
OTHER BUSINESSES'S COMMITMENT

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

OTHER BUSINESSES IN 2016

2,045
EMPLOYEES

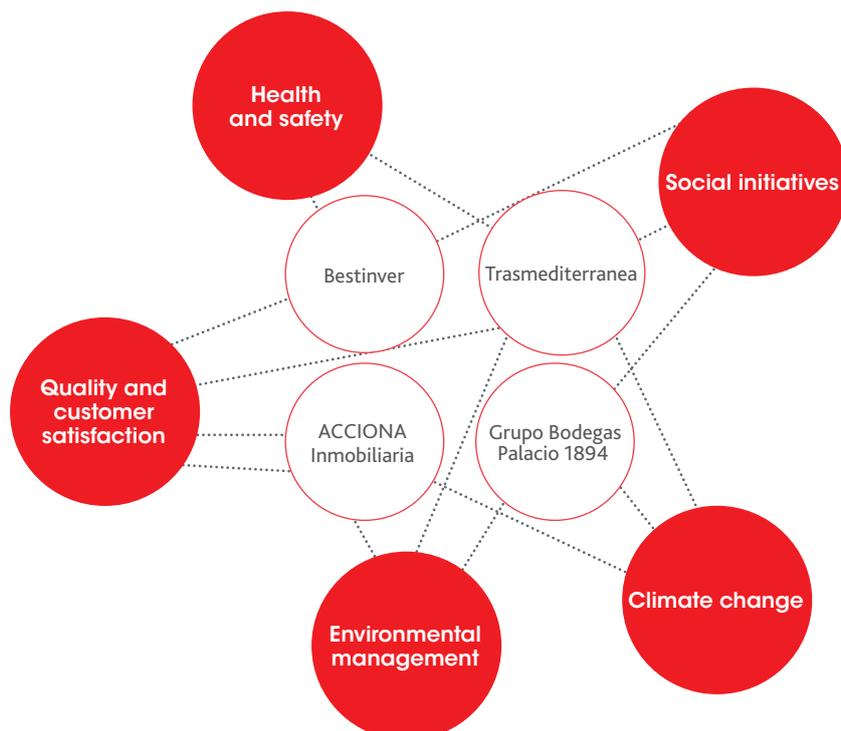
€668 M
REVENUE

€131 M
EBITDA

100 %
CUSTOMER SATISFACTION

Below are the main aspects identified in 2016 as the most relevant to the key stakeholders of Trasmediterranea, ACCIONA Inmobiliaria, Bestinver and Grupo Bodegas Palacios 1894. Each aspect describes the sustainability performance for each of the businesses during 2016.

Sustainability performance in other businesses



Trasmediterranea's sustainability performance

Trasmediterranea is the leading Spanish cargo and passenger transport company and one of the most important in Europe. The activity 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.

TRASMEDITERRANEA IN 2016

1,347

EMPLOYEES

€431 MILLION

REVENUE

€61 MILLION

EBITDA

2,508,535

PASSENGERS

5,780,966

CARGO HANDLED
(LANE METRES)

575,991

VEHICLES TRANSPORTED

Looking for innovative solutions to improve the quality of service and **minimise contamination**, amongst Trasmediterranea sustainability commitments

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 by national and international benchmark standards, like ISO 9001 and the Quality Reference Guide of the Spanish National Port Authority (Puertos del Estado).

In 2016, the business continued to take concrete actions to improve its customers' satisfaction and experience. For example, in order to improve customers' assessment of cleanliness on board by 10 %, the company created the figure of the Catering Manager, who conducted an analysis of a methodology by which to improve the effectiveness of the cleaning process and its quality, updating the Procedure and Manual for on-board cleaning accordingly. The implementation of these measures improved the assessment of the cleaning service on board by 7 % compared to 2015.

In 2016, all indicators measuring overall customer satisfaction improved:

- The number of satisfaction surveys received from passengers (5,954 in total) increased by 203 % compared to previous year.
- 79 % of respondents would use Trasmediterranea for a service or product again (16 % more than in 2015).
- The number of Business to Customer (B2C) claims fell by almost 50 %, going from 0.94 complaints per 1,000 customers in 2015 to 0.56 in 2016.
- 100% of customers who took part in the 2016 satisfaction survey declared that they were satisfied with the products and services received from the business.

These figures are the result of the effort made by the shipping company in 2016 to improve its customers' travel experience. It should be noted that more than 1,500 hours were spent on customer service training (passenger, teller and assistance for the disabled). Regarding loyalty, Trasmediterranea was the only Spanish shipping company to join (January 2017) the European loyalty programme "Miles Attack" dedicated to travel agents.

CONSUMPTION AND ENERGY EFFICIENCY

The nature of its business means that Trasmediterranea's greenhouse gas emissions (CO₂) exceed those of the other ACCIONA businesses, accounting for 55.5 % of the group's total emissions in 2016, mainly due to the consumption of fossil fuels by the ships.

Despite this, in recent years, the business has successfully reduced its energy consumption through various initiatives:

- Painting some ships using innovative paints that reduce friction in water.
- Redesign of the propellers and update of the ship propulsion system to optimise fuel consumption.
- Study of the adaptation of the engines of the fleet to use natural gas in order to reduce Trasmediterranea's carbon footprint and to avoid emissions of nitrogen oxide and sulphur into the atmosphere.
- Replacement of traditional lighting with low consumption lighting as a means of energy eco-efficiency, both in ships and maritime terminals.

IMPROVED PROPULSION SYSTEM FOR THE SHIP JOSÉ MARÍA ENTRECANALES

During the year, a propulsion system was successfully updated on the ship José María Entrecanales, installing the new Promas Lite system developed by Rolls-Royce. This system consists of an attachment joined to the rudder and hydrodynamic fairing in the propeller unit, which suitably directs the slipstream and improves hydrodynamic resistance.

At the same time, the propeller blade design has been optimised, adapting them to the new Promas Lite system and improving propulsion effectiveness even more.

The result is an increase in the propeller drive and a reduction in the resistance to movement, improving the ship's energy consumption during the crossing. This new technology guarantees savings of 12 % in fuel consumption. It is therefore hoped that energy savings will be achieved of around 93,000 GJ and 7,200 tonnes of CO₂ per year.

In addition to the initiatives described intended to reduce emissions, it should also be noted that as part of the company's Sustainability Master Plan, Trasmediterranea offset all its emissions generated in 2016, thereby helping achieve the ACCIONA carbon neutrality goal.

ENVIRONMENTAL MANAGEMENT

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

In 2016, the main milestones achieved in this area were the consignment for recovery of 100 % of the hazardous waste generated in greatest amounts in the ships (Marpol I waste) and the collaboration in biodiversity compensation with the NGO Océánidas by cleaning the seabeds in Málaga, Ceuta and Melilla.

Additionally, its environmental management model has enabled the company to reclaim some of the taxes required for the development of its business:

- For the fifth consecutive year, the port authorities have subsidised Trasmediterranea with a 5 % reduction in "T1"¹ due to good environmental practices adopted by ISO 14001-certified ships.
- The maritime stations of Barcelona, Valencia, Cádiz and, for the first time, Tenerife, benefited from a 15 % reduction in the activity rate thanks to the stipulation of various Good 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.

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.

Some of the most important measures in occupational risk prevention carried out in 2016 are:

- Establishment of the figure OHS MANAGER in delegations, whose aim is to promote a greater integration of prevention at work centres and raise workers' awareness about health and safety issues.

- Update of risk assessments beyond the obligations laid down by current regulations, so as to have a better control over risk situations.
- Establishment of a quarterly safety inspection model based on observations of safe conduct, to improve the supervision of the work centres by managers.
- OHSAS certification in the maritime stations of Barcelona, Valencia, Cádiz and Las Palmas de Gran Canaria.

Thanks to the management model implemented and the progress made, the accident rates have declined in the last financial year. The frequency rate was 3.21, which marks a 39 % compared to 2015.

SOCIAL INITIATIVES

In 2016, Trasmediterranea collaborated with the 2nd edition of the Great Cleaning of the Seabed in some 20 points of the Spanish coastline, including Ceuta and Melilla. In this initiative, hundreds of voluntary divers of the Marine Watch Network (Red de Vigilantes Marinos) successfully removed around 10 tonnes of waste.

- In Melilla, around 100 people took part in the collection of waste, coordinated by the Melilla Diving Association (Asociación Melillense de Submarinismo), which successfully collected around 550 kilograms of waste (iron beams, pieces of engines and tyres, amongst others).
- In Ceuta, the cleaning of the seabed on the beach of Tarajal concluded with around 400 kilograms of waste collected. Under the organisation of CECAM (Centre for Studies and Conservation of Marine Animals) and the Federation of Underwater Activities of Ceuta (Federación de Actividades Subacuáticas de Ceuta), around 50 people were involved in the activity, along with a large number of local associations.

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.

In the same way, in 2016 Trasmediterranea collaborated with numerous social associations, such as Proyecto Hombre, Asociación Catalana por el Parkinson and Asociación Corazón and Vida de Canarias, amongst others.

1. Tax charged to ships for use of the port water and installations.

ACCIONA Inmobiliaria's sustainability performance

With 25 years of experience, ACCIONA Real Estate 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 for the owners.

CUSTOMER SATISFACTION

In 2016, ACCIONA Inmobiliaria carried out two major surveys to measure its customers' satisfaction: i) assessment of customer satisