

OTHER BUSINESSES' COMMITMENT

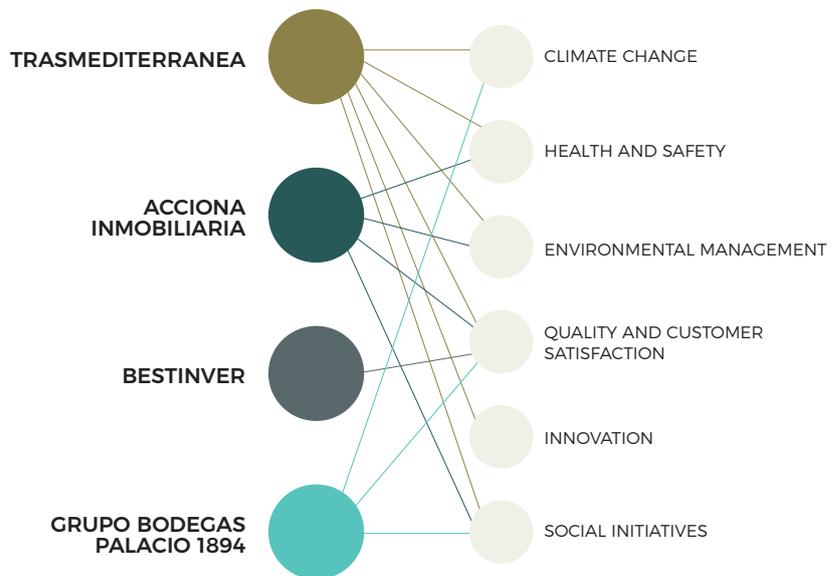
ACCIONA pursues other types of business, such as: cargo and passenger maritime transport through Trasmediterranea, the promotion of real estate properties by ACCIONA Inmobiliaria, financial services, including fund management and stock brokerage by Bestinver, and the production of high quality wines by Grupo Bodegas Palacio 1894.

Other businesses in 2017



Below are the main aspects identified in 2017 as most relevant by key business stakeholders. Each aspect describes the sustainability performance for each of them during this year.

SUSTAINABILITY PERFORMANCE IN OTHER BUSINESSES



BESTINVER'S SUSTAINABILITY PERFORMANCE IN 2017



Bestinver is a leading company in management services of investment funds, pension funds and other collective investment institutions. Bestinver focuses on obtaining appealing, sustainable returns through the construction of strong portfolios. The alignment of interests is essential as both investors and managers co-invest with a single goal: to obtain the best possible returns on the long term. Bestinver investment philosophy can be defined simply: "to obtain profitability investing in companies that are undervalued through essential analysis, suitable risk management and a long-term time horizon shared by investors and managers".

CUSTOMER SATISFACTION

Bestinver relies on an investor relations team whose aim is to keep customers informed at all times of the status of their portfolios as well as to facilitate their transactions in investment and pension funds. Bestinver's aim is to increase the satisfaction of its customer base constantly.

In 2017, the clients who took part in the recommendation and satisfaction surveys assigned an overall assessment of satisfaction of 4 out of 5 to the products and services offered by the business. In 2017, recommendation and satisfaction surveys were carried out during the Madrid and Barcelona conferences and through a study that consisted of 1,000 telephone interviews with investors.

Additionally, Bestinver has measured the degree of recommendation by its investors of the company, according to the NPS indicator, when asked: *'How likely are you to recommend Bestinver to a friend or acquaintance?'*; the NPS obtained was 38 %, in other words, almost a third of all customers promote the company.

This year, Bestinver held two conferences for its customers, with 492 attendees in Barcelona and 726 in the Madrid conference. It also published its new website, which includes information on the company's products. It has a private area for clients in which on-line operations can be carried out and with the "Investment School" section where key concepts are set out to explain the essential facts necessary when investing in investment funds and pension plans.

