

ENVIRONMENT

TOWARDS A CIRCULAR ECONOMY

From a prevention-based approach and with the overall goal of decreasing the environmental impact of its activities, in 2017 ACCIONA focused its actions on the integrated management of environmental risks, attention to water stress, the promotion of the circular economy and the conservation of biodiversity.



HIGHLIGHTS IN 2017

- Development of a top-down analysis of the risks associated with water resources.

- Treatment, purification and desalination of 766 hm³ in 8 countries with regions under water stress.

- Establishment of objectives for businesses in the Waste Management Plan for the promotion of the Circular Economy.

- Development of a total of 12 action plans on biodiversity in the business lines.

- Update of the environmental risk maps associated with the water resources of ACCIONA's businesses.

- Incorporation into the life cycle analysis (LCA) portfolio of 10 new projects.

MAIN CHALLENGES FOR 2018

- ▶ Continue promoting the global development of the purification, treatment and/or desalination activity in regions with water stress.

- ▶ Make progress in the deployment within the organisation of the waste management plan for the promotion of the circular economy, with established annual objectives.

- ▶ Make progress in the company's environmental risk management.

- ▶ Analyse the risks and opportunities associated with water resources in ACCIONA.

- ▶ Include the life cycle analysis in the company's new projects/centres.

- ▶ Supervise the company's action and compensation plans on biodiversity and make progress in the methodological development of the biodiversity footprint assessment.

VALUE CREATION THROUGH THE ENVIRONMENTAL VARIABLE

Preservation and respect for the environment are fundamental principles in all of ACCIONA's activities. The company has four specific policies approved by the Board of Directors: Environmental Policy, Biodiversity Policy, Climate Change Policy and Water Policy (available on its website¹³).

As specified in the Sustainability Master Plan 2020 (SMP 2020), the development of strategic initiatives and fulfilment of goals in the areas of Environment and Climate Change are referred to the Board of Directors' Sustainability Committee, in such a way that guarantees the integration of the environmental variable and the application of the environmental policies and principles in the company's business operations. The corporate principles that ACCIONA adopts in environmental matters through its policies concern all the business lines and countries in which it operates, moving into the value circle and presenting itself for the valuation of third parties.

One of the keys to the ACCIONA business is being able to rely on specific, qualified staff at all functional, hierarchical and geographic levels of the company. This means that top quality and experience can be employed at all times in pursuing the company's business, always according to the strictest environmental standards. In 2017, a total of 499 people are responsible of environmental matters.

ENVIRONMENTAL INVESTMENT AND EXPENDITURE

34 % of the group's total sales and 67 % of EBITDA are based on businesses included in what the United Nations Environmental Programme (UNEP) defines as the "Green Economy"¹⁴. During 2017, environmental expenses amounted to EUR 2,430 million and environmental investments to EUR 509 million, which places the company's global environmental activity at EUR 2,939 million.

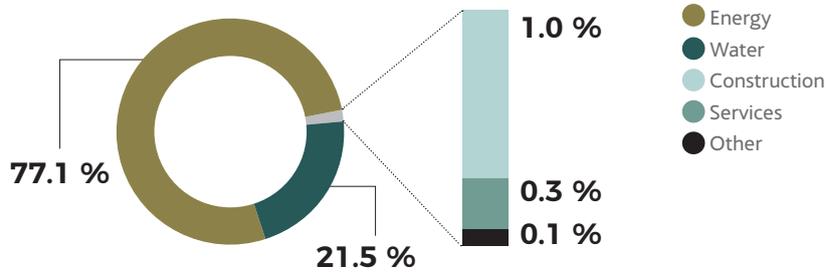
Of this total figure, EUR 69 million are derived from the management (prevention, reduction or correction) of the environmental impacts generated by the company's activities (EUR 65 million in expenses and EUR 4 million in investments) and EUR 2,870 million are derived from the business development of a mainly environmental component (EUR 2,365 million in expenses and EUR 505 million in investments) which are relevant for the strategic business orientation, such as the generation of renewable energies and the integrated management of the water cycle, which focus on managing environmental impacts generated by other players and whose management is part of the business.

(13) For more information go to <https://www.accionacom.com/sustainability/environment/>

(14) For more information about the green economy go to: https://sustainabledevelopment.un.org/content/documents/126GER_synthesis_en.pdf

FIGURE 1.

Breakdown of the environmental economic figure (€2,939 million) by business line



In 2017, ACCIONA obtained tax relief of EUR 1.7 million due to carrying out actions that promote environmental respect and protection.

ENVIRONMENTAL TRAINING

ACCIONA continues strengthening its commitment to training employees in environmental matters. In 2017, a total of 50,870 hours of training were delivered on topics such as waste management, efficient use of natural resources, operational management in the environmental issues or environmental management systems.

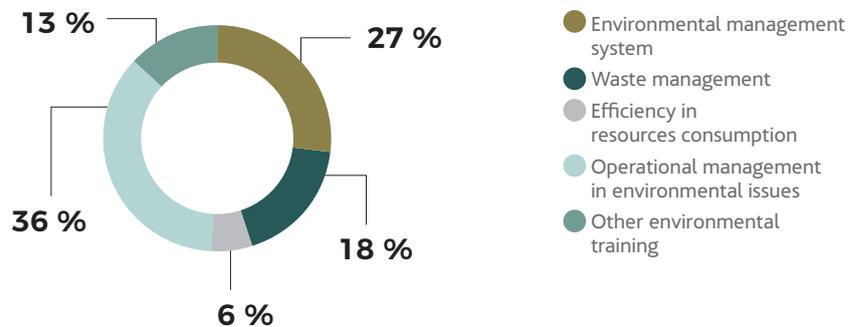
TABLE 1.

