

ACCIONA Infrastructure's Commitment

The following table shows the combined results of the materiality analysis of the five businesses in the division. This table is used to generate the content index of the chapter.

ACCIONA INFRASTRUCTURE MATERIALITY ANALYSIS

SMP AREA	MATERIAL ISSUES	INFRASTRUCTURE	CONSTRUCTION	CONCESSIONS	WATER	SERVICES	INDUSTRIAL
Society	Local communities			•			
Climate change	Climate change	•	•	•	•	•	•
Environment	Environmental management and biodiversity	•	•	•	•		
	Water use				•		
	Waste and circular economy	•				•	
	Materials	•					•
Corporate governance	Non-financial risks			•	•		•
	Ethics and anti-corruption	•	•	•	•	•	•
	Human rights	•			•		•
	Economic performance	•	•	•	•	•	•
People	Equality and diversity of employees					•	
	Human Capital	•	•	•	•	•	•
	Health, safety and well-being	•	•	•	•	•	•
Value chain	Quality of water supplied to the customer				•		
	Service quality and customer satisfaction	•	•			•	•
	Supply chain			•		•	•
Innovation	Innovation and new business opportunities	•	•	•	•	•	•

Note: performance in Human capital, Human rights, Equality and diversity of employees, Ethics and anti-corruption and Supply chain are described in the 'People', 'Corporate Governance' and 'Value chain' chapters.



**HIGHLIGHTS
IN
2018**

ECONOMIC

› Index of **satisfied customers of 96 %** for all of Infrastructure.

Construction only encompasses data from Spain. Concessions includes the Vigo Novo Hospital and the Infanta Sofia Hospital.

› **86 % of suppliers are locals.**

› A total **innovation** figure of **EUR 161.8 million.**

SOCIAL

› Implementation of the **Social Impact Management methodology in 81 projects** and 20 countries.

› **Reduction in commuting** and on mission **accidents** (road safety).

› **Socioeconomic impact measured** on the Pan-American Highway (Panama) and the desalination plant RAF-A3 (Qatar).

ENVIRONMENTAL

› **790 hm³** of desalinated, treated and purified water

› **Over 37 % of the water treated** in countries or regions with water stress.

› **100 % of emissions** generated were **offset** (398,390 t CO₂e).



**ACCIONA
INFRASTRUCTURE
IN 2018**

ACCIONA Infrastructure has extensive experience in the development and execution of large-scale projects throughout the world. Its activities are broken down into five main business lines: Construction, Concessions, Water, Services and Industrial.

35,596

EMPLOYEES

€ 137 million

PROFIT BEFORE
TAX

10,846 M€

IN PORTFOLIO

ACTIVITY IN **37**
COUNTRIES ON FIVE
CONTENTS

€ 5,059 million

SALES

€ 419 million

EBITDA

**PRESENCE OF ACCIONA
INFRASTRUCTURE IN 2018**



CONSTRUCTION



CONCESSIONS



WATER



SERVICES



INDUSTRIAL

AMERICA

- Canada    
- United States  
- Mexico     
- Brazil     
- Chile    
- Colombia   
- Costa Rica 
- Ecuador  
- Nicaragua 
- Panama  
- Paraguay 
- Peru   

EUROPE

- Germany 
- Andorra 
- Denmark 
- Spain     
- Italy  
- Norway 
- Poland  
- Portugal   
- United Kingdom 
- Romania 
- Turkey 

AFRICA

- Algeria 
- Cape Verde 
- Egypt 
- Kenya 
- Morocco 
- South Africa 

**ASIA
AND OCEANIA**

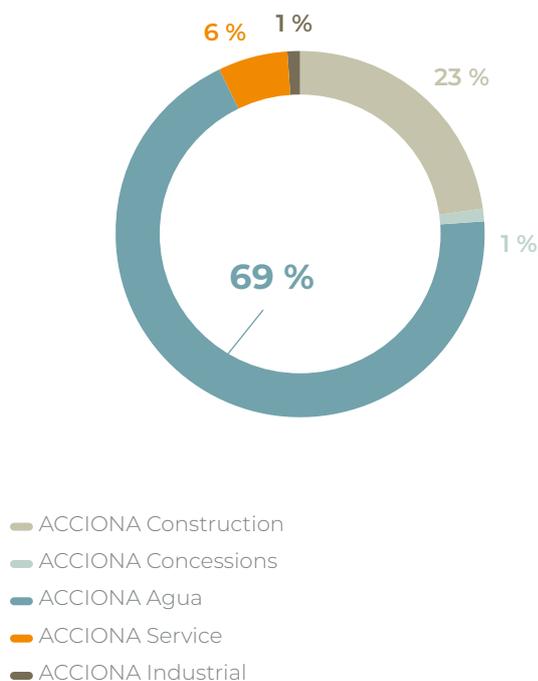
- Saudi Arabia 
- Australia   
- Qatar  
- Philippines  
- New Zealand  
- Oman 
- Singapore 
- United Arab Emirates    

Fighting climate change with energy efficiency

ACCIONA Infrastructure's priority is to respond to global demand for sustainable infrastructures. In this regard, the division implements solutions in the energy efficiency field at its own centres and for its customers, optimising consumption and reducing the related CO₂ emissions.

EMISSIONS GENERATED BY THE DIVISION IN 2018

(tCO₂e)



Scope 1 and scope 2 emissions are included (market-based).

ACCIONA Infrastructure works towards achieving the carbon neutrality objective, offsetting 100 % of the emissions it generates (398,390 t CO₂e in 2018).

The Infrastructure business implements different emission-reduction solutions, for example:



ACCIONA CONSTRUCTION USE OF BIODIESEL IN WORKS OF ENVIRONMENTAL EXCELLENCE

Looking towards the future Expo 2020, ACCIONA is designing and constructing the extension of the Dubai Metro Red Line, which includes the execution of 3.2 km of perforated tunnel, 1.2 km uncovered and almost 11.8 km of elevated tracks, as well as seven stations, depots and shuttles.

The project, whose stations are developed under strict controls in order to achieve the LEED Gold certification, has a carbon-management plan that includes various measures for mitigating climate change.

For example, the use of B20 biodiesel for all of the static equipment (mainly generators) in the works, such that during 2018, 1.5 million litres consumed prevented the emission of 800 tCO₂e into the atmosphere.



ACCIONA AGUA ISO 50001 FOR WATER TREATMENT: DETECTION OF ENERGY-SAVING MEASURES

As a result of implementing ISO standard 50001 in the water centres and services managed by the company, in 2018 it managed to identify up to 17 opportunities to improve energy saving.