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SUSTAINABILITY PERFORMANCE OF GRUPO BODEGAS PALACIO 1894 IN 2017



Grupo Bodegas Palacio 1894 engages in the production and merchandising of wines in five of the most prestigious designations of origin of Spain. Its activity involves both the domestic and international markets, with a presence in 40 markets worldwide.

The essential cornerstones of its business model are the constant search for excellence, its commitment to the environment, sustainability and the capacity to innovate.

CLIMATE CHANGE

The ACCIONA wine-producing group has reduced its emissions by 36 % on 2016, only having emitted 267 t CO₂e. It should be noted that, just like the rest of the ACCIONA group businesses, Grupo Bodegas Palacio 1894 took part in achieving the carbon neutrality objective, offsetting emissions that it generated through its activity.

The business' wine cellars and vineyards, which have been consuming only electricity from renewable sources since 2015, have explored new ways by which to reduce their GHG emissions. Some examples include:

- The electrification of the water heating processes for the sterilisation of the bottling line in Viña Mayor, which has reduced emissions by 53 t CO₂e.
- The study of alternatives to the use of diesel as fuel in Viña Mayor and Caserío de Dueñas, where use of its own biomass generated by the activity, has been analysed.

Additionally, Bodegas has continued to work on energy efficiency, in 2017 taking action in Bodegas Peñascal, for example by improving the waste water treatment process (which successfully reduced energy consumption by 30 %) or optimising use of the various cold equipment according to external temperature.

Additionally, initiatives were taken to reduce GHG emissions in the value chain, working to reduce the weight of the bottles used for 2 types of wine, which in 2017 totalled production of approximately 60,000 units, thereby affecting the reduction of energy and GHG emissions necessary for their manufacture.

CONTRIBUTION TO SOCIETY

For the third consecutive year, Grupo Bodegas Palacio 1894 has joined the social cooking project, Gastronomix. It offers training opportunities in catering to 41 young adults from vulnerable backgrounds, broadening their career prospects.

The group has been responsible for introducing 41 young adults to wine culture in an educational, professional, responsible manner. Activities included a master class on the principles of wine, giving the students tools and techniques to be applied on a daily basis in the Gastronomix canteen (essential concepts of conservation and service, basic rules of pairing, etc.).

ENVIRONMENTAL MANAGEMENT: REDUCTION OF WATER CONSUMPTION

Water consumption is one of the most important environmental variables in the wine-making business: in 2017, the group accounted for 7.7 % of the total of ACCIONA's water consumption. More specifically, the property stretching out over more than 503.5 hectares of vineyard manages water resources strategically.

This is why, in 2017, measures aimed at reducing water consumption continued to be implemented, both in the vineyard and in the wineries:

- Continuance of the study in Caserío de Dueñas on the use of fertilisers that increase water retention capacity in the roots. The results obtained aim to save between 5 % and 10 % on water consumption.
- Use of hoses with greater pressure support in the wine filtration process in Bodegas Peñascal. This makes it possible to have longer filtration cycles and to reduce the number of cleaning sessions, saving around 120 m³ each year in water consumption. This and other measures for saving water in these cellars have made for a 6.3 % reduction in consumption compared to the previous year.
- Various actions included in a plan to minimise water consumption have also been pursued in the cellars of Viña Mayor, achieving savings of up to 23 % in water as compared with 2016.

COMMITMENT TO QUALITY AND CUSTOMER SAFETY

Grupo Bodegas Palacio 1894 works to offer top quality and safety in the products it offers its customers, as well as to foster responsible consumption, participating in initiatives like Wine in Moderation.

