

Madrid, 3rd October 2018

Dear Friends,

I am pleased to publicly reaffirm our commitment to the Ten Principles of the UN Global Compact for another year. Their core values — environmental protection, respect for human and labour rights, and fighting corruption — form a framework for business to fulfil its responsibility to create a world that is more prosperous and socially and environmentally sustainable. On this occasion, I invite you to read our annual Communication on Progress, in which we describe our performance in this area and others related to sustainable development.

The world currently faces major risks, fundamentally environmental, social, economic and geopolitical. Although there is a constant barrage of news that suggests the situation is increasingly unsustainable, the actual picture, so far at least, is much less negative. There are reasons for optimism, the principal one being the adoption of the United Nations Sustainable Development Goals (SDGs) by 193 countries. The SDGs are guidelines for continuing along the now decades-long path to world prosperity in an inclusive way by contributing to reduce inequality within and between countries.

Through our projects in the areas of water, renewable energy and infrastructure, ACCIONA contributes to Sustainable Development Goals that are vital because, among other reasons, they are essential prerequisites to achieving the other SDGs. I refer in particular to the SDGs related to access to water, energy, infrastructure and mitigating climate change. Unless these basic needs are met, it is very hard for a society to attain the development and well-being needed to achieve most of the other SDGs.

I would also like to emphasise the progress made in the last year in a number of areas under our Sustainability Master Plan 2020, as detailed in our Sustainability Report 2017. To begin with mitigating climate change and protecting the environment, I would like to highlight three achievements. The first came at the climate summit where the Paris Agreement was signed. In that forum, we publicly adopted the commitment to be carbon neutral by offsetting the greenhouse gas emissions that we could not reduce. We fulfilled that commitment and have been carbon neutral since 2016. The second was that, by generating electricity solely from renewable sources, we avoided the emission of 14.4 million tons of CO₂ into the atmosphere in 2017. I would also like to mention our response to the threat of water stress through our water treatment activities, having achieved a positive net water footprint on the planet equivalent to the annual water consumption of 7 million people.

In the area of human and labour rights, we have updated our policy and advanced with human rights due diligence in line with the UN Guiding Principles for Business and Human Rights. Progress in this area is due to, among other factors, the analysis of the risk of human rights violations and our approach to managing the social impact of our projects on local

communities, based on an in-house methodology applied to 100 projects in 2017. I would also emphasise that ACCIONA takes measures to ensure that its activities do not pose a health and safety risk; we aim to reduce our employees' accident rate by 15 % between 2015 and 2020.

We have also made progress in corporate governance and in combating corruption. This has been achieved firstly by approving and implementing the new methodology for identifying and assessing sustainability risks: climate change, environmental, social, labour and governance risks, among others. Secondly, in line with the company's ethical commitment, the Crime Prevention and Anti-Corruption Model already in place in Spain has been rolled out in the Energy and Water business lines in Italy. A total of 6,213 employees have taken a new course on the Code of Conduct, our core document on integrity. I would also note that we have implemented a "No Go" Policy in our supply chain, under which suppliers who fail to meet ethics and integrity standards, among others, are barred.

Society is increasingly aware of the need to develop a more sustainable economy, and this trend is being strengthened through alliances. For that reason, ACCIONA is an active participant in a number of international organisations that pursue sustainable development, including the United Nations Global Compact and its Spanish network, and the Caring for Climate initiative.

I would like to conclude by inviting you to read our Sustainability Report 2017, in which we provide an exhaustive information to our stakeholders about our progress in implementing the Ten Principles of the Global Compact and the challenges we have set ourselves in the area of sustainable development.

Thank you for your support.

Very truly yours,

José Manuel Entrecanales Domecq