankfurt Stock Exchange.

On 24 April, the Company carried out an accelerated capital increase for a total cash amount of €166,243,195.78, in which €36,297,641.0 corresponded to the nominal amount and €129,945,554.78 to the share premium. The subscription price was €4.58 per new ordinary share. The new shares accounted for 7.79% of Sacyr's share capital before the accelerated capital increase and 7.23% after the transaction.

The capital increase was registered with the Madrid Mercantile Registry on 25 April, and on 29 April, the 36,297,641 new Sacyr shares were effectively listed for trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

AGREEMENT WITH MANHATTAN CONSTRUCTION GROUP (USA)

On 18 November 2014, and within the Group's strong internationalisation policy, Sacyr entered into a joint collaboration agreement with the US company Manhattan Construction Group to carry out infrastructure, concession, industrial and environmental projects in the United States.

The agreement entailed the call for tender, as part of a consortium, for bids submitted by both public and private entities in the US.

Manhattan Construction Group has extensive experience in the development and operation of construction and industrial projects

in the Southwest, Southeast and the mid-Atlantic states of the US, as well as in Mexico and Central America and the Caribbean.

PANAMA CANAL

On 2 January 2014, Grupo Unidos por el Canal (GUPC), a consortium charged with the design and construction of a third set of locks for the Panama Canal –in which Sacyr, among others, has an ownership interest– announced that, due to serious breaches attributable to the Panama Canal Authority (ACP), and under the terms of the agreement, it would be required to inject new funds.

GUPC, in relation to project overruns arising from unforeseeable circumstances, filed founded claims for a total of US\$1,625 million with the various competent authorities, including the International Court of Arbitration of the International Chamber of Commerce (ICC), given that the overruns were not addressed by the ACP as they arose since the commencement of the works.

At the beginning of February 2014, on the expectation of reaching an agreement, the project works were suspended. Despite these circumstances, GUPC continued to seek a co-financing agreement, in line with the prevailing contracts and laws, in order to reach an immediate and satisfactory settlement for both parties.

On 20 February, GUPC recommenced the work for the third set of locks, after making progress in the talks and reaching an agreement in principle with ACP.

On 27 February, the end of the talks with ACP was announced through a definitive conceptual agreement to resolve the project financing problems, within the terms of the contract and the laws applicable thereto.

Lastly, on 14 March, a memorandum of understanding (MOU) was reached whereby ACP and GUPC undertook to contribute US\$100 million each in order to continue with the works. The insurance company Zurich was also involved in order to have the required funds to complete the works, in December 2015, while the outcome of the arbitration proceedings is awaited, in order to ensure that the final responsibility for the project's additional costs was assigned.

By mid-2015 all of the other gates are expected to be in place in their respective chambers in order to fill the chambers and begin testing the new sluices.

Lastly, it should be noted that on 1 January 2015, the DAB (Dispute Adjudication Board), an independent technical body established within the framework of the agreement between GUPC and the ACP, handed down a ruling in favour of our Group with regard to two of the most important claims submitted until now by the consortium in relation to the poor quality of the basalt (a concrete-based material used in the construction) and the delay

attributed to the ACP in obtaining approval for the concrete mix used in the project. The ruling stipulated that the ACP must pay GUPC US\$234 million and also granted a six-month extension of the agreement.

This ruling upheld the claims that GUPC had been filing since February 2011, warning that the properties of the basalt did not have the qualities indicated in the tender specifications provided by the ACP to all companies that submitted a bid on the project. In addition, it was confirmed that the concrete mix, submitted by GUPC in 2010 and rejected by the ACP, fully complied with the technical specifications required in the contract. Moreover, improvements were also made, as it has a durability that exceeds the required 100 years.

BUSINESS MODEL

3.3 Strategy | Results of the Sacyr Group

32.8

Million Euros
Benefits

11,460

Million Euros
International Backlog

3,180

Million Euros
Property Assets
Value

RESULTS OF THE SACYR GROUP

The most important highlights for the Group in 2014 are described below:

- As a result of the strategic reorientation of the Sacyr Group, held since 2012, we have entered **BENEFITS: 33 MILLION EUROS**.
- Our Group has a strong commitment to move forward with its **INTERNATIONAL EXPANSION**. In 2014, we continued to bid on major infrastructure projects in countries throughout the world with a view to increasing our Company's international revenue in coming years.
- **STRONG EBITDA GENERATION IN** all of the Group's business areas, thanks to **EFFICIENT COST AND INVESTMENT MANAGEMENT**. Despite the crisis, this led to **total EBITDA of €382 million**, 30% more than the preceding year, highlighting, for the second consecutive year, the progress in the Construction area, which grew 7% year-on-year.
- A new **REDUCTION IN THE GROUP'S BORROWINGS** to €6,337 million, against the €6,416 reported the previous year.

A consequence of all this has been the success attained once again in countries in which the Group already had a presence, such as Mozambique, Colombia, Chile, Angola, Brazil and Mexico. As a result, the **order backlog** stood at **11,460 million €** at the end of the year.

2,901

Million Euros
Group's Revenue

382

Million Euros
EBITDA

1,357.92

Million Euros
Equity

Other important events occurring in 2014 include the following:

- **REFINANCING THE LOAN ASSOCIATED WITH THE STAKE IN REPSOL.** Although it was signed in 2015, an agreement was reached in 2014 on extending the final maturity date of the €2,264 million loan until 31 January 2018 under favourable financial conditions, with the near-unanimous consent of the bank syndicate.
- At December 2014, the valuation of real estate assets of the Group (Testa) amounted to 3,180 million euros, 3.26% below 2013 pricing because divestments made.

The **GROUP'S REVENUE** was €2,901 million, an 8.5% increase over 2013. Of this amount, 49% was earned outside of Spain compared with 42% the previous year. The Group maintains its strong commitment to international growth and now has a strong presence in countries, including Chile, Angola, Italy, Portugal, Brazil, Bolivia, Panama, Colombia, Peru, Mexico, Australia, Israel, Algeria, Ireland, Cape Verde, Togo, Mozambique, Qatar and India.

EBITDA was €382 million, 30% above the figure for 2013. As a result, the EBITDA margin stood at 13%, up from 11% the previous year. Accordingly, net attributable profit was €32.7 million, although it would

have totalled €118 million if the one-off tax impacts generated as a result of regulatory changes had not been deducted.

In terms of key balance sheet indicators, in 2014 total assets stood at €11,809.61 million, while equity was €1,357.92 million. In the past six years, the Group has considerably reduced its net debt, from €19,526 million at 31 December 2008 to €6,337 million at 31 December 2014. This reduction is primarily the result of divestments (Itínere Infraestructuras, in 2009, and Repsol in 2011), the orderly settlement of debt of Vallehermoso, lower costs, as well as the strengthening of equity, thanks to the capital increases carried out in late 2010, at the beginning of 2011 and in 2014.

Continued business momentum at the Group is underpinned by the ORDER BOOK, which at 31 December 2014 stands at €26,260.14 million, more than 43% of which is international.

BUSINESS MODEL

3.3 Strategy | Share price

At 31 December 2014, Sacyr's share capital was fully subscribed and paid. Share capital was composed of 502,212,433 shares with a par value of €1 each. There is only one class and series of shares, and all shares carry the same rights.

At 31 December 2014, Sacyr's market capitalisation stood at €1,434.32 million. Share performance on the electronic trading system is as follows:

At year-end 2014, Sacyr's share price stood at €2.856 per share, compared with €3.767 the preceding year. The share price reached its intraday day high of €5.389 on 9 June, and its maximum daily close of €5.29 on the same day. The intraday low was €2.659 on 14 November, while the minimum closing price, also on 14 November, was €2.75 per share.

SHARE EVOLUTION DURING 2014

Number of quoting shares	502,212,433
Volume negotiated (Thousands of Euros)	7,654,633
Days of negotiation	255
Closure price 2013 (Euros)	3.77
Closure price 2014 (Euros)	2.86
Maximum (03/01/14) (Euros)	5.38
Minimum (23/07/14) (Euros)	2.65
Mean weighted price (Euros)	4.03
Mean daily volume (n° of shares)	7,447,109
Liquidity (shares negotiated/capital)	3.78

STOCK INFORMATION

Stock information	2014	2013	% 14/13
Share prices (in Euros)			
Maximum	5.38	4.25	26.59
Minimum	2.65	1.30	103.85
Average	4.03	2.57	56.81
Year-end	2.86	3.77	-24.00
Average daily volume (N° of Shares)	7,447,109	5,664,222	31.48
Annual Volume (Thousands of Euros)	7,654,663	3,719,323	105.81
N°. of Shares at year-end (admitted to trading)	502,212,433	465,914,792	7.79
Market Capitalization (Thousands of Euros)	1,437,834	1,755,101	-18.08
Price/Carrying amount (N° of times)	1.06	1.70	-37.78

At 31 December 2014, the Parent held 2,766,020 treasury shares, equivalent to 0.55077% of its share capital. At the average exchange rate, the price paid was €17.80 per share.

In 2014, Sacyr continued with the liquidity contract signed on 29 March 2012 with BEKA Finance, S.V., S.A., in accordance with CNMV Circular 3/2007 of 19 December.

Between 1 January 2014 and 31 December 2014, 11,479,109 and 11,144,251 Sacyr shares were bought and sold, respectively.

At 31 December 2014, Sacyr was the custodian of 1,927 Sacyr shares: 754 shares that were not subscribed in the 2012 bonus issue and another 1,173 shares not subscribed in the bonus issue carried out in July 2013. Sacyr will be the legal custodian of these securities in the three years established by law, at the end of which, pursuant to Article 59 of the Spanish Corporate Enterprise Act, it will sell and deposit the resulting amount, together with the dividend rights received during this entire period in the General Deposit Fund, where it shall be available to the corresponding shareholders.

BUSINESS MODEL

3.3 Strategy | Innovation

Innovation is therefore the engine of our performance, an essential factor for both the short- and the long-term health of our company, allowing us to adapt to the changing market conditions in which we carry out our activities.

N° OF R&D&I PROJECTS
UNDER DEVELOPMENT:

7

N° OF CURRENT
R&D&I PROJECTS:

164

N° OF PROJECTS
CARRIED OUT IN 2014:

18

N° EMPLOYEES PARTICIPATED
IN R&D&I PROJECTS :

150

INVESTMENT IN R&D&I
(with and without help):

+ €10 Million

INVESTMENT IN
R&D&I BY FUNDED
PROJECT SINCE 2006

€34 Million

GROUP COMPANIES
CERTIFIED IN UNE ("Spanish
Standard") 166002:2006:

13

% NET INCOME INVESTED
IN INNOVATION

0.35%

Power boost of Venda
Nova hydroelectric III,
Portugal



At Sacyr, we have developed a business model that allows us to strategically set ourselves apart in terms of our success and create competitive advantages and that serves as the foundation for sustainable growth over time. Strategy that boosts innovation as a crosscutting

issue throughout the company and becomes the engine of our performance tool for creating value and differentiation vector with companies in our industry at a global level.

BUSINESS MODEL

3.3 Strategy | Innovation

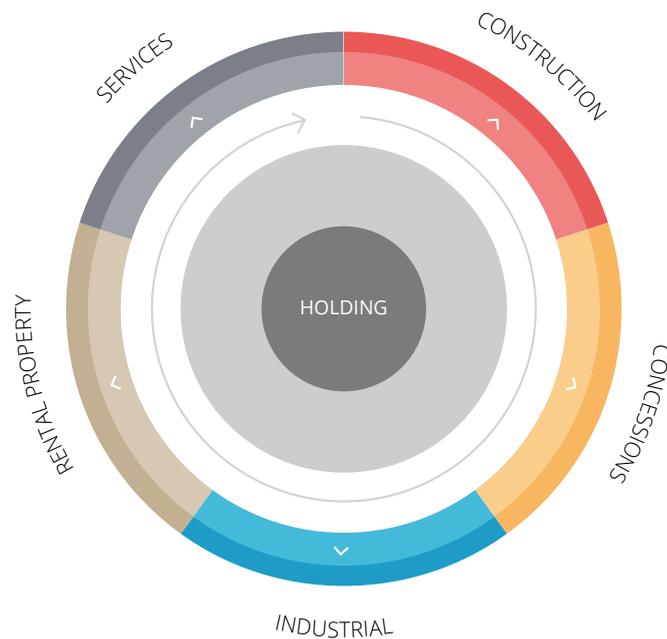
INNOVATION AT HORIZONTAL LEVEL



The Innovation Department coordinates the research, development and innovation activities carried out at Group companies and serves as a driver of, and point

of reference for, progress and ongoing improvements in this field.

INNOVATION BACKBONE



Rounding off this structure, a large number of Group companies have their own R&D&I Departments responsible for implementing specific projects. These projects are always coordinated and supervised by

the R&D&I Department and the Group's Innovation Department. All of these companies report relevant information to the Committee of R&D&I Units.

Certification of the R&D&I management system

Sacyr's Innovation Management system is certified by AENOR UNE 166002:2006. This tool helps us to efficiently organise and systematise all our R&D&I activities and enables us to:

- Foster R&D&I activities across all Group companies and define the primary objectives in this field.
- Design common guidelines for organising and managing R&D&I effectively.
- Improve technological monitoring based on an analysis of the internal and external situation.
- Identify and assess the threats and opportunities posed by technological progress.
- Ensure that the activities of company departments likely to generate new technologies and patents are identified.
- Select and manage a suitable portfolio of strategic projects for the different Group companies.
- Promote R&D&I as a means to gain a competitive edge and treat it as such in all corporate reputation- schemes.
- Encourage cooperation with universities and public research institutions, eliminating the traditional dichotomy between the public and private sectors in this sphere of corporate activity.
- Gear SMEs towards R&D&I activity, thereby helping to meet government R&D&I investment targets

R&D&I: MAIN ACTIVITIES CARRIED OUT IN 2014 AND TARGETS FOR THE FUTURE

Sacyr continued to expand its R&D&I activities in 2014, a year in which it reached the following milestones:



Energy consumption.



Environmental impact of products and services.

In 2014, pursuant to the guidelines of the National Accreditation Entity ("ENAC"), the following Group companies were certified individually by the Spanish certification body, AENOR:

Sacyr, Valoriza Agua, Sacyr Construcción, Valoriza Conservación de Infraestructuras, Cavosa, Sadyt, Testa, Cafestore, Valoriza Servicios Medioambientales, Sacyr Concesiones, Sacyr Industrial y Valoriza Facilities.

BUSINESS MODEL

3.3 Strategy | Innovation

Energy consumption

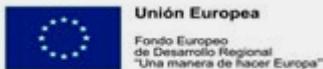
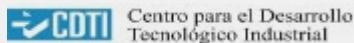
ICT tool for preparing energy audits in construction:

The project aims to develop a computer application that will make it possible, through knowledge of given parameters in construction, to calculate energy savings and in this manner reduce the impact of CO2 emissions in buildings, providing a new approach to energy management. The project obtained EQA certification of contents and non ex-ante construction as per Royal Decree 1432/2003.

Environmental impact of products and services

Development of a leachate-elimination system based on floating direct evaporation through submerged combustion of biogas:

The project aims to design and test equipment using submerged combustion technology making it possible to eliminate leachates. The equipment is innovative and we have applied for a patent, given that it could be implemented floating on any leachate accumulation with a depth greater than 2.5 m. The project is financed by the Centre for Industrial Technological Development (CDTI) of the Spanish Ministry of the Economy and Competitiveness, and the aid is co-financed by the European Regional Development Fund (ERDF) through the ERDF operational programme for Madrid 2007-2013



More powerful and more energy-efficient lighting systems:

This project will serve to facilitate a new uniform single-post advertisement lighting system using a mesh of linear LEDs in front of advertising panels. This improvement in the proportion of luminous flux reaching the surface to be lit (a factor known as "utilance") is added to the higher efficiency of the emission sources. Lastly, the substantial mechanical strength of the systems, their ability to withstand exposure to the elements and the longer lifespan of LEDs with respect to other lighting devices considerably reduce their maintenance costs.

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 **164 projects** through different public tenders.

Despite the tough economic climate, R&D&I investment in 2014 exceeded **€10 million** for the Group

WORK WITH LEADING R&D&I INSTITUTIONS

Sacyr as a member of different organisations and takes part in dialogue forums that promote R&D&I. Some of the organisations or forums in which Sacyr actively participates are: G4-16

- **Spanish Construction Technology Platform (“PTEC”):** This platform brings together all players in the construction sector.
- **Spanish Environmental Technology 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, with a track record of over 20 years in the sustainable-construction market.
- **Participation in the Spanish Road Technology Platform:** The Spanish Road Technology Platform (PTC) is a 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.
- **Andalusian Technological Corporation:** Sacyr is a full member and trustee of this corporation, which brings together researchers from universities and research centres, innovative companies, financial entities and public entities in an alliance for innovation, research and development.
- **Knowledge and Innovation Managers’ 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 reaches out to government authorities and ministries responsible for R&D&I and groups them by sectors to strengthen and expedite R&D&I projects.

BUSINESS MODEL

3.3 Strategy | Innovation

Moreover, to support each other in the development and implementation of R&D&I 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 Las Palmas.
- University of Córdoba.
- University of Cantabria.
- Madrid Complutense University.
- University of Salamanca.

Public Research Centres and Foundations:

- Testing and Calibration Laboratory of the Mining School (LECEM).
- Official Laboratory for Testing Construction Materials (LOEMCO).
- Centre for Public Works Research and Innovation (CEDEX).
- Centre for Development, Research and Application of New Technologies (CEDIANT).
- Gómez Pardo Foundation.
- Galician Civil Engineering Foundation.
- Almería Solar Platform (CIEMAT).
- Integral Automation Centre (CeDInt).
- IMDEA AGUA (Madrid Institute of Advanced Water Studies).
- Norwegian Research Centre (Vestlandsforving).
- Superior Council for Scientific Research.

In addition, Sacyr took part in Science Week, organised by the General Directorate of Universities and Research of the **Council on Education and Employment of the Community of Madrid**, through the **Foundation for Knowledge** and in conjunction with the **Alfonso X El Sabio University Foundation**.

OUR CHALLENGES IN INNOVATION

In 2014, the Strategic Plan was reformulated, which entailed revising the plan in effect in recent years. Once the formulation had been completed, two related projects were launched:

- An office to monitor the initiatives set forth the strategic plan, making it possible to launch those projects and to name the parties responsible and the participants;
- Plan to revise the organisational structures of the entire group, with a view to optimise them, and with a very specific focus in favour of innovation within the Group.

Construction of the
third set of locks of the
Panama Canal



BUSINESS MODEL

3.3 Strategy | Innovation



Area of responsibility	Short-term challenges (2015)	Mid-term challenges (2018)	Long-term challenges (2020)
Construction	<ul style="list-style-type: none"> • Development of new technologies making it possible to restore highways and maintain them in proper condition based on reusing and recycling materials and manufacturing at lower temperatures. • Reducing energy demand in buildings, through improvements in insulation systems and by integrating renewable energies. 	<ul style="list-style-type: none"> • Developing new highway-monitoring techniques that make it possible to know, in real time, what the highway conditions are and to contribute information for their preventive maintenance. • Implementation of BIM (Building Information Modelling) in construction projects. 	<ul style="list-style-type: none"> • Developing technologies that make it possible to recover energy from vehicle traffic. • Developing buildings that do not require electricity from, or that even contribute electricity to, the grid, and technologies that make it possible to adapt the production of such energy to the needs of each user, of the buildings themselves and of the cities where they the buildings are located.
Concessions	<ul style="list-style-type: none"> • Progress in designing, constructing and doing maintenance on road surfaces, new methods, materials, construction processes, etc. • Deployment of new systems to control and optimise the lifespan of concessions. 	<ul style="list-style-type: none"> • Innovative developments in user services. • Improvements to concession safety. 	<ul style="list-style-type: none"> • Using drone-based technologies for infrastructure maintenance.
Services - Water	<ul style="list-style-type: none"> • Studies of environmental and health effects of the chemicals and materials used in drinking water and the by-products of that use. • Reduction of odour emissions and sound pollution. 	<ul style="list-style-type: none"> • Mechanisms and substances involved in fouling and biofouling of membranes using wastewater. • Industrial use of reused water, as well as its indirect use for drinking water. • Elimination of emergent priority and polluting substances. 	<ul style="list-style-type: none"> • Reduction of energy consumption (water-cum-energy). Use of renewables/efficient and sustainable energies. • Solutions for brine management in indoor plants. Possible evaluation of brine or salts extracted from brine.



Area of responsibility	Short-term challenges (2015)	Mid-term challenges (2018)	Long-term challenges (2020)
Services – Infrastructure Maintenance	<ul style="list-style-type: none"> • Use of simulator-based training systems. • Reduction occupational accidents through the introduction of systems to monitor equipment operators. • Introduction of systems that make it possible to optimise the consumption of fluxes in winter road operations. 	<ul style="list-style-type: none"> • Development of new methods based on mechanised techniques making it possible to automate certain road operations and reduce risks for equipment operators. • Introduction of sensor systems that make it possible to detect specific, real risks for drivers, such as the presence of wildlife, traffic backups in areas with fog or reduced visibility, etc. • Implementation of truly effective systems that make it possible to determine the use of vehicles in high occupancy lanes and at toll booths, without violating the Data Protection Law. 	<ul style="list-style-type: none"> • Introduction of radio frequency-based systems that make it possible to interact with drivers and inform them of risks or incidents ahead. • Implementation of a system that georeferences all elements on the highway through LIDAR. • Rethinking of the signalling paradigm of mobile work through logical, coherent ordering and the introduction of variable-messaging panels that alert drivers of actual risks, not of possible risks.
Environmental Services	<ul style="list-style-type: none"> • Developing new technologies in managing inventoriable elements for planning municipal solutions. • Developing new technologies to reduce the volume of leachate reservoirs. • Developing new techniques for the use of waste tyres and pyrolysis waste in road surfaces in order to improve safety, efficiency and comfort. 	<ul style="list-style-type: none"> • Developing new systems that minimise the human resources needed in parking-metre services. • Developing new technologies to predict the risk of an urban tree falling or cracking. 	<ul style="list-style-type: none"> • Developing new technologies that minimise workplace risks at treatment plants. • Developing new technologies that enhance the value of waste that is to be disposed of in a landfill.

BUSINESS MODEL

3.3 Strategy | Innovation



Area of responsibility	Short-term challenges (2015)	Mid-term challenges (2018)	Long-term challenges (2020)
Sacyr Industrial	<ul style="list-style-type: none"> • Development of new geothermal heat pumps with higher efficiency. • Development of new techniques for building thermoactive foundations. 	<ul style="list-style-type: none"> • Development of new materials for geothermal interchangers and jointing techniques. • Development of calculation tools for the design of geothermal facilities. 	
Property business	<ul style="list-style-type: none"> • Enhance energy efficiency in order to reduce building operations expenses. • CO₂-footprint certification for all buildings. 	<ul style="list-style-type: none"> • Developing automation-based technologies. 	<ul style="list-style-type: none"> • Energy certification for class-A dwellings.

In a world in constant change process, at Sacyr we are convinced that innovation is the key to sustained growth. We know the importance of innovation for competitive advantage and that is why we are engaged in different activities of innovation from process improvement, services efficiency and initiatives to improve our customers and contractors' satisfaction as well as building our brandimage and reputation.

In the Group, not only we innovated in technology, but also understanding and exploring our management needs. This occurs at every stage of the development cycle of our buildings, concession contracts, industrial, property assets and services.

We also believe that more successful individuals and organizations in these new global markets are not only those who innovate on their own projects, but those who promote and collaborate to others to be innovative in every aspect of their work. It is for this reason that in 2010 we decided to organize the first Sacyr Innovation Awards.

IV Edition Sacyr Innovation Awards, Madrid



Sacyr Innovation Awards.

These awards aim to encourage and promote the development of startups oriented on construction and high potential services sectors for adding them the value to participate with our experience and support in the process of maturation and release.

We look for constituted business ventures that make a difference and pursue a global reach, bringing new values to the market.

The winning projects will receive the sum of 50,000 euros in the form of convertible loan. Subsequently, during 9 months from the award ceremony in Sacyr we pledge to help accelerate the product on an Accelerator Sacyr Office (ASO), where they will receive mentoring, technical support, access to partners and the Group companies.

In 2014, the 4th edition of the awards was held with high quality results within the scope of Innovation. For more information and calls may consult the Sacyr's website (www.sacyr.com).

BUSINESS MODEL

3.3 Strategy | 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 Company's activity, now or in the future, and/or that legitimately affects or may affect the Company's activity and, therefore, our results. G4-24 G4-25

- Employees
- Analysts and investors
- Shareholders
- Media
- Customers
- Local communities
- Public entities
- NGOs and other members of the 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 Corporate Responsibility Master Plan.

We are aware of the imperative need to establish dialogue channels to guarantee fluid two-way communication with our stakeholders. We are therefore committed to full transparency in all communications and to establishing mechanisms allowing all stakeholders to express their views and opinions.

The diversity of Sacyr's activities and types of customers means that customer satisfaction is measured in such a manner that each business area uses its own methodology and applies the surveys with the frequency that it prefers, although in all cases in accordance with common guidelines.

At Sacyr, we continue to renew our technology infrastructure in order to improve the efficiency of the Group's internal management. In addition, we are developing new methods for improving our relationship and communication with our stakeholders:

- Updating of Sacyr's webpage.
- Public-sector electronic invoice.
- Improvements in the Employee Portal.
- Gesfontesta Incident Management Project.
- Improvements in SLIGO (Application for analytical monitoring of works).

SACYR'S CORPORATE REPUTATION

In 2014, an assessment of the Sacyr Group's reputation was carried out, through an external entity that specialises in business reputation.

This assessment sets out the primary drivers of and constraints on reputation management at the Company, taking into account our current context and our future objectives.

The assessment required taking into account several information inputs...

Interviews of the Company's Senior Management, which help determine the direction the organisation is going in from an internal standpoint, taking into account its DNA and its aspirations.

Interviews of a panel of experts on the sector, composed of three journalists of the leading newspapers in Spain and three financial analysts.

A comparative analysis of corporate performance indicators, based on the results of the Merco Merits Questionnaire, which evaluates the Company's target indicators for each of the Merco reputation dimensions.

Benchmarking of the Visions, Missions and Corporate Values of the main leading companies in the sector and of the Top 10 companies in the MERCO ranking.

Review of corporate documents, corporate statements, 2013 Annual Report, 2014 summary of the report.

...which they led to a series of conclusions about our image:

Reputation management: a strategic necessity and an opportunity for differentiation for Sacyr.

Innovation, a transversal value that requires more concrete to develop its distinctive capacity.

Our President, Manuel Manrique, is considered as the promoter of recovery.

The internal cohesion is an aspect to promote among the directors of the Company.

Proactive management of our human capital is key to the future of Sacyr.

This study will be of great help and support to analyze and improve our relations with Group's Stakeholders.

BUSINESS MODEL

3.4 Construction

The Construction division, headed by Sacyr and Somague, is the primary engine of our Group. It has continued to see considerable growth in Spain and had a spectacular performance internationally.

We lead the industry ranking by longest backlog with over 36 months of secured activity.

GEOGRAPHICAL BREAKDOWN OF BACKLOG

Millions of Euros	2014	2013
Spain	853.48	897.83
Panama	40.77	61.81
Portugal	183.84	187.9
Chile	876.21	721.13
Angola	514.7	202.3
Colombia	99.32	117.94
Italy	1,004.81	1,039.4
Cape Verde	19.14	30.75
Togo	8.74	46.31
Brazil	256.23	141.85
Ireland	0.83	1.83
Mozambique	108.52	133.75
Libya	675.27	667.24
Costa Rica	0.82	59.06
Peru	152.96	67.53
Algeria	0	0
Qatar	31.97	59.67
Mexico	159.04	6.54
Other countries	14.52	0.34
TOTAL	5,001.17	4,443.18

81% of our construction business portfolio is beyond our borders.

KEY FIGURES

Millions of Euros	2014	2013	%
Revenue	1,697.53	1,613.00	5.24
Net profit	40.62	46.64	-12.91
Backlog	5,001.16	4,443.18	12.56
EBITDA	105	138.78	-24.34

- SPAIN
- PANAMA
- PORTUGAL
- CHILE
- ANGOLA
- COLOMBIA
- ITALY
- CAPE VERDE
- TOGO
- BRAZIL
- UNITED KINGDOM
- MOZAMBIQUE
- LIBYA
- PERU
- ALGERIA
- QATAR
- MEXICO
- OTHER COUNTRIES



BACKLOG
(Millions of Euros)

+12.56%



REVENUE
(Millions of Euros)

+5.24%

2014	1,697.53
2013	1,613.00



BUSINESS MODEL

3.4 Construction

Sacyr Construcción and Somague are setting standards globally in large civil engineering and construction products. The group works on all infrastructure programmes (high-speed rail networks, subway systems, port and airport construction work, toll roads, highways and dams).

In 2014, Sacyr Group's construction companies demonstrated their high degree of technical, operating and commercial capacity. These aptitudes have enabled us to build up a backlog worth €5,001 million and achieve success in major international projects. The satisfactory progress of these projects, including major extension work on the Panama Canal, bear out the technological strength of the Group's construction division.

INTERNATIONAL PROFILE

Sacyr operates in 22 countries across five continents. Currently, international business accounts for 55% of the portfolio of projects and services and for 41% of total revenue.

At year end 2014, 81% of the business portfolio in construction stood outside our borders resulting in a Revenue of more than 1,400 million euros.

Currently, we are conducting civil engineering and construction projects in Italy, Panama, Portugal, Angola, Chile, Costa Rica, Colombia, Brazil and Ireland.

REVENUE BY TYPES OF PROJECT

Civil Engineering (Millions of Euros)	2014	2013	%
Motorways	633.94	421.85	50.28
Railways	229.1	235.5	-2.72
Hydraulic	156.06	297.98	-47.63
Airports	9.61	10.5	-8.48
Urban development	17.92	23.96	-25.21
Other	137.82	91.19	51.13
TOTAL	1,184.46	1,080.98	9.57

ROAD TRANSPORTATION

Our current international growth is allowing us to work with governments beyond our borders. We have teams that have been implemented locally, developing projects in Portugal, Italy, Ireland, Chile and Costa Rica. As a result of the synergies of our company, Sacyr is carrying out large projects that it will later incorporate into the concession business.

RAILWAY AND AIRPORT CONSTRUCTION WORK

We have taken part in building new public transportation corridors, enhancing the connectivity among urban centres and improving connectivity within large cities.

PORT PROJECTS

Our cumulative experience has allowed us to build all types of port and hydraulic infrastructure: docks , submarine outfalls, shipyards, ports, dams, water treatment plants and desalination plants.

HYDRAULIC AND DESALINATION CONSTRUCTION

In this section we highlight the construction of the desalination plant for the mining company Anglo American at the Mantoverde mine in Chile. Previously, water treatment plants were built in Aranjuez and Beniel and desalination plants in Águilas and Cuevas de Almanzora (Murcia).

CONSTRUCTION AND REFURBISHMENT

Sacyr Construcción and Somague carry out all types of residential and nonresidential construction work: housing, offices, business centres, shopping centres, hospitals, hotels, senior-citizen centres and prisons. The companies' technical capacity has also allowed them to carry restoration projects with unique characteristics.

- Construction of the Repsol Campus in Madrid.
- Construction of the "D" building of the campus of the European University of Madrid.
- Restoration of the Comillas Major Seminary, which is part of the Pontifical University of Cantabria.
- Urban renewal: "Setas de Sevilla" project, Plaza de la Encarnación.
- Restoration of the Roman bridge in Córdoba.

BUSINESS MODEL

3.4 Construction

CIVIL ENGINEERING

Awarded contracts:

- Américo Vespucio expressway in Santiago, Chile.
- Construction of the Vila Prudente-Dutra stretch of Line 2 (green line) of the São Paulo metro in Brazil.
- Construction of two stretches of Line 3 light train in Guadalajara, Mexico.
- Second Stage of the Improvement of the Costanera Norte expressway in Santiago, Chile.
- Nuevos Accesos Sur motorway and railway to Puerto de Barcelona.
- Restoration and Improvement Works in the Cochabamba-Cutervo-Santo Domingo de Capilla-Chiple stretch of highway in Peru.
- First Phase of the Biscarrues-Almudévar (Huesca) Hydraulic Project.
- Infrastructure construction and civil engineering work related to a new fuel farm in Malanje for Sonangol, in Angola.

Construction projects delivered:

- Second phase of the enlargement of Praia port on Santiago Island in Cape Verde.
- Enlargement of Sal-Rei port on Buena Vista Island in Cape Verde.
- Atlantic high-speed railway. Segment: Pontevedra – Cerponzons.
- Atlantic high-speed railway. Segment: Cerponzons – Portela.
- A-54 Lugo-Santiago Motorway. Gutín-Monte de Meda.
- Infrastructure for the DAR university campus in Angola.

Construction projects in progress:

- Design and construction of the third lock system of the Panama Canal extension project.
- Salerno-Reggio Calabria Motorway (Italy).
- Modernising and laying a second track for the rail link between central Palermo and Punta Raisi airport in Sicily.
- Motorway concession between La Serena and Vallenar, Chile.
- The São Francisco River integration project in Brazil.
- Renovation and superstructure work on the Nacala corridor railway system for the Brazilian multinational Vale in Mozambique.
- Hydroelectric dam in Foz Tua (Portugal).
- Venda Nova III Hydroelectric Plant (Portugal).
- Construction of 11 stations of Line 15 of the São Paulo metro in Brazil.
- Extension of Line 9 of the Madrid Metro.
- Construction of the Playa Larga – Cisneros segment of the Cali to Buenaventura motorway in Colombia.
- Urban development and infrastructure construction work in Bani Hajer for the Ministry of Public Works (ASHGHAL), in Qatar.
- Urban development and infrastructure construction work in Al Khessa for the Ministry of Public Works (ASHGHAL), in Qatar.
- Extension of the Punta Solana dock in the Port of Bilbao.

DG-48. Salerno-Reggio
Calabria Motorway (Italy)



BUSINESS MODEL

3.4 Construction

CONSTRUCTION

Awarded contracts:

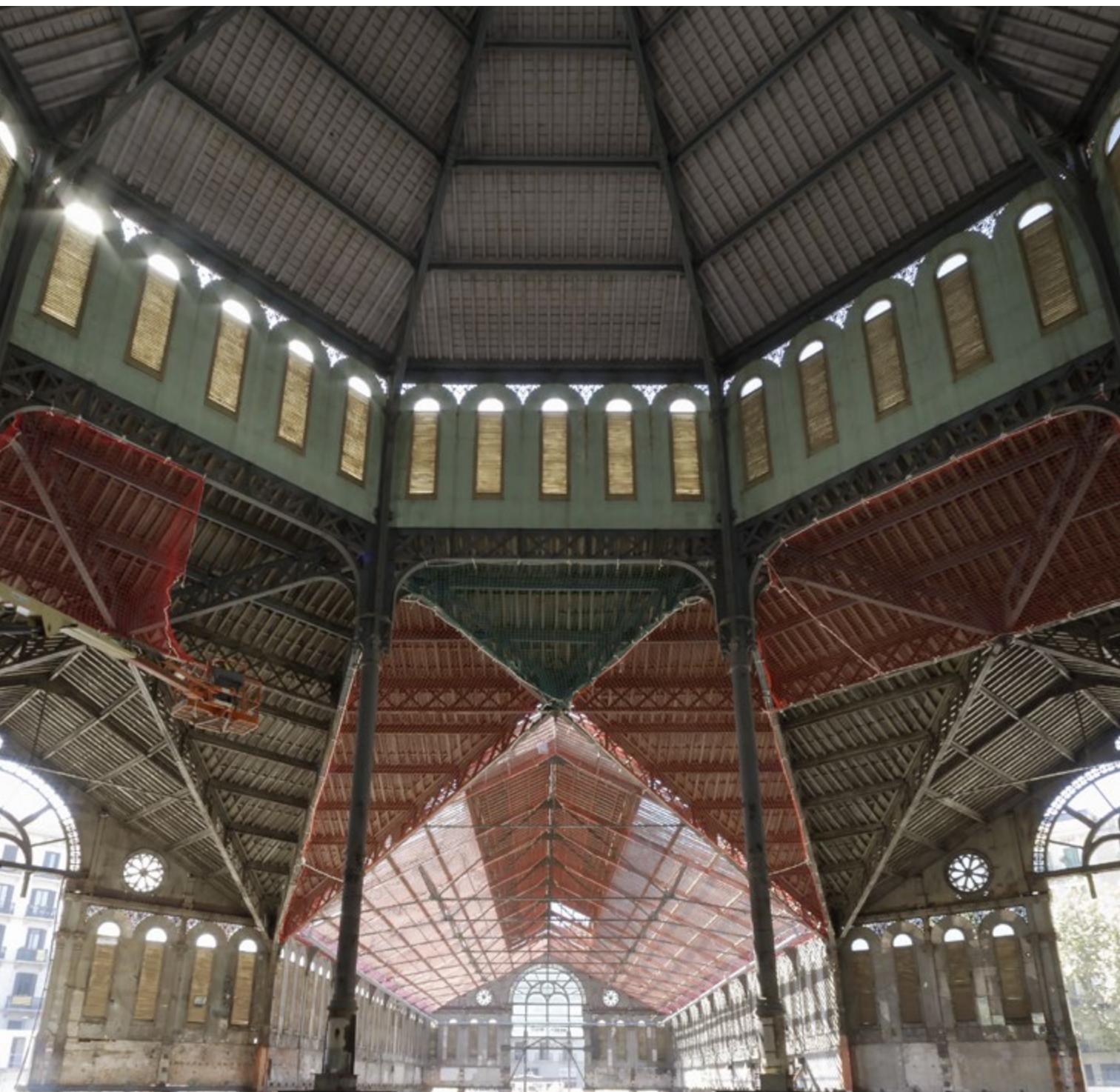
- Construction of the second stage of the shell of the Kinaxixi urban complex in Luanda, Angola.
- Construction of two new buildings for the National Assembly, in Luanda, Angola.
- Construction of the Junín Hospital – Regional Institute of Neoplastic Illnesses of the Cerro Macroregion, in Peru.
- Construction of the town hall of the municipality of Coquimbo, in Chile.
- Construction of the headquarters of the National Social Security Institute in Maputo, Mozambique.
- Restoration of the Val Market in Valladolid.
- Extension to the Iguatemi shopping centre in Porto Alegre, Brazil.
- La Rioja Palace of Justice.
- Construction of two distribution and logistics centres in Riberão Preto, Brazil.

Building projects delivered::

Building projects in progress:

- Construction of various stages of the shell of the Kinaxixi urban complex in Luanda, Angola.
- Hospital in Antofagasta, Chile.
- Valladolid hospital.
- Construction of an administrative building for the Andalusia Regional Government.
- Construction of the university campus of the ISPTEC (Higher Polytechnic Institute of Technology and Science) in Talatona, Angola.
- Airport in Catumbela, Angola.
- Construction of the Alegro-Setúbal shopping centre in Portugal.
- 150 housing units, commercial premises and parking garages on calle Doctor Aiguader in Barcelona.
- 148 public housing units on Avda. de los Poblados for EMVS, the Madrid city council housing corporation.
- Restoration of the Sol'Argamass hotel in Majorca.

Sant Antoni Market,
Barcelona



BUSINESS MODEL

3.5 Concessions

Sacyr Concesiones, at 31 December 2014, has a portfolio of 32 concessions distributed in six countries, together with two road-maintenance companies. Importantly, these assets are located in diverse locations and belong to diverse categories.

32 Concessions

1	Airport
	Spain
1	Tram
	Spain
21	Toll motorway
	Spain, Chile, Ireland, Peru, Italy and Portugal
2	Transport hubs
	Spain
7	Hospitals
	Spain, Chile and Portugal

The Sacyr Group operates in the infrastructure concessions sector via its subsidiary Sacyr Concesiones.

The infrastructure concessions business started up in 1996 when the Group was awarded its first concession in Chile: the Los Vilos – La Serena de la Ruta 5 stretch. Since then, its portfolio has grown thanks to continuing success both in new contract awards and in the acquisition and privatisation processes in Spain and abroad.

Twenty-one of these contract awards are toll road concessions—14 in the EU and seven in the Americas. Within the EU, the company has 11 toll roads in Spain, one in Ireland, one in Portugal and one in Italy.

KEY FIGURES

Thousand Euros	2014	2013	%
Revenue	419,175	306,799	36.6
EBITDA	77,568	73,645	5.3
Profits After Taxes	18,885	533	3,443.2

SPAIN
PORTUGAL
CHILE
ITALY
IRELAND
PERU



REVENUE
(Thousand euros)

+36.6%



EBITDA
(Thousand euros)

+5.3%

2014	77,568
2013	73,645

BUSINESS MODEL

3.5 Concessions

CONCESSIONS REVENUE

Thousand Euros	2014	2013	%
Spain	37,046	67,881	-45.4%
Costa Rica	-	20	
Ireland	1,256	1,226	2.4%
Portugal	23,937	35,407	-32.4%
Chile	328,654	202,265	62.5%
Peru	28,283	-	
TOTAL	419,176	306,799	36.6%

In the Americas, the company has operations in Chile, with six toll road concessions, and in Peru, with one. Sacyr has a portfolio of 3,832 km of motorways, of which 2,476 are in operation.

Sacyr Concesiones also holds interests in 11 concessions involving other categories of assets, including three hospitals in the Madrid region, three hospitals in Portugal, one hospital in Chile, two transport hubs in Madrid, one tram line in Tenerife and one airport in Murcia.

In addition, it has two motorway-maintenance companies, one in Ireland (GSJ) which operates motorway M-50 in Dublin, and one in Chile (SAOPSE), which manages three motorway-maintenance contracts.

TYOLOGY OF CONCESSIONS

Million Euros	2014	2013
Total Operating	2,476	2,356
Total Developing	1,356	671
TOTAL SACYR CONCESSIONS	3,832	3,027

Significant events affecting the Infrastructure concessions business in 2014 included the following:

- Construction and operation of the Américo Vespucio Oriente expressway in Santiago de Chile.
- Sale of 49% of its stake in the concessionaires of the Parla and Coslada hospitals, Madrid.
- Three months ahead of schedule, Sacyr Concesiones inaugurated the first segment of the "Rutas del Desierto" toll road, Chile.
- Sacyr Concesiones completed the financing arrangement for the Antofagasta Hospital in Chile for €290 million with Andean banks Corpbanca and Banco Santander Chile.

Recurring income stood at €11,402.7 million guaranteeing growth and high profitability for the future.

Highway Concepción - Cabrero.
Concessionary Valles Bio - Bio,
Chile



WE CONTINUE TO INNOVATE

Research, development and technological innovation are seen at Sacyr Concesiones as a vital requirement for the development of the company in the present and in the coming years.

To organise and structure these activities, Sacyr Concesiones has certified its R&D&I system to UNE 166002: 2006, and they are audited and approved by the Spanish certification body, AENOR, each year. As part of its policy to encourage innovation, Sacyr Concesiones is continually seeking new research projects that will help us improve our work, as well as the participation

of its staff at all possible forums related to innovation.

The most noteworthy projects, which were satisfactorily certified by the Industrial Technology Development Centre (CDTI) in 2014, were as follows:

- SEGTRAN project: Research, development and demonstration of innovative ways of improving integrated security at transport terminals.

The main objective of the project is to raise the standard of security at transport terminals, and protect

users of such terminals against deliberate attack.

- The main objective of the research project is to examine alternative lab tests making it possible to provide a single test for all variables affecting the slide resistance coefficient of the road surface and changes to this coefficient.

The main objective of the research project is to examine alternative lab tests making it possible to provide a single test for all variables affecting the slide resistance coefficient of the road surface and changes to this coefficient.

BUSINESS MODEL

3.6 Industrial

In Sacyr Industrial we have the experience and capability to develop projects of power generation, waste treatment plants, oil and gas projects, and electrical installations.

193,530
Thousands of Euros
Revenue

2,112
Thousands of Euros
Net profit

2,408
Millions of euros
Backlog

55,982
Thousands of Euros
Turnover abroad

Our industrial and services experience encompasses projects across in five continents - the Sines LNG Plant (Portugal), the Southern Seawater Desalination Plant

in Binningup-Perth (Australia), the La Pampilla Refinery Desulphurisation Plant in Peru, and substations for SSE in Scotland.

KEY FIGURES

	2014	2013	%
Revenue (Thousands of Euros)	193,530	210,209	-7.9%
Net profit (Thousands of Euros)	2,112	-7,803	127.1%
Backlog (Millions of euros)	2,408	1,608	49.8%
Revenue abroad* (Thousands of Euros)	55,982	28,426	96.9%
Number of employees**	300	245	22.4%

*Revenue considering Tax location

**Employees: used in average number

GEOGRAPHICAL BREAKDOWN OF BACKLOG

(Million Euros)	2014	2013	%
Spain	2,175	1,474	47.6%
Bolivia	66	15	340.0%
Peru	84	118	-28.8%
Mexico	11	0	-
Colombia	79	0	-

SPAIN
 BOLIVIA
 PERU
 MEXICO
 COLOMBIA
 AUSTRALIA
 RUSIA
 OMAN
 UNITED KINGDOM



NET PROFIT
 (var14/13)

+127.1%



REVENUE ABROAD
 (Thousand Euros)

+96.9%

2014	55,982
2013	28,426



BUSINESS MODEL

3.6 Industrial

Sacyr Industrial is the Sacyr Group division that arose as a result of the integration of different specialised companies and areas at the Group. It is charged with industrial engineering and construction activities, covering the promotion, performance, start-up and operation of the 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 with an installed capacity of more than 900 MW.
- **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, having designed and built 43 waste management plants and installed 114 MW of electrical power. It also has experience in mining and processing plant projects.
- **Oil and gas:** Sacyr Industrial has entered into agreements with various technology companies to offer solutions to refining, chemical and petrochemical, processing and gas treatment, and liquid natural gas (LNG) projects and the transport and storage of this fuel.
- **Electrical facilities:** Sacyr Industrial offers engineering and construction of high-voltage power lines, electrical substations and low-, medium- and high-voltage facilities.

The following contracts were won during the year:

- Sacyr Industrial was awarded the concession for the design, construction, assembly and start-up the cement plant in the department of Oruro (Bolivia), for €180 million. The facility, which belongs to Empresa Pública Productiva Cementos de Bolivia (ECEBOL), will have a minimum capacity of 3,000 tonnes of clinker per day to manufacture IP-30 Portland Cement, in accordance with Bolivian law.
- Sacyr Industrial was awarded the concession for the design, construction and start-up of the LNG import terminal in Cartagena (Colombia), as well as the construction of the 10 km pipelines for transporting gas from Cartagena bay to the National Transport System (SNT) located on the northern coast of Colombia. The project, which is capable of treating 400 million cubic feet of liquefied gas per day, will have a budget of €85.05 million and should be fully operational in the second half of 2016.
- Sacyr Industrial was awarded the concession for the construction and installation of two power lines of 115 KV with a length of 3.7 km, and three electrical substations with voltages of 115 KV and 13.8 KV, located in Monterrey in the state of Nuevo León (Mexico). The contract is worth €11.5 million.

Important milestones in 2014 also include the following:

- Cogeneration: To date, Sacyr Industrial operates five combined heat and power plants for drying olive paste. Using this technology, Sacyr Industrial now has more than 106 MW of installed power through its subsidiaries, generating 900,000 MWh/year.
- Biomass: Sacyr Industrial has two plants in operation, and has now reached 25 MW of power and generates 251,000 MWh/year.
- Urban solid waste treatment plants: Sacyr Industrial has implemented the Bilbao Mechanised Biological Treatment Plant, which will enable the treatment of up to 180,000 tonnes of waste per year, and the Cogersa biomethanation plant (Asturias), which will enable the processing of up to 60,000 tonnes per year.

WE CONTINUE TO INNOVATE

The general aim of our group includes giving R&D&I the wherewithal to act as a differentiating factor of competitiveness. Sacyr Industrial takes part in numerous innovation

projects, either in a cooperative manner with other business units, utilizing the different specialisations, or individually, with its research and technical staff. To organise and structure these

activities, Sacyr has certified its R&D&I system to UNE 166002: 2006, applicable to all companies and activities, which, consequently, are audited and approved by AENOR.

BUSINESS MODEL

3.7 Property

At 31 December 2014, the Testa Group owned 1,334,448 m² of rental assets. In the year, these assets generated a total of 188 million Euros in rental income.

Testa, a leader in the property sector, boasts a portfolio of top-level, prime-location assets leased to large companies and major customers. This enables the company to maintain its longstanding stable occupancy levels of around 100%.

The bulk of Sacyr's property business currently comprises offices for rent in Barcelona and Madrid. It has an operational area of over 1.4 million square metres.

Testa secured a turnover of 188 million euros in 2014, and EBITDA of 141 million euros, excluding asset sales. The rental portfolio stood at 1,193 million euros, with underlying EBITDA of 947 million euros and a margin of 79%.

KEY FIGURES

Million euros	2014	2013*	%
Revenue	188.0	216.6	-13.2%
EBITDA	141	170	-17.1%
Net Profit	72.6	77.7	-6.6%
Lessees book	1,193	1,421	-16.0%

* Amounts restated by applying IFRS 11.

Owned assets

87

Gross leasable area

1,085,207m²

(without parking and rents)

Gross revenue

182,609,159€

(Gross revenue)

Wault

(weighted average lease term effect)

4.6 YEARS

Physical occupancy rate of

95/ 96.8%

(Including and excluding C. Nations)

Economic occupancy rate

95.9/ 98.1%

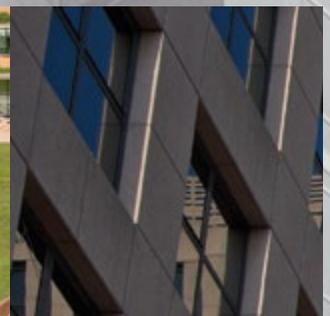
(Including and excluding C. Nations)

REVENUE
(Million Euros)

188.0

NET PROFIT
(Million Euros)

72.6



EBITDA
(Million Euros)

141.0



BUSINESS MODEL

3.7 Rental Property

ASSET APPRAISAL

Based on independent appraisals by CB Richard Ellis and Tasaciones Hipotecarias, at 31 December 2014 the value of Testa's assets amounted to 3,180 million euros, with unrealised capital gains of 1,054 million euros. Offices, with an overall valuation of 1,695 million euros, shopping centres valued at 342 million euros and hotels worth 430 million euros, occupy the top positions in the asset rankings.

ASSET APPRAISAL

Millions of euros	2014	2013	%
Offices	1,695	1,806	-6.1%
Malls	342	316	8.2%
Rental housing	276	290	-4.8%
Hotels	430	427	0.7%
Industrial	113	113	0.0%
Homes	8	21	-61.9%
Others	49	49	0.0%
Work in progress, solar and other	267	265	0.8%
TOTAL	3,180	3,287	-3.3%
LATENT CAPITAL GAINS	1,054	996	5.82

SUMMARY OF ACTIVITY

Testa currently has an area of 1,387,040 square metres in operation, of which offices account for 475,131 square metres. The Company also operates 11,305 parking spaces, 8,120 of which belong to office blocks.

Gescentesta, a company created to manage and administer shopping centres, handles an area of 103,983 square metres of shopping centres in its management portfolio.

In terms of housing rentals, Testa has a total of 1,519 houses and 1,324 owned parking spaces, which represents an additional 124,330 square metres. The Company also manages 636,012 square metres of 7,026 houses with 11,132 parking spaces belonging to property funds.

Testa also owns 11 hotels with a total of 2,155 rooms. These assets add a further 129,656 square metres to the Company's portfolio. Testa's hotels are 4-star and 5-star establishments, and are leased to the some of the top hotel chains.

For further information you may visit Testa website (www.testainmo.com) and CNMV website.

Offices at Avda.
Bruselas 35,
Alcobendas, Madrid



BUSINESS MODEL

3.8 Valoriza

Valoriza operates a wide range of businesses, focusing at all times on providing a comprehensive service for customers and addressing their needs with higher returns thanks to a selective choice of business activities.

8,676

Million euros*
REVENUE, 2014

72

Million euros*
EBITDA

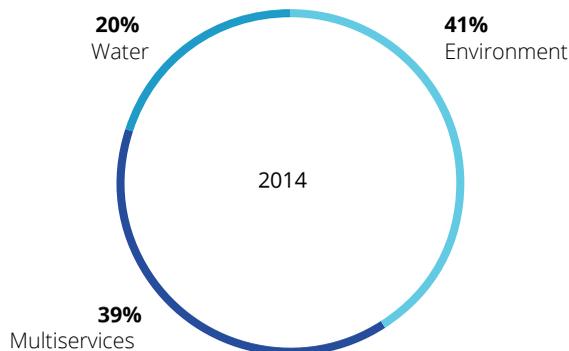
926

Million euros*
BACKLOG

+20

Cities
Maintenance of
green areas

REVENUE ACTIVITY VALORIZA-SERVICES



In permanent contact with universities, research centers and technology platforms:

University of Salamanca.

Polytechnic University of Madrid.

CIDAUT.

PLANET
(Spanish Technological Platform for
Environmental Technologies).

* Key Figures of Valoriza include Industrial Area 2014 results.

SPAIN
 PORTUGAL
 ALGERIA
 AUSTRALIA
 BRAZIL
 BOLIVIA
 ISRAEL
 CHILE



BACKLOG
 (Thousands of euros)*

925,854



EBITDA
 (Million euros*)

72

BUSINESS MODEL

3.8 Valoriza

The Sacyr Group's Services area, headed by Valoriza Gestión, continued with its strategy of growth and diversification in 2014.

REVENUE ACTIVITY VALORIZA-SERVICES

ENVIRONMENT

Municipal services
Waste management
Landscape restoration
Environmental projects

WATER

Integrated water cycle management
Water treatment
Desalination
Treatment and reutilisation

MULTISERVICES

Facilities

Comprehensive facilities maintenance
Urban mobility

Valoriza Conservación

Maintenance and upkeep of roadway infrastructure
Dam and canal maintenance

Cafestore

Highway and toll road service stations

Mining

Exploration

The main milestones marked by the different businesses classified in this sector of activity are:

- Growth in environmental and multiservices activities.
- Decline in revenue of Valoriza Agua: completion of the desalination projects in Israel, Australia and Chile, and sale of some water concessions in Portugal.
- Valoriza Minería signed, in early 2015, a collaboration agreement with the Canadian multinational leader in mining, Lundin Mining, to participate in exploration projects within the territories controlled by Ossa Morena and Faja Pirítica Ibérica in southeastern Spain. And in 2014, it signed a collaboration agreement with Macquarie Capital to carry out mining exploration and exploitation projects in Spain, by virtue of which MacCap, a global trendsetter in mining project financing, will be responsible for structuring the investments needed to undertake mining projects in Spain.
- Valoriza Minería, after two years of research, has a large portfolio of copper, gold, tin and tungsten projects, leading to the expectation that it will carry out important investments in coming years. In addition, it is backed by the Sacyr Group.
- Decrease in revenue from renewable-energy plants: revenue has been affected by the recent deregulation of renewable energies and by divestments (Extragol and Olextra).

La Reguera wastewater treatment, Madrid.



- The intense international contracting effort ensures the future growth of this activity.
- The entry into force of the Royal Decrees regulating electricity tariffs led to a contraction of the margin in the Services business.
- The international backlog stands at 26% of the total backlog of this division.
- Presence in Algeria, Australia, Peru, Portugal, Bolivia, United Kingdom, and other countries, primarily as a result of projects related to the water and industrial projects.
- A 24% decline in Valoriza's debt, following the selected divestments that were carried out.

BUSINESS MODEL

3.9 Holding in Repsol, S.A.

In 2014, Sacyr remained a core shareholder of Repsol, S.A. Repsol is the leading oil company in Spain and one of the fifteen largest private oil concerns in the world. It is also the leading marketer of Liquefied Natural Gas (LNG) in Spain, supplying more than eleven million customers in our country alone. Repsol continues to be the leading firm in chemical products in Spain and Portugal, and the world leader in plastics for agriculture. It also owns a 30.001% stake in the gas utility Gas Natural SDG, S.A. and 10% of energy company Compañía Logística de Hidrocarburos CLH, S.A.

On 2 January 2014, Repsol announced the conclusion of the sale of LNG assets to the Shell oil company, the agreement on which was reached on 27 February 2013.

Once the related permits and authorisation had been obtained, the assets of Peru and Trinidad and Tobago were transferred to the Dutch company. Previously, in October 2013, Repsol, S.A. had sold to British Petroleum (BP) its investment in Bahía Bizkaia Electricidad (BBE), when BP exercised a preferential purchase right on

this asset. These transactions generated income of US\$4,300 million for Repsol, as well as allowing it to strengthen its balance sheet and financial position, improve its ratings and shed US\$3,300 million in net debt. The gains on these transactions totalled approximately US\$2,900 million, after tax.

Together with the sale of these assets, Repsol and Shell entered into an agreement whereby the Spanish company will supply approximately 1 million tonnes of LNG to Repsol's plant within the Canaport complex (Canada) over the next 10 years.

AGREEMENT WITH ARGENTINA

On 25 February 2014, Repsol approved an "Amicable Accord Solution and Expropriation Settlement" with Argentina, whereby the latter undertook to pay compensation, in the amount of US\$5,000 million, for the expropriation of 51% of the shares of YPF and YPF Gas and to provide the corresponding guarantees for the effective payment of such compensation. It also agreed to the mutual withdrawal of the legal and arbitration claims filed and to waive new claims.

The entry into force of this agreement was contingent on certain conditions precedent, including the ratification of this agreement by Repsol, S.A.'s General Shareholders' Meeting, on 28 March 2014, and its subsequent approval by a special law passed by the Argentine Congress.

The transaction was to be completed via the delivery of bonds to Repsol, with full guarantees of their deposit at an international financial securities clearing and settlement entity. Repsol could freely choose to sell these bonds or collect them at their respective maturity dates. If the sale gave rise to an amount exceeding US\$5,000 million (discounting interest and costs), the surplus would be refunded to the Argentine Republic.

Lastly, on 8 May 2014, compliance with all conditions precedent envisaged in the agreement was verified and, therefore, Argentina provided Repsol with government bonds for a total nominal amount of US\$5,317.36 million. The breakdown and nominal value of these bonds was as follows: "Bonar X" bonds, for US\$500 million; "Discount 33" bonds, for US\$1,250

million; "Bonar 24" bonds, for US\$3,250 million; and "Boden 2015" bonds, for US\$317.36 million. On 9 May 2014, Repsol sold all of the "Bonar 24" bonds to JP Morgan Securities PLC, for US\$2,813.62 million.

In addition, on 13 May 2014, Repsol sold, also to JP Morgan, all of the "Bonar X" and "Discount 33" bonds, as well as part of the "Boden 2015" bonds, for US\$2,010 million. At 31 December 2014, Repsol owned only a portion of the "Boden 2015" bonds, for the nominal amount of US\$117.36 million

BUSINESS MODEL

3.9 Holding in Repsol, S.A.

REPSOL, PURCHASE OF TALISMAN ENERGY

On 16 December 2014, Repsol resolved to purchase 100% of the Canadian oil company Talisman Energy for US\$8,300 million (€6,640 million), plus a debt of US\$4,700 million (€3,760 million.)

This acquisition, which was the largest international transaction carried out by a Spanish company over the last five years, will make Repsol one of the main private energy groups worldwide, with a

greater presence in OECD countries, as a result of having its reserves and production in countries with a high degree of geopolitical stability. Talisman Energy has high-quality assets in production and areas with great exploration potential in North America (Canada and the United States) and in Southeast Asia (Indonesia, Malaysia and Vietnam), as well as in Colombia and Norway, among other countries.

After completing the transaction, North America will represent almost 50% of the capital used in the area for oil and gas exploration, causing Latin America to move down to second position, with 22% of the total. In addition, the Repsol Group will increase its production by 76% to 680,000 barrels of oil equivalent per day, increasing its reserves by 55% to reach 2,353 million barrels of oil equivalent.

During the year, Repsol, S.A. paid a final gross dividend of €1.962 per share (€0.477 as an interim dividend against 2013 profit, €0.485 as a final dividend for that year, and €1 as an extraordinary dividend). Sacyr received €239.77 million in dividends.

Repsol, S.A. is listed on Spain's IBEX-35 index, as well as on the leading index in the United States. At year-end 2014, the Company's share price stood at €15.525 (a 15.26% decline in value compared with 2013) and its market capitalisation was €20,962.98 million.

Construction of Repsol
headquarters in Madrid







4

ENVIRONMENTAL VALUE

4.1	Climate Change — Energy Efficiency	80
4.2	Water	84
4.3	Biodiversity	89
4.4	Natural Resources and Environment	93

ENVIRONMENTAL VALUE

The Sacyr Group has undertaken a commitment to the environment, energy management and quality in its business as an essential factor to guarantee customer satisfaction, meeting requirements and satisfying users, in a major bid to make its activities compatible with the environment

Sacyr has an Integrated Quality, Environment and Energy Management System in accordance with ISO 9001, ISO 14001, ISO 50001 and EMAS standards, the main European and international benchmarks in the respective fields. The unique nature of our method consists of having a single integrated system for all activities carried out by Sacyr.

Sacyr currently holds 31 ISO 9001 certifications 26 ISO 14001 certifications, 1 ISO 50001 certification, and 3 EMAS certifications.

Sacyr's commitment to the environment is the source of a wide range of initiatives to prevent, mitigate and, wherever possible, eliminate or minimise the potential environmental impact of its activities.

Putting these initiatives into practice carries a number of environmental costs, which have to be identified and assessed from a wide variety of perspectives.

Occasionally the costs arise from discretionary activities, while in other cases they are required by contract or environmental law.

In 2014, at Sacyr a total of 42 sanction proceedings were closed and 16 proposals for sanction proceedings were received. The total monetary value of the archived sanctions was €56,526.96, and in none of the cases were significant fines imposed. Of all of the proceedings that were closed, 21 did not involve any monetary cost.

In addition, all of the proceedings were processed in accordance with current legislation in each country, and in no case was Sacyr involved in proceedings before environmental arbitration agencies.

G4-EN29

Interior desalination plant
in Perth, Australia

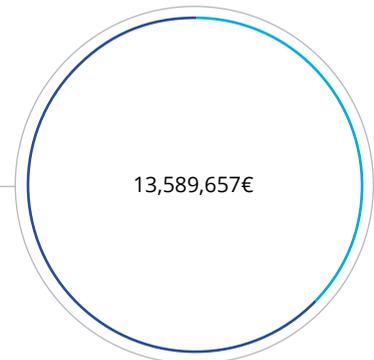
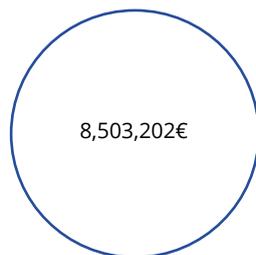


SACR ENVIRONMENTAL EXPENDITURE AND INVESTMENTS 2014 SACR (€) G4-EN31

Costs of waste treatment,
treatment of emissions
and restoration

Prevention and
environmental-management
costs

Total



8,503,202€

5,086,454€

13,589,657€

ENVIRONMENTAL VALUE

4.1 Climate Change - Energy Efficiency

Sacyr's commitment in the struggle against climate Change

The climate is changing rapidly with detrimental impacts on natural ecosystems, economies in all regions of the planet and the people who depend on them. In Sacyr we are committed to reducing energy consumption and greenhouse gas emissions caused by our daily activities development.

The Property Management Division reduced electricity consumption by 1,367.97 Gj (A2) between 2013 and 2014 as a result of the following actions at various of its properties:

G4-EN19

- The placement of halogen lights with LEDs in, inter alia, common areas and parking garages.
- Installation of motion detectors.
- Replacement of air-conditioning equipment with more efficient units. G4-EN6

These steps have avoided the emission of 110.58 TnCO₂(A1). Our vehicle fleet's average emissions have dropped from 117.93 gCO₂/km to 116.26 gCO₂/km

In Sacyr's energy services contracts, 7,460.52 Gj of energy was saved in 2014 in comparison with the baseline, thus avoiding the emission of 1,126.12 TnCO₂ into the atmosphere. This savings results from efforts with regard to public lighting and interior lighting and the switch in heating fuel and ACS. G4-EN7

In its commitment to sustainable construction, Sacyr has worked for years on two fronts to obtain the LEED certificate: in existing buildings, through its TESTA subsidiary, and in new building construction, through its SACYR CONSTRUCCIÓN and SOMAGUE ENGENHARIA affiliates. Specifically, in 2014, it continued with the process for obtaining the LEED SILVER certification of the Campo de las Naciones buildings on Avda. del Partenón 12-14 and 16-18, in Madrid, both of which are owned by TESTA, and with the execution of several construction projects according to different categories

of LEED certification.

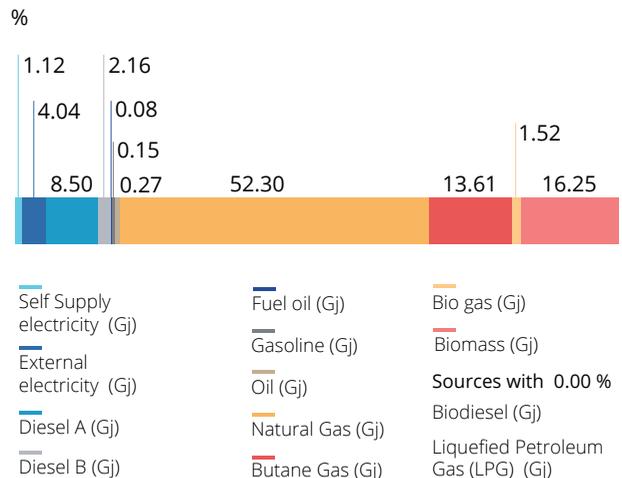
LEED® certification (voluntary) is based on the inclusion in projects of aspects relating to energy efficiency, alternative energies, the improvement of internal environmental quality, efficient water consumption, sustainable development of open spaces in lots and the selection of materials.

In 2014, electricity sales totaled 3,199,418 Gj.

INTERNAL ENERGY CONSUMPTION (Gj) 2014 G4-EN3

TOTAL	14,970,416.40
Construction	1,333,351.65
Services	1,352,776.90
Industrial	10,505,589.10
Concessions	51,347.21
Property	1,727,351.52

INTERNAL ENERGY CONSUMPTION BY SOURCE IN 2014 G4-EN3



In 2014, Sacyr headquarters, located in Pº Castellana (Madrid), had these intensities: G4-CRE1 G4-CRE2 G4-CRE3

- Energy: 110.6 kWh/ m²
- Water: 1.07m³ / m²
- Emissions: 0.04 tCO₂ / m²

Emissions of building area in Spain and Chile, corresponds to 0.01 TnCO₂ / Mill €. G4-CRE4

EXTERNAL ENERGY CONSUMPTION (Gj) 2014 G4-EN4

TOTAL	58,895.43
Construction	46,271.58
Services	5,541.17
Industrial	4,804.46
Concessions	1,823.80
Property	454.43

ENERGY INTENSITY SACYR 2014 G4-EN5

Total energy consumption (Gj)	15,029,311.82
Revenues (Thousand €)	2,900,725.00
Energy intensity (Gj / Thousands of €)	5.18

DIRECT GREENHOUSE GAS EMISSIONS (A1) (teq CO₂) 2014 G4-EN15

TOTAL	688,926.18
Construction	91,324.10
Services	43,975.85
Industrial	443,265.15
Concessions	688.60
Property	109,672.48

*The factors we have used to calculate this indicator are "Final energy - primary energy conversion factors and emission factors of CO₂-2011 for motor and heating fuels" published by the Institute for Energy Diversification and Savings (IDAE) in December 2012.

DIRECT GREENHOUSE GAS EMISSIONS (A2) (teq CO₂) 2014 G4-EN16

TOTAL	49,739.62
Construction	3,961.75
Services	34,567.63
Industrial	4,220.74
Concessions	3,909.55
Property	3,079.94

DIRECT GREENHOUSE GAS EMISSIONS (A3) (teq CO₂) 2014 G4-EN17

TOTAL	4,235.56
Construction	3,322.78
Services	402.67
Industrial	345.20
Concessions	131.18
Property	33.73

Scope 3 emissions (A3) accounted are related to business trips.

GREENHOUSE GAS EMISSION INTENSITY 2014 SACYR*

Total emissions (teq CO ₂)	784,495.87
Revenues (Thousand €)	2,900,725.00
Emission intensity (Teq CO ₂ / Thousands of €)	0.27

*For the calculation of the intensity taken only emissions Scope 1 and 2. The units are equivalent tons of CO₂

ENVIRONMENTAL VALUE

4.1 Climate Change - Energy Efficiency

The only emissions of ozone-depleting substances generated by Sacyr are potential leaks from its air conditioning equipment. However, proper maintenance keeps these at minimum levels. Sacyr currently has some air conditioning units of its own using R22 gas, but these are gradually being replaced by units emitting gases that do not harm the ozone layer and that have a low global-warming potential.^{G4-EN20}

NO_x, SO_x and other significant air emissions ^{G4-EN21}

NO_x AND SO_x AIR EMISSIONS 2014

Area	Electricity (t SO ₂)	Electricity (t NO ₂)
Construction	5.55	3.81
Services	51.79	35.52
Industrial	6.32	4.34
Concessions	5.04	3.46
Property	4.61	3.16
TOTAL	73.33	50.29

CREATING AWARENESS AND TRAINING

Human capital is one of the driving factors behind Sacyr's activities. For this reason, one of the Group's goals is to have a select team of employees and contractors in place whose quality and environmental criteria match those of Sacyr. Environmental awareness and training are one of the cornerstones of Sacyr's strategy, and it uses a combination of educational methods to education employees and partners on the potential environmental implications of their activities, with the primary goal of enhancing their environmental awareness and encouraging environmentally friendly conduct.

We carry out this process with a number of different instruments, one of which is the preparation and distribution of Manuals of Good Environmental Practices. We now have 18 of these manuals

SUPPLY CHAIN ^{G4-EN33 G4-12}

Sacyr is aware of the impact that suppliers have on its environmental efforts and therefore encourages them to adhere to the Group's environmental regulations and values.

Our suppliers are evaluated at regular intervals and their environmental performance and energy efficiency are assessed on the basis both of environmental and energy practices adopted and of compliance with the required environmental documentation (authorisations, waste management, etc.). Quality criteria such as adherence to deadlines, service quality, contractual performance, etc., are also evaluated.

The main environmental impacts detected in our suppliers' activities are associated with, for example: incomplete compliance with legislation relative to their activities (e.g., lack of documentary evidence of proper waste management and of permits related to those activities, etc.), deficient maintenance of facilities, socioeconomic impact from the silting of public roads, impact on the soil from spills, etc.

At Sacyr, in 2014, we evaluated the environmental impact of 1,546 suppliers, 22 of which were found to cause significant negative environmental impacts. With 50% of these suppliers we agreed on improvements after the evaluation, and we ended our relationship with 22.7% as a result of the evaluation.

^{G4-EN32}

In the first half of 2015, we will review the current environmental evaluation system, both initial and periodic, with regard to our suppliers.

Road maintenance vehicles



INNOVATION IN FLEET VEHICLES

Environmentally friendly and sustainable vehicles are part of the department's objectives in selecting a vehicle.

For this reason, we rely on the continual evolution by vehicle manufacturers, as we are aware of the need to minimise CO₂ emissions.

The models selected for the renovation of the fleet in 2014 in terms of passenger cars were those which compliant with Euro6 emissions regulations.

In addition, we have acquired different vehicles with new

technologies, all of which focus on reducing consumption and emissions.

6 Opel Corsa Selective 1.2 LPG (liquid petroleum gas) vehicles.

6 SACYR Caddy 1.6 L LPG vehicles
These 12 vehicles make it possible to save between 40% and 45% in fuel consumption compared with gasoline-driven vehicles and 15% to 20% compared with diesel-engine vehicles, owing to their lower cost.

The price of AUTOGAS is 50% lower than gasoline or diesel, and stands at about €0.70 per litre.

The use of this alternative fuel improves air quality, especially in urban areas, and entails a considerable environmental advantage compared with conventional gasoline and diesel engines:

- 68% reduction in NO_x emissions
- 15% reduction in CO₂ emissions

Environmental advantages compared with gasoil or biodiesel.

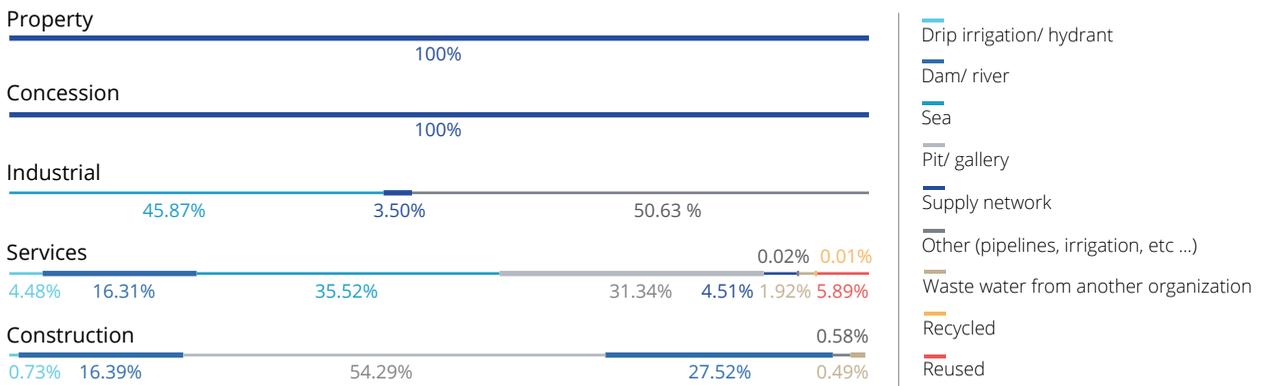
- 99% reduction in particle emissions
- 96% reduction in NO_x emissions
- 50% reduction in noise level
- 10% reduction in CO₂ emissions

ENVIRONMENTAL VALUE

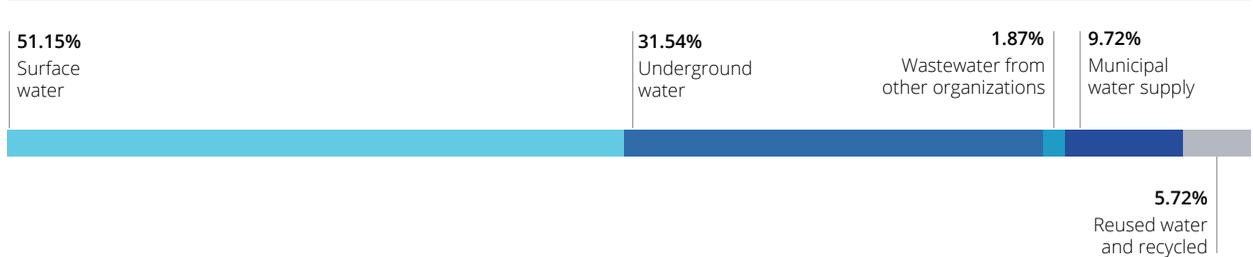
4.2 Water | Valoriza Agua

Efficient water management is vital to sustainable development. In everything we do, therefore, we look for ways to optimise water use, reuse water and use recycled water.

WATER CONSUMPTION BY AREA 2014 (%) G4-EN8



TOTAL WATER CONSUMPTION 2014



EVOLUTION WATER CONSUMPTION 2012-2014 (m³)



WE CREATE VALUE WITH OUR ACTIVITIES

Population growth, the transformation of lifestyles and economic development have greatly increased pressure on water resources.

VALORIZA AGUA is responding to this need with the most advanced engineering for water treatment and supply.

ENGINEERING FOR WATER

Water is an economic asset on which social development depends.

Technology allows us to provide human beings with the quantity of water they need, and with the required quality for each use, without generating waste or contaminants.

Valoriza Agua generates new resources, through desalination, and makes it possible for used water to be regenerated for new uses, or to be returned to nature in optimal conditions.

As a result of its ongoing research, development and innovation efforts and the application of new technologies and cutting-edge desalination, treatment, channelling-control, purification and specific-treatment systems, Valoriza Agua contributes solutions capable of optimizing existing water resources and supplying the entire population and industry, all while caring for the environment.

Valoriza Agua's R&D&I, applied to processes, has resulted in synergies between energy generation and environmental care.

We have 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 emergents).

WATER DESALINATION AND TREATMENT

Valoriza Agua's experience and technical response come into play through its 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.

Valoriza Agua leads the sector of water desalination for human consumption, industry and irrigation. Its facilities, equipped with the most advanced membrane technology for reverse osmosis and the most innovative electro dialysis systems, 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.

MANAGEMENT OF THE INTEGRATED WATER CYCLE

Managers of the largest water-management joint venture in Spain, (EMALSA), in Las Palmas de Gran Canaria, serving 400,000 inhabitants.

Managers of the largest joint-venture contract in Spain in the last 10 years, in the privatisation of EMMASA (Santa Cruz de Tenerife). We provide service to more than 222,000 inhabitants.

Quality water is much more than potable water. At Valoriza Agua, quality is the best possible supply, management of meter reading, and billing according to consumption in a manner that is easy and convenient for users. The water quality offered by Valoriza is quality of life, the capacity to quickly respond to needs, and peace of mind for households.

Sacyr continues to strive to consume the water that it recycles and reuses. In 2014, internally generated consumption accounted for 5.72 % of total water consumption in the organisation (2,149,243.70 m³)

G4-EN10

Management of 3,166,000 customers in Portugal and Brazil.

Activities with quality and environmental management certified to standards ISO 9000 and 14000.

ENVIRONMENTAL VALUE

4.2 Water | Valoriza Agua

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.

Valoriza Agua, aware of this fact, ensures that all of its 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 pretreatment of wastewater required for better treatment.

WASTEWATER TREATMENT

Wastewater from towns, crops and industry contains toxic elements that, if discharged directly into nature, would contaminate it and destroy the environment. Valoriza Agua closes the water cycle with its treatment in water treatment plants before returning the water to nature.

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

- 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.

Valoriza Agua is working on implementing new treatment processes through its R&D&I department for the efficacious development of technologies applicable to water reuse and regeneration, given that it is always seeking to optimise existing procedures and improve upon cutting-edge technologies.

In addition, the technology developed by Valoriza Agua 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.

Moreover, Valoriza Agua's environmental-surveillance plans ensure the monitoring and control of the effect of its facilities on the environment.

FIGURES

ENGINEERING FOR WATER

Designing, constructing and operating plants to produce:

- More than 750 hm³ per year through reverse osmosis.
- More than 75 hm³ per year through electro dialysis reversal (EDR).
- More than 10 hm³ per year of process water for industrial use.

WATER DESALINATION AND TREATMENT

- More than 26,000 km of potable water channels;
- Electro dialysis treatment of potable water from the Llobregat (Barcelona) WWTP, the largest EDR plant in the world—200,000 m³/day
- Other potable water treatment plants: WWTP in Puertollano—34,560 m³/day
- WWTP in Jaca—26,000 m³/day

Cartagena refinery,
Murcia Water processing
plant



ENVIRONMENTAL VALUE

MANAGEMENT OF THE INTEGRATED WATER CYCLE

- Concession for integrated water cycle management in Alcalá de Henares (Madrid). 200,000 inhabitants. Distribution of 24 hm³ per year.
- Concession for integrated water cycle management in Guadalajara, 85,000 inhabitants, distribution of 9.4 hm³ per year.
- Supply to 9,650,000 inhabitants of six countries.

SEWERS AND COLLECTORS

- More than 108,000 sinks and scuppers being used and on which maintenance is performed
- 13,000 km of sewer network.

WASTEWATER TREATMENT

- Project to expand the capacity of the WWTP in Tres Cantos (Madrid) to 31,000 m³ per day.

- WWTP design, construction or operation to replenish more than 300 hm³ per year.
- Treatment of effluents from Repsol refineries in Cartagena — 4,200 m³ per day.

REUSE OF TREATED WASTEWATER

- Plan for the reuse of crop drainage from Cartagena, 6,000 m³/day, by reverse osmosis, avoiding the eutrophication of the Mar Menor.
- Tertiary treatment plants with desalination for a golf course in Benidorm, Alicante
- 5,000 m³/day.
- Treatment of industrial water using MBR technology, for industrial uses and irrigation. 2,000 m³/day.

HOW WE MANAGE WASTEWATER

Sacyr's activities generate liquid effluents, and the outlet into which they are discharged depends on the generation process and the location of the facility. Most commonly they are discharged into the public sewage network and authorised public water outlets and in some cases they are reused by third parties. A total of 12,552,140.34 m³ of wastewater and 7,267,495 m³ of brine has been discharged and 11,320,185 m³ has been reused. G4-EN22

The wastewater is analysed systematically and according to an established plan in order to verify that all applicable legal requirements as well as those set forth in the related permits are met, thus ensuring the quality of the waste.. The quality parameters to be analysed are determined in accordance with the authorisations and regulations in effect in the country, on a case-by-case basis.

We are currently working on implementing measures to quantify the volume of discharged water in accordance with the activities where it is generated and the outlets where it is discharged, in order to have uniform control and monitoring of discharges.

In 2014 no incidents involving liquid effluents generated by the organisation causing significant damage to water bodies and related habitats were recorded.

INNOVATION IN WATER MANAGEMENT

Participation in four projects of the LIFE and EAA Grants Programmes

1) Life Transfomem Project: transformation of disposed reverse osmosis membranes into recycled ultra and nanofiltration membranes.

2) Denitox Project: development of a new denitrification environmental technology based on autotrophic anaerobic oxidation.

3) Osmos Project: development of an innovative desalination process to reduce energy consumption through direct osmosis.

4) Odour Project: development of highly efficient technologies for treating odours in industrial and water treatment processes.

4.3 Biodiversity

Respect for the environment is a key value of the Sacyr Group, and thus its strategy aims to prevent any impact on biodiversity and, where this is impracticable, to research and implement the measures best suited to each scenario on the basis of the necessary form of protection and the activity at hand, to minimise its impact.

At the Sacyr Group, we conduct large infrastructure projects that link our Good Governance and Business Model objectives to the idea of sustainability.

ENVIRONMENTAL CASE OF PANAMA

Rescue and recovery of wildlife

At Sacyr, we have been carrying out initiatives related to reducing the environmental impact of our works. For example, in the project

to “Design and Construct the Third Set of Locks of the Panama Canal”, our actions have sought to protect, conserve, rescue and relocate wildlife affected by moving earth and removing vegetation, so as to

reduce to the extent possible the impact on the fauna [PHOTO] Since 2009, 4,427 animals of diverse species have been rescued and relocated.

ENVIRONMENTAL VALUE

Rescue and relocation of indigenous fauna around the Panamá Canal



The protected areas in which the Sacyr Group conducted its activities in 2014 are divided into the following categories: G4-EN11 G4-EN12

- Special Bird Protection Areas (SPA): 4
- Places of Community Importance (SCI): 6
- Special Conservation Zones: 2
- Biosphere Reserve: 1
- Ecological Protection Area: 1
- Nature Reserve: 1
- Drivers' Roads: 5
- Historical Monument Route: 1
- Wetland of International Importance: 1
- Protected Landscape: 1
- Nature Park: 1
- Other: 1

These spaces occupy an area of 384,885.71 ha, of which 356.43 ha are affected by the activities carried out by Sacyr, while 326.68 ha are located within these protected spaces and 29.75 ha are located in spaces adjacent to them. The relevant locations for protected areas are: A Coruña, Badajoz, Huelva, Jaén, La Palma, Madrid, Murcia and Orense, corresponding to activities carried out with regard to works, vegetation control along motorways and highway cleaning.

4.3 Biodiversity

In 2014, different activities affecting habitats where species exposed to some degree of threat were carried out. The number of species in whose habitats we have carried out activities, according to the threats, is as follows: G4-EN14

INCLUDED IN THE RED LIST OF SPECIES UNIC AND NATIONAL AND REGIONAL LISTINGS

Level of endangered species	No. Species	Location
In danger	10	Cantabria; Huelva; La Serena; Copiapó, Valencia y Jaén
Vulnerable	16	Orense, La Serena, Limarí, Vallenar, Madrid, Valencia y Huelva
Least Concern	12	Limarí, La Serena y Huelva
Other categories of protected	22	Jaén, Albacete, Tenerife, Valencia, Iquique, Cádiz, Madrid, Santiago, La Serena y Huelva
Near Threatened	5	Limari, Vallenar, La Serena y Huelva

Other species of fauna and flora are not included on the IUCN Red List or in national catalogues. Our actions to prevent harm to these species are shown in the table "Main endangered species in whose habitats the Sacyr group carried out activities in 2013", for species that are at risk or are of special interest. That is, measures have been taken to prevent them from being harmed, or when this is not possible, to minimise the harm.

IMPACT ON BIODIVERSITY

Respect for the environment is a key value of the Sacyr Group. Thus its strategy aims to prevent any impact on biodiversity and, where this is impracticable, to research

and implement the measures best suited to each scenario on the basis of the needed form of protection and the activity being conducted, so as to minimise its impact.

In 2014, we carried out activities with an impact on biodiversity, for example, on water, flora, fauna and the atmosphere. Specifically, emissions of dust and gases produced by combustion from machinery, vehicles and equipment, noise pollution, disturbances of animal species during nesting and breeding periods, pruning, felling and transplanting of plant species, species loss, impacts on water quality, catchment of water from reservoirs and watercourses, etc. G4-EN12

To minimise these impacts, we carry out actions to conserve biodiversity, including, for example, species protection and reproduction programmes, landscape restoration in degraded spaces, transplantation of individuals of species with a high biological value, periodic monitoring of water quality, protection of the hydrogeological system, river courses, etc., through periodic sampling for analysis and control, reduction of vehicle speed and spraying of roads, etc.

PROTECTED OR RESTORED HABITATS

Given the length of time involved and the times of year at which various land restoration projects are carried out, it is difficult to gauge the surface area restored at any given time. With the available information, we estimate that the restored surface area in Spain in 2014 by Sacyr amounts to 54.27% of the areas affected by its activities. Independent external professionals verified some of the restoration actions, and cooperation was received from third parties. G4-EN13

In all cases, the results of the restoration actions were considered satisfactory.

ENVIRONMENTAL VALUE

MITIGATION OF ENVIRONMENTAL IMPACT

In its commitment to the environment and society in general, Sacyr contributes to promoting environmental sustainability, primarily by: G4-14

- Implementing environmental management plans in its projects.
- Conducting environmental monitoring of its activities.
- Taking sustainable actions.
- Conducting sustainable R&D&i projects.
- Encouraging education, training and awareness-raising initiatives

This commitment consists of a number of sustainable practices aimed at minimising the impact on the natural environment, efficient resource use, application of the hierarchy in waste management practices, energy savings, emissions reduction, etc. For example:

- Acquiring natural products that are easy to recycle.
- Using materials with little environmental impact over their useful life.
- Eliminating materials that are hazardous for the environment and for human health, such as asbestos and lead.
- Purchasing local materials to reduce transport emissions.
- Protecting natural habitats.
- Encouraging energy savings and adopting energy efficiency measures for lighting, air conditioning, cooling equipment, transportation, etc.
- Recovering construction and demolition materials to produce recycled aggregates with different granulometries.
- Reusing left-over earth from projects in restoration project, in landfills, in adjustments to clearings-embankments, etc.
- Training the Company's own personnel and subcontracted personnel on the environmental practices to be adopted in carrying out their activities.

- Adopting measures to prevent spills of fuel, oil and other polluting chemicals.
- Using wood produced by sustainable forestry procedures, if possible with Forest Stewardship Council Certification (FSC) or Pan European Forest Certification (PEFC) or similar.
- Adopting measures to reduce fuel consumption, optimise work trips, implement technologies that minimise travel, etc.
- Buying products with the European Ecolabel (EEL), etc.
- Measuring and controlling noise.
- Using machinery with current EC certification regarding noise and MOT.
- Implementing "biological control" to reduce the use of phytosanitary products.

ENVIRONMENTAL COMPLAINTS

Sacyr has different formal channels to communicate with its stakeholders and the public at large, through which it is able to receive complaints related to environmental issues.

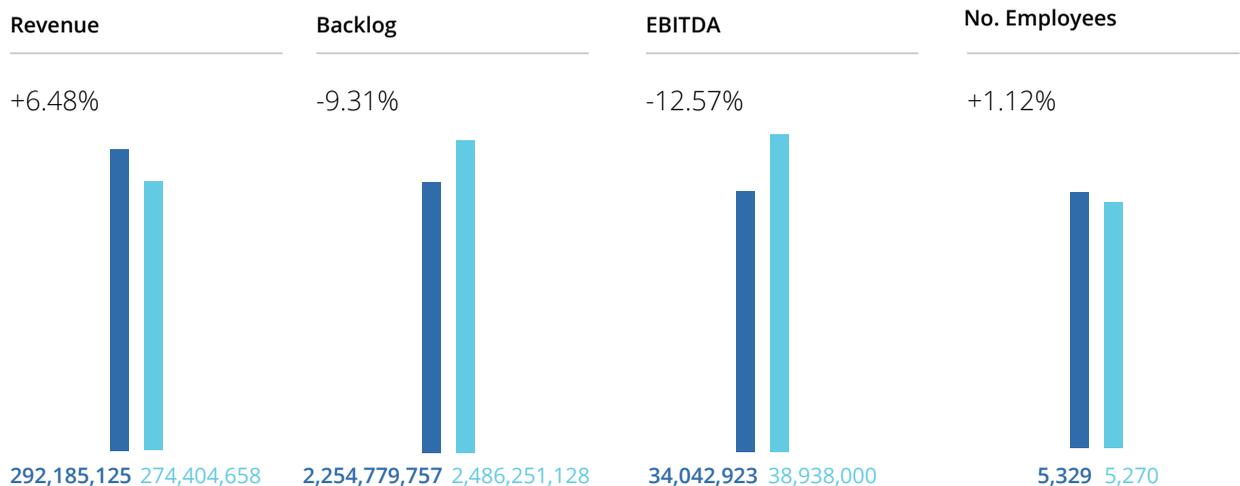
Another channel through which it receives this type of complaints is external management-system certification companies.

Every complaint received leads to an inquiry and appropriate measures are then taken to resolve the issue and avoid recurrences. In 2014, Sacyr did not receive any environmental claims.

4.4 Natural Resources and Environment

VALORIZA SERVICIOS MEDIOAMBIENTALES is a model services company for citizens in Spain that has assumed society's commitment to attaining sustainable development.

KEY FIGURES



2014 2013

It has channelled this commitment through an extraordinary specialisation and technological development that has permitted it to attain a leadership position in the environmental and energy sector in Spain.

OUR VALUES

Experience

Citizen Service

Innovation

Focus on Results

ENVIRONMENTAL VALUE

HOW WE CREATE VALUE

At VSM, 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, 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.
- 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

AND HOW WE APPLY THESE ACTIVITIES IN OUR FACILITIES

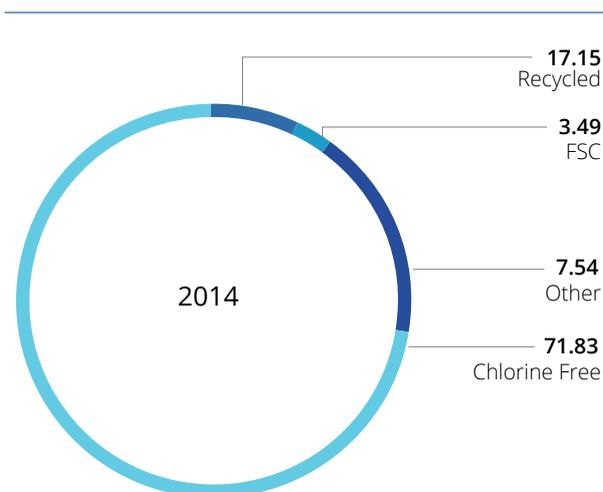
At our work centres, we permanently work to properly recycle the supplies we use. Hence in 2014, more than 300 kg of hazardous waste was removed for treatment and recycling.

GREEN SUPPLIES

The paper we use at the Sacyr Group is received from suppliers selected following a rigorous analysis to ensure that they meet certain requirements, for example, being certified by the Rainforest Alliance and EU Ecolabel. In this manner, we know that the paper comes from renewable natural resources, that it has followed a strict chain of custody and, in this manner, that it constitutes a vital contribution to the development and protection of the forests. In addition to providing a permanent record of the origin of their paper, our suppliers offer biodegradable paper, with high recycling rates, and most of the energy used comes from renewable resources.

Sacyr's consumption of paper in 2014 totalled 123.42 Tn, the breakdown of which was as follows:

TYPE OF PAPER CONSUMPTION (%) G4-EN1



Garden maintenance at
San Lorenzo de El Escorial,
Madrid



ENVIRONMENTAL VALUE

4.4 Natural Resources and Environment

One of the Sacyr Group's priorities in each business is to optimise the resource consumption and reduce waste generation. Accordingly, in carrying out its activities the Group encourages the use of recycled materials – generated internally or outsourced – and the selection of more environmentally friendly products and processes.

Of the materials used for Sacyr's activities, 38.65% were recycled. G4-EN2

NOTEWORTHY PROJECTS

Maresme integrated waste recovery centre

The work to modernise the plant, carried out by UTE-TEM at the request of the Consorcio para el Tratamiento de Residuos del Maresme, raised the efficiency of waste treatment, with a notable increase in the use of recycled products and an improvement in the quality of the portion that can be recovered for energy. The treatment plant, located in Mataró, 20 km northeast of Barcelona, is planned to be used for 15 years.

Los Hornillos Urban Waste Treatment and Recovery Complex

This complex manages some 400,000 tonnes/year of urban waste currently generated in the Valencia metropolitan area, which is composed of the capital and the 44 surrounding municipalities, where approximately 1.5 million people live.

Mechanical Biological Treatment Plant

Located in Arraiz (Bilbao), this 23,000 m² plant makes it possible to completely avoid dumping untreated waste, which places Vizcaya in an enviable position in terms of waste management.

La Reguera WWTP

The Arroyo de La Reguera WWTP is included in the Sanitation and Treatment Plan of the Madrid Region. The plan is designed to treat 80,000m³/day of wastewater, thus serving a population of more than 270,000 in the municipalities of Móstoles, Fuenlabrada and Leganés

WASTE METHODS AND TREATMENT

Prevention is the key to Sacyr's waste policy. The benefits of prevention are seen in savings in raw material consumption and lower management costs, all of which is intended to improve the environmental outcome.

TOTAL WEIGHT OF WASTE BY TYPE AND METHOD OF TREATMENT SACYR 2014 (Tn) G4-EN23

Waste Type	Construction	Concessions	Property	Industrial	Services	Total
RCD	5,338,336.69	0.00	0.00	18,933.00	21,427.92	5,378,697.60
RNP	12,638.46	13.41	74.40	109.01	6,248.47	19,083.75
RP	275.90	3.76	1.09	23.61	203.17	507.53
TOTAL	5,351.251	17.17	75.49	19,065.62	27,879.55	5,398,288.88

RCD: Construction Waste. RNP: Waste not dangerous. RP: Hazardous Waste.

TRANSPORT OF MATERIALS AND PRODUCTS G4-EN30

Transport and mobility in general are directly linked to climate change, pollution and energy dependence. For this reason, we have adopted measures for reducing fuel consumption, optimising work trips, implementing technologies to minimise travel, optimise routes, etc. These measures reduce energy consumption and consequently greenhouse gas emissions.

The environmental impacts related to the transport of products and other goods and materials are not considered to be particularly significant in the context of the Sacyr. Most of this type of transportation is carried out by suppliers, and they are given a best practices code which covers the main environmental impacts of transport identified by Sacyr.

Somague has a bus network that allows its employees to travel from various points in Lisbon to Sintra, where its central headquarters are located.

In 2014 this network comprised three routes and carried an average of 51 employees per day. This daily transportation service avoided the emission of 95.69 tonnes of CO₂.

SPILLS G4-EN24

At Sacyr, in all our activities we routinely adopt preventive measures and we define and apply appropriate procedures to identify potential emergencies and to respond in the event such situations arise. The purpose of this is to avoid unwanted environmental impacts stemming from spills of chemicals, oils and fuels.

Consequently, this type of incidents arise infrequently and do not have serious consequences.

In 2014, Sacyr was aware of 19 accidental spills, all of which were non-significant, produced resulting primarily from ruptures of hoses on vehicles and equipment, collisions, vehicle turnovers, and breakdowns of vehicles and machinery and losses during refuelling operations. Consequently, involuntary fuel and oil spills occurred and the spills were cleaned up and subsequently handled appropriately. The estimated volume spilled was 0.56 m³.





5

SOCIAL VALUE

5.1 Corporate Responsibility - Sacyr Foundation	100	5.4 Local communities	113
5.2 Health and Safety	104	5.5 Valoriza Facilities	117
5.3 Valoriza Infrastructure Maintenance	109	5.6 Human capital	122

SOCIAL VALUE

5.1 Corporate Responsibility – Sacyr Foundation

Sacyr is committed to a responsible management model designed to create long-term value for all its stakeholders and to contribute to progress in society and the global economy through sustainable development.

CORPORATE RESPONSIBILITY

In recent years Sacyr has developed a structure of responsibilities designed to definitively implement a model of responsible management and extend it across all levels of the organisation, with the ultimate aim of making Corporate Responsibility a key focus of all management decisions.

As the company's highest corporate body, the Board of Directors has primary responsibility for defining, promoting and overseeing the Group's Corporate Responsibility strategy.

Sacyr has also established a dedicated Corporate Responsibility area. The main roles of this new area are to implement the CR decisions taken by the Group's

governance and management bodies, provide advice on CR decision-making and coordinate the initiatives in this field carried out by the various organisational units that make up the Sacyr Group.

In addition, the Group has a Corporate Responsibility Work Group, composed of one representative of each business area and one representative of each of the corporate departments most directly involved in guaranteeing the Company's responsible management (Corporate Governance, Human Resources, Internal Audit, Environment, Risk Prevention and R&D&I).

Sacyr supports the Spanish National Handball Team for the 2015 World Cup in Qatar



Sacyr with the Spanish National handball team at the World Cup in Qatar

The Royal Spanish Handball Federation and Sacyr signed a collaboration agreement for sponsorship of the Spanish handball team on their way to World Cup 2015 Qatar.

With the signing of this agreement reaffirm the commitment of the Sacyr Group with the spread of sport as a vehicle for social cohesion and development. It is, as Once a tool for improving and creating healthy habits.

SOCIAL VALUE

5.1 Corporate Responsibility – Sacyr Foundation

CORPORATE RESPONSIBILITY MASTER PLAN

The Master Plan, effective until 2015, structure objectives and challenges in corporate responsibility and is the basis from which we define the main priorities of the company in the same field.

Sacyr's main corporate responsibility objectives:

- | | | |
|---|--|---|
| <p>1</p> <hr/> <p>Encouraging communication with stakeholders</p> | <p>3</p> <hr/> <p>Extending the Group's ethical and social principles to the supply chain (suppliers/ subcontractors)</p> | <p>6</p> <hr/> <p>Mitigating the environmental impact of our projects and activities</p> |
| <p>2</p> <hr/> <p>Nurturing employees' pride in their sense of belonging</p> | <p>4</p> <hr/> <p>Reinforcing good governance</p> | <p>7</p> <hr/> <p>Integrating all Corporate Responsibility actions and principles into the entire decision-making process.</p> |
| | <p>5</p> <hr/> <p>Supporting the development of the host.</p> | |

SACYR FOUNDATION

At Sacyr we also contribute to the development and welfare of the communities where we work through our social projects, which carry out a broad range of philanthropic initiatives.

G4-15

In 2014 the Sacyr Group assisted various community projects, which can be broken down into seven different categories:

- Healthcare and social care
- Development aid
- Art and culture
- Sports initiatives
- Community social and economic development
- Initiatives linked to the Company's business

Some of the main social initiatives undertaken by the Group in 2014 are described below:

ART AND CULTURE

- Príncipe de Asturias Foundation Economic contribution - the Chairman of the Sacyr Group sits on the Board of Trustees of this Foundation.

PROMOTING SPORTS

Corporation agreement to give stipends to athletes, sports clubs and federations

In 2014, in our line of action for the diffusion and practice of healthy habits, we signed a collaboration agreement with the CSD. Miguel Cardenal, president of the CSD, and Manuel Manrique, chairmen of the Sacyr Group, signed an agreement at CSD headquarters to try to find formulas for funding

and cooperating with athletes and sports federations and clubs.

The one-year agreement, which may be extended for further annual periods, includes, as the first instalment, the provision of five annual stipends to five athletes proposed by the CSD and agreed on with the Sacyr Foundation.

The athletes selected for this first year are:

Mario Mola and Carolina Routier (triathlon).
Auri Bokesa (track and field).
José Luis Abajo "Pirri", Sergio Lacasta, Andrea Breteau Ianucci and Eugeni Gavalda (fencing)

Club Deportivo Sacyr

In 2014, the club was created by our employees in the search of promotion and practice of sport and physical activity as a team or individually, depending on the disciplines, as well as learning the importance of team working by

enjoying sporting activities with their partners and participants.

The essence of this initiative is to ensure that sport becomes an habit for most employees of Sacyr, with the final aim reaching a healthier

condition; besides encouraging the treatment of employees in activities outside the work environment, fostering the creation of corporate culture and pride of belonging. For more information visit the club's website: (<http://clubdeportivo.sacyr.com>)

SOCIAL VALUE

5.2 Health and Safety

For Sacyr, the maximum safety of all our employees in the performance of their tasks is a priority.

Therefore, we are committed to providing a safe and stable environment for our employees and we constantly update our occupational health and safety measures. In addition, we fully comply with prevailing legislation in all the countries in which we operate.

More than 79% of the Sacyr Group is certified according to OHSAS Standard 18001. G4-CRE6

Of all Sacyr Group employees in Spain, 57.32% are represented on health and safety committees. G4-LA5

MILESTONES

Fifty percent of the 42 companies included in Sacyr's Joint Prevention Service did not have any accidents in 2014. Of the remaining companies, 40% have lowered their accident rates compared with 2014. Consequently, the results have been satisfactory at 70% of the companies that have joined the Prevention Service.

Regarding the controls carried out in terms of prevention by the Joint Prevention Service, a comparison of the results with those of the previous year shows points to a reduction in both sectors both in the number of visits (-9%) and in the number of work centres (-32%), although not in the same proportion. Hence, the ratio of visits per work centre increased from 3.85 visits in 2013 to 5.18 in 2014.

The scores for the visits to the work centres of the government and for the documentation, both in the services sector and in the construction sector, increased by about 7%.

AWARDS

- Qatar Local Road and Drainage Programme Roads and Infrastructure Project in Bani Hajer North – 1.7 Million man-hours worked without Lost Time from Injuries.
- Third-place award to the best practice for controlling risk from practising the Winter Road Simulator.
- ACEX awards for the Winter Road Simulator.

Section of south-east
bypass in Talavera de la
Reina, Madrid



SOCIAL VALUE

5.2 Health and Safety

At Sacyr we have adopted the concept of integrated safety and we have established an **occupational health and safety policy** aimed at improving working conditions and raising the level of protection, health and safety of our employees. In line with prevailing occupational health and safety regulations, preventative initiatives at the Sacyr Group are carried out using both its own resources and others arranged with an external risk prevention service:

-Joint Prevention Service - Support Structure - External Prevention Service-

Certified Health and Safety 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.

G4-LA5

Of all Sacyr Group employees in Spain, 57.32% are represented on health and safety committees.

In addition, 4.7% of the total Group 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 company representatives.

This OHS 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.

Training at OHS
24,630 hours



Participants
1,403 employees



Investment
82,636 euros



WHAT WE ARE DOING NOW

- Restructuring the Occupational Health and Safety Management System (OHSMS) in compliance with regulatory requirements as well as auditors' requirements, in addition 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 Construcción and subsidiaries.

MANAGEMENT OF SENSITIVE ISSUES

CASE: Q fever

In April 2014, at the Arraiz (Vizcaya) biomechanical treatment plant, a high number of absences due to cases of what appeared to be the common cold was observed. Consequently, in conjunction with Osalan and the Basque Health Service, we carried out an EPD biological study to trace the source of the illnesses. This study found that 27% of the workforce was infected with the *Coxiella Burneti* bacterium. This bacterium is of animal origin. Our workers were infected because a stockbreeder

illegally dumped the organic remains into the conventional trash dump, rather than disposing of them by incineration, as is required in regulations. Given that we could not keep track of waste sent to it, the treatment plant stopped receiving waste, and the plant was disinfected by an external company. Once the disinfection work was concluded, a specific safety procedure was designed for this activity, given that the biological risk had risen from 2 to 3 with the appearance of the bacterium. In

this procedure, the situation is analysed and the different actions to be taken to reduce the risk of infection are described, from the focus of infection until the workers, through the use of biological individual protection equipment based on the sectorisation of work areas, the reduction of contagion outside of the plant through the establishment of safety sectors and decontamination areas, and the conducting of a training plan for all workers to disseminate the results and conclusions of the study.

FUTURE CHALLENGES

Short-term:

- Unification of the different prevention management systems with the Corporate OHSMS internationally in all countries where we are present, adapting it to the legal requirements of each country.
- Certification of the ISO 39.001 Road Safety System for Valoriza Conservación de Infraestructuras.

Medium-term:

- Implementation of an external subcontractor-validation system at the remaining Group companies.
- Implementation and certification of the Road Safety System at the remaining Group companies.
- Creating a stable Prevention Department in all countries where we are present.

Long-term:

- Creation of internal awards for preventing workplace hazards

SOCIAL VALUE

Construction of the third set of locks of the Panama Canal



5.3 Valoriza Infrastructure Maintenance

VCI is the Sacyr Group's company in charge of performing maintenance on all types of its infrastructure. Its main contracts are for maintenance on highways, but it also has maintenance contracts for ports and canals.

En su función de mantenimiento las principales operaciones que realizan es la de mantener todos los elementos de la infraestructuras en un perfecto estado para que estos cumplan perfectamente su función, en el mantenimiento de carreteras y autovías también los servicios de conservación de VCI, realiza labores de explotación de los tramos. VCI conserva en la actualidad aproximadamente unos 5,000 Km. de calzada de autopistas, autovías y carreteras convencionales.

490 employees

10th ACEX Award for the i-safe project

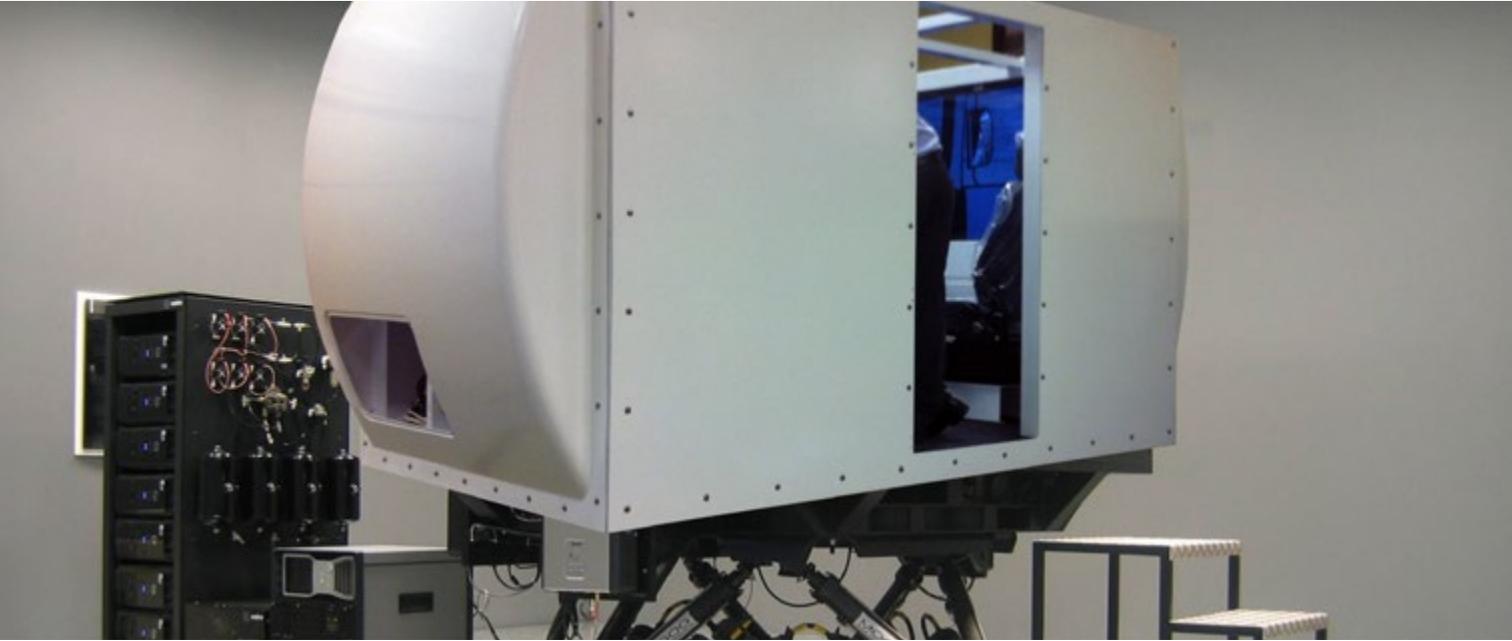
New patent:
anti-collision system in maintenance operations

Inspection drone	Winter road simulator	25 Crane lorries	9 Telescopic cranes	1 Joint sealing machine
80 Winter road lorries	5 Street sweepers, one of which is high-speed	5 Automatic horizontal signalisation machines	9 Pile driving machines	13 Loader backhoes
	7 passenger cars and all-terrain vehicles	6 tractors	Brine manufacturing plants	

SOCIAL VALUE

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

Winter simulator



TRAINING

6,259 training hours
339 participants

The four main lines of training within VCI have been Workplace Hazard Prevention, CAP and Machinery Operation, COEX Courses, and Languages.

In addition, with the company SIMULADOR INVERNAL, in which VCI is the majority shareholder, we are teaching courses on driving snowploughs for any company or organisation. Courses were given for the Burgos city government, Conservación A-6, Autovía de Arlanzón, the Vizcaya District Council, to mention a few of the most noteworthy locations where we have taught courses.

PREVENTION

There were 38 workplace accidents in 2014, none of which caused deaths or serious injuries. The amount invested is €38,267.59, including both training and joint prevention services.

In 2013, VCI received a €50,000 reimbursement from the Ministry of Labour and Social Security for its low accident rate

ENVIRONMENT

Both in its processes and in its maintenance work per se, VCI shows maximum respect for the environment. At all work centres we are registered as waste producers; therefore, we outsource the collection of this waste and its treatment in accordance with current regulations.

In 2014, VCI's environmental spending totalled €435,034.14. The largest items were protection of the socio-economic environment, landscape protection, and waste management. This year, VCI also underwent an environmental management system (SGMA) audit and certification (ISO 14001-EMAS).

5.3 Valoriza Infrastructure Maintenance

SIGNIFICANT MILESTONES IN 2014

- The first horizontal signalisation machine was purchased, and a new line of business was introduced.
- Drone inspection of structures was put into operation.
- Renewal of the AUDASA contract was finalised.
- Training with the snowplough simulator.
- In November 2014, the Ministry of Economic Development awarded us sector TO-0306.

AWARDS AND ACKNOWLEDGEMENTS

- Tenth ACEX award in the “Associated companies” category, for the i-safe project.
- Tenth ACEX Award, in the “Non-associated companies” category, for the Winter Road Simulator Project .for the start-up with the same name, in which VCI holds a 60% stake.
- Special mention by ACEX within the Tenth Award Ceremony, as one of the companies making the largest contributions to safety in maintenance operations with innovative projects.

INNOVATION

In 2014, 0% loans were obtained to carry out R&D&I projects, for €1,170,000, in addition to direct grants in the amount of €186,290.

The certified amount in 2014 was about €1.2 million, and four new R&D lines were opened.

Of all the projects carried out, the anti-collision system in maintenance operations was patented.

FUTURE CHALLENGES

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

Short-term:

- Creating a webpage.
- Strengthening the new line of applications (paint, vertical signalling, seals, etc)

- Opening the line of probes, utilizing Valoriza Minería.
- Making inroads into new geographic areas.
- Opening a new representation office in Andalusia.
- Continuing with the cost-reduction policy.

Medium-term:

- International expansion.

SOCIAL VALUE

Infrastructure maintenance on
Arlanzón motorway, Spain



- New lines of business.
- Market study on railway maintenance.

Long-term:

- M&A of companies providing us greater market share and a stronger presence, both domestically and internationally.
- Relevant international implementation.
- Introduction in the railway maintenance market.
- Reaching €50 million in revenue.
- Implementation in city governments through the line of applications.

5.4 Local communities

The local population and communities matter because we are part of them and we are committed to their improvement.

UNITED NATIONS GLOBAL COMPACT

In 2007, the Sacyr Group acceded 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 to the Global Compact, Sacyr 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, employment, the environment and the fight against corruption. G4-15

VOLUNTEER PROJECTS

In 2014, we can stress that “We make our values the reality of each project” in which we have become involved, both professionally and personally. G4-15

We have carried out several projects:

OPERATION KILO

At Sacyr, since 2012, we have been working with the Food Bank of Madrid in the collection of food for needed populations.

In 2014, and with the cooperation of Sacyr employees in “Operation Kilo” campaign, which theme is “Un kilo de comida. Un millón de gracias”

180 kilos of food were distributed to charities collected engaged to direct care of the most deprived.

USED-CLOTHING DRIVE

This project is for all employees of Sacyr throughout Spain. We collaborate with Caritas in collecting clothes for the most disadvantaged groups within the Madrid region. In 2014, the objective of the clothing

drive is to help the most deprived groups that come to the Santa Micaela and to San Enrique parish, near our central offices. Thanks to the enormous efforts made by Sacyr workers, the parish received a very

large amount of clothing, which was distributed among more than 200 persons who come to the parish each week.

SOCIAL VALUE

5.4 Local communities

TOY DRIVE

This is the fourth consecutive year that this Christmas project has been carried out. These days are set aside for us to be aware that we have to help the neediest persons, especially children.

We have decided to collaborate with the Toda Ayuda Foundation, which

fights the risk of social exclusion. In cooperation with different solidarity-based organisations such as Precomar, Caritas, the Asociación de vecinos Aire Nuevo and Juventudes Hospitalarias, toys were distributed among the neediest population in Parla and Cañada Real.

The drive has been an overwhelming success, as more than 400 children saw their dream of receiving a Christmas present come true.

FOOD FOR SOLIDARITY DRIVE

The Food for Solidarity Drive coalesced in 2013, having considerable success of participation of our employee. Thus, employees of Sacyr collaborated with the Society of St. Vincent de Paul contributing to

fund Christmas Eve and Christmas Day meal for people who are in a precarious economic situation.

In addition, 500 rations of food are delivered to persons with a difficult

financial situation. The Christmas Day lunch served about 500 persons, all of them belonging to families in a situation of social exclusion and with serious financial difficulties.

THERE IS A WAY OUT

Sacyr collaborates in the "Companies for a Society Free of Gender Violence" initiative in its "There Is a Way Out of Gender Violence" campaign implemented by the Ministry of Health, Social Services and Equality.

There Is a Way out campaign is to convey a message of hope to victims of this violence and their milieus, involving all of society so as to achieve a common objective, ending gender

violence. In addition, it attempts to help mistreated women understand that civil society supports them and that they are not alone.

OFFICE OF COMMUNITY RELATIONS. PANAMA

The main objective of the Office is to inform the citizens on the development works executed within Sacyr's program "Panama Canal expansion project". This initiative is part of the policy of information transparency and corporate responsibility that we carry out in Sacyr in relation to the activities we develop globally.