The measures monitor actions such as the sectorisation of energy consumption, the implementation of telemanagement systems or the efficient renovation of filters, motors, pumps, starters or lighting systems.

With these changes, the Water business would manage to reduce energy consumption by some 387 MW per year and GHG emissions into the atmosphere by 118 t CO₂e. Their implementation would lead to action in six of the centres managed by ACCIONA.



ACCIONA INDUSTRIAL
**MODIFICATIONS TO PROJECTS
 THAT REDUCE EMISSIONS
 IN THE WORKS STAGE
 FOR TWO WIND FARMS
 IN MEXICO**

ACCIONA Industrial carries out tasks in civil works, the medium-voltage grid, transmission lines, substations and interconnection in wind power projects in Reynosa and Mesa La Paz in Mexico.

In this context, road works in both projects envisaged removing topsoil and replacing it with filler material, which would have required transporting up to 11,000 heavy goods vehicles and over 14,000 hours' work with excavation and compacting machinery.

Instead of this solution, ACCIONA proposed using geosynthetics on the topsoil as an alternative. This variant presents clear environmental advantages, as it avoids a large volume of the fuel consumption expected for this task and allows, once the wind farm's useful life is over, the natural ground to be restored.

It is estimated that this action has avoided the emission of over 545 tCO₂e into the atmosphere.



ACCIONA SERVICE
**ACCIONA DEPLOYS OVER
 1,000 ELECTRIC MOTORBIKES
 IN MADRID**

ACCIONA assumes the challenge of sustainable mobility through ACCIONA Mobility, with the launch of a shared motorbike service in the city of Madrid. The company runs a fleet of over 1,000 electric motorbikes.

After ending their journey, the user can use the app in real time to find out the CO₂ emissions that have been avoided using these electric motorbikes. Using them as a means of transport instead of a private vehicle may generate annual savings of over 500 tCO₂.

In addition, it is important to note that the fleet of vehicles and machinery that underpins the service is entirely electric.

Health and safety at infrastructure

ACCIONA Infrastructure's health and safety management is grounded in the development of a transformation of a corporate culture through Smart Prevention. This strategy encompasses a wide range of programmes, emerging technological tools and procedures that are adapted to the needs of each business, with the aim of effectively promoting health, safety and well-being among employees.

ACCIONA Infrastructure has a comprehensive management system, maintaining a flexible balance between local demands and those of customers. This balance translates to cost savings in the area of certifications as it unifies all of the process methodologies under the OHSAS 18001 model. At the close of 2018, 91.30 % of the activity was endorsed by this standard and in 2019 the system is expected to achieve further certification under the new ISO 45001 standard. Similarly, the Division has other local, voluntary certifications that add value to the business.

Among the main developments in occupational health and safety in 2018, the following stand out:

- Consolidation of prevention plans such as the Voluntary Protection Programme (VPP), Behaviour-Based Safety For You (BBS4U) and the LEADER project.
- The use of new technologies applied to health and safety: the use of predictive models and indicators, Internet of Things (IoT) or Building Information Modeling (BIM), as well as new technological supports that cut down distances, like Remote OHS.
- First Occupational Health and Safety Convention with expert speakers and OHS teams from various countries. At this meeting, the latest developments in occupational prevention were analysed as well as the technological advances applied to health and safety.
- Over 305,000 training hours for company employees.
- Simplification of the occupational risk prevention tools to facilitate their use by employees and collaborators.

**SMART PREVENTION.
CULTURAL TRANSFORMATION**

- Collaborating firms
Value chain
- Operators
- Middle managers
- Executives and managers



Learning

Gamification induction programme

- Based on the 12 Rules



Management indicators

MVS and FAST MVS

Management Valuation System

12 Rules

Valuation system based on the 12 Rules

NOSACQ-50

Safety Climate Measurement

Accident Rate



Procedure

CAP

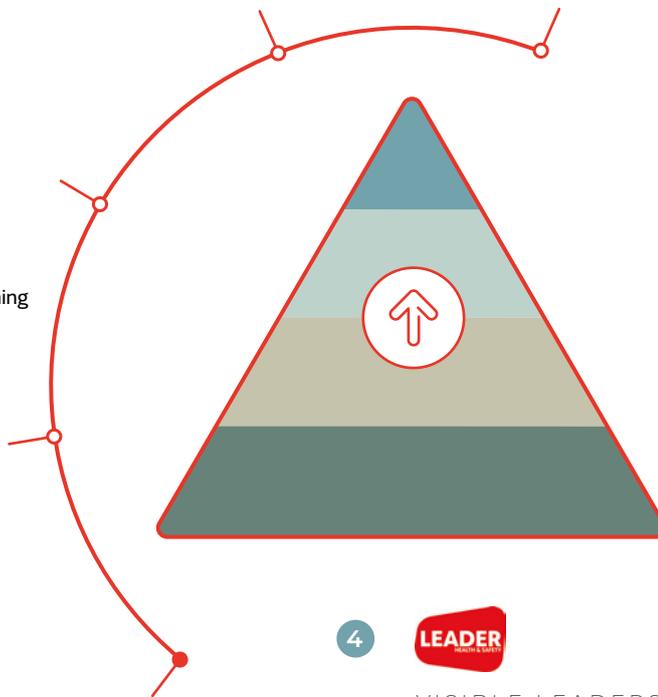
- Critical Activities Planning
- Simplification and efficiency in planning



Technical Standards

ESA Plus

- Standards and Processes



Technological applications

- Smart MVS (Big Data)
- Virtual and Augmented Reality
- Internet of Things, Zero IoT and sensor systems
 - MVS App
 - Remote OHS



4



VISIBLE LEADERSHIP
PROGRAMME EXECUTIVES

3



LEADERSHIP PROGRAMME
PROGRAMME MIDDLE MANAGERS

2



BEHAVIOR-BASED
SAFETY PROGRAMME

1



VOLUNTARY PROTECTION
PROGRAMME

IDENTIFICATION OF OCCUPATIONAL HEALTH AND SAFETY RISKS

Occupational prevention risk management covers the entire life cycle of projects, from the tender stage until their completion. As such, it includes an analysis for initial risk identification, as well as periodic reviews and inspections of working conditions, and internal and external audits.

The main risks and impacts detected by ACCIONA Infrastructure in its area of action primarily have to do with the technical complexity of projects, the social conditions of the countries where it operates or the level of qualification of the local workforce.

Among the measures that help minimise these risks are period meetings and informative panels, as well as communication and awareness-raising campaigns that strengthen and give visibility to the corporate safety culture with simple and participative actions. There are also specific technical instructions for situations that require a greater level of safety, such as working at heights or in confined spaces, through work permits.

EXPERT REMOTE PREVENTION PROGRAMME

In line with the company's digital transformation strategy, ACCIONA Infrastructure has the Expert Remote Prevention programme. This facilitates the communication and transfer of knowledge between health and safety experts and the ACCIONA Infrastructure teams that require it for safety monitoring inspections at centres or accident investigations, among other reasons.

The Health and Safety Expert can connect to devices made available by the Technician (smartphones or smart glasses) from any part of the world with their computer, providing the accurate knowledge required in each situation quickly and accessibly.

Under this preventive management model, reporting of and response to incidents is key. The established communications channel:

(pri.infraestructuras@acciona.com) has streamlined the management of those incidents.

THE EVOLUTION OF THE ACCIDENT RATE INDICATORS FOR ACCIONA INFRASTRUCTURE EMPLOYEES

	SEVERITY RATE				FREQUENCY RATE			
	2015	2016	2017	2018	2015	2016	2017	2018
Infrastructure	120.7	111.3	142.4	165.5	4.3	4.0	4.8	5.0
• Construction*	38.6	64.5	53.9	49.2	1.5	1.9	1.6	1.1
• Concessions	27.9	64.2	111.9	139.5	1.7	2.3	2.7	3.1
• Water	92.3	108.8	119.0	172.7	4.1	4.1	4.4	4.4
• Services	156.4	126.5	194.4	212.0	5.2	4.5	6.8	6.7
• Industrial	73.8	0	5	0	0	0	0.5	0

Severity rate: (no. of days lost due to work accident/hours worked) x 200,000.

Frequency rate: (no. of accidents with loss of work/hours worked) x 200,000.

* Until 2015, Concessions was included under Construction.

Following the work of previous years, in 2018, various road safety initiatives were carried out to prevent the occurrence of occupational commuting and on mission accidents. At the Water division, 11 theory/practical road safety courses took place, where 96 workers received a total of 768 training hours.

A key figure in 2018 was the 40 % reduction in on mission accidents. The commuting accidents remained in line with the previous year. In this regard, the road safety campaigns that took place in the business are particularly noteworthy.

EVOLUTION OF ACCIONA INFRASTRUCTURE OWN EMPLOYEES IN COMMUTING ACCIDENTS

(With and without work leave)

	2015	2016	2017	2018
Infrastructure	79	178	158	148
• Construction*	28	13	9	10
• Concessions	8	4	9	3
• Water	11	14	0	1
• Services	29	146	140	133
• Industrial	1	1	0	1

* Until 2015, Concessions was included under Construction.

EVOLUTION OF ON MISSION ACCIDENTS AT ACCIONA INFRASTRUCTURE

	2015	2016	2017	2018
Infrastructure	31	100	15	9
• Construction*	6	0	4	6
• Concessions	1	0	3	0
• Water	24	62	2	0
• Services	0	38	5	3
• Industrial	0	0	1	0

* Until 2015, Concessions was included under Construction.

Health and safety in the infrastructure supply chain

There is full collaboration from contractors or subcontractors and suppliers in almost all prevention activities, given that they participate in the company's

normal management system procedures. Overall, the accident rate indicators of Infrastructure contractors remained practically the same in 2018 compared to 2017.

EVOLUTION OF ACCIDENT RATE INDICATORS FOR ACCIONA INFRASTRUCTURE CONTRACTORS

	SEVERITY RATE				FREQUENCY RATE			
	2015	2016	2017	2018	2015	2016	2017	2018
Infrastructure	19.7	29.5	19.1	18.6	1.7	1.9	0.9	0.9
• Construction*	30.1	30.4	15.8	16.1	2.8	2.0	0.8	0.8
• Concessions	43.2	71.4	16.9	32.3	2.8	2.8	0.7	0.9
• Water	2.5	12.3	43.9	30.7	0.3	1.6	2.0	1.9
• Services	53.2	0.0	1.6	0.0	2.1	0.0	0.8	0.0
• Industrial	1.5	6.8	19.8	10.6	1.5	1.0	0.8	0.6

Severity rate: (no. of days lost due to work accident/hours worked) x 200,000.
Frequency rate: (no. of accidents with loss of work/hours worked) x 200,000.

THE **VOLUNTARY PROTECTION PROGRAMME (VPP)** IS INTENDED TO ENSURE SUPPLIERS IMPROVE THEIR OHS STANDARDS



ACCIONA INFRASTRUCTURE
VOLUNTARY PROTECTION PROGRAMME

In 2018, ACCIONA Infrastructure consolidated its Voluntary Protection Programme for collaborating firms, which aims to improve occupational risk prevention standards in the supply chain. Through a seal that certifies those who adhere to the programme as a 'safe company', they are

also ratified as a supplier. Furthermore, suppliers who sign up receive technical advice, training and support specialised in occupational risk prevention. Throughout 2018, 84 improvement agreements were signed.

Innovation at the service of sustainability

ACCIONA Infrastructure is at the cutting edge in R&D&I, applying specific technologically-advanced solutions to solve every issue that arises in its activities. In 2018, the figure confirmed by the division amounted to EUR 161.8 million, 14 % higher compared to the previous year. Ongoing process improvement thanks to innovation enabled verified savings of EUR 20.9 million.

EVOLUTION OF R&D&I FIGURE PER BUSINESS AT ACCIONA INFRASTRUCTURE

(EUR million)

	2015	2016	2017	2018
Infrastructure	114.7	119.9	142.4	161.8
• Construction	54.4	63.8	78.2	73.4
• Water	18.3	35.6	19.7	20.7
• Services	16.5	2.6	3.5	0.6
• Industrial	25.5	18	41.0	67.1

ACCIONA Infrastructure has two Technology Centres in Spain: the ACCIONA Construction Technology Centre and the Water Technologies Centre. The innovation function is also present through the development of projects in the other Infrastructure businesses.

ACCIONA CONSTRUCTION TECHNOLOGY CENTRE

Located in Madrid, this technology centre is devoted to improving construction processes, as well as incorporating new technologies and more efficient materials into works, which give them an edge over other companies in the sector and reduce their environmental impact. The main lines of research are: roads, railways and tunnels, maritime operations and structures, concrete, new materials, digital innovation and support for other businesses of the company.

The main milestones reached in 2018 are as follows:

- New circular economy models have been worked on by executing two test sections in order to validate the technologies for soil stabilisation using ash.
- Work has been done in concrete with improved performance in extreme climates.

WATER TECHNOLOGIES CENTRE

The Barcelona Technology Centre develops state-of-the-art solutions for water purification, desalination, reuse and distribution. The facilities are a technological benchmark, boasting the most modern analytical and characterisation techniques for the study of new processes and the design of more efficient pilot plants. Its main strategic lines are: desalination and new technologies, wastewater treatment and reuse, drinking water purification and chemistry of water.

The main milestones in 2018 include:

- The EGENOM project optimises the removal of natural organic material, the main membrane contaminant, through various pre-treatments. In 2018, several predictive models of high interest for optimising desalination plant operations were obtained.
- The WATINTECH project demonstrates the applicability of direct osmosis membranes to the direct treatment of wastewater. This innovative treatment entails the reduction of implementation costs by 50 % and makes it possible to obtain reusable water of adjustable quality.

Some of the projects in 2018 that contributed to cost savings or generated income for the Infrastructure division:



ACCIONA CONSTRUCTION

- Recovery of waste from other industries such as raw materials substitutes like lime and cement in works, which was able to be used to achieve significant savings in soil stabilisation.

- The development of technology for non-destructive test applications in tunnels has generated savings of over EUR 0.6 million.
- The knowledge obtained in recent years in concrete technology has generated savings in works of over EUR 0.5 million.
- The design of the Reynosa wind farm has reduced the cost of structural foundations by 5 % as a result of the reduced need for concrete for the structure.



ACCIONA INDUSTRIAL

- In 2018, the Geotextil road project was carried out in Mexico, based on the use of geosynthetics that avoid having to remove the topsoil and replace it with surplus filler material. This optimisation saved the division EUR 1.1 million.



ACCIONA SERVICE

- Development of a new 'motosharing' service geared towards sustainable cities as an alternative to using private vehicles by users for getting about in urban areas. This service contributes to reducing CO₂ emissions, improving the quality of life in cities and promoting sustainable means of transport, as well as generating income for the company.



ACCIONA AGUA

- Evaluation of different filter beds with the aim of increasing the filtration speed in the ACTIDAFF® system for dissolved air filtration-flotation. Conditions have been identified that reduce the area required for gravity filtration by 50 %, with the resulting savings in CAPEX.
- Analysis of reverse osmosis (RO) membranes: A structural and functional analysis of the reverse osmosis membranes of certain manufacturers was carried out. Consequently, an agreement was reached with the manufacturer for it to assume the cost of replacing the modules, thereby saving some EUR 3 million.

Quality as a matter of confidence with customers

ACCIONA Infrastructure holds certificates for its Quality Management Systems (ISO 9001) and Environmental Management Systems (ISO 14001), as well as other certifications, to ensure its technical capacity, guarantee competitiveness and improve its processes.

MAIN CERTIFICATIONS OF ACCIONA INFRASTRUCTURE IN 2018

 <p>CONSTRUCTION</p>	<p>ISO 9001 and ISO 14001: 100 % activity in Spain, Chile, Brazil, Mexico, Colombia, Canada, Poland, Australia, United Arab Emirates, Ecuador, Peru and Panama¹.</p> <p>Socially Responsible Company Seal ESR® in Construction Mexico and PBQP-H certification (Brazilian Habitat Quality and Productivity Program) in Brazil.</p>
 <p>CONCESSIONS</p>	<p>ISO 9001 and ISO 14001: 90 % of directly managed concessions.</p> <p>ISO 27001: in Gran Hospital Can Misses (Ibiza, Spain).</p> <p>ISO 39001: in Concession Company for A2, section 2 and Autovía de la Plata.</p>

¹ The scope is widened to rail works in Ecuador, Peru and Panama.

Continues >



WATER

ISO 9001 e ISO 14001: 100 % of water treatment activities in Spain, Italy, Australia (100 % Chile in ISO 9001). 100 % complete water management services in Spain.

ISO 50001: in 13 centres, three of which are new: Villarrubia de los Ojos Water Services, Gartzeta DWTP and Falset WWTP.



SERVICES

ISO 9001 and ISO 14001: 100 % of the ACCIONA Urban and Environmental Services activity in Spain and Mexico. 100 % of the Energías Renovables Operación y Mantenimiento (EROM) [Renewable Energy Operation and Maintenance] activity. 100 % of the ACCIONA Rail Services train and station cleaning operations. 100 % of the international transit activity under ISO 9001 (ACCIONA Forwarding). 100 % of the Airport Services passenger boarding bridge handling and driving activity in Spain, Germany (ISO 9001 in Düsseldorf) and Chile (ISO 9001 in Andes). 100 % of the ACCIONA Producciones y Diseño activity. 100 % of the ACCIONA Facility Services activity in Spain, Portugal and Mexico.

ISO 50001: 100 % of the energy services supplier activity.

SA 8000: Social responsibility management system in technical cleaning and maintenance operations at its central offices and six centres in Spain.

Forwarding safety management: international **authorised economic operator (AEO)** and **Known Dispatcher for air cargo** in Spain.

EMAS: at the central offices and one service in León.

AENOR EA 005 specification: ACCIONA Facility Services approved as an energy services provider in consultancy and energy auditing.

GWO (Global Wind Organisation) Standard: Qualification of two EROM schools to deliver basic training in electricity, mechanics and hydraulics.

DGERT: AFS Portugal is certified in occupational risk prevention, protection of people and goods and, in 2018, it widened the scope of the certificate to the area of conduct.



INDUSTRIAL

ISO 9001 and ISO 14001: 100 % of the activity.

Customer relations and services at their disposal

Bearing in mind the diversity of ACCIONA Infrastructure customers, communication and relations with them are conducted via a wide variety of channels from in-person customer service to web spaces for each of the division's businesses.

Likewise, the company carries out various actions to strengthen links with its customers. Of note in 2018 are the periodic meetings at the Vigo Novo Hospital with the authorities involved to analyse matters related to the compliance of the technical specifications of the concession.

ACCIONA Services, through its Healthcare Services activity, has launched the innovative application ACTOR, aimed at improving the response and organisation of the medical teams in the healthcare provision contracts in which it participates. With regard to its new 'motosharing' business, a multitude of channels have been created for interacting with the customer: for instance, a website where they can check their trips, download bills or buy voucher; an app that can be used to sign up to the service; a free telephone line and presence on social networks.

Customer satisfaction improvement targets

Concerning claim and suggestion management, in 2018, ACCIONA Infrastructure sought to improve incident response and resolution times for its customers. The results:

- The claim resolution times of the ACCIONA Urban Services contract in Torreveja were between 0 and 1 days (target: not more than 5 days). In Gandia, the average response time reduced to 7 days compared to 15 in 2017.
- The concession company Novo Hospital de Vigo received 127 claims, all of which were resolved within 7 days.

RECOGNITION OF THE QUALITY OF EROM OPERATIONS

The organisation Energías Renovables Operación y Mantenimiento (EROM) [Renewable Energy Operation and Maintenance] was recognised in 2018 as the best independent renewable energy asset maintenance company in the annual opinion poll carried out by the magazine *Energías Renovables*.

This poll measures the level of satisfaction of wind farm owners with their maintenance companies, rating various aspects of the service such as value for money, accessibility of the technical team and the quality of the work.



QUALITY OF WATER SUPPLIED TO THE CUSTOMER. ACCIONA AGUA

ACCIONA Agua's customers have different channels to submit claims, complaints, suggestions and resolve incidents including websites for customers and virtual offices in the ACCIONA Agua Servicios concessions.

During 2018, ACCIONA Agua carried out a new consultation with its customers in order to review its tariffs for 2018 and 2019, as well as to match its pricing structure to European regulations. The level of satisfaction obtained was generally high.

In 2018, no sanctions were received in relation to the quality of the water supplied to customers.

AQUA+ZAFRA

ACCIONA Agua, in partnership with Zafra Town Council and the Environmental Consortium of Badajoz County Council, promotes the role of new technologies in rural areas.

This project is part of the pilot proposal to improve the water meters in the municipality of Zafra to increase the water performance of its grid. The proposal involves developing a system for continually registering the consumption of household meters and of the sector's control meter, as well as centralising the information recorded.

The information gathered will facilitate weekly water reports (currently quarterly) and the early detection of potential incidents, improving the water system's efficiency.

Some indicators of note in the area of customer satisfaction during the year include:

- In all of the surveys received by ACCIONA Industrial, customers state that they would award the project to the company again.
- 90 % of ACCIONA Facility Services customers in Spain would contract the company again.
- 90 % of the beta tester users for the ACCIONA Mobility 'motosharing' service would be happy to use the service again.
- 100 % of customers who completed the ACCIONA Producciones y Diseño survey would contract the company again.
- 100 % of customers who completed the satisfaction survey would recommend ACCIONA Industrial.

In this regard, it is also significant to note how ACCIONA customers ranked it compared to its competitors. With respect to this, 93 % of the customers asked by ACCIONA Construction believe the business is 'better or much better' than its competitors. In the case of ACCIONA Industrial, this figure reaches 100 %.

Customer satisfaction and loyalty

In 2018, the percentage of satisfied ACCIONA Infrastructure customers was 96 %.

Throughout 2019, ACCIONA Infrastructure will continue to work to promote long-term relationships with its customers. For example, the Services division will work on developing a new tool to manage satisfaction surveys, adapting it to the specific characteristics of each business.

INFRASTRUCTURE CUSTOMER SATISFACTION

	2018
Infrastructure	96 %
• Construction*	100 %
• Concessions**	100 %
• Agua	100 %
• Services	86 %
• Industrial	100 %

* Includes works in Spain and AMISA.

** Includes the Vigo Novo Hospital and Infanta Sofia Hospital.

Improvement tools

In 2018, ACCIONA Infrastructure launched new improvement groups and identified lessons learned with the aim of documenting and sharing the acquired knowledge and devising new innovative solutions for the company.

With this in mind, it is worth highlighting the technical standardisation group in ACCIONA Agua (in which 70 employees took part) for the identification and cataloguing of documents used as a reference during the development of the different project stages. This documentation is available to all employees in the knowledge space of the intranet.

As part of the lessons learned, the Water line has promoted new virtual debate spaces on the intranet to facilitate the dissemination of technical knowledge. In 2018, 60 professionals took part in these forums, with 9 active spaces at the end of the year covering issues such as desalination, R&D&I and treatment plant simulation, among others.

ACCIONA Construction prepared a total of 43 lessons learned proposals (4 in Spain and 39 in Australia). All of them are related to quality, the environment, tender proceedings, contract management, relations with stakeholders, and health and safety, etc. They are disseminated by email, through a mailbox used for sending information requests.

Improved management system procedures and document management

ACCIONA Agua has implemented new procedures, such as those for the construction of the Sabanitas and Howard purification plants (Panama). ACCIONA Industrial has reviewed and updated over 30 procedures related to the process map.

In 2018, considerable progress was made in document management, automating it and facilitating access to the documentation of the different management systems such as in ACCIONA Construction, where the company's Knowledge Portal was set up, available on the corporate intranet.

In addition, there have been developments in the implementation of the management models for processes and in the review of the process maps, for instance:

- ACCIONA Agua has reviewed and proceduralised its processes for the creation of the new process map, following the PMI (Project Management Institute) standards.
- ACCIONA Construction has finalised the PMP (Project Management Plan) processes model. Information has been imparted on it both online and in person in every country where ACCIONA Construction operates. The PMP is in place in all of the new works awarded in 2018, and in 2019, a protocol will be developed that defines the scope of the PMP in small and medium projects based on a risk analysis.

Environmental management and biodiversity

The division's environmental management is based on the principles of improving the business's environmental performance. All the businesses have environmental objectives that are reviewed annually in line with the Sustainability Master Plan 2020 (SMP 2020).

Protection and conservation of biodiversity

ACCIONA Infrastructure's activities may have an effect on biodiversity. Therefore, the businesses identify and assess the possible effects at each phase of the projects implemented, in order to put the necessary preventive and corrective measures in place.



STUDYING AND MONITORING THE PYRENEAN DESMAN (SPAIN). ACCIONA CONSTRUCTION

For the construction works on the Pedregales Viaduct in Zamora (Spain), ACCIONA Construction studied and monitored the Pyrenean desman, a bioindicator species of the river ecosystem conservation status that is endangered or vulnerable, according to the region in Spain, over six different stretches of river. Initial work has enabled to determine the areas where the species is present, which has led to identify the most appropriate spots for capturing, marking and taking biological samples of the specimen. This study has allowed the analysis of the use of the habitat and dispersive capacity of the local populations along the stretches of river. The continuation of this work in 2019 will expand the knowledge on the species in the river network of the study area.



PROTECTION AND CENSUS OF PROTECTED SPECIES (SPAIN). ACCIONA CONSTRUCTION

The Construction business, as part of the Mularroya reservoir works in Zaragoza, Spain, has developed a three-stage species protection plan. The first stage involved a study that was carried out on the use of the habitat by various species of bat and a census of various colonies of bats in different refuges around the works. Secondly, a species of Bonelli's eagle was marked and tracked by satellite, which enabled us to learn the path covered, its preferred areas of use and the location of the roosts. The final stage entailed tracking the griffon vulture, confirming the reproductive success of the colony studied and even the increase in population.



**REFORESTATION WITH
NATIVE SPECIES PLAN
(PANAMA).**
ACCIONA AGUA

During the construction of a new purification plant in Villa Darién, Panama, ACCIONA Agua developed a Reforestation Plan with native species. This plan involved planting a total of 2,160 adaptable and fast-growing species of seedling, such as the guayacán, the cabimo and the national mahogany. This last species has been classified as vulnerable by the IUCN and is a refuge for numerous birds, including the harpy eagle, which is currently in decline. These plantations, which cover a total surface area of 16 ha, were carried out at educational centres with the participation of students, to make them aware of the importance of preserving the environment. Furthermore, they will enjoy the fruit collected in their dining halls and cultural activities.

Circular economy: resource use and waste management

The Infrastructure division's activities and different business lines include key elements of the circular economy, such as the efficient use of materials and the minimisation and recovery of waste.

CONSUMPTION OF MATERIAL IN 2018 AT ACCIONA INFRASTRUCTURE

	2015	2016	2017	2018
Recycled or renewable resources* (tonnes)	1,392,542	1,614,318	1,763,063	5,058,438
Recycled or renewable resources (%)	18 %	14 %	21 %	29 %
TOTAL resources (tonnes)	7,602,924	11,954,024	8,548,722	17,389,443

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

The relevance of the circular economy for the Services and Construction business line is high. The following aspects stand out as proof of this:

- Platforms for shared resource usage: ACCIONA Service in 2018 launched a shared electric motorbike service in Madrid.
- Reuse of organic waste: ACCIONA Service managed to recycle 95 % of its plant remains. Furthermore, the temporary joint venture Canfranc, of which ACCIONA Construction is a part, managed to benefit from what could be considered plant remains meant for landfill. The material extracted from the logging and clearing stage was sent to a paper plant, which processed them to manufacture packaging and paper bags.
- Search for alternatives for waste recovery: the temporary joint venture Tunel Glories Tram 1, in which ACCIONA Construction participates, found an alternative solution to landfill where 6,000 m³ of excavated material was supposed to be sent, which was to send them to another ACCIONA worksite after verifying that it meets the prescribed technical requirements.

Materials

The increase in the amount of resources consumed in 2018 is mainly due to a higher consumption in ACCIONA Construction works of aggregates, soils, recycled soils and concrete, which represent around 84 % of the total resources.

ACCIONA Construction presents examples of good practices in the use of materials, such as the following:

- In the Padornelo Tunnel works in Spain, the company recovered over 86,000 tonnes of granite material from the blasts through crushing and chipping with a hammer to be used in road surfaces.
- The Sydney Light Rail project used prefabricated modular shelters in order to minimise the on-site work, reduce the use of materials and expand this space in the future if necessary.
- As part of the PAPERCHAIN project financed by the H2020 Programme, coordinated and participated in by ACCIONA Construction, a surface was renovated with a stabilised soil layer with 5 % fly ash from the paper industry instead of cement.



ACCIONA TO BUILD THE FIRST WASTE-TO-ENERGY PLANT IN AUSTRALIA.

ACCIONA INDUSTRIAL

ACCIONA is to build a waste-to-energy plant in Kwinana (Western Australia), the first large-scale venture of its kind in the country, which is a milestone in waste recycling as

it reduces landfill storage and uses it for the generation of renewable energy. The facility will process up to 400,000 tonnes of waste a year and will have a production capacity of 36 MW, equivalent to the consumption of 50,000 homes. This contract is part of ACCIONA's long-term work in Australia on projects based on cutting-edge technologies, geared towards sustainability and protecting the environment thanks to the implementation of the circular economy principles.

Management of water resources

Through the management of the full water cycle, ACCIONA is responding to one of the largest environmental challenges faced by humanity: access to water and sanitation for millions of people across the world. In 2018, the treatment plants managed by ACCIONA Agua desalinated, made drinkable and purified 790 hm³ of water, which is a slight increase compared to 2017.

EVOLUTION IN THE VOLUME OF WATER MANAGED BY ACCIONA AGUA

(hm³)

	2015	2016	2017	2018
Desalinated water	111	196	296	318
Purified drinking water	133	218	199	26
Treated sewage water	390	358	279	445
Total	634	772	775	790



**EFLUCOMP PROJECT
FOR TREATING INDUSTRIAL
EFFLUENTS WITH COMPLEX
COMPOSITIONS**
ACCIONA AGUA

The EFLUCOMP research project is co-funded by the EU's European Regional Development Funds as part of the 2014-2020 ERDF Operational Programme in Catalonia. The study aims to develop innovative systems that increase sustainability and decrease the costs associated with managing and treating industrial effluents with complex compositions.

As part of this project, ACCIONA Agua leads the activities related to processing currents from mining or steelworks, which have a high metal content. Flotation, oxidation/reduction, precipitation and/or adsorption technologies will be researched and integrated, determining the optimum conditions. Furthermore, a tool will be developed to aid in the decision to select the most appropriate treatment line according to the quantity of metal in the water inflow and outflow. In so doing, the metals should be efficiently separated from the water to be treated, reducing the consumption of chemicals by 10 % and energy consumption by 20 %.

**Use of drinking water at ACCIONA
infrastructure**

In relation to the use of drinking water, the figure in 2018 increased 10 % compared to 2017, with Construction being the business with the highest consumption rate - 70 % of Infrastructure's total.



**RECYCLED WATER FOR
SERVICE PROVISION IN THE
SANITATION NETWORK**
ACCIONA AGUA

ACCIONA Agua carried out inspection, conservation and improvement efforts in the Canal de Isabel II sanitation network in the city of Madrid.

Among the tasks included in the contract are the maintenance and cleaning of the network, which involves using significant volumes of water. For this task, ACCIONA Agua uses water from different treatment plants in the network, which is accumulated in tanks strategically placed in different points throughout the city.