As part of its commitment to the continuous improvement of quality, environmental management and health of its customers, the Group has management systems certified as follows:

BODEGAS VIÑA
MAYOR HAS
OBTAINED
WINERIES
FOR CLIMATE
PROTECTION
CERTIFICATION,
A SPECIFIC
SUSTAINABILITY
CERTIFICATION
FOR THE
WINE SECTOR

GRUPO BODEGAS PALACIO 1894 CERTIFICATIONS

- **ISO 9001 and ISO 14001:** 100 % of wine production (except for Bodegas Anzil).
- **Wineries for Climate Protection:** the first and only specific certification for the wine sector in the area of environmental sustainability and the fight against climate change. Viña Mayor is also the first winery with Designation of Origin Ribera de Duero to obtain this distinction. The certification involves improvements to processes to reduce emissions and increase energy efficiency.
- **Food Safety System Certification (FSSC 22000):** at Bodegas Peñascal, Viña Mayor, Caserío de Dueñas and Bodegas Palacio wineries. This is the corporate benchmark standard for the management of food safety risks throughout the supply chain.
- **ISO 22000:** food safety management system in Bodegas Peñascal, Viña Mayor, Caserío de Dueñas and Bodegas Palacio.

The improvement in the quality of the group products has a direct impact on customer satisfaction. It should be noted that this year, the business has improved control over food safety in the process of filling the wine cisterns.

In 2017, various customer satisfaction surveys were carried out (direct sales, exports, food and HORECA); the results show 83 % of satisfied customers and 95 % final consumers of Grupo Bodegas Palacio 1894 recommend purchasing its products. Additionally, through the HORECA channel, an annual convention of distributors is held to assess the results and obtain an opinion on the new products.

In 2017, the management procedure for returns and claims was revised, improving the response to customers making a claim. 100 % of direct sales consumer claims were resolved in an average of 1-2 days. Grupo Bodegas Palacio 1894 is not aware of any sanctions relating to safety and the quality of its products.

CUSTOMER LOYALTY

Customer loyalty is a key aspect for Grupo Bodegas Palacio 1894 and its strategy adapts to each brand, channel and market. Innovation and striving for continuous improvement make it possible to achieve wines of top quality, and this is reflected in the awards and the comments it receives from critics, as well as the business' involvement in professional events of recognised prestige. Additionally, there is a permanent focus on promotion, marketing and public relations. Amongst others, in FY 2017, the following stand out: the launch of the range of La Poda brand products to cover the demand and tastes of the most modern public, promotions for Father's Day and the sponsorship of the Madrid Horse Week.

ACCIONA INMOBILIARIA'S SUSTAINABILITY PERFORMANCE IN 2017

103
EMPLOYEES

EUR 113 million.
REVENUE

100 %
ACTIVITY IN SPAIN
CERTIFIED UNDER ISO 14001

EUR 12 million.
EBITDA

100 %
CUSTOMER SATISFACTION

100 %
ACTIVITY CERTIFIED UNDER
OHSAS 18001

With more than 25 years of experience in the field, ACCIONA Inmobiliaria is one of Spain's leading residential management and development companies, having developed more than 9,000 housing units across Spain, Portugal, Poland and Mexico.

With solid technical and professional experience behind it, the company includes sustainability criteria in all its developments, as one of its main goals is the development of projects that help to conserve the environment and involve a reduction of costs and improved quality of life for customers.

ENVIRONMENTAL MANAGEMENT: ECO-EFFICIENT HOUSING

Just like the rest of the group businesses, ACCIONA Inmobiliaria took part in achieving the carbon neutrality objective, offsetting emissions that it generated through its activity. In 2017, greenhouse gas emissions released by ACCIONA Inmobiliaria came to 1,834 t CO₂e, 0.15 % of the total recorded for ACCIONA.

One of the main business objectives involves the commitment to work on projects that help to conserve the environment, firmly investing in the certification of sustainability of 100 % of its new developments, under the strict BREEAM system.

BREEAM assesses the levels of sustainability of buildings both during design and in execution and maintenance phases, enabling certification on different levels. The aim of ACCIONA Inmobiliaria for all its developments is to obtain scores of Good or Very Good.

This year, the level of achievement of this objective is 100 %, with "Very good" pre-qualifications for 70 % of its promotions under construction and up to 75 % for promotions during the project phase, thereby showing a positive evolution of the current projects.