Evolution of environmental training

	2015	2016	2017
No. hours dedicated to environmental training	34,618	55,860	50,870

FIGURE 2.

Training hours by subject in 2017 (%)

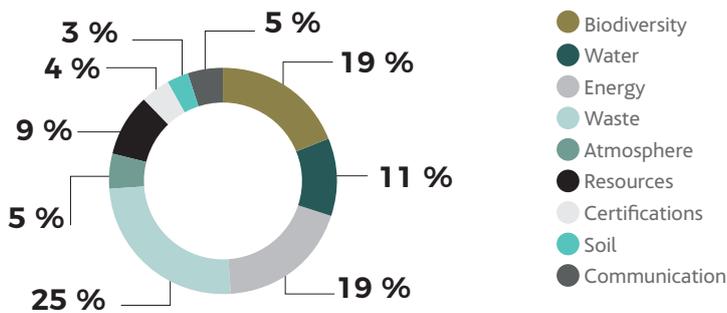


ENVIRONMENTAL BEST PRACTICES AND UNIQUE ACTIONS

ACCIONA identifies, analyses and values environmental actions, in order to recognise and publicise the most significant events within and outside the organisation. The company values the actions and selects those that stand out for their distinctly positive effect on the environment, their innovative nature or their scientific and/or social interest.

In 2017, the actions identified, analysed and valued in the different business lines correspond 33 % to Construction, 21 % to Water, 20 % to Energy, 16 % to Services and 10 % to Industrial, Trasmediterranea, Grupo Bodegas Palacio 1894 and ACCIONA Inmobiliaria.

FIGURE 3.
Main fields of environmental actions analysed



NATIONAL ENVIRONMENTAL AWARD 2017, CHILE

ACCIONA was awarded the National Environmental Award in Chile for its achievement in becoming a carbon neutral company. This recognition was granted during the celebration of the IV Edition of the National Environmental Awards, which is organised annually by the Recyclápolis Foundation, with the sponsorship of the Government of Chile.

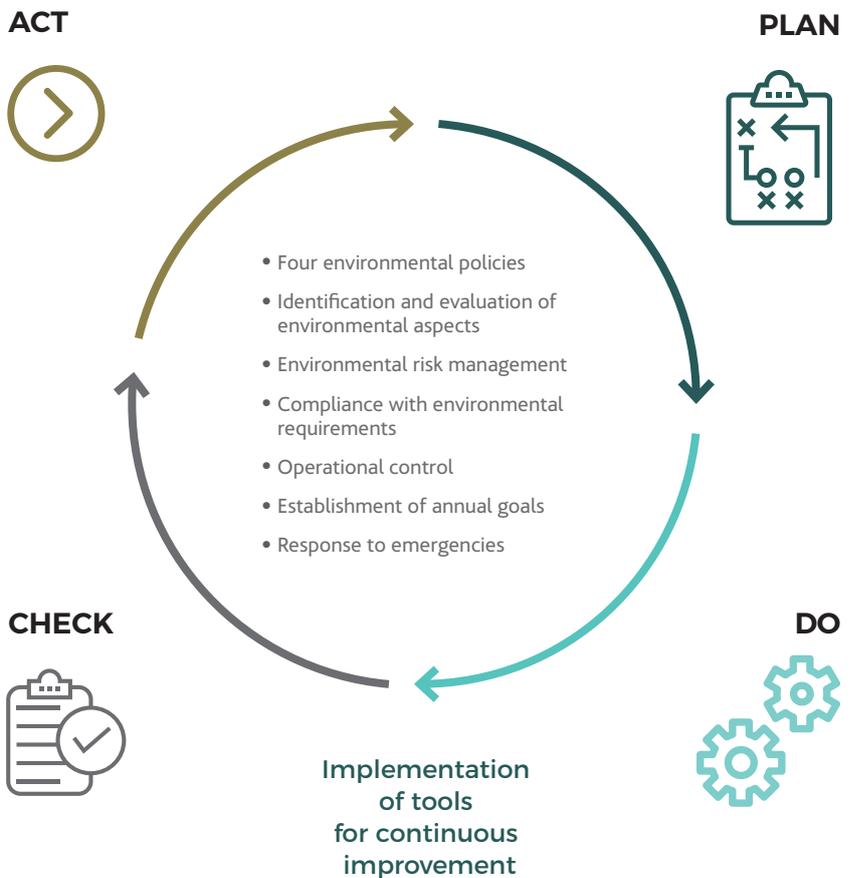
INTEGRATED ENVIRONMENTAL MANAGEMENT

PRINCIPLES FOR SUCCESSFUL ENVIRONMENTAL MANAGEMENT

ACCIONA's environmental management model, based on the principles of environmental performance improvement, establishes a common framework for action that makes it possible to coordinate the various environmental management systems of each of the divisions. This model considers the identification of environmental aspects from a life-cycle perspective, as well as the identification of risks and opportunities to ensure improvement and the planned results.

In this respect, ACCIONA's environmental management systems are verified and certified by accredited independent entities in accordance with the ISO 14001 standard. In 2017, 88 % of revenue was certified.

