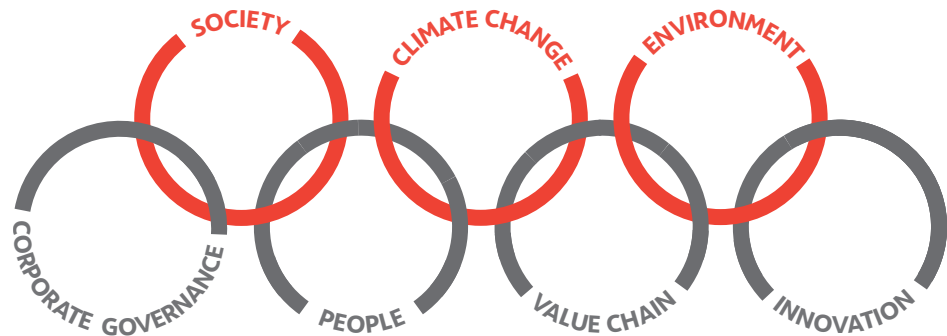







## SUSTAINABILITY MASTER PLAN 2020



The SMP 2020 established objectives and commitments for 2020, which will be achieved through continuous work throughout 2016-2020. The progress, initiatives and rate of fulfilment throughout 2017 is shown below.

SMP AREA	2020 TARGETS AND COMMITMENTS	PROGRESS IN 2017
 <b>SOCIETY</b>	Enhance the Social Impact Management of the company's business activity	<ul style="list-style-type: none"> <li>Implementation of the Social Impact Management (SIM) methodology across 100 projects in 33 countries</li> <li>Conduct of 9 external audits, 2 Energy projects and 7 Infrastructure projects, to assess the application of SIM.</li> <li>Measurement of the socioeconomic and environmental impact of two Infrastructure projects and two Energy projects.</li> </ul>
	Enhance the company's Social Action Plan	<ul style="list-style-type: none"> <li>Social contribution: more than EUR 12.3 million, and 530,538 beneficiaries.</li> <li>End of the Luz en Casa Napo pilot project in the Amazon (Peru) of the ACCIONA Microenergia Foundation, and start-up of six new Luz en Casa centres in Oaxaca (Mexico).</li> </ul>
	Continue playing a leading role in international initiatives and to keep on developing the company's relationship with its stakeholders	Participation in forums and international initiatives: Bonn climate conference (COP23), One Planet Summit conference, United Nations Global Compact LEAD (steering committee), Caring for Climate, World Economic Forum, World Bank, Corporate Leaders Group (CLG), WBCSD, Alliance of CEO Climate Leaders, amongst others.
	Volunteering: to foster employees' commitment to sustainable development	Participation in diverse initiatives in 19 countries by 1,746 ACCIONA volunteers (Volunteer Day, Integra Foundation, Princesa de Girona Foundation, Inspiring Girls and Let's donate! Campaign, amongst others).

SMP AREA	2020 TARGETS AND COMMITMENTS	PROGRESS IN 2017
 CLIMATE CHANGE	Carbon neutrality: to reduce and offset emissions	<ul style="list-style-type: none"> <li>Achievement of carbon neutrality by offsetting emissions that we have not been able to reduce.</li> <li>Use of the internal carbon price in the analysis of possible new investments.</li> </ul>
	Design and prepare climate change risk maps	<ul style="list-style-type: none"> <li>Development of a top-down analysis of the risks associated with climate change.</li> <li>Updating businesses' risk maps.</li> </ul>
	Prepare and implement climate change risk management and adaptation plans in the business strategy	Preparation of a dossier that includes 67 global measures for adaptation to climate change.
	Provide training to the company on climate change risks and how to manage them	<ul style="list-style-type: none"> <li>Launch of the ACCIONA Sustainability Course, which includes various parts relating to climate change.</li> </ul>
 ENVIRONMENT	Eco-efficiency in operations: progress with a circular economy programme	<ul style="list-style-type: none"> <li>Establishment of specific recovery objectives for each type of waste for each of the businesses.</li> <li>Incorporation of 10 projects into the life cycle analysis (LCA) portfolio.</li> </ul>
	Improve the efficiency of water consumption	<ul style="list-style-type: none"> <li>Development of plans to monitor and reduce water consumption in production centres.</li> <li>Development of a top-down analysis of risks associated with water resources.</li> </ul>
	Neutral biodiversity footprint	Completion of 12 biodiversity action plans.
 CORPORATE GOVERNANCE	Ethics: <ul style="list-style-type: none"> <li>Adapt the Code of Conduct to the most advanced practices</li> <li>Provide an international Crime Prevention and Anti-Corruption Model for 100 % of business activities</li> </ul>	<ul style="list-style-type: none"> <li>Training of 6,213 employees on the Code of Conduct and 1,400 managers and directors on anti-corruption.</li> <li>Implementation of the Crime Prevention and Anti-Corruption Model in Italy for Energy and Water.</li> <li>Start of the pilot test for the management of controls established in internal regulations with the new Governance Risk &amp; Compliance tool.</li> </ul>
	Implement a programme of respect, protection and remediation of human rights in all activities and markets	<ul style="list-style-type: none"> <li>Revision of the categories and analysis of associated human rights risks in the countries in which the company operates.</li> <li>Update of the human rights risk analysis showing that 52 % of countries in which ACCIONA operates are at very serious or serious risk of violation of human rights.</li> </ul>
	Adopt the most advanced best corporate governance practices	<ul style="list-style-type: none"> <li>Approval of a Selection Policy of Board Directors that fosters diversity of knowledge, experience and gender.</li> <li>Approval of the new Board director remuneration policy for the next three years.</li> </ul>
	Include management of non-financial risks (human rights, climate change, anti-corruption and environmental risks, among others) as part of business management	<ul style="list-style-type: none"> <li>Approval and launch of the new method of identifying and assessing sustainability risks (climate change, environment, social, employment and governance, amongst others).</li> </ul>
	Transparency: <ul style="list-style-type: none"> <li>Progress in the company's non-financial reporting at global and local levels</li> <li>Adopt policies that enhance fiscal transparency</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of the non-financial information in the <i>Director's Report 2017</i> in compliance with the new Spanish Royal Decree-Law no. 18/2017.</li> <li>Annual publication of total tax information by country.</li> </ul>