Additionally, in its environmental management commitment, the business certifies 100 % of its property development activities in Spain with ISO 14001.

Reduction of energy consumption.

The ACCIONA Inmobiliaria developments include energy efficiency solutions such as the use of improved thermal insulation, centralised heat generation by means of high performance condensation heaters, an architectonic design that optimises exploitation of natural light and ventilation or the use of presence sensors and lighting using LED technology. The buildings are therefore designed to minimise CO₂ emissions associated with their operative energy consumption and to improve the building energy efficiency index up to 65 %.

Reduction of water consumption

ACCIONA Inmobiliaria promotes the implementation of measures that enable water consumption to be reduced in its development of property. These include the use of low-flow taps and bathroom fittings, enabling savings of between 25 % and 50 % in bathrooms and up to 33 % in taps as compared with conventional systems. Additionally, other measures are also implemented, like preparing gardens in common areas, with autochthonous plants and those requiring little water.

CUSTOMER SATISFACTION

In 2017, ACCIONA Inmobiliaria carried out two major surveys to measure its customers' satisfaction: i) assessment of customer satisfaction in the residential sales business, and ii) surveys at all students residences. The results show 100 % satisfied customers (classified between Good and Very Good) and 70 % of customers of ACCIONA Inmobiliaria would recommend the company to third parties.

The company has created new communications channels with customers with the aim of making progress in bringing the real estate product closer and improving the quality and quantity of information supplied:

- Launch of an app for the display of property projects by means of virtual reality, used by 30 % of customers in 2017.
- Development of a specific section for customers on the website, available for 2018.
- CRM (Customer Relationship Management) has been implemented.
- Opening of profiles on social networks, followed by 50 % of customers.

It should be noted that 100 % of the property development activities carried out in Spain are certified ISO 9001 and ISO 14001 and in Poland they are 100% certified ISO 9001.

YOU HELP US, WE HELP YOU: SOLIDARITY INITIATIVE TO OBTAIN CUSTOMER SATISFACTION SURVEYS

In the 2017 survey campaign, ACCIONA Inmobiliaria launched a new initiative: *You help us, we help you*, whereby the company undertook to make a donation for each satisfaction survey answered by its customers, stipulating a prior solidarity collaboration agreement with two non-profit organisations, with the project to receive the most votes being the one that will ultimately receive the donation.

As a result of this initiative, customer participation in the surveys increased, almost double compared to the previous period analysed.

HEALTH AND SAFETY

ACCIONA Inmobiliaria safety management is integrated into the whole of the company's organisational structure. At all permanent work centres, there is a liaison officer with the Prevention Service, who monitors health and safety matters. This enables a real integration of the preventive functions at each workplace.

This year, the sphere of influence of the preventive culture has expanded, not only to include collaborators but also customers. Information has been included in the contracts of student residences about the risks of the centre and instructions given on prevention and action in the event of an emergency. These actions are supplemented with awareness-raising talks to all staff at the start of the academic year.

Please note that zero has been booked as OHS-IF by way of indicator of the implementation of the OHS management system, for the third year running, thereby showing the absence of accidents at work resulting in time off for medical reasons.

TRASMEDITERRANEA'S SUSTAINABILITY PERFORMANCE IN 2017



Trasmediterranea is the leading Spanish cargo and passenger maritime transport company and one of the most important in Europe. The business' sustainability commitments are:

- To prevent or minimise the contamination generated by its business and the deterioration of its workers' health.
- To promote continuous training focussed on offering services that comply with the customers' requirements and facilitate the optimisation of resources and suitable risk prevention practices.
- To seek out innovative solutions to improve the quality of service and prevent contamination, injury and damage to health.
- To collaborate with suppliers, fostering relations based on trust, loyalty, transparency and mutual respect.