The Office of Community Relations provides citizens of the neighbouring project locations, and the general public, a tool to stay constantly informed about the development and progress of the works, have personal attention on specific aspects of different projects and process all those claims or queries related to the

construction process or the effect on mobility and other aspects of urban planning. Besides being able to see the information panels, in these offices visitors receive flyer explanatory information on the works in process and the projects to be undertaken.

Through the Office, more than 7,000 copies of these flyers were also distributed in public places of interest, media and house by house in the breakdown of the characteristics of the work, the main benefits of it, activities related to the project that are of interest to the community and environmental actions that Sacyr performed.

COMMUNITY SUPPORT

Somague is rehabilitating the railway in the corridor of Nacala in Mozambique. Given the location of the site and the impact on cities and settlements across, the company's relationship with local communities play a critical role in the success of the project. During 2014, there were several initiatives and partnerships that Somague had with the community around the main part of the work in Cuamba:

- Participation in the Christmas meal at the Open Center Cuamba, which holds 200 older people and those who were given different types of food and hygiene.
- Collaboration and participation in the parade commemorating May 1. The company collaborated in the preparation and supply of equipment and clothing worn that day.
- Provision of equipment for the management of waste from landfills Cuamba.
- Monthly delivery of medicines to Cuamba Rural Hospital.



SOCIAL FEES AND PROCEDURES IN THE EVENT OF DEFAULTS

At Sacyr, we are committed to progressively fulfilling the Millennium Development Goals. The sum of the goal includes, among other initiatives, the need to halve the proportion of persons without sustainable access to drinking water and to basic sanitation services.

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 Valoriza Agua, 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. Other specific social actions that were taken in 2014 were:

CABEZÓN DE LA SAL

- 50% rebate to families with income below the national minimum wage.
- Rebates to large families (20% for those with 3 or 4 children, and 30% for those with 5 or more children).

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 to not suspend the supply/reconnect the service for users who the Council of Social Affairs considers to be at risk of social exclusion.

5.5 Valoriza Facilities

Valoriza Facilities is the Group Company specialised in the provision of management, operation and general maintenance for buildings and properties, as well as services to dependence.

As a company of the SACYR Group, Valoriza Facilities has the technical and financial backing of one of the leading construction, concessions, property and services groups in Spain.

Our experience in providing services allows us to contribute value to our customers' businesses.

OUR COMMITMENT

- To contribute professionalism to the management and provision of services.
- To implement a quality policy focused on customer satisfaction.
- To optimise the cost of each service.
- To offer a flexible service, adaptable to the real needs of each customer.
- To attain the ongoing improvement of our customers' rental properties

Valoriza Servicios a la Dependencia (VSD) obtained the AENOR Certificate of Service for the Home Help activity.

"Provision of Energy Services in 22 Childhood and Primary Education Centres in Madrid", in collaboration with the Madrid City Government .

Obtainment of two international titles as "Engineer Certified in Energy Efficiency and Management" (Certified Energy Manager).

SOCIAL VALUE

5.5 Valoriza Facilities

DEVELOPMENT OF NEW SERVICES

In recent years, Valoriza Facilities has maintained a steady pace of growth while remaining committed to searching for new businesses that will allow us to offer more comprehensive solutions to our customers.

This growth led to the creation of **Valoriza Servicios a la Dependencia**, which performs services for different groups that are in a situation of dependency (senior citizens, minors, the physically or mentally disabled) and which in just a few years has become one of the main providers in this sector in Spain.

- Valoriza Servicios a la Dependencia (VSD), a subsidiary of VF, has obtained the AENOR Certificate of Service for the activity of Home Health which includes personal care, care for needs in the home, and psychosocial and family support and relations with the environment, in accordance with UNE standard 158301:2007.
- Ávila Municipal Council - Home help service for persons in a situation of dependency, amounting to €9.1 million, for a two-year term.
- Guadalajara City Government - Home help service, for €3.5 million and a four-year term.

ADAPTED VEHICLES

Patient care comes first

At Valoriza Servicios a la Dependencia our activities contribute to improving the quality of life of dependent persons with reduced mobility and to their full inclusion in society with the acquisition of adapted minibuses that will make it possible to optimise the service provided for Socio-Healthcare Centres.

As we are interested in improving our service, we are constantly looking for advances in this type of vehicles. Our fleet of adapted vehicles has evolved from basic configurations,



with seven seats + two wheelchairs, to our most recent acquisitions, which make it possible to transport up to six wheelchairs.



We currently have a fleet of 36 vehicles, between those under direct contract and those that are subcontracted. These vehicles provide service at 23 day centres throughout Castilla la Mancha, Madrid, Murcia, Valencia region, Castilla y León, Aragón, La Rioja, Catalonia and the Balearic Islands. The service gives access to approximately 815 users.

Another, more recent example is the clear and decisive commitment to energy services.

SIGNIFICANT EVENTS

- VF was elected vice president of the Association and Comprehensive Maintenance and Energy Services Companies (AMI).
 - Certification for its Energy Management System, under regulation UNE-EN ISO 50001:2011.
- Cosponsors and participants of the Ibero-American Congress of Facility Managers, held in Madrid.
- Award by the government of the Region of Madrid of a grant for investments in high-energy efficiency in the public lighting system and municipal buildings of the city government of Sevilla La Nueva, within the framework of the comprehensive energy services contract with this municipality in Madrid that was awarded to VF for a term of 15 years.
- VALORIZA FACILITIES has put up its new webpage, which is located at www.valorizafacilities.com.
- Madrid Metro - Cleaning of the rolling stock of the Madrid Metro, for €11.9 million, with a two-year term.
- AENA – Cleaning and management of baggage carts in the Gran Canaria and Asturias airports, for €6.4 million over a term of three years, as well as a one-year extension of the cleaning contracts for the Adolfo Suárez Madrid-Barajas (T4-S), Palma de Mallorca, Málaga, Valencia, Zaragoza, Vigo and Jerez de la Frontera airports and of the contract for maintenance of the facilities at the Coruña airport, for €11.8 million.
- Regional Government of Valencia – Integral management of residences and day-care facilities for the elderly in Elche and Benejúzar (Alicante), Puzol and Puerto Sagunto (Valencia), for €4.3 million and a term of one year.
- Santander Real Estate - Comprehensive management of the properties owned by the Real Estate Investment Fund of Banco Santander, for €4 million, with a term of two years.
- National Museum of El Prado - Cleaning services of the Museum buildings, for €2.4 million with a term of two years.

MAIN CONTRACTS AWARDED IN 2014

- Ministry of Finance and local governments – Cleaning service for buildings, premises and offices of the General State Administration in Madrid, in the Nuevos Ministerios and Arturo Soria areas, for €18.7 million with a 30-month term of completion, which may be extended for another 18 months.
- Reina Sofía National Arts Museum – Contract for the comprehensive maintenance of the facilities in the buildings that make up the museum, for €2.4 million and a term of two years.

SOCIAL VALUE

CASE: E-TALENT

TALENT DEVELOPMENT PROGRAMME: E-TALENT

This year, with the cooperation of the Group's HR Department, we have launched a talent development programme, in order to attract, promote and retain the best talent and thus meet the current and future needs of the company.

The programme focuses on the company's management and mid-management personnel, a group that is composed of 110 persons of whom 30% are women and 70% are men.

A **new performance evaluation tool** has been introduced, consisting of an evaluation not only by an employee's hierarchical superiors but also by his/her workmates and

work team (360° evaluation). The WAVE model, one of the most widely recognised internationally, was used, and we received collaboration from an external consultancy firm, PSICOSOFT, for the implementation of the model.

+8,000 employees took part.

Another of the new developments is the conducting of **coaching sessions** for each manager with a specialised consultant, in order for each person to implement an individual-improvement plan based on the most relevant input received from the 360° evaluation.

With the **participation of different work groups**, we have revised and updated the company position map,

position descriptions, objectives of each position, development paths, and the talent and potential map.

A **new training plan** has been designed, which combines the conducting of individual and group actions according to the needs detected and the evaluation of the impact that these needs may entail for the improvement of the group in question.

Lastly, we have attempted emphasise incorporating junior talent through the implementation of a **stipends and contracts programme** for employees who are recent graduates, along with training paths and itineraries within the company.

FUTURE CHALLENGES

The company's growth strategy for coming year is based on four cornerstones:

1. Growth of the core business lines

Strengthening of the traditional business lines: Facility Management Services, Maintenance, Cleaning and Social-Health Services throughout Spain.

2. Development of the private market

Increasing presence in the private market. The services market in Spain is divided nearly down the middle between public- and private-sector customers. Nevertheless, VF's revenue has the following breakdown:

- Public sector customers: 70%
- Group 20%
- Private-sector customers: 10%

3. Strengthening of the Energy Services line of business

4. International development

- Making the most of the business opportunities generated by other Group companies, especially Sacyr Concesiones.
- Studying opportunities in countries in which Valoriza Gestión is present and that are considered of priority interest. Italy (cleaning bids at hospitals in Milan and Turin), Chile, Peru (InterCorp), Mexico (Infraenergía) and the US.
- Carrying out collaboration agreements with local partners: Kuwait, Algeria.
- Customers that bid on large contracts in countries considered of priority interest (universities, U.S. Army, transportation infrastructure).

Construction of the Hospital
of Antofagasta in Chile



SOCIAL VALUE

5.6 Human capital

More than 21,000 employees creating value and corporate culture through their work.

Our employees are the foundation of the Sacyr Group. The key for the success of our activities and projects is to attract, develop and retain the most talented professionals.

Our workforce is formed by 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 reconcile work with private life.

29,339 employees
on staff globally at year end 2014.*

In 2014, Sacyr's workforce has reached the figure of 21,823 employees (consolidated average workforce). This is an increase of 2.5% over the previous year. G4-10

43% of the workforce develops its activities in Spain; the Group also has significant representation of workers in Portugal, Chile, Angola, Italy, Panama and other countries.

Breakdown of employees by business unit:

By business unit, Construction and Services are clearly those with a larger number of employees. Between the two account for 97% of Sacyr's workforce

EMPLOYEE DISTRIBUTION TABLE BY GENDER AND COUNTRY G4-LA12

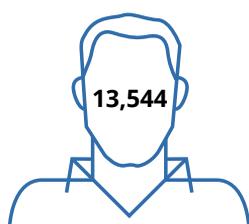
COUNTRY	2014			COUNTRY	2014		
	n° men	n° women	Total		n° men	n° women	Total
Spain	8,976	7,646	16,622	Israel	10	7	17
Panama	1,853	170	2,023	Mozambique	12	2	14
Portugal	1,700	267	1,967	Libya	11	0	11
Chile	520	102	622	Bolivia	4	2	6
Angola	261	29	290	Costa Rica	2	1	3
Colombia	71	15	86	Peru	2	1	3
Italy	43	10	53	India	0	1	1
Cape Verde	31	10	41	Algeria	1	0	1
Australia	14	11	25	Qatar	0	0	0
Brazil	18	2	20	Mexico	0	0	0
Ireland	15	3	18	TOTAL	13,544	8,279	21,823

* The consolidated average workforce is the result of applying consolidation criteria to the average annual workforce. Rule No 11 has changed IFRS consolidation criteria to apply the criterion of equity, where the company maintains management with other partners, rather than apply the above criterion of proportionality. For this reason, were registered workforce significant decreases in companies located in countries such as Panama and Italy, which if it had continued to report to previous years criterion, their average workforce in 2014 would have been 4,790 and 733 respectively, and the total annual average workforce in 2014 would have been 29,339 employees worldwide.

EMPLOYEE DISTRIBUTION BY GENDER

Total Workforce 2014: **21,823**

Total men



Total women



The total workforce is 17,470 permanent contracts and 4,353 temporary contract in the Spanish territory.

Sacyr's workforce in the Spanish territory can be broken down into a total of 7,653 men and 4,403 women full time and a total of 1,323 men and 3,243 women working part time.

By age group in the Spanish territory, the workforce consists of 1,053 employees up to 30 years old, 4,317 up to 40 years old, 5,599 up to 50 years old and 5,653 over 50 years old. G4-10

SOCIAL VALUE

5.6 Human capital

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. Comprehensive Sacyr's Group package of measures encompasses professional training and high potential programmes for future managers.

In this sense, performance evaluations were conducted to 1,398 employees, of which 75% were men and 25% women. According to the professional categories, the distribution was 10% senior management, middle management 45% and 45% technical staff. G4-LA11

The selection of employees in Sacyr is conducted through transparent, confidential and rigorous processes that ensure respect for the principles of equality and non-discrimination. These processes are articulated through objective tests to exclusively assess the merits, qualifications and skill profile of the candidate, seeking the best person-position adjustment.

In 2014, permanent recruitments in Spain by gender were 801 men and 533 women. From a total of 1,334 recruitments in the Spanish territory, the largest number by Autonomous Region corresponded to Madrid with 391, and was followed by Catalonia with 144, 141 Basque Country and Andalusia with 129. For other communities and the breakdown by age may consult the tables on this report GRI index.

Total investment in training during the year was 855,510 €

TRAINING

In Sacyr, training is a strategic tool for talent management, support for cultural change and reinforcement to the corporate mission. It is therefore our best change-generating tool. A complete range of training and leadership development has been in effect for many years and underscores Sacyr's commitment to attract and retain talented staff.

Given the recent technological breakthroughs in the automobile industry, as well as wide-ranging changes in the labour market, the education and ongoing training of our employees are increasingly important. Our supplementary-training courses attempt to meet our needs in this field by promoting the individual strengths of our scholarship recipients, skilled workers and managers. In Sacyr Director's Management Plan you may chose several languages courses, among others. G4-LA10

G4-LA9

Training hours:

Men: **79,189**

Women: **37,754**

Total: **116,943**

G4-43

Training hours by staff category:

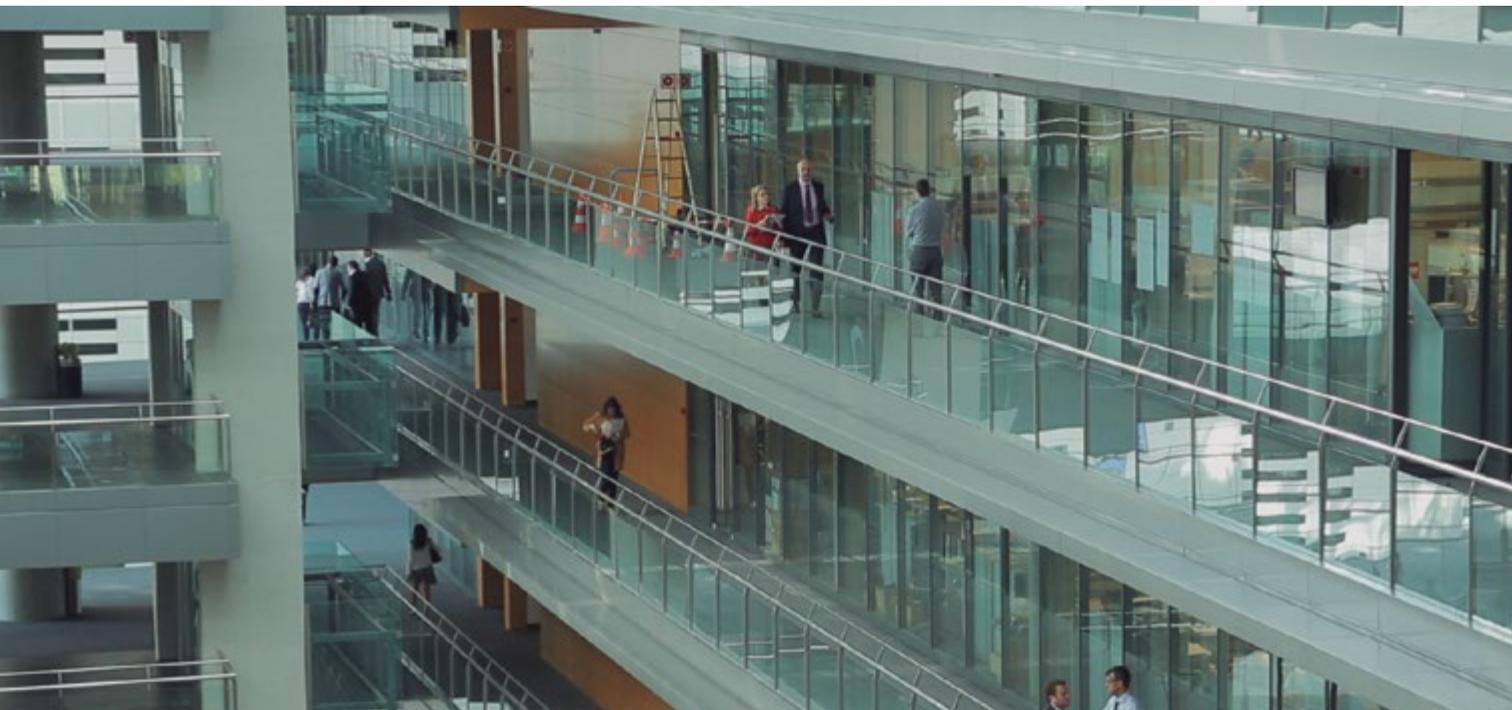
Executives: **5,904**

Middle management: **14,837**

Specialty Tier: **36,797**

Other Staff: **59,405**

Inside offices Ribera
del Loira, 60. Madrid



ENCOURAGING WORK-LIFE BALANCE

We support our employees in their search to reconcile the right life. 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.

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

Equality, social inclusion and diversity have important benefits for society, for the communities where we operate, for companies and for the research economy.

In Sacyr, we are committed to a management of our human resources based strictly on professional criteria, ensuring the absence of discrimination on grounds of race, religion or belief, political or union views, nationality, language, sex, marital status, age or disability.

Sacyr declares its determination to respect the principle of equal treatment at work for all purposes in all the Group Companies.

SOCIAL VALUE

5.6 Human capital

EMPLOYEE TURNOVER, SICK LEAVE AND ABSENTEEISM

Sacyr considers the “turnover rate” to be the proportion of the work force 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 that the reasons for of turnover are as follows:

- Voluntary departure by employees
- Unpaid leave
- Disability
- Retirement
- Loss of temporary disability
- Death
- Extended leaves of absence

Some of the employees of Sacyr are exposed to risks of illness or injury. To mitigate and minimize the impact of such risks, Sacyr implemented various preventive measures such as training their employees. In 2014 a total of 24,630 hours of training in OHS were given to more than 1,400 employees, assuming an investment of 82,637€. G4-LA7

ACCIDENT RATES G4-LA6

Area	Employees	Hours	Accidents Resulting in Absence	Working Days Lost	Frequency Rate	Severity Rate	Incidence Rate
					(N° of WA/Worked Hours x 1,000,000)	W. days Lost /Worked Hours x 1000	(N° WA / N° Workers x 1,000)
Services*	13,753	35,887,130	1,032	31,863	28.76	0.89	75.03
Work	1,499	3,926,330	44	2,141	11.21	0.55	29.24

The labour conditions of the Sacyr Group's workforce in Spain in 2014 are set forth in 246 agreements from different sectors and provinces. Only 0.34% were not governed by an agreement, because there was no agreement for their sector of activity.

For greater detail about the Labour Turnover, you may consult the GRI index in this report.

The Services division adapts to the conventional realities of the sector, and the following reasons are not considered “departures” in connection with the turnover rate:

- Contract termination
- Subrogations
- Transfers between Group companies
- Consecutive changes in file

The information is calculated on a monthly basis by business units. Information is reconstructed annually by gender, autonomous community, reason and age.

The highest turnover is recorded in the Services and Concessions division, due to the special characteristics of these business units, such as the seasonal nature of their activity, the loss of services put out for tender, recruitment for a specific project and recruitment on the basis of production needs. G4-LA7

99.66% of our employees are covered by collective agreements. 62 employees were not governed by an agreement, because there was no agreement for their sector of activity. These persons represented 0.34% of the total workforce G4-11

SOCIAL BENEFITS G4-LA2

Sacyr currently has contracted two policies for employees who meet the following requirements: having a permanent contract, not to be personal sublicensable, stay more than a year in the company, belong to a professional technician or senior, that is, from professional group C2.

- **Private health insurance:** The Company provides health insurance with medical staff policy. Since January 2008, it is included only in the corporate policy to employees of the company, with not possibility of inclusion of the spouse, children or partner as beneficiaries.
- **Life insurance:** The company offers life insurance with an insured sum of 72,121.46 € in the event of death or disability from any cause.
- **Childcare Vouchers and food.**

TAX BENEFITS

Flexible Compensation Plan (Sacyr Flex)

Sacyr Flex is a program that lets our employees to modify, voluntarily and individually, the current fee structure, changing a part of it for certain goods and services to all company employees who meet the following requirements:

- Permanent employees.
- No subrogation.
- Tax resident in Spain.
- Have over 500 € fixed compensation amount for union wages.
- They may also belong to this group UTEs employees that are 100% of Sacyr.

Exemption from income tax for work done abroad

At present Article 7p of the Income Tax Act that exempts from taxation on income received for work actually performed abroad, it applies when are provided certain conditions as the employee has always served overseas for a minimum of 20 days per year.





6

GOVERNANCE

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GOVERNANCE

6.1 General Meeting, Council and Committees

GOVERNANCE BODIES

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 annual general meeting, the shareholders make decisions on matters placed within their review either by law or the company by-laws, including appointment and removal of directors, approval of the annual accounts and management report, modification of company by-laws and any decisions on changes of corporate form, mergers and spin-offs within the company. G4-34 G4-35 G4-36 G4-38 G4-49

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. Some of its major responsibilities include approval of general strategy, oversight and control of how the company is managed and assessment of the performance of managers. G4-42

Sacyr's Board of Directors had 14 members at 31 December 2014: 1 executive director, 9 proprietary directors, 3 independent directors and 1 external director.

This structure ensures that the Board remains vigilant of profitability for all shareholders and monitors strict compliance with the company's strategy.

Pursuant to Order ECC/461/2013 of 20 March, internal directors (also called executive directors) are directors that perform senior management functions or are employees of the company or its Group. Likewise, when a director carries out senior management functions and simultaneously is or represents a major shareholder or representative on the Board, this director shall be considered an executive or internal director for the purposes of the Ministerial Order. There are also external directors, who may be proprietary or independent directors: (i) 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 kind of shareholder; (ii) independent directors are directors that are appointed in view of their personal and professional prestige, and can carry out their functions with no conditioning factors imposed upon them by relations with the company, its majority shareholders or directors.