This model enables ACCIONA to set up systems by which to identify and evaluate the company's environmental footprint and establish mechanisms to facilitate its minimisation. The management model is structured around the following elements:



- Identification, evaluation and minimisation of environmental conditions that may occur during the development of the company's activities.
- Analysis of environmental risks through a regulated technical procedure that quantifies the risk of an accident that causes environmental damage or a negative environmental effect on ACCIONA's activities.
- Identification and verification of legal requirements through an online regulations and legal requirements tool, which allows for managing compliance with administrative obligations and other commitments acquired in addition to those legally required. In 2017, 693 centres were registered in the tool.
- Operational control by means of the corporate tool Métrica, that compiles the quantitative environmental information of each centre, making it possible to manage the environmental performance of the processes, set goals and define strategies.
- Registration and classification of environmental near-misses in all ACCIONA centres and facilities. An environmental near-miss is any incident that does not result in damage to the environment but has the potential to do so. In 2017, the company registered 526 environmental near-misses, such as spills or fires. All the cases were resolved satisfactorily through the adoption of corrective measures (23 incidents involved spills, with a total volume of 1,739 m³ of discharges).
- Implementation of tools for continuous improvement, identification and dissemination of lessons learned and good practices.
- Establishment of annual environmental objectives in all of ACCIONA's businesses, taking as reference the identification of the most significant environmental aspects in the management systems and the SMP.

EVALUATION AND MANAGEMENT OF THE ENVIRONMENTAL IMPACT

In 2017, 21 projects under development have been the subject of an Environmental Impact Assessment (EIA), 12 of which are being processed by the competent Public Administrations of Spain, Panama, Ecuador, Chile and Mexico. In 5 of them, favourable environmental impact statements have been obtained in Mexico, USA, Chile and Panama.

The EIAs for these projects have been published in the relevant official journals and on the platforms enabled for such purpose by the public administrations to channel local participation and receive any possible claims in this respect.

On the other hand, ACCIONA has also carried out 260 Environmental Monitoring Plans (EMPs) in centres and facilities under construction, operation and maintenance.

Additionally, it is worth mentioning the specific environmental monitoring carried out in 49 facilities in 14 countries, with more than 92 supplementary studies.



FURTHER INFORMATION
*in the section "Risks associated with
 climate change" in the chapter on
 "Climate Change"*

ENVIRONMENTAL RISK MANAGEMENT

The management of environmental risks is carried out through the application of the Corporate Environmental Risk Management Standard and its associated procedures. Through the use of the aforementioned documentation, potential events related to the environment that could impact the company and its centres are identified, assessed, prioritised and communicated to ACCIONA's decision-making bodies, in order to establish action policies and tolerance thresholds that provide reasonable assurance about the achievement of objectives. The environmental risk management process includes the evaluation of present and future scenarios (short-, medium- and long-term), for which the probability of occurrence and consequences for the company and/or for the environment is analysed, focusing especially on:

- Risks that climate change supposes for ACCIONA
- Risks that water resources supposes for the company.
- Risks that ACCIONA's activities supposes for the environment.

Additionally, with the aim of addressing risks that have led to environmental crises, the company has also had procedural mechanisms in place for their management since 2011. These mechanisms make it possible to systematically identify these situations, and indicate measures to follow and the necessary responsibilities and resources for their adequate management.

SUSTAINABLE MANAGEMENT OF WATER RESOURCES

Throughout its history, ACCIONA has covered the supply needs of more than 100 million people in more than 30 countries worldwide through its integrated water management cycle, responding to one of the largest environmental challenges faced by humanity.

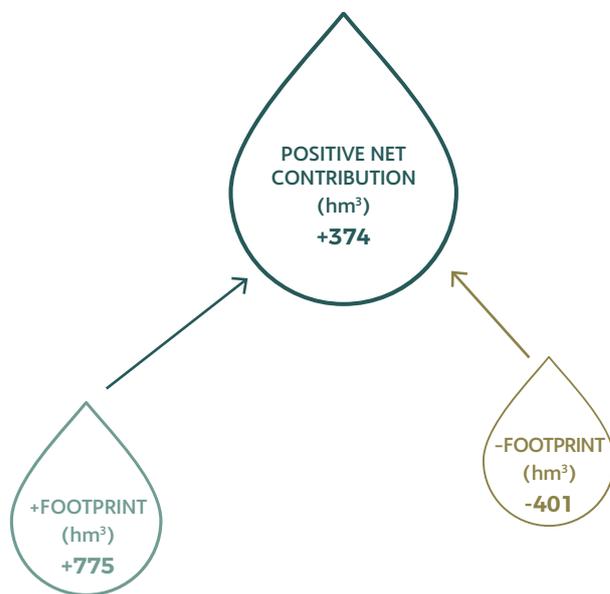
POSITIVE WATER FOOTPRINT ON THE PLANET

The company calculates its water footprint on the basis of two international methodologies: the Water Footprint and the Global Water Tool of the World Business Council for Sustainable Development. These methodologies take into account in the indicator both the impact on the water-resource reserves, and the variation in the water quality. Furthermore, ACCIONA takes into account the singularities of the business, highlighting the company's activities that favour the accessibility of drinking water and sanitation, both fundamental human rights, recognised in 2010 by the United Nations General Assembly.

In 2017, ACCIONA's water footprint generated a positive impact on the planet of 374 hm³, a figure equivalent to the annual consumption of a population of more than 7 million people (based on the average consumption per person in Spain). This positive impact is mainly due to ACCIONA Agua purification and treatment activities, which improve water quality without a significant impact on the water resource reserve, as opposed to the consumption and discharges of the company as a whole.