SMP AREA	2020 TARGETS AND COMMITMENTS	PROGRESS IN 2017
 <p>PEOPLE</p>	<p>Safety: bring the accident frequency rate down by 15 % below the figure for 2015</p>	<ul style="list-style-type: none"> <li>• Reduction of the global accident frequency rate of employees and contractors, going from 3 to 2.7 in 2017. The 2015 figure was 2.9.</li> <li>• Consolidation of programmes like the VPPs, BBS4U or the LIDER Program in Infrastructure, THINK SAFE in Energy.</li> </ul>
	<p>Healthy ACCIONA: provide employees access to health programmes and healthy habits</p>	<ul style="list-style-type: none"> <li>• Promote internationally integral health through an awareness campaign about endemic diseases and immunisation for travellers.</li> <li>• Draft health guidelines for pregnant workers.</li> </ul>
	<p>Development and incentives: Establish specific programmes to attract, recognise and retain talent in all countries with more than 300 own employees</p>	<ul style="list-style-type: none"> <li>• Development of the New Performance Management Model, having launched its first two phases: Objective Setting and first pilot Performance Status.</li> <li>• Revision of the Selection Method, incorporating new tests that will enable the detection of the necessary capacities in a more effective manner.</li> <li>• Implementation of the internal mobility control panel, to develop the greatest potential.</li> </ul>
	<p>Diversity and inclusion: Establish diversity plans in all countries with more than 300 own employees, with specific objectives depending on the country's circumstances</p>	<ul style="list-style-type: none"> <li>• Establishment of an analysis method for the remuneration gap between men and women, based on best practices (the 2017 remuneration gap is 5.17 %).</li> <li>• Ratio of equivalent employment of people with disabilities in Spain: 3.6 % of the workforce.</li> </ul>
	<p>Training: provide employees with knowledge about and skills related to sustainability in order to perform their jobs in harmony with the company's strategy</p>	<p>Launch of the ACCIONA Sustainability Course, available for 10,584 employees in 41 different countries.</p>
 <p>VALUE CHAIN</p>	<p>Mitigate environmental, social and corporate governance risks in the supply chain and to create new sustainable solutions</p>	<ul style="list-style-type: none"> <li>• Consolidation of the Risk Map with a 66 % growth in the number of suppliers assessed.</li> <li>• Implementation of No Go Policies, achieving the goal of 0 % general procurement orders from these suppliers.</li> <li>• Conduct of 296 audits (56 % more than in 2016), 47 to suppliers of risk countries.</li> </ul>
	<p>Mitigate environmental, social and corporate governance risks in relationships with partners: consortium, joint ventures and temporary joint ventures</p>	<ul style="list-style-type: none"> <li>• Evaluation of 177 partners or third parties through the PROCUR-e 3P tool, mitigating the project risks and complying with due diligence requirements.</li> </ul>
	<p>Clients:</p> <ul style="list-style-type: none"> <li>• Generate long-term loyalty and trust among clients based on ACCIONA's commitment to sustainability</li> <li>• Define No Go Policies with sustainability criteria (third party due diligence)</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with customers to discuss topics like the sustainability strategy, quality, environment, safety and occupational health, contribution to the SDGs, relations with communities or socioeconomic impact.</li> <li>• First works developed and envisaged progress in the next few years.</li> </ul>

SMP AREA	2020 TARGETS AND COMMITMENTS	PROGRESS IN 2017
 <b>INNOVATION</b>	Maintain an innovation over sales figure that exceeds the European average, to preserve ACCIONA's innovative leadership	Accredited innovation figure of EUR 209.4 million in 2017, which represents an innovation intensity ratio (2.9 %), higher than the European average (1.4 %)
	Collaborative innovation: collaborate with third parties to develop innovative technologies that guarantee the company's business sustainability	<ul style="list-style-type: none"> <li>• Launch of I'MNOVATION #Startups, the first corporate start-up accelerator of infrastructures and renewable energies in Spain.</li> <li>• Creation of the Advanced and Digital Innovation Hub (AADIH), which includes, amongst its targets, the development of digital innovation capacities and their transfer to the businesses.</li> </ul>
	Operational innovation: create and improve efficient processes that generate savings of at least EUR 75 million (EUR 15 million per year)	Savings of EUR 32 million (16 % more than in 2016) for improvements in operational innovation processes.