In 2018, this practice led the service to achieve savings of almost 20,000 m³ of water.



**EARLY DETECTION OF LEAKS
IN THE WATER DISTRIBUTION
NETWORK OF ZAFRA,
BADAJOZ**
ACCIONA AGUA

According to the latest Spanish National Statistics Institute (INE) survey on water supply and sanitation, up to a third of the supply is lost during its distribution. The causes of these losses are numerous, and estimates suggest up to 60 % are due to leaks or breaks.

With this in mind, the municipality of Zafra's water supply management stands out, which ACCIONA Agua runs jointly with PROMEDIO (Environmental Management Consortium of Badajoz County Council).

Through a centralised system that continuously records meter consumption in households and their corresponding water network, the company can detect any incident in the distribution network ahead of time and immediately address it, which decisively increases the hydraulic system's efficiency.

Additionally, the system provides its users information on potential water leaks in the networks of their homes, thereby improving the efficiency of private installations.

**Water treatment in regions with water
stress**

ACCIONA again this year contributed to guaranteeing access to drinking water in areas with high water stress and to the sustainability of the environment in areas with low levels of sanitation through the construction, operation or maintenance of treatment, desalination and purification plants. In 2018, over 37 % of the water treated was generated in areas with water stress.



ACCIONA AGUA
**JEBEL ALI AND AL KHOBAR
DESALINATION PLANTS.
UAE AND SAUDI ARABIA**

ACCIONA has continued to respond to the demand for water treatment infrastructure in regions with water stress or that project shortages due to climate change.

With this in mind, ACCIONA Agua will build the Jebel Ali desalination plant in the United Arab Emirates. The facility, which will be finalised in May 2020, will boast reverse osmosis technology and will have a capacity of almost 182,000 cubic metres, which will make it one of the biggest in the UAE.

The company is also working on the Al Khobar desalination plan (Saudi Arabia), in Dhahran, some 400 kilometres from Riyadh. The facility, which will be finalised in two years, will have a daily capacity of almost 210,000 m³ and will serve a population of some 350,000 inhabitants.

Risk management in sustainability

ACCIONA Infrastructure takes into account sustainability criteria in all of its business units. From a risk management perspective, the company's model defines six different phases: 1) Identification, 2) Analysis and assessment, 3) Planning, 4) Treatment and management, 5) Follow-up and control and 6) Improvement.

In the identification phase, possible factors generating risks and opportunities within the construction process (design and execution) are characterised by addressing economic, social, environmental, ethical and cultural impacts, among others, that the project may have on the community.

Below, the risk events evaluated based on the likelihood of them occurring and their consequences, are reflected in a risk matrix divided into four categories: low, moderate, significant and high. As well as this framework, the valuation is completed with six categories of consequences to estimate impact:

- Economic: on the cost and result of the project.
- Timing: on programming, milestones and deadlines.
- Environmental and community: on the natural environment and third parties.
- Reputation: on the image of the company or customer.
- Health and Safety: on people.
- Compliance and development of the infrastructure: on the functionality of the infrastructure, its design, execution, location, internal organisation, performance, etc.

In 2018, ACCIONA Infrastructure made the following progress in risk management:

- Consolidation of the risk management process in Construction, by analysing risks and opportunities in their projects and business processes, thereby acting pursuant to the latest revision of the ISO 9001 and ISO 14001 standards.
- Identification and analysis of the most significant climate change, water resource and environmental responsibility risks. The mitigation measures proposed after the analysis have directed the action policies towards the proper management and performance of the division in terms of sustainability.
- General ESG risk assessment on a yearly basis for each business unit and country where ACCIONA Infrastructure operates. This test assesses the level of exposure to different risks considering approximately 30 types.
- Significant progress in widening the scope of analysis for Agua and Industrial, and collaboration in implementing the risks and opportunities management system in Engineering.
- Update of the IT tools used for risk analysis with proprietary internal development.
- Appropriate compliance with the percentage of projects, in both the execution and the tender stage, in which risks are analysed.
- Improvement and expansion of the country risk analyses performed.
- Consolidation of ACCIONA's perceived risk rating for the businesses in a total of 85 countries.

Contribution to society

ACCIONA Infrastructure contributes to the improvement of society through its projects. The benefits generated affect many types of issues: impacts on people, community life or wealth and employment in the region. More than 581,700 people have benefited from initiatives carried out in ACCIONA Infrastructure projects in 2018.

In 2018, three types of actions were carried out to manage and measure these impacts through Social Impact Management, the measurement of the socioeconomic and environmental impact and the social investment associated with the projects.

Social impact management

ACCIONA applies its own Social Impact Management (SIM) methodology, whereby, right from the tender or design stage, it knows the social risks that its works,

operations or service provisions may cause in the areas of influence of its projects. This procedure will generate positive impacts and minimise negative ones on the local communities and environment in which it operates.

In 2018, ACCIONA Infrastructure had 81 projects, in 20 countries, where it implemented social impact management. The types of project vary greatly: linear infrastructure, hospitals, tunnels, metro lines, integral water management services and cleaning services, among others.

EVOLUTION OF THE IMPLEMENTATION OF THE SIM METHODOLOGY AT ACCIONA INFRASTRUCTURE

(No. projects)

	2015	2016	2017	2018
Construction	29	43	50	42
Water	12	17	26	10
Service	2	3	6	24
Industrial	2	1	5	5

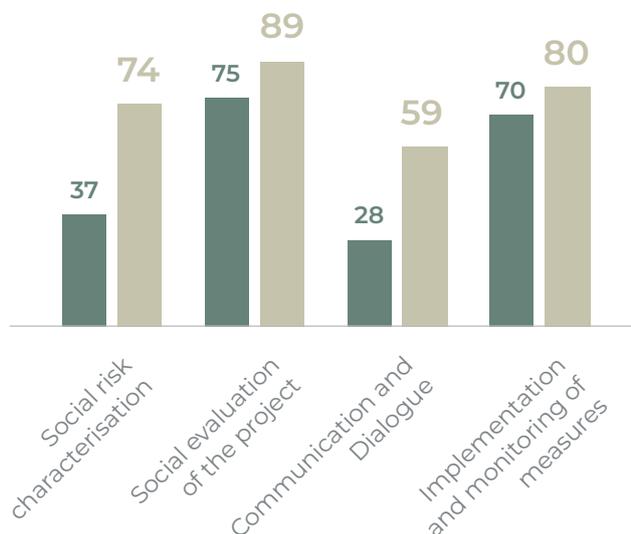


Further information can be found in the 'Social impact management' section of the 'Society' chapter.