Sacyr's Board of Directors

GOVERNANCE BODIES G4-39 G4-LA12

NAME	POST	REPRESENTATIVE	DIRECTORSHIP	REPRESENTING	DIRECT VOTING RIGHTS	INDIRECT VOTING RIGHTS	TOTAL
Manuel Manrique Cecilia (1)	Chairman and CEO		Executive		257	26,476,323	26,476,580
Demetrio Carceller Arce (2)	First Vice-Chairman		Proprietary	Disa Corporación Petrolífera, S.A.	5,390	203,350	208,740
Diogo Alves Diniz Vaz Guedes			Independent		0	1,600,871	1,600,871
Grupo Satocan Desarrollos, S.L.	Director	Juan Miguel Sanjuan Jover	Proprietary		0	0	0
Matías Cortés Domínguez	Director		Externo		100	0	100
Beta Asociados, S.L (3)	Director	José del Pilar Moreno Carretero	Proprietary		25,530,110	0	25,530,110
Prilomi, S.L. (4)	Director	José Manuel Loureda López	Proprietary		23,378,134	0	23,378,134
Prilou, S.L. (4)	Director	José Manuel Loureda Mantiñán	Proprietary		15,865,075	23,378,134	39,243,209
Cymofag, S.L. (1)	Director	Gonzalo Manrique Sabatel	Proprietary		26,476,323	0	26,476,323
Grupo Corporativo Fuertes, S.L.	Director	Tomás Fuertes Fernández	Proprietary		29,067,640	0	29,067,640
Francisco Javier Adroher Biosca	Director		Proprietary		150,000	0	150,000
Augusto Delkader Teig	Director		Independent		105	0	105
Raimundo Baroja Rieu	Director		Proprietary	Disa Corporación Petrolífera, S.A.	4,790	0	4,790
Juan María Aguirre Gonzalo	Director		Independent		10,500	0	10,500
D ^a . Elena María Otero- Novas Miranda	Non-Board Member Secretary						
D. Gerardo Manso Martínez de Bedoya	Non-Board Member Vice-Secretary						

Significant shareholdings represented on the Board of Directors and included in the annual accounts are:

2014

Disa Corporación Petrolífera, S.A.	12.07%
Grupo Corporativo Fuertes, S.L.	5.79%
Cymofag, S.L.	5.27%
Beta Asociados, S.L.	5.08%
Prilomi, S.L.	4.66%
Prilou, S.L.	3.16%
Otros	59.36%

(1) Manuel Manrique Cecilia's indirect interest is held through Telbasa Construcciones e Inversines, S.L., which in turn controls 100% of the capital of Cymofag, S.L.U.

(2) Demetrio Carceller's indirect interest is held through a controlled company (0.038%) and related parties (0.004%).

(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 controls Cantevel 1, S.L. through Marbevelsa, S.A.

(4) Prilou, S.L. has a total holding of 8.423% (3.405% direct and 5.018% indirect through Prilomi, S.L.). José Manuel Loureda Mantiñán holds 47% of the capital of Prilou, S.L. and Prilou, S.L. holds 86% of the capital of Prilomi, S.L.

GOVERNANCE

6.1 General Meeting, Council and Committees

The Board of Directors' Regulations, which govern its organisation and functioning, provide for three committees to help it carry out its functions: G4-35 G4-36

- **The Executive Committee**, which is delegated all the Board's powers other than those reserved exclusively for the Board by law or by company bylaws or the Board's own regulations.
- **The Audit Committee**, the key duties of which include reporting to the General Meeting on issues raised by shareholders in areas within the remit of the Committee: proposing the appointment of the statutory auditor, in accordance with the regulations applicable; 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, internal audit, where applicable, and 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 Committee must receive annual written confirmation from the auditor of its 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 linked to the auditor, pursuant to prevailing audit regulations on audit reporting, and must issue an annual report prior to the audit report on the financial statements, expressing an opinion on the auditor's independence. This report must contain information on provision of the additional services mentioned above, and also concerning transactions with Board members of the Company that entail or may entail conflicts of interest or related transactions which, according to Board Regulations, must be made known to the Executive Committee or the Board.

- **The Appointments and Remuneration Committee**, which assesses the professional background and evaluates the suitability of candidates for membership of the Board of Directors and Board committees. The Committee ensures that Board candidates have recognised solvency, skills and experience. G4-51

This Committee is also responsible for submitting proposals for appointment of independent directors to the Board (for appointment through co-opting or for approval by the General Meeting); notifying appointment proposals for the other directors (for appointment through co-opting or for approval by the General Meeting); making proposals to the Board concerning members who are to sit on each of the Committees, and also concerning the system and sums of annual remuneration of directors and members of the Company's Management Committee and of directors carrying out executive functions; periodically reviewing the remuneration schemes, appraising their suitability and performance; informing the Board of

any cases in which it is concluded that the continuation of one or more directors as members may jeopardise the interests of the Company or adversely affect its credit and reputation, and ensuring transparency in connection with remuneration. G4-40 G4-52

As set out in the Board Regulations, 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.

The body responsible for ordinary management of the organisation is as follows:

POSITION OF MANAGEMENT COMMITTEE MEMBERS

NAME OR CORPORATE NAME	POST/S	SENIOR MANAGEMENT
Manuel Manrique Cecilia	Chairman and Managing Director of Sacyr and Chairman of Sacyr Concesiones	x
Fernando Lacadena Azpeitia	Managing Director of Testa Inmuebles en Renta	x
Carlos Mijangos Gorozarri	Managing Director of Sacyr Concesiones	x
José María Orihuela Uzal	Managing Director of Sacyr Construction	x
Fernando Lozano Sainz	Managing Director of Valoriza Gestion	x
Pedro Sigüenza Hernández	Managing Director of Sacyr Industrial	x
Elena Dinesen Villaceros	General Manager of Talent and Human Resources	x
Juan Gortazar Sánchez-Torres	General Manager of Finance	x
Miguel Heras Dolader	General Manager Corporate	x
Elena Otero-Novas Miranda	General Secretary of Sacyr Executive Committee & General Manager of Legal Services	x
Víctor de Ávila Rueda	General Manager of Strategy and Corporate Development	x

GOVERNANCE

6.2 Good governance practices

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 employs the recommendations of 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 Bylaws, the Board of Directors' Regulations, the General Meeting's Regulations and the Internal Code of Conduct, all of which can be consulted on the Group's web site.

Sacyr chiefly complies with best **corporate governance practices** in the following areas:

- External directors on the Sacyr Board outnumber executive directors, thereby guaranteeing the Board's general oversight function.

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 2014, the various governance bodies were active in many genuine areas of the Group's operations, requiring a total of twelve Board meetings, eight meetings of the Executive Committee, seven Audit Committee meetings and three meetings of the Appointments and Remuneration Committee.

- All changes to the composition of the Board of Directors and Board committees, or to the remuneration of their members, are reported by the Appointments and Remuneration Committee (which is exclusively composed of external directors) prior to approval by the Board.
- 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 a shareholder e-forum.
- To help shareholders exercise their voting rights in the best possible fashion, separate votes are taken at General Meetings on separate items to enable shareholders to express their preferences in each case, especially with regard to the appointment or ratification of directors.
- 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. The evaluation process takes account of the level of fulfilment of responsibilities, ease of access to company information and the possibility of consulting directors and advisors and obtaining the information sought. G4-44
- The Board conducted a self-assessment of its functions in 2014 pursuant to Recommendation 22 of the Unified Corporate Governance Code, and it was found that its functions were efficient and of good quality. G4-44

FOR FURTHER INFORMATION YOU MAY VISIT OUR WEB (www.sacyr.com) or CNMV's (www.cnmv.es) AND DOWNLOAD OUR CORPORATE GOVERNANCE REPORT. G4-7 G4-17 G4-39 G4-1 G4-50 G4-51

- The risk management and control policy is formally presented to and approved by the Board of Directors annually.
 - The Company operates a Code of Conduct that regulates forbidden or undesirable actions in a more explicit manner, expressly including the criminal risks for legal entities stipulated in Law 5/2010 of 22 June on the reform of the Criminal Code.
 - In addition to the Code of Conduct, a body has been established to oversee the Code and ensure it is applied throughout the Group, assisted by a Compliance Department.
 - As part of this Code of Conduct, an Ethics 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 person reporting the breach and respect for the rights of the person reported.
 - Board Regulations specifically regulate procedures for preventing conflicts of interests within the ultimate governance 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 conflict, the director concerned will refrain from participating and voting in deliberations concerning the transactions to which the conflict relates. G4-41
- The company bylaws also stipulate that, whenever the Executive Committee considers it necessary, the Audit Committee must report transactions with Sacyr directors that give rise to or could give rise to conflicts of interests. In any case, conflicts of interests involving directors of the company must be disclosed in the Annual Corporate Governance Report. The Internal Code of Conduct regulates management of insider information and confidential operations, operations carried out on their own account by individuals subject to this code, treasury stock transactions or conflicts of interests and related party operations.
- The Board of Directors encourages informed participation by shareholders at General Meetings, and undertakes to take any steps that are necessary to ensure that General Meetings carry out their functions efficiently and in compliance with the law and company bylaws.
- Specifically, the Board of Directors will adopt the following measures: G4-37
- Prior to the General Meeting, the Board will 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 will respond, to the best of its ability, to requests for information by shareholders prior to the General Meeting.
 - It will respond, also to the best of its ability, to questions posed by shareholders during the General Meeting.

GOVERNANCE

6.3 Remuneration and incentives

DIRECTORS REMUNERATION

Pursuant to the Company bylaws, members of the Sacyr, S.A. Board are entitled to receive remuneration from the Company consisting of a fixed annual amount and attendance fees.

For 2014, the remuneration agreed by the Board was as follows: G4-51 G4-53

- PMembers of the Board: a gross annual sum of 59,580 euros.
- Members of the Executive Committee: a gross annual sum of 39,720 euros.
- Members of the Audit Committee or Appointments and Remuneration Committee: a gross annual sum of 19,860 euros.

A breakdown of the amounts received by the Members of the Board during the year 2014, may be reviewed in the Corporate Governance Report accessible on our website (www.sacyr.com) and on the website of the CNMV.

The total wage remuneration of the executive director, Don Manuel Manrique Cecilia, is 2,757,035 euros (including fixed, variable and life insurance).

Additionally, it is included in the amount of the overall remuneration of the rights accrued by members of the board on pensions, life insurance (590 euros) and, in accordance with the relevant corporate resolutions, the Company has been obligated to pay insurance premiums of definitive contribution to the Chairman of the Board of Directors to cover the contingency of survival whose initial premium has been 1,071,140 million euros, also cover the contingencies of death and permanent disability are insured by a bonus amounting to the total amount of 16,976 euros.

At year end there are no obligations for pensions or payment of life insurance premiums or equity instruments based on respect of the members of the Board payments.

There are also no agreements under which members of the Board of Directors of the Company are entitled to receive from the Company a compensation upon cease to be directors.

6.4 Anti-corruption - Code of Conduct

CORRUPTION AND BRIBERY

The Group's Code of Conduct expressly prohibits any behaviour by its employees which could be considered to entail corruption or bribery. G4-56

Code of Conduct Control Body ("OCCC"), composed of members of the Group's Senior Management. This unit processes all reports filed within the Group, and is also responsible for ensuring strict compliance with the Code of Conduct.

All employees and members of the governing bodies of the Sacyr Group and the joint ventures and companies over which it has management control, have been informed of the policies and procedures of the organization to fight corruption through our code of conduct and its circular diffusion. G4-S04

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.

It also inspires us to prevent and avoid performing operations laundering or terrorist financing from criminal or illegal activities laundering. The Code warns us to take special care to ensure, through the Department

of Protection of Personal Data, the right to privacy, protecting personal data entrusted to us by our customers, suppliers, employees, institutions and the general public.

The Group's Internal Audit Department is responsible for establishing the necessary mechanisms to prevent and detect corruption. 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.

In 2014, we worked on updating and redefining of our Code of Conduct in order to adapt our commitment to good governance requirements, regulatory demands and recommendations of supervisory and supervision bodies. In 2015, the new Code of Conduct of Sacyr is expected to be approved. Any questions can be channelled through the following addresses:

- Money Laundering:
syv.prevencionbc@gruposyv.com
- Data Security:
lopd@gruposyv.com
- Counselling and complaints Line:
syv.codigodeconducta@gruposyv.com
G4-57 G4-58

GOVERNANCE

6.5 Risks G4-45

RISK MANAGEMENT AND ANTI-CORRUPTION POLICIES G4-2

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. Consequently, the Company is exposed to various types of risks.

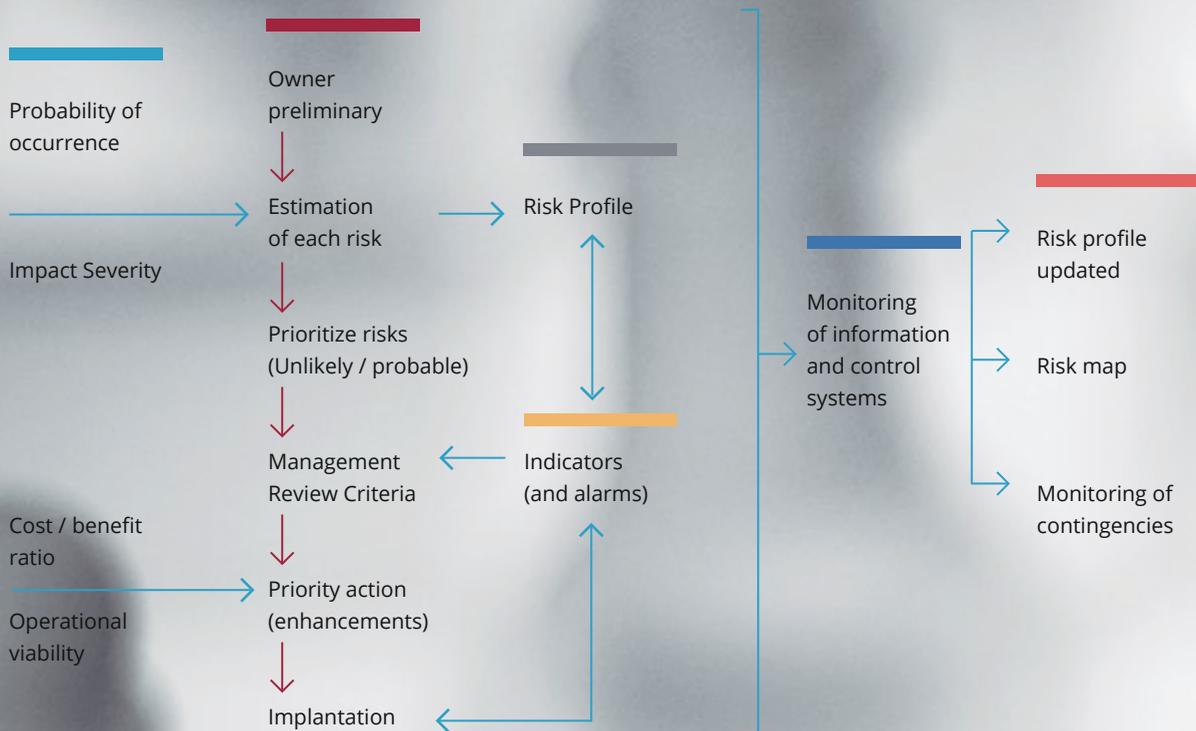
Sacyr has established a sound policy to efficiently identify, evaluate and manage risks in order to reasonably guarantee the efficiency and effectiveness of operations, reliability of information and compliance with legislation.

As established in the Sacyr risk control and management policy, the process begins with identification and a preliminary evaluation of risks. Due to the changing nature of the environments in which the organisation operates, this identification and evaluation process must be regularly updated.

The outcome of the first stage entails risk maps and profiles identifying and grouping the main strategic and operating risks into different categories (business environment, regulation, image and reputation, human resources, operations, financial, information for decision-making, technology and IT systems and good governance), and an evaluation of the possible impact and likelihood that each risk will materialise.

After identifying the risks facing the Group, management's knowledge of each risk is analysed, as are the appropriateness and effectiveness of decisions taken to mitigate risk. Based on this information, each business unit's management, under the oversight of the Internal Audit Department, establishes its risk priorities and determines the measures to be implemented, taking into account the operating viability, possible effects, and cost/benefit ratio of implementation.

RISK IDENTIFICATION PROCESS



Risk management and control responsibility structure

It is the responsibility of the Board of Directors to formally approve the Group's risk management and control policy and regularly review information and control systems. This guarantees the Board of Director's direct involvement in overseeing the risk identification process and implementation and monitoring of adequate control and information systems. G4-46 G4-47

In 2012 the Internal Audit Department renewed the Quality Certificate issued by the international Institute of Internal Auditors. Most of its auditors have passed the entrance exam to obtain the CIA "Certified Internal Auditor" certificate, and also the CRMA certificate ("Certification in Risk Management Assurance").

This quality certificate and the CIA and CRMA qualifications entail recognition by the Institute of the quality of the work of our internal auditors, and certify their commitment to the highest professional standards.

GOVERNANCE

6.5 Risks

The Internal Audit Department, which reports directly to the Sacyr Group's Chairman and is supervised by the Audit Committee, systematically evaluates the efficiency of risk identification, control and management procedures. The Department prepares an annual Internal Audit Plan which is subject to approval by the Audit Committee and which establishes the yearly priorities and the work plan required to achieve the department's goals. *G4-47*

Reinforcing this structure, the various Group business areas have assigned control and management personnel to monitor achievement of the specific objectives identified by each business area or Company as part of the overall strategic plan in force at all times.

Risk management and control activities in 2014

One of the main aims of the 2014 Internal Audit Plan was to continue the progress made in terms of developing and updating specific risks maps for each line of business, and defining and incorporating improvements in the Sacyr Risk Management and Control Policy. Our Group has moved from a single global risk map to a more complex structure, in which each business line has individual and detailed risk maps.

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. Accordingly, in 2014 we focused on updating the risk maps for Testa, Valoriza, Concesiones, Somague and Sacyr Construcción, paying particular attention to countries where these

subgroups carry out major operations (Portugal, Angola, Cape Verde, Madeira, Chile, Panama, France, Ireland, the United States and Brazil). In 2014, we actively collaborated in preparing the maps of risks for the Sacyr Group (holding a consolidated) and criminal risks. *G4-SO3*

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 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.

The Group's Board has undertaken the responsibility of formally approving the Risk Management and Control Policy and monitoring information and control systems. Thus, following the Audit Committee's analysis and supervision of risk management and control during the year, the Board of Directors approved the 2014 Risk Management and Control Policy.

The 2014 Internal Audit Plan schedules its work in accordance with COSO internal control methodology. In 2014, no incidents with a material impact were detected as a result of this work, which encompasses all the Group's areas and business lines.

The following sections analyse the Sacyr Group's management of certain compliance risks that require a more detailed explanation due to their relevance or specific characteristics.

COMPLIANCE RISKS

The Sacyr Code of Conduct establishes compliance with laws as one of the basic principles that must govern the conduct of the Group and of its employees, and stipulates that “the Sacyr Group is committed to reliable and respectful compliance with all legal obligation to which it is subject in any country in which it carries out activities”.

Compliance with the various legal provisions is monitored primarily by the Legal Department, and also by the Internal Audit Department, which has had a specific Compliance Unit since 2008. 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 promptly processed and either accepted or contested by the Group. The number of claims is not significant in respect of the Group's overall activity.

OTHER RISKS

In addition to the aforementioned 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 responsibility and sustainability, as well as the corporate image.
- Risks in connection with human resources: positioning, training, flexibility, dependence on key personnel, work climate, etc.
- Financial risks: credit, interest rate, exchange rate, and liquidity.
- Risk of inadequate information for the decision-making process.
- Technological and information system risks: network management, physical and programme security and integrity of information.

ANNEX I

About This Report

This is the third **INTEGRATED REPORT** published by Sacyr, conducted annually and for the year 2014, and it covers the situation of the Group at December 31, 2014. [G4-18](#) [G4-22](#) [G4-28](#) [G4-29](#) [G4-30](#) [G4-31](#) [G4-32](#)

This document was drawn up in accordance with the standard published by the International Integrated Reporting Council (IIRC), www.theiirc.org. It was also drawn up in accordance with the Global Reporting Initiative's Corporate Responsibility directives (GRI, version 4), under its comprehensive option and 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. It has also been verified by the independent entity Ernst & Young relative to its financial content (consolidated financial statements for the parent and its subsidiaries).

The information contained herein 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 are as precise as possible are given in sufficient detail to comply with stakeholders' expectations. Clarity is one of our requirements in writing this Report, so as to avoid explanations or ambiguities. [G4-22](#) [G4-23](#)

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. [G4-48](#)

Any additional information, consultation, suggestions for improvement and comments may be sent to:

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 Corporate Responsibility Sacyr, S.A.
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 Telephone: +31.91.545.50.00

Shareholder hotline

902.196.360

ANNEX II

Materiality Analysis

1. OBJECTIVE OF THE MATERIALITY ANALYSIS

In line with the guidelines of the International Integrated Reporting Framework and the requirements of Guide G4 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 2014 Integrated Report** includes the conducting of three phases summarised in the following chart:

MATERIALITY METHODOLOGY

	Objective	Objective	Result
PHASE I: PRELIMINARY IDENTIFICATION OF MATERIAL ISSUES	First identification of the relevant issues for Sacyr	Analysis of internal and external sources of information Preliminary identification of relevant issues	Preliminary listing of relevant issues
PHASE I: PRELIMINARY IDENTIFICATION OF MATERIAL ISSUES	Evaluation and validation of the relevant issues	Conducting of internal interviews with the heads of the areas involved	Delimited listing of relative issues Conclusions of the interviews
PHASE III: PRIORITIZATION AND OBTAINMENT OF THE FINAL LISTING	Obtainment of the final list of material issues to be included in Sacyr's 2014 report, in accordance with their priority	Consolidation of the information obtained in Phases I and II Prioritisation of the issues based on the conclusions from the interviews Evaluation of the results	Final listing of prioritised material issues Conclusions of the materiality study

3. DESCRIPTION OF THE PHASES**PHASE 1: Preliminary identification of material issues**

A continuación se muestran las fuentes internas y externas consultadas en el estudio de gabinete:

INTERNAL SOURCES G4-29

Sacyr 2013 Corporate Reports (2013 Integrated Annual Report, 2013 Economic and Corporate Governance Report), Strategic Plan of the Company, Map of the Company's risks, Sacyr's Corporate Responsibility Master Plan, Solutions offered by the Company and its current project, Internal Communiqués and Press Releases, Sacyr

ANNEX II

policies and commitments y Shareholder Channel and investors on the Sacyr webpage.

EXTERNAL SOURCES

G4 General Guide of the Global Reporting Initiative, Sectoral Guide of the Global Reporting Initiative for the real estate and construction business, GRI "Sustainability Topics for Sectors" Study, International Integrated Reporting Framework (IIRC), Sustainability Report and integrated reports of like companies prepared based on G4, Press releases (either on the company or on other companies in the sector, its suppliers, etc. or on the regions, or on the areas where it operates, or on its governments and contexts, etc.), Studies on the trends in the sector in the 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: Evaluation and validation 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.

Given below are the areas that took part in the interviews in order to carry out this analysis: G4-26

Quality and the environment, Training, Concessions, Industrial, Environment, Safety (prevention), Valoriza, Innovation, Strategy, Water, Grants, Internal Audit, Valoriza Environmental Services, Investor Relations, Financial Department, Conservation, Taxes, Legal Affairs, Construction, Organisation, Facilities, Construction, Industrial, Compensation, SSGG, Testa, Consolidation, Labour and Communication. G4-20 G4-27

Listing of issues on which a consensus has been reached and that have been validated: G4-19 G4-27

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 2014 Integrated Report. G4-19 G4-27

1	Corporate governance	
2	Risks	
3	Energy	
4	Innovation/ Materials	
5	Employment	
6	Business Model	
7	Strategy	
8	Occupational safety and health	
9	Water	
10	Anti-corruption	
11	External factors/social and sectoral context	
12	Regulatory compliance:	
13	Effluents and waste	
14	Emissions	
15	Diversity and equal opportunity	
16	Training and education	
17	Biodiversity	
18	Nondiscrimination	
19	Indigenous rights	
20	Soil degradation, contamination and remediation	
21	Environmental expenditure and investment	
22	Supplier environmental assessment	
23	Transportation	

Integrated Reporting	Internal Coverage G4-20
Social (G4)	External Coverage G4-21
Environmental (G4)	

The Integrated Report should be in keeping 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 its stakeholders and facilitate their decision-making.