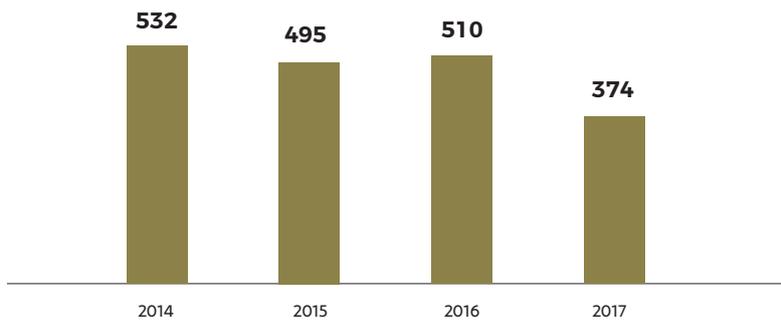
The decrease in the water footprint in 2017 is mainly due to greater activity in desalination and less activity in purification and treatment. Likewise, water consumption has increased 17.3 % with respect to 2016, mainly due to the consumption of large works by ACCIONA Construction. ACCIONA has a reduction commitment of 5 % per year.

FIGURE 4.
Balance of ACCIONA's water footprint



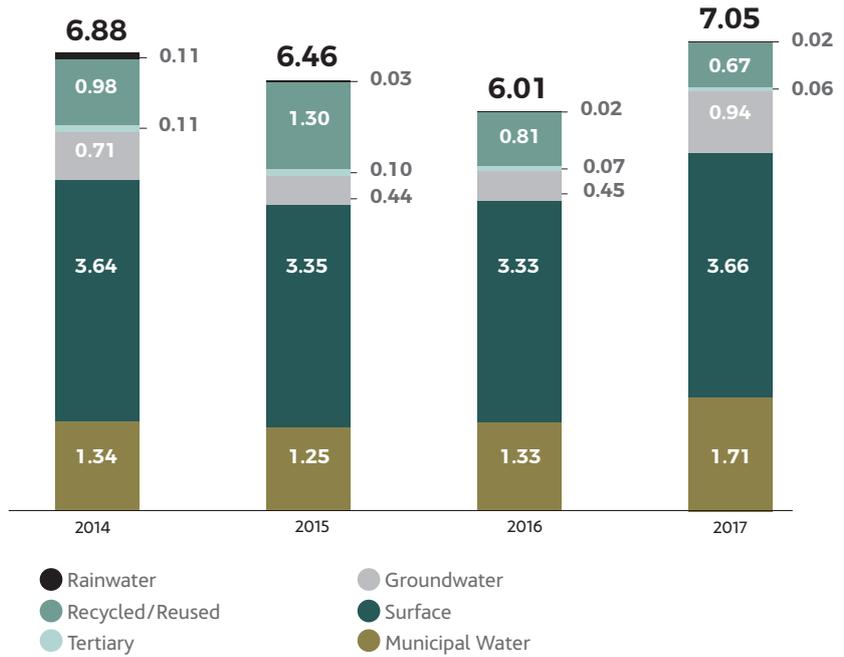
- | | | | |
|-------------------------|----------------------|-------------------------|----------------------|
| • Waste water treatment | +280 hm ³ | • Business consumptions | -6 hm ³ |
| • Purification | +199 hm ³ | • Brine discharges | -392 hm ³ |
| • Desalination | +296 hm ³ | • Other discharges | -2 hm ³ |
| • TOTAL + FOOTPRINT | +775 hm ³ | • TOTAL -FOOTPRINT | -401 hm ³ |

FIGURE 5.
ACCIONA's positive water footprint trends (hm³)



ACCIONA'S WATER CONSUMPTION

FIGURE 6.
ACCIONA's water consumption trends
(hm³)



10.6 % OF THE TOTAL WATER CONSUMED BY ACCIONA IS RECYCLED FROM TERTIARY NETWORKS AND RAIN WATER

Furthermore, ACCIONA has continued its commitment to using water from recycled, reused, tertiary systems or rainwater, amounting to 10.6 % of the company's total consumption. The water consumption ratio in ACCIONA's buildings was 0.85 m³/m².

FIGURE 7.
Water consumption by source

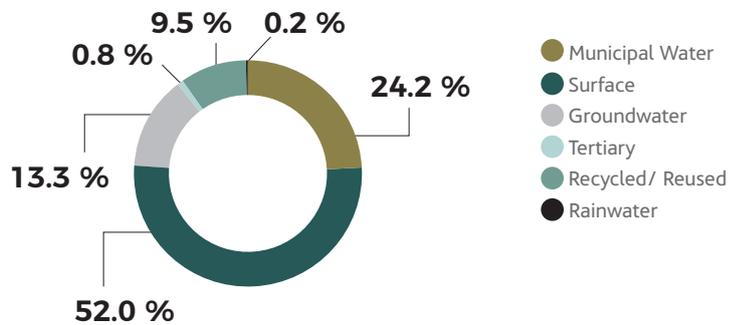
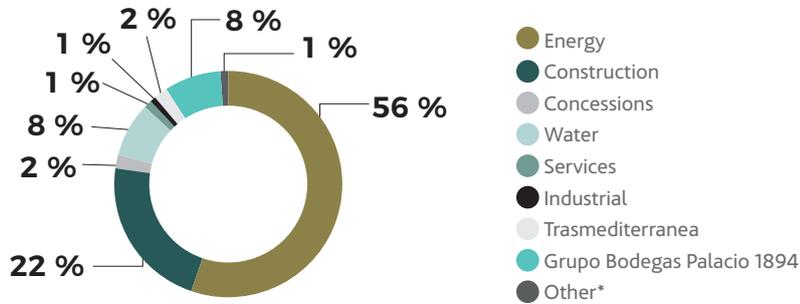


FIGURE 8.