ENVIRONMENTAL IMPACT MANAGEMENT

Trasmediterranea, whose passenger and cargo transport activity is certified according to standard ISO 14001, defines targets that are revised each year to minimise its environmental impact.

Additionally, in 2017, the business obtained allowances for the completion of actions fostering environmental protection and respect, for an amount of EUR 1.7 million.

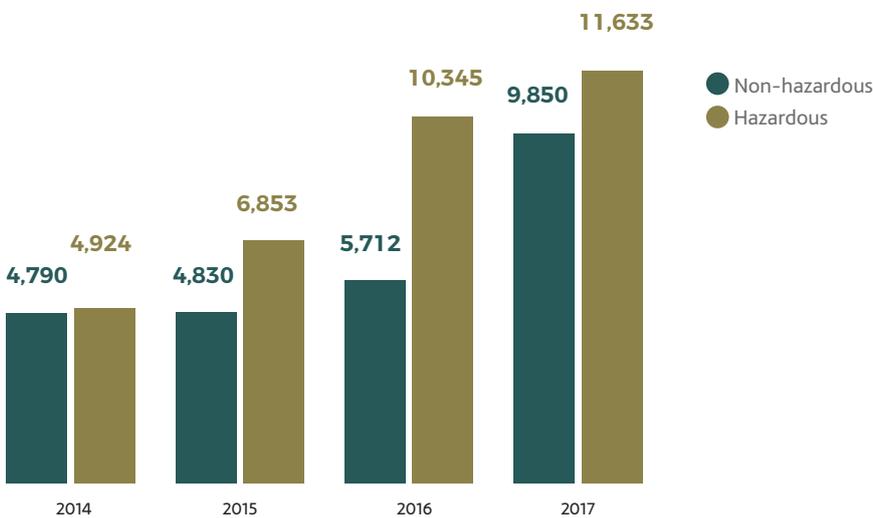
- For the sixth consecutive year, the port authorities have subsidised Trasmediterranea with a 5 % reduction in "T1" due to good environmental practices adopted by ISO 14001 certified ships.
- The maritime stations of Barcelona, Valencia, Cadiz have benefited from a 15 % reduction in the activity rate thanks to the stipulation of various Best Environmental Practice agreements.
- The company has also benefited from a reduction in the fixed tariff charged for the acceptance of waste generated by ships, because it has an environmental management system and a waste management plan.

Circular economy: waste management

Trasmediterranea generated a total of 21,482 tonnes of waste, of which 9,850 tonnes was non-hazardous and 11,633 t hazardous. It should be noted that 54 % of the total refers to MARPOL I, which were entirely assigned to recovery plants. This is a hazardous waste comprising a mixture of water and hydrocarbons that is generated in boats and delivered to the port by an authorised manager. The oily fraction of the waste is separated and allocated for regeneration of the fuel, for re-release to the market.

99% OF
HAZARDOUS
WASTE WAS
SENT FOR
RECOVERY

FIGURE 1.
Evolution of waste generated by Trasmediterranea



Trasmediterranea also carries out awareness-raising amongst its customers through on-board videos about the problem of marine waste and how it impacts biodiversity, highlighting aspects like recycling and correct waste management. The campaign is included in the project “Voces por una Mar Sana” (‘Voices for a Healthy Sea’) by the Asociación Ambiente Europeo.

HEALTH AND SAFETY

The health and safety of its employees is a priority for Trasmediterranea. In this respect, the company’s commitment starts with OHSAS 18001 certification. There are two Health and Safety Committees in Trasmediterranea, which account for 100 % of the workforce.

FIGHTING CLIMATE CHANGE: INNOVATION AND ENERGY EFFICIENCY

Trasmediterranea's greenhouse gas emissions totalled 530,625 tonnes, accounting 44 % of the group's total emissions in 2017, mainly due to the consumption of fossil fuels by the ships.

In recent years, the business has successfully reduced its energy consumption through various initiatives. The main initiatives were as follows:

- Painting some ships using innovative paints that reduce friction in water. In 2017, two more boats were painted, achieving savings of 2,700 t CO₂e.
- Redesign of the propellers and update of the ship propulsion system to optimise fuel consumption.
- Replacement of traditional lighting with low consumption lighting as a means of energy eco-efficiency, both in ships and maritime terminals.

COLD IRONING ASSESSMENT FOR THE TRASMEDITERRANEA BOATS

The boat connection to the electricity grid when in port or cold ironing, is one of the measures used as an initiative by which to reduce atmospheric emissions.

In 2017, work was carried out with Puertos del Estado and specialised companies, analysing the investment necessary in boats, the availability of port connections and the economic viability of the measure. This measure has the potential to reduce total GHG emissions generated by the fleet (according to the source of electricity contracted) by between 1 % and 7 % and would allow for the total elimination of contamination by NO_x and particles in the port.

CONTRIBUTION TO SOCIETY AND THE ENVIRONMENT

For Trasmediterranea, the sea is the most important medium which is why it pursues different initiatives to raise awareness and protect marine biodiversity. In 2017, two collaboration activities stand out:

Major cleaning of sea beds

Trasmediterranea sponsored the 3rd edition of the Great Cleaning of the Seabed at some 30 points along the Spanish coastline. Approximately 1,500 voluntary divers of the Red de Vigilantes Marinos (Marine Supervisory Network), the majority divers involved in the conservation of the environment, collected 20 tonnes of waste.

This initiative did not only target the collection of waste that is harmful to nature but also sought to make citizens aware, to thereby help prevent waste reaching the sea, instead consigning it to the respective waste-sorting containers.

Foundation for the Conservation and Recovery of Marine Animals: loggerhead sea turtle

In collaboration with the Foundation for the Conservation and Recovery of Marine Animals (CRAM) and at the request of the Marine Fauna Rescue Network of the Government of Catalonia, a loggerhead sea turtle was freed, sponsored by the shipping company that financed the entire process of the animal's recovery and fitting the animal with a satellite tracking device. This will provide information about its route and increase our knowledge of the species, which is catalogued as "Vulnerable" by the International Union for Conservation of Nature (IUCN).

CUSTOMER SATISFACTION

The focus on customers is a key part of the Trasmediterranea strategy, which seeks to offer its passengers and cargo customers a quality service. To this end, all passenger and cargo transport activities are certified in ISO 9001, ISO 14001 and the Quality Reference Guide of the Spanish National Port Authority (Puertos del Estado).

Additionally, in 2017, its subsidiary, Hermes Logística, achieved IFS Logística certification, recognizing that its services comply with the requirements of the food safety system promoted by the Association of Distributors and Industries (IFS) for the controlled temperature storage of food products in two centres in Spain.

In 2017, a new customer relations management (CRM) tool was implemented, with the following objectives (amongst others):

- To improve customer access to information (single and centralised).
- To improve customer relations, offering them what they really want at all times and gaining their loyalty.
- To create the CRM Marketing Customer and Loyalty Department, reporting to the Customer Experience area.

In 2017, satisfaction surveys show 100 % satisfied customers. Regarding loyalty, Trasmediterranea was the only Spanish shipping company to join the European loyalty programme "Miles Attack" dedicated to travel agents.

THE CUSTOMER AT THE CENTRE: STRATEGIC POSITIONING

In 2017, the working group "Customer Experience" was created, consisting of staff of different areas of the company (on-board services, marketing, human resources, quality, commercial and fleet) with the aim of implementing changes that will bring about a clear improvement for customers. The main results were the contracting of the "mystery customer" service (person who pretends to be a customer in order to assess the quality of attention received when unknown) and the installation of happy or not devices (electronic devices with four buttons that show, from green to red, the degree of satisfaction with the service); the customer merely needs to press the button and the assessment is made in real time on board boats and at maritime stations.

In the same way, the satisfaction surveys were carried out through the CRM, which helped duplicate the number of surveys answered.