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Free translation from the original in Spanish, in the event of a discrepancy, the Spanish language version prevails.

INDEPENDENT REVIEW REPORT

To the Management of Sacyr, S.A.:

We have reviewed the Corporate Responsibility indicators contained in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr, S.A. (hereafter Sacyr) for the financial year ended 31st December 2014 with regard to the general and specific standard disclosures proposed in the Guidelines for the Preparation of Sustainability Reports of the Global Reporting Initiative (GRI), version G4 (hereafter G4 GRI Guidelines) and its Construction & Real Estate Sector Supplement.

Responsibility of SACYR's Management

Sacyr's Management is responsible for the preparation, contents and presentation of the Integrated Report 2014 of Sacyr, in accordance with G4 GRI Guidelines and with the "In – accordance" option indicated in point G4-32 of the "GRI Index" Appendix of the report.

The Management team is also responsible for establishing, implementing, adapting and maintaining the internal management and control systems from which information is obtained.

Our responsibility

Our responsibility is to issue an independent review report to give a limited assurance conclusion based on the procedures applied in our review in accordance with the ISAE 3000 Standard Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines on reviews of Corporate Responsibility Reports issued by the Spanish Institute of Certified Public Accountants.

Procedures carried out

To issue this report, we have applied analytical procedures and tests, which have generally been as follows:

- Meetings with Sacyr's staff from various departments involved in the preparation of the Integrated Report 2014 of Sacyr, to understand the procedures carried out to collect and validate the information regarding the Corporate Responsibility indicators included in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr and to obtain the information required for the external review.
- Review of the actions taken regarding the identification and consideration of interested parties during the financial year and the boundaries, materiality and integrity of information on Corporate Responsibility Indicators included in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr based on Sacyr's understanding of the requirements of stakeholders.
- Analysis of the adaptation of the Corporate Responsibility indicators, contained in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr, to the G4 GRI Guidelines for the preparation of reports and its Construction & Real Estate Sector Supplement.

*PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 913 083 566, www.pwc.com/es*

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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 50242 - CIF: B-79 031290

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- Verification, through sample-based testing reviews, of the quantitative and qualitative information for the 2014 financial year of the indicators included in the general and specific basic contents proposed in the G4 GRI Guidelines and its Construction & Real Estate Sector Supplement, also included in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr. We have also verified that the information has been adequately compiled from the data provided by Sacyr's sources of information.

The scope of a limited review is substantially less than that of a reasonable assurance review. Accordingly, the degree of assurance furnished is also lower. The present report cannot be understood, in any circumstances, to be an audit report.

Independence and Quality Control

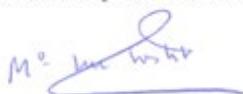
We have complied with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which includes the requirement of independence and other requirements based on the main principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

PwC applies the International Standard on Quality Control 1 (ISQC 1) and, consequently, our firm has a global quality control system, which includes documented policies and procedures on the compliance of ethical requirements, professional standards and applicable statutory requirements.

Conclusion

On the basis of the results of our review, no issues have come to our attention which have led us to believe that the Corporate Responsibility indicators contained in the "GRI Index" Appendix of the Integrated Report 2014 of Sacyr, contain significant mistakes or have not been repapered, with regard to significant aspects, in accordance with the G4 GRI Guidelines and its Construction & Real Estate Sector Supplement.

PricewaterhouseCoopers Auditores S.L.



M^a Luz Castilla

27 May 2015

ANNEX III

Contact Information G4-3 G4-17 G-31

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ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
STRATEGY AND ANALYSIS				
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.		11	✓
G4-2	Provide a description of key impacts, risks, and opportunities.		138	✓
ORGANIZATIONAL PROFILE				
G4-3	Report the name of the organization.		147	✓
G4-4	Report the primary brands, products, and services.		22, 23	✓
G4-5	Report the location of the organization's headquarters.		83, 147	✓
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.		6, 7	✓
G4-7	Report the nature of ownership and legal form.		135	✓
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiary).		6, 7	✓
G4-9	Report the scale of the organization.		4, 5, 22, 23	✓
G4-10	a) Report the total number of employees by employment contract and gender.		122, 123	✓
	b) Report the total number of permanent employees by employment type and gender.		123	✓
	c) Report the total workforce by employees and supervised workers and by gender.		123	✓
	d) Report the total workforce by region and gender.		123,162	✓
	e) Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	not apply		✓
	f) Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Due to the characteristics of our activities this indicator does not apply		✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
G4-11	Report the percentage of total employees covered by collective bargaining agreements.		126	✓
G4-12	Describe the organization's supply chain.		82	✓
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.		11	✓
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.		92	✓
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.		102, 113	✓
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.		39	✓
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	a) List all entities included in the organization's consolidated financial statements or equivalent documents.		22, 23, 135, 147	✓
	b) Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.		135	✓
G4-18	a) Explain the process for defining the report content and the Aspect Boundaries.		142	✓
	b) Explain how the organization has implemented the Reporting Principles for Defining Report Content.		142	✓
G4-19	List all the material Aspects identified in the process for defining report content.		144	✓
G4-20	For each material Aspect, report the Aspect Boundary within the organization.		144	✓
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.		144	✓
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.		142	✓

ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.		142	✓
STAKEHOLDER ENGAGEMENT				
G4-24	Provide a list of stakeholder groups engaged by the organization.		46	✓
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.		46	✓
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.		46, 144	✓
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.		144	✓
REPORT PROFILE				
G4-28	Reporting period (such as fiscal or calendar year) for information provided.		142	✓
G4-29	Date of most recent previous report (if any).		143	✓
G4-30	Reporting cycle (such as annual, biennial).		142	✓
G4-31	Provide the contact point for questions regarding the report or its contents.		142, 147	✓
G4-32	a) Report the 'in accordance' option the organization has chosen.		142	✓
	b) Report the GRI Content Index for the chosen option.		148	✓
	c) Report the reference to the External Assurance Report, if the report has been externally assured.		145	✓
	d) GRI recommends external verification, although it is not mandatory for the report to be "in accordance" with the Guidelines.		145	✓
G4-33	a) Report the organization's policy and current practice with regard to seeking external assurance for the report.		145	✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
	b) If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.		145	✓
	c) Report the relationship between the organization and the assurance providers.		145	✓
	d) Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.		145	✓
GOVERNANCE				
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.		130	✓
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.		130, 132	✓
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.		130, 132	✓
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.		135	✓
G4-38	Report the composition of the highest governance body and its committees.		130	✓
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).		131, 135	✓
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.		133	✓
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.		135	✓

ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.		130	✓
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.		124	✓
G4-44	a) Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.		134	✓
	b) Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.		134	✓
G4-45	a) Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.		138	✓
	b) Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.		135	✓
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		139	✓
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.		139, 140	✓
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.		142	✓
G4-49	Report the process for communicating critical concerns to the highest governance body.		130	✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.		135	✓
G4-51	a) Report the remuneration policies for the highest governance body and senior executives.		135	✓
	b) Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.		132, 133, 136	✓
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.		132, 133, 136	✓
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.		136	✓
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Instruments for the calculation of this indicator are not available within the scope of HR management in Sacyr.		✓
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Instruments for the calculation of this indicator are not available within the scope of HR management in Sacyr.		✓
ETHICS AND INTEGRITY				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.		137	✓
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.		137	✓
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.		137	✓

ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
ENVIRONMENTAL				
MATERIALS				
G4-DM4	Material aspect		93-97	✓
G4-EN1	Materials used by weight or volume.		94, 160	✓
G4-EN2	Percentage of materials used that are recycled input materials.		95	✓
ENERGY				
G4-DM4	Material aspect		80-83	✓
G4-EN3	Energy consumption within the organization.		80	✓
G4-EN4	Energy consumption outside of the organization.		81	✓
G4-EN5	Energy intensity.		81	✓
G4-EN6	Reduction of energy consumption.		80	✓
G4-EN7	Reductions in energy requirements of products and services.		80	✓
CRE1	Building energy intensity.		81	✓
WATER				
G4-DM4	Material aspect		84-88	✓
G4-EN8	Total water withdrawal by source.		84	✓
G4-EN9	Water sources significantly affected by withdrawal of water.		Sacyr, over 2014 have not detected significant affections of water sources related to capture operations	✓
G4-EN10	Percentage and total volume of water recycled and reused.		85	✓
CRE2	Building water intensity.		81	✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
BIODIVERSITY				
G4-DM4	Material aspect		89-92	✓
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		90	✓
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		90, 91	✓
G4-EN13	Habitats protected or restored.		91	✓
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		91	✓
EMISSIONS				
G4-DM4	Material aspect		80-83	✓
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).		81, 161	✓
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).		81, 161	✓
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).		81, 161	✓
G4-EN18	Greenhouse gas (GHG) emissions intensity.		81	✓
G4-EN19	Reduction of greenhouse gas (GHG) emissions.		80	✓
G4-EN20	Emissions of ozone-depleting substances (ODS).		82	✓
G4-EN21	NOX, SOX, and other significant air emissions.		82	✓
CRE3	Greenhouse gas emissions intensity from buildings.		81	✓

ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.		81	✓
EFFLUENT AND WASTE				
G4-DM4	Material aspect		93-97	✓
G4-EN22	Total water discharge by quality and destination.		88	✓
G4-EN23	Total weight of waste by type and disposal method.		97, 161, 162	✓
G4-EN24	Total number and volume of significant spills.		97	✓
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Sacyr do not transport, import, export or treat hazardous waste, so this indicator does not apply to the organization.		✓
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.		Throughout 2014, in Sacyr there have not been records of episodes in which the liquid effluents generated by the organization have produced significant damage on water resources and related habitats.	✓
REGULATORY COMPLIANCE				
G4-DM4	Material aspect		78	✓
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		78	✓
TRANSPORT				
G4-DM4	Material aspect		93-97	✓
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.		97	✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
DEGRADATION, POLLUTION AND SOIL REMEDIATION				
G4-DM4	Material aspect		89-92	✓
CRE5	Restoration lands and in need of rehabilitation			✓
		Throughout 2014, in the Construction area, there have not been activities in areas with contaminated soil, so there have not been carried out activities for decontaminating soils		
GENERAL				
G4-DM4	Material aspect		78, 79	✓
G4-EN31	Total environmental protection expenditures and investments by type.		79	✓
ENVIRONMENTAL EVALUATION OF SUPPLIERS				
G4-DM4	Material aspect		80-83	✓
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.		82	✓
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.		82	✓
SOCIAL				
LABOR PRACTICES AND DIGNITY OF LABOR				
EMPLOYMENT				
G4-DM4	Material aspect		122-127	✓
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.		163	✓
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.		127	✓
G4-LA3	Return to work and retention rates after parental leave, by gender.		164	✓

ANNEX IV | GRI INDEX

Code	Description	Omissions	Page/ Direct answer	See Ext.
HEALTH AND SAFETY IN THE WORKPLACE				
G4-DM4	Material aspect		107	
G4-LA5	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.		106	✓
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.		126	✓
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.		126	✓
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	There are formal agreements with unions in which health and safety clauses are included related to construction sector in Spain.		✓
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized OHS management system.		104	✓
TRAINING AND EDUCATION				
G4-DM4	Material aspect		122- 127	✓
G4-LA9	Average hours of training per year per employee by gender, and by employee category.		124	✓
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		124	✓
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.		124	✓
DIVERSITY AND EQUAL OPPORTUNITIES				
G4-DM4	Material aspect		130	✓
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		123, 131, 133	✓

Code	Description	Omissions	Page/ Direct answer	See Ext.
HUMAN RIGHTS				
NON-DISCRIMINATION				
G4-DM4	Material aspect		138- 141	✓
G4-HR3	Total number of incidents of discrimination and corrective actions taken.		In 2014, no incidents of discrimination have been registered in Sacyr through the established channels for reporting incidents.	✓
RIGHTS OF THE INDIGENOUS POPULATION				
G4-DM4	Material aspect		138- 141	✓
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.		In 2014, no violations of the rights of indigenous peoples have been registered in Sacyr through the established channels for reporting incidents.	✓
SOCIETY				
COMBATting CORRUPTION				
G4-DM4	Material aspect		137	✓
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.		140	✓
G4-SO4	Communication and training on anti-corruption policies and procedures.		137	✓
G4-SO5	Confirmed incidents of corruption and actions taken.		In 2014, no Incidents of corruption have been registered through established channels for their complaint.	✓

ANNEX V | GRI TABLES

MATERIALS USED BY WEIGHT OR VOLUME G4-EN1

CONSTRUCTION		
Steel	Tn	117,777.47
Cement	Tn	504,433.84
Concrete	Tn	2,725,847.95
Agglomerates	Tn	92,868.25
Aggregates	Tn	3,512,477.07
Reused land	Tn	4,236,701.31
INDUSTRIAL		
Steel	Tn	3,535.68
Concrete	Tn	3,439.99
Hexane	Tn	103.70
Hydrochloric acid	Tn	14.20
Hypochlorite	Tn	17.06
CONCESSIONS		
Fluxes	Tn	147.54
Pesticides	Tn	1.23
SERVICES		
Reused land	Tn	1,092.00
Fertilizers	Tn	1.68
Oils	Tn	106.70
Sulfuric acid	Tn	29.37
Adblue	Tn	46.90
Carbon dioxide	Tn	294.74
Ferric chloride	Tn	4,963.48
Coagulant	Tn	101.53
Calcium hydroxide	Tn	294.27
Sodium hypochlorite	Tn	689.46
Paintings	Tn	69.59
Cleaning Products	Tn	207.37
Polyelectrolyte	Tn	190.30
Pesticides	Tn	245.18
Fluxes	Tn	9,650.06
Paper	Tn	123.43
TOTAL		11,215,471.33

DIRECT GREENHOUSE GAS EMISSIONS (S1) INDIRECT (S2) AND OTHER INDIRECT (S3) 2013.

G4-EN15,16,17

SCOPE	EMISSIONS	CONSTRUCTION			SERVICES		PROPERTY	CONCESSIONS
		SPAIN	CHILE	PORTUGAL	SPAIN	PORTUGAL	SPAIN	SPAIN
Scope 1	CO ₂ (teq)	9754.27	12790.81	15943	55608	475.39	1085.34	123.93
Scope 2	CO ₂ (teq)	811.11	100.28	1914	19728.11	1.32	1832.76	1528.44
	SO ₂ (teq)	1.76	0.22		42.89		3.98	3.32
	NO _x (teq)	1.23	0.15		30.04		2.79	2.33
Scope 3*	CO ₂ (teq)			1760				

* The Scope 3 emissions correspond with Business Travel.

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD RCD (KG) 2014.

G4-EN23

	CONSTRUCTION	CONCESSIONS	PROPERTY	INDUSTRIAL	SERVICES	TOTAL	%
Other*	25,469,219.00	0.00	0.00	0.00	12,621,000.00	38,090,219.00	0.71
Recycling	380,970,639.95	0.00	0.00	10,412,000.00	15,286.00	391,397,925.95	7.28
Reuse	1,472,183,684.98	0.00	0.00	0.00	4,920,046.00	1,477,103,730.98	27.46
Landfill	3,459,713,143.00	0.00	0.00	8,521,000.00	3,871,585.00	3,472,105,728.00	64.55
TOTAL	5,338,336,686.93	0.00	0.00	18,933,000.00	21,427,917.00	5,378,697,603.93	100.00

* Treaty by the manager, without knowledge of the treatment given by the manager. Delivery owners, ignoring their end use. Delivery manager, without knowing its treatment

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD AND RP MANAGEMENT AREA (KG) 2014.

G4-EN23

	CONSTRUCTION	CONCESSIONS	PROPERTY	INDUSTRIAL	SERVICES	TOTAL	%
Storage On-Site	55,281.80	668.70	683.34	900.93	120,887.96	178,422.72	35.16
Composting	0.00	0.00	0.00	0.00	550.00	550.00	0.11
Incineration	27,107.00	0.00	0.00	0.00	2,676.70	29,783.70	5.87
Other *	123,707.00	359.00	404.00	21,705.00	39,145.00	185,320.00	36.51
Recycling	31,542.97	2,730.00	4.00	580.00	36,289.65	71,146.62	14.02
Reuse	0.00	0.00	0.00	20.00	641.50	661.50	0.13
Landfill	38,263.00	0.00	0.00	400.00	2,979.55	41,642.55	8.20
TOTAL	275,901.77	3,757.70	1,091.34	23,605.93	203,170.36	507,527.09	100

* Chemical treatment not specified elsewhere in this Annex which results in final compounds or mixtures which are discarded by one of the operations numbered D 1 to D 12 (eg evaporation, drying, calcination, etc.) and "Exchange of wastes pending any of the operations numbered R1 and R11.

ANNEX V | GRI TABLES

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD AND RNP MANAGEMENT AREA (KG) 2014.

G4-EN23

	CONSTRUCTION	CONCESSIONS	PROPERTY	INDUSTRIAL	SERVICES	TOTAL	%
Other*	9,161,683.30	1,719.00	6,743.00	33,696.00	668,271.82	9,872,113.12	51.73
Recycling	2,001,324.75	141.12	67,660.00	31,253.58	2,586,051.75	4,686,431.20	24.56
Reuse	40,324.55	26.00	0.00	61.90	1,225,931.90	1,266,344.35	6.64
Landfill	1,421,322.00	11,521.81	0.00	44,000.00	1,768,211.33	3,245,055.13	17.00
Composting	2,473.00	0.00	0.00	0.00	0.00	2,473.00	0.01
Incineration	11,331.00	0.00	0.00	0.00	0.00	11,331.00	0.06
TOTAL	12,638,458.60	13,407.93	74,403.00	109,011.48	6,248,466.80	19,083,747.81	100

*Withdrawal of chipping and remnants by farming company, delivering to autonomous business being unaware of their final use, storage in urban containers management through the client, because he required it.

WORKFORCE IN SPAIN BY AUTONOMOUS COMMUNITY G4-10

	HOLDING	CONSTRUCTION	REAL ESTATE	PROPERTY	SERVICES	CONCESSIONS	2014	2013	%14/13
Andalusia	0	190	5	1	1,802	17	2,015	1,817	10.90
Aragon	0	28	0	0	302	0	330	290	13.79
Asturias	0	2	0	0	148	10	160	147	8.84
Balearic Islands	0	17	0	3	168	10	198	174	13.79
Canary Islands	0	57	1	1	503	0	562	529	6.24
Cantabria	0	8	0	0	42	0	50	47	6.38
Castile-La Mancha	0	33	0	1	801	0	835	756	10.45
Castile And León	0	36	19	2	1,025	10	1,092	1,044	4.60
Catalonia	0	121	0	2	912	0	1,035	1,050	-1.43
Valencian Community	0	49	0	0	449	10	508	486	4.53
Extremadura	0	19	0	0	107	0	126	142	-11.27
Galicia	0	114	0	0	460	8	582	570	2.11
Madrid	217	512	14	72	6,850	52	7,717	7,018	9.96
Murcia	0	29	1	0	487	19	536	470	14.04
Navarre	0	1	0	0	38	0	39	11	254.55
Basque Country	0	166	3	0	389	0	558	546	2.20
La Rioja	0	9	0	0	228	0	237	167	41.92
Melilla	0	0	0	0	42	0	42	50	-16.00
TOTAL	217	1,391	43	82	14,753	136	16,622	15,314	8.54

NEW PERMANENT HIRING AND LABOUR TURNOVER IN SPAIN BY GENDER G4-LA1

	NEW HIRING			TURNOVER		
	2014	2013	%14/13	2014	2013	%14/13
Men	801	299	167.89%	504	302	66.89%
Women	533	115	363.48%	526	396	32.83%
TOTAL	1334	414	222.22%	1030	698	47.56%

NEW HIRING AND LABOUR TURNOVER IN SPAIN BY AUTONOMOUS COMMUNITY G4-LA1

	ANDA-LUSIA	ARAGON	ASTURIAS	BALEARIC ISLANDS	CANARY ISLANDS	CANTABRIA	CASTI- LLE-LA MANCHA	CASTILLE AND LEÓN	CATALONIA
New hiring	129	35	25	12	52	3	88	75	144
Turnover	91	22	10	3	21	1	37	66	110

	VALEN- CIAN COM.	EXTREMA- DURA	GALICIA	MADRID	MURCIA	NAVARRA	BASQUE COUNTRY	LA RIOJA	MELILLA	TOTAL
New hiring	87	18	59	391	30	1	141	42	2	1,334
Turnover	114	7	37	398	40	4	39	28	2	1,030

NEW HIRING AND LABOUR TURNOVER IN SPAIN BY AGE G4-LA1

	2014	UP TO 20 YEARS	+20 YEARS	+30 YEARS	+40 YEARS	+50 YEARS	+60 YEARS	TOTAL
New hiring	2014	2	270	453	405	187	17	1,334
	%	0.1%	20.2%	34.0%	30.4%	14.0%	1.3%	100%
Turnover	2014	5	115	298	201	190	221	1,030
	%	0.5%	11.2%	28.9%	19.5%	18.4%	21.5%	100%

LABOUR TURNOVER IN SPAIN G4-LA1

	TOTAL 2014	TOTAL 2013
Average consolidated workforce	16,622	15,314
Total leave	1,030	698
Media leave	86	58
% monthly	0.52%	0.38%

ANNEX V | GRI TABLES

MATERNITY/PATERNITY LEAVE IN SPAIN G4-LA3

	PATERNITY	MATERNITY	TOTAL
MEN	333	0	333
WOMEN	5	202	207
TOTAL	338	202	540

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE IN SPAIN G4-LA3

	ACTIVO	BAJA	TOTAL
MEN	292	44	336
WOMEN	165	39	204
TOTAL	457	83	540

REASONS OF LEAVE AFTER PARENTAL LEAVE IN SPAIN G4-LA3

CONCEPTS OF LEAVING 2014	Women	Men	TOTAL	%
01 Dismissal of worker	0	2	2	2.4
02 Dismissal for objective reasons, amortization for economic reasons	1	4	5	6.0
11 End of temporary contract at the request of the employer	3	6	9	10.8
15 End or interruption of the activity of workers fixed-temporary	9	4	13	15.7
TOTAL BUSINESS CAUSES	13	16	29	34.9
21 Worker voluntary Leave	1	5	6	7.2
26 leave on to care for children	16	0	16	19.3
26 Personal ground	0	2	2	2.4
Unpaid leave	1	0	1	1.2
Subrogation	8	21	29	34.9
TOTAL WORKER CAUSES	26	28	54	65.1
TOTAL LEAVE 2014	39	44	83	1

SICKNESS ABSENTISM AND OTHER REASONS IN SPAIN G4-LA6

	2014	2013	%14/13
LOST HOURS (Disease and Other)	2,180,464	1,866,176	16.84%
WORKED HOURS	48,039,377	44,308,462	8.42%
POSSIBLE HOURS	50,834,465	46,699,998	8.85%
%ABSENTISM	4.29%	4.00%	7.25%