

Madrid, 26th September 2017

Dear Sir or Madam,

I would like, firstly, to reiterate our commitment to the Ten Principles of the United Nations Global Compact. Environmental protection, respect for human and labour rights and the battle against corruption are crucial concerns for companies like ours that wish to contribute to sustainable development. I invite you to read our annual Communication on Progress, which details our performance in this area and in other significant sustainability issues.

The world is in a state of flux, and the consequences of climate change are already a concerning reality. Such trends as overpopulation and the growing middle class will increase the demand for energy, water and infrastructure. The Sustainable Development Goals adopted by the United Nations set a framework within which companies can fulfil their responsibilities to people and the planet. At ACCIONA, we aim to play a key role in the 2030 Agenda, mainly through investment in renewables, water solutions and the development of resilient infrastructures.

In order to respond to that commitment, we launched the new Sustainability Master Plan 2020 at the beginning of 2016, and met the goal of being carbon neutral in line with the challenges set out in the Paris Agreement. Today we can state that ACCIONA has a net zero balance of emissions, having offset those emissions that could not be reduced. Combating climate change and protecting the environment are two of our strategic targets. Last year, we avoided the emission of 14.8 million tons of carbon dioxide into the atmosphere, and generated a positive water footprint equivalent to the annual water consumption of 10 million people.

Regarding human and labour rights, and following the UN's Guiding Principles on Business and Human Rights, we analysed human rights risks in the countries where we operate, and are integrating them and other sustainability risks into our decision-making processes. With regard to our operations' contribution to society, in 2016 we implemented the Social Impact Management procedure in 82 projects at various phases of development. Those projects are led by people, whose health and safety are crucial. We reduced our employees' accident frequency index by 4.7% with respect to 2015, and our ambitious goal for 2020 is to achieve a 15% reduction with respect to 2015.

I would also like to highlight the approval by the Board of Directors of a new revision of the Code of Conduct and of the anticorruption guidelines. At the operational level, we have begun to internationalise the Crime Prevention Model, which is already in place in Spain, by analysing the legislation in Mexico, Brazil and Chile. We have also made progress with our supply chain in the area of sustainability risk analysis and management; specifically, we used the Risk Map to evaluate 10,065 suppliers in matters such as environment, labour, society and human rights (child labour, freedom of association and forced labour).

The company is aware of how important it is to work with stakeholders, and it actively participates in international forums that reinforce our commitment to sustainable development. Within the United Nations framework, I would like to draw your attention to our membership of the Steering Committees of the Global Compact LEAD and the Caring for Climate initiative, as well as of the Advisory Board of Sustainable Energy for All. On the

domestic level, I note our work with the Spanish Network of the United Nations Global Compact.

Through these alliances, ACCIONA works to create favourable public opinion that can influence public administrations, the private sector and society in order to move towards a decarbonised economy that respects people. In this context, we want to be an agent of change, actively leading the response to global challenges through our business model.

In short, during 2016 we carried on our business in a responsible, committed and sustainable way. We laid the foundations for the company to continue playing a key role in the unavoidable global transformation for sustainable development in 2017.

I would like to conclude by referring you to our Sustainability Report 2016 (<http://annualreport2016.accionacom/d/sustainability-report.pdf>), in which ACCIONA renders an exhaustive account of its progress in sustainability and the challenges we have set ourselves for the future.

Very truly yours,

José Manuel Entrecanales Domecq