Distribution of water consumption by business line



*Others include Corporate, Bestinver and ACCIONA Inmobiliaria

TABLE 2

Consumption of municipal, surface and groundwater in 2017

Country	Water consumption (m ³)
Spain**	4,876,054
USA **	491,483
Ecuador and Galapagos Islands**	365,783
Norway	291,752
Canada**	220,922
Chile**	196,583
Australia**	172,162
Brazil**	117,441
Italy**	107,317
Mexico**	82,090
Poland*	54,643
Peru**	22,990
Qatar*	17,965
Colombia**	13,169
Portugal**	11,576
Costa Rica**	4,100
Panama**	795
Turkey**	655
Nicaragua	277
India*	261
Andorra	254
Morocco*	142
Croatia	74
South Africa*	8
New Zealand	3

* Countries subject to water stress, according to the Global Water Tool of the World Business Council for Sustainable Development (less than 1,700 m³ fresh water available per year per person).

** Countries not subject to water stress but with a specific region under water stress, according to the Global Water Tool of the World Business Council for Sustainable Development (less than 1,700 m³ fresh water available per year per person).

ACCIONA MEASURES THE TOTAL WATER CONSUMPTION OF ITS SUPPLIERS

For the third consecutive year, ACCIONA has measured the total water consumption associated to the activities of 100 % of its suppliers. The analysis, based on information corresponding to 189 countries and 26 economic sectors, confirms the company as a leader in researching supply chain impacts.

The study carried out has made it possible to reach some interesting conclusions, for instance:

- A small group of suppliers accounts for up to 70 % of water consumption in the supply chain.
- Less than 20 % of the water consumption is generated by direct suppliers.
- Two of the company's businesses account for most of the water consumption in the supply chain.
- The purchase of goods and services in certain countries and sectors has a decisive impact on the final consumption figures.

WATER TRANSFERRED BY ACCIONA

Certain facilities of the company use water in a way that does not imply consumption, given that once it is used, the water resource is returned to the place where it was collected. This process is carried out in the same quality conditions, and does not significantly affect surrounding ecosystems. Water considered under this section is referred to as water transfers, and is classified as follows:

TABLE 3

Water transferred by ACCIONA in 2017

(hm³)

Type	
Surface for refrigeration returned to source	24.3
Turbined in hydroelectric plants	20,993.3
Tertiary for refrigeration returned to intake at WWTPs	0.9
TOTAL	21,018.5

ACCIONA'S DISCHARGES

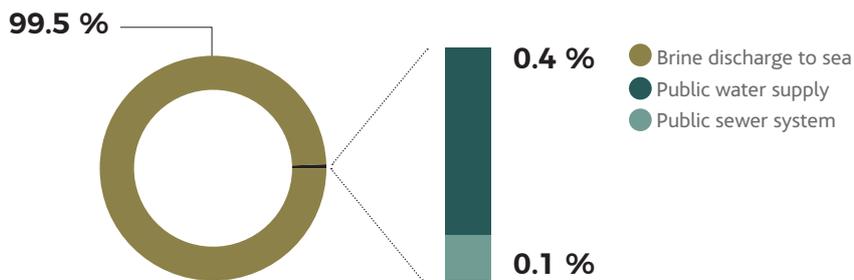
More than 99 % of the volume of ACCIONA discharges corresponds to the brine from desalination plants, with a total volume of brine returned to sea in 2017 of 392 hm³.

Discharges to sewerage networks, hydraulic public domain and maritime-terrestrial public domain have increased 67 % with respect to 2016, mainly due to the increase in Construction activity. These discharges comply with what is specified in the corresponding discharge authorisations.

It should be noted that the processes that guarantee compliance with the requirements for water collection and discharge are part of the environmental management systems that the company implements, verifies and certifies according to the international standard ISO 14001.

FIGURE 9.

Distribution of discharges by type

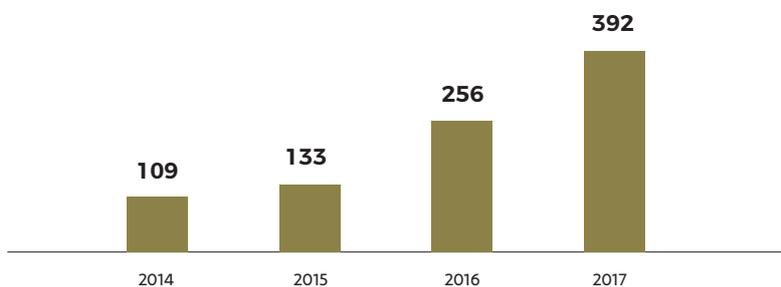


Note: the distribution also includes a small percentage of Maritime-terrestrial public domain, which has not been represented due to being a very small percentage, below the level of the amounts represented in the figure.

FIGURE 10.

Brine discharges trends

(hm³)



WATER-RELATED RISKS AND OPPORTUNITIES

The management of risks associated with water is integrated into the environmental risk management strategy of the company and its businesses, and is carried out through the application of a procedural methodology with which potential events are identified, assessed, and prioritised that could have an impact on the company and its centres, so that action policies and tolerance thresholds are established to provide reasonable security for the achievement of objectives. The process includes the assessment of the following risks:

- Physical risks: water availability and quality, extreme weather events (such as droughts and flooding), water stress, interannual and seasonal variability of rainfall, among others.
- Regulatory risks: tariff changes, abstraction licences and discharge authorisations, regulation of river basins, among others.
- Other risks: impact on the supply chain, impact on habitats and ecosystems, social conflicts, improved water accessibility and sanitation and impact on other stakeholders.

The possible present and future scenarios (short, medium and long term) in which these risks may arise are evaluated in terms of probability of occurrence and consequences for the company (operational, economic and/or reputational). To this end, different variables of exposure are analysed and different tools are used, such as: i) tools to monitor consumption and discharges, ii) identification of consumptions in the supply chain, iii) maps of water risks provided by reference organisations, iv) tools for identifying legal requirements, v) procedures for social impact management, vi) procedures for environmental management and vii) know-how of the company's qualified personnel. The main opportunities derived from the company's activity with regard to water resources are materialised through the ACCIONA Agua division.

In addition, in 2017, a top-down analysis of the environmental risks associated with water resources in ACCIONA was carried out through the interrelation of the most significant water hazards with geographical exposure and vulnerability of its activities.

With respect to the associated opportunities, ACCIONA Agua is nowadays carrying out its purification, waste water treatment and desalination solutions to areas of the world that suffer from major water deficiencies.



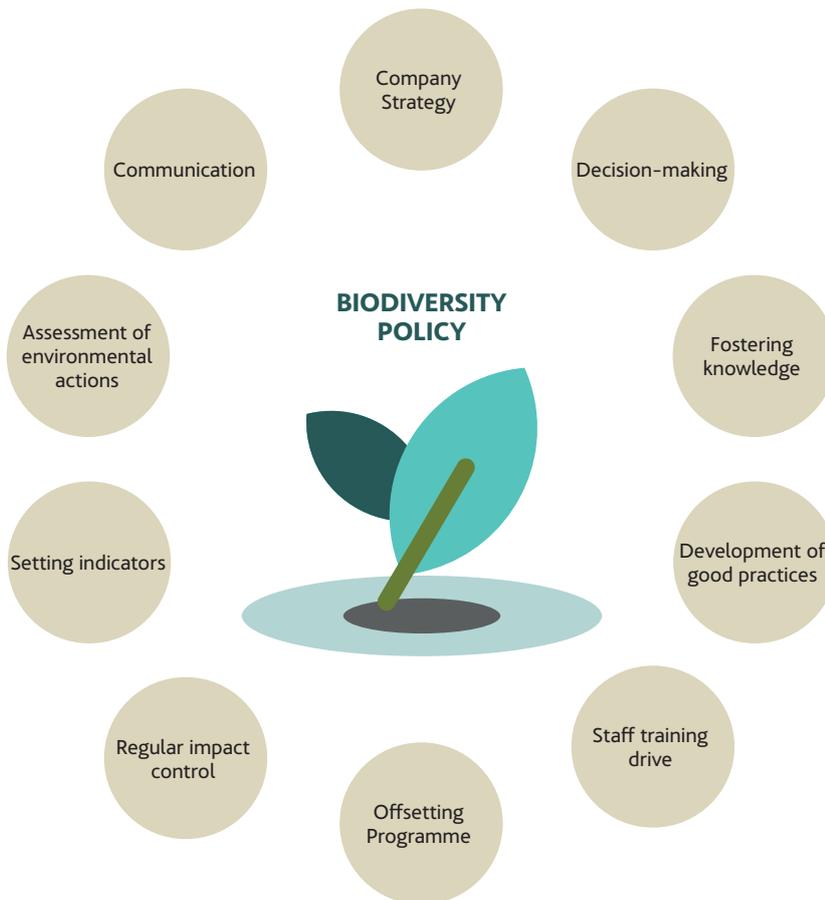
MORE INFORMATION

in the section "Management of water resources" of the chapter "ACCIONA Infrastructure's Commitment"

ENVIRONMENTAL PROTECTION AND BIODIVERSITY

In addition to sustaining the functioning of life, biological diversity provides the ecosystem services essential for human well-being. Within this context, in the meeting held during the tenth Conference of the Parties in 2010 in Japan, the Convention on Biological Diversity (CBD) approved the Strategic Plan for Biodiversity 2011-2020, with the aim of inspiring large-scale actions for all countries and stakeholders to safeguard biological diversity and the benefits it provides to people over the next decade. This Plan recognises the progress that has been made in the integration of biodiversity conservation and the sustainable use of resources in the economic activities of the companies.

For ACCIONA, the conservation of biodiversity and the responsible use of natural heritage are, as well as an ethical commitment, a necessary condition for global sustainability. Since 2013, the company has had a specific corporate Biodiversity Policy in place, in which, through different principles, it promotes the valuation and conservation of biodiversity as necessary for economic development and social progress.





FURTHER INFORMATION
in the section "Management of environmental impact" of the chapters "ACCIONA Energy's Commitment" and "ACCIONA Infrastructure's Commitment"

ACCIONA, in each of the phases of design, construction, operation, maintenance and dismantling of the company's activities, identifies and evaluates the possible effects on biodiversity.

To carry out their adequate management, environmental monitoring plans are established to control and implement the preventive and corrective measures associated with the project.

MAIN ACTION LINES IN 2017

Biodiversity Offsetting and Improvement Programme

ACCIONA has a programme consisting of the design and execution of voluntary initiatives that go beyond the administrative environmental requirements, whose objective is to favour the situation of certain threatened species and/or ecosystems. These are actions that favour biodiversity and social progress, and that generally imply a differentiation that allows for recognition of ACCIONA's effective commitment to sustainability.

In addition, the company periodically updates the *ACCIONA global commitment to biodiversity*¹⁵ report with new and interesting practices in biodiversity linked to the development of ACCIONA's activities, thereby showcasing and communicating the most relevant actions that develop their different business lines in terms of conservation.

CAPTIVE BREEDING AND BEHAVIOURAL STUDY OF EUROPEAN MINK

ACCIONA has collaborated with the Foundation for Research in Ethology and Biodiversity (FIEB in Spanish) since 2013 in the European Mink Captive Breeding project, a critically endangered species that is considered the most threatened mammal in Europe.

This European project is part of the Captive Breeding Program within the National Species Conservation Strategy, coordinated by the Ministry of Agriculture and Fisheries, Food and Environment. The research centre that FIEB has in Toledo (Spain) is the largest captive breeding centre and the one with the highest number of specimens in Spain. The creation of this breeding centre has improved the accommodation capacity of European mink specimens and the captivity standards, which has resulted in 12 new offspring born in 2017 under perfect conditions that add to the 10 born between 2015 and 2016.

This constitutes a success for the continuity of the species and for the improvement of the global genetics of the captive population. In addition, this year ACCIONA has donated a work shed which, once refurbished, can accommodate students who are carrying out work experience in these facilities. It is a project that has an important international impact, since there are only three populations of European mink in the world, and one of them is in Spain.

IN 2017,
12 ACTION PLANS
ON BIODIVERSITY
WERE CARRIED
OUT LINKED
TO THE
DEVELOPMENT
OF ACCIONA'S
ACTIVITIES

(15) <https://www.accionacom.com/sustainability/environment/biodiversity/>

IMPROVEMENT OF BIODIVERSITY IN THE TERRITORY AND HABITAT OF THE BROWN BEAR

ACCIONA has continued, for another year, the project started in 2012 in collaboration with the Fundación Oso Pardo (Brown Bear Foundation) with the planting of new fruit trees that enrich the pine forests of Palencia and Cantabria, thus improving the availability, variety and quantity of food for the brown bear, catalogued as in danger of extinction. Different scientific studies point out that the reproductive success and the survival of bear cubs seem to be linked to food, and therefore a greater diversity of food energy resources would be crucial for their recovery.

During 2017, the network of feed points for the brown bear was expanded by planting 3,000 fruit trees of different species: cherry, apple, whitebeam, alpine buckthorn, alder buckthorn, hazel and rowan, scattered in various forests to cover a greater enriched territory. As a result, the total number plantations means that the ACCIONA Forest has reached the sum of 24,000 planted trees. These plantations are carried out in one of the only two bear habitats of the Cantabrian Mountains, estimated to be home to a total of 40 bears, according to the last census carried out. These actions promote the improvement of biodiversity in Cantabria and the absorption levels of CO₂, while improving the brown bear habitat, contributing effectively to the recovery of one of the country's most symbolic animal species.

INDICATORS OF BIODIVERSITY PERFORMANCE

ACCIONA controls and monitors facilities that are adjacent to or located in protected areas and non-protected areas of great value for biodiversity.

TABLE 4
Location of facilities in protected areas and unprotected areas of great value for biodiversity in 2017

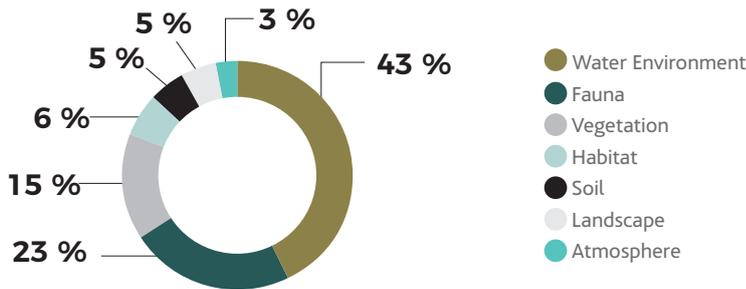
Business line	Location with respect to the protected area	Surface area (ha)	Protected areas
ACCIONA Energy			
Spain			
Wind farms and power lines	Internal	92	SCI, SPA, NatP, IBA, BR
Wind farms and power lines	Partially internal	391	SCI, IBA, SPA
Hydroelectric power plants	Internal	6,880	SCI, SPA, SAC, NatP, BR, Wetland
Portugal			
Photovoltaic	Partially internal	114	ZPE
Mexico			
Wind farm	Internal	111	MR
ACCIONA Agua			
Spain			
Treatment plants and associated services	Internal	23.69	SAC, NatP, RP
Treatment plants and associated services	Partially internal	1.5	SPA
Treatment plants and associated services	Adjacent	13 facilities	SCI, SPA, SAC, PN, Ramsar
Portugal			
Processing facilities	Internal	2	NatP
Australia			
Processing facilities	Internal	6	NP
Nicaragua			
Construction work	Internal	0.4	NA
ACCIONA Construction			
Spain			
Infrastructure	Internal	14	SPA, SCI, NatP, SAC, PL
Infrastructure	Partially internal	496	SCI, SPA, SAC, IBA
Infrastructure	Adjacent	6 works	SAC, SCI, PP, NatP
Australia			
Linear infrastructure	Partially internal	92	PL
Brazil			
Linear infrastructure	Internal	4	PL
Other businesses			
Spain			
Other facilities and infrastructures	Internal	21	NatP
Other facilities and infrastructures	Adjacent	1 facility	SAC

Note: SCI: Site of Community Importance; SPA: Special Protection Area for birds; IBA: Important Areas for the Conservation of Birds and Biodiversity; SAC: Special Conservation Area; NP: National Park; NatP: Natural Park; RP: Regional Park; BR: Biosphere Reserve; PL: Protected Landscape; ZPE: Special Protection Zone; MR: Migratory Route; NA: Natural Protected Area of National Interest

Identification and assessment of the most significant impacts

ACCIONA carries out the identification and assessment of the most significant impacts of each of these facilities.

FIGURE 11.
Nature of impacts



The assessment took into account the species affected, the surface area of the facility within the protected area, the duration of the impacts, and whether they were reversible or irreversible.

Protected species

In the same way, ACCIONA identifies the species affected by the facilities included on the Red List prepared by the International Union for Conservation of Nature (IUCN) or included in national catalogues.

The following table shows the number of species and their category of protection according to the Red List of the IUCN. Furthermore, it takes into account the species that are not included in this list but are protected by national catalogues.

TABLE 5
Protected species affected by ACCIONA's facilities

IUCN Red List protection category		No. of species
CR	Critically endangered	3
EN	Endangered	5
VU	Vulnerable	5
NT	Near threatened	10
LC	Least concern	83
Other national catalogues		9
TOTAL		115

Restoration and protection of habitats

ACCIONA projects consider the prevention and restoration of areas that may be affected by its facilities, and therefore these projects are associated to works for the restoration and protection of habitats, such as replanting, maintenance of forests and planting of affected areas.

In 2017, the company protected and restored 126 hectares in the areas surrounding its projects and, in almost all cases, the success of the measures carried out were verified by independent external professionals.

Water bodies affected significantly by water abstraction or discharges

In ACCIONA, it is necessary to capture and discharge water for the development of certain activities: i) production of renewable electric power in hydroelectric power plants, where the water, after passing through the power plant, is reincorporated into the riverbed without any alteration in its composition; ii) supply of drinking water through drinking water treatment plants (DWTP) and seawater desalination facilities (SDF); iii) execution of works.

Therefore, the company and the environmental administration establish prevention measures to minimise any impacts on species that may be present in river ecosystems, such as respect for the regime of environmental flows and the technical requirements established by the administration itself.

Treatment of the main risks and opportunities associated with biodiversity

The company continues to strengthen the treatment of the main risks and opportunities related to the environment and biodiversity through the normative documentation that was approved in 2016, among which the environmental responsibility procedure stands out. Therefore, ACCIONA works to identify the risks derived from its activities and the ability to mitigate them.

This procedure, which covers every kind of facility or project for any country where the company operates, goes into greater depth on the risks that ACCIONA's activities may cause accidentally to the natural environment of any receiver. Likewise, it contemplates any defects in terms of operation, maintenance, design, material, equipment, process or external factors in the analysis of risks to the environment, including biodiversity.

CIRCULAR ECONOMY: SUSTAINABLE USE OF RESOURCES AND WASTE MANAGEMENT

Within the framework of the SMP 2020, ACCIONA is moving towards a circular economy programme incorporating in its activity methodologies, processes, technologies and good practices that allow products and processes to be selected that are more environmentally friendly and that have less impact on the entire value chain; minimising the use of natural resources and the generation of waste, increasing recovery, promoting the life cycle analysis in the production systems and promoting awareness of the aspects of the circular economy.

As a member of the Spanish Group for Green Growth, ACCIONA has also adopted the commitment to promote the transition to a circular economy through the Pact for a Circular Economy.

ACCIONA believes that life cycle analysis (LCA) is a key tool in the transition towards a circular economy. It is a standardised methodology that is applied to evaluate the environmental impact of a process, product or service throughout its life, from the purchase of raw materials, to transport, construction and use until the end of its useful life. ACCIONA has an LCA portfolio that serves as a reference for the management of this type of tool. The portfolio currently has 53 LCAs and 5 environmental product declarations (EPD) from the energy and infrastructure sectors, such as the El Romero Solar photovoltaic plant or the improvement works of the N-340 road. Both have been the first EPDs published, according to the international EPD system, in the category of solar energy and motorways, streets and roads, respectively.

In addition, the company incorporates key elements of the circular economy into its activities such as:

- Efficient use of materials: the rational use of resources and maximum efficiency with the best available technologies, extending to all business practices that consume resources and raw materials.
- Minimisation and recovery of waste: the company continues to advance in the achievement of objectives established in the Waste Management Plan 2016-2020.

WASTE MANAGEMENT PLAN 2016-2020

The Plan was born under a worldwide regulatory development framework in the circular economy field. It covers the most representative types of waste in ACCIONA and aims to establish a general strategy in the waste policy for the promotion of the circular economy model.

Some objectives to be highlighted are the recovery of 50 % of the overall generation by 2020 and a 10 % reduction in the total generation of unrecovered waste compared to 2015.

In 2017, the company generated a total of 12,118,376 tonnes of non-hazardous waste and 21,104 tonnes of hazardous waste, having recovered 43 % of its total generation and sending the rest to landfill. The increase in the generation of hazardous waste is largely due to the greater activity of Trasmediterranea, and in turn, of Marpol I waste generation.

ACCIONA HAS
SET ITSELF
THE TARGET
OF RECOVERING
50 % OF THE
OVERALL WASTE
GENERATED
IN 2020

TABLE 5

Evolution of waste generation and management.

	2014	2015	2016	2017
Non-hazardous waste (tonnes)	16,192,489	8,909,870	12,590,645	12,118,376
Hazardous waste (tonnes)	7,050	9,889	13,279	21,104
% Recovery of the total waste	39	35	37	43
% Landfill	61	65	63	57

TABLE 6

Evolution of resource consumption

	2014	2015	2016	2017
TOTAL resources* (tonnes)	13,764,382	7,954,691	12,317,716	8.940.928
Recycled or renewable resources (tonnes)**	2,173,112	1,392,542	1,614,318	1.763.063
Recycled or renewable resources (%)**	16	18	13	20

*Includes the most representative resources for each of the businesses

**Recycled or renewable resources: biomass, certified wood (FSC or similar), land, aggregates and recycled steel

ENVIRONMENTAL SANCTIONS AND FINES

During 2017, the company received 18 environmental fines and sanctions for a total value of €78,596. Of the total amount of the sanctions closed in 2017, there are 2 higher than (or equal to) €5,000; the amounts of which were €5,000 and €63,000 (ACCIONA Construction).