STATUS OF THE IMPLEMENTATION OF THE PHASES OF THE SIM METHODOLOGY AT ACCIONA INFRASTRUCTURE

(Percentage of all Infrastructure projects with SIM in 2018)

2017
2018



External audits were carried out, in six Infrastructure projects, with the aim of assessing the degree of implementation of the SIM methodology.

The Infrastructure division currently establishes suggestions and complaints channels in each business line in those projects in which the customer requires or allows it. In 2018, 65 % of the projects in which SIM is utilised had these channels (web forms, emails, telephone lines, suggestions boxes, community customer service offices) through which the stakeholders affected by a specific project can submit their queries and/or suggestions.

INFRASTRUCTURE HAS 81 PROJECTS IN 20 COUNTRIES WHERE IT CARRIES OUT SOCIAL IMPACT MANAGEMENT

Socioeconomic impact of projects

Since 2015, ACCIONA Infrastructure has been measuring the socioeconomic and environmental impact of its projects in different countries to identify and foster the benefits generated by such projects throughout their life cycle. Using an economic model developed based on input-output tables (analysis of relationships between different industries), the company obtains quantitative results of the direct, indirect and induced impact of its activity in terms of employment generation and the contribution to the country's GDP, as well as taking into account other positive effects on the environment and communities.



Further information about the methodology in the 'Society' chapter

In 2018, studies were carried out on two projects in the Infrastructure business: the RAF-A3 desalination plant in Qatar and a stretch of the Pan-American Highway in Panama. Given the nature of the infrastructure work, the reports were produced based on the duration of ACCIONA's contract.

Projects with key social actions in 2018



ACCIONA AGUA LA PRADERA PUMPING STATION (ECUADOR)

The project falls under the Sewerage System Universalisation programme, which will cover a third of the total population of the city of Guayaquil. The new station will have equipment capable of managing the future water flows projected to be up to 6.40 m³/second.

SOCIAL IMPACT MANAGEMENT

In the context of this project, communications channels were set up to keep the affected community informed about the progress of the works. These channels can also be used to submit any potential complaints and suggestions:

- Opening of the community information office, holding of Citizens' Assemblies, 'door-to-door' visits to introduce the project and implementation of the claim management and consultation system.
- Local hiring of 60 % of the qualified workforce.
- Hiring of 65 % local services.
- Employee training campaigns on the Code of Conduct and good environmental practices.

SOCIAL ACTION INITIATIVES

Social initiatives have also been carried out that contribute to improving the relationship with the community. In this vein, the following stood out in 2018:

- Educational talks and interactive activities with children to raise awareness about water supply, access to sustainable energy, fighting against inequality and climate change.
- 'Dance therapy' and face painting activities with children in the community.
- Donation of sports equipment.



ACCIONA CONSTRUCTION PAN-AMERICAN HIGHWAY (PANAMA)

Extension of the Pan-American Highway capacity with the aim of improving current traffic flow and that estimated in 20 years between the city of Panama and its connections with the west side of the Canal on the Bridge of the Americas – Arraiján stretch.

SOCIOECONOMIC IMPACT

The socioeconomic impacts are calculated on the local GDP contribution and employment generation during the two years of construction and three years of operation and maintenance.

- GDP contribution: EUR 146 million.
- Job creation: 3,887 employees/year*.
- Emissions avoided derived from the 20 % reduction in fuel resulting from improved traffic: 8,148 tCO₂ per year.

* Employees/year: full-time equivalent jobs for one year.

SOCIAL IMPACT MANAGEMENT

During the prior stage of the project, perception surveys were carried out with the local community with the objective of finding out their opinion on the project.

Subsequently, during the construction stage, the following measures were established to mitigate in some cases and enhance in others the negative and positive impacts detected:

- Agreement with the Arraiján District Community Association to hire a 30 % local workforce.
- Community Relations Office, with specialist staff to deal with consultations and complaints.
- Informational campaigns about the project in the media and via billboards, as part of the Disclosure and Transparency Plan.
- Training for employees of subcontractors to raise awareness of the importance of social management within the project.

SOCIAL ACTION INITIATIVES

Around 5,000 people benefited in 2018 from initiatives such as the study of infrastructure improvement needs in three soup kitchens or the donation of construction materials, food and toys to the most disadvantaged members of the community.



ACCIONA AGUA
**RAF-A3 DESALINATION PLANT
(QATAR)**

Design, construction and operation over 10 years under a turnkey contract for a desalination plant in Qatar with a capacity of 164,000 m³/day based on reverse osmosis technology.

SOCIOECONOMIC IMPACT

The socioeconomic impacts mainly concern the local contribution to GDP and the employment generation during the year of construction and the 10 years of operation and maintenance that correspond to the company's period of responsibility:

- GDP contribution: EUR 87 million.
- Job creation: 4,345 employees/year*.
- Emissions avoided per year: 296,905 t CO₂.
- Improvement of air quality: 491 t of SO₂ and NO_x avoided per year.

* Employees/year: full-time equivalent jobs for one year.

Project-related investment

Related to Social Impact Management, the Infrastructure division also carries out social projects in the communities in which it is present.



ACCIONA CONSTRUCTION
**CARRETERA FEDERAL 15
HIGHWAY (MEXICO)**

This includes the extension and modernisation of part of the Carretera Federal 15 highway that links Mexico City to the State of Sonora. In 2018, various humanitarian aid initiatives were carried out, which have benefited over 240 people, mainly from the indigenous Yaqui community:

- Donation of material for the reconstruction of homes and food for those affected by hurricane Sergio.
- Donations of fuel vouchers for the Yaqui community with the aim of supporting the people's mobility to the city of Guaymas.



ACCIONA INDUSTRIAL
**LILYVALE SOLAR PLANT
(AUSTRALIA)**

Situated in the state of Queensland, this will provide clean energy to over 45,000 homes in the region. In 2018, the following initiatives were carried out:

- Participation in 'Clean Up Australia' volunteer day.
- Monthly meetings with members of the community, as well as informational sessions and visits by members of the community and local associations to the area where the project is being carried out.
- Social events to raise money for the community.



ACCIONA AGUA
LA CHIRA WWTP (PERU)

The project deals with the treatment of wastewater in the city of Lima, which covers 2.5 million people and contributes to the environmental recovery of the coast and to tourism and economic revitalisation of the area. The social initiatives associated with this work benefited a total of 1,355 people in 2018 through the donation of environmental education material and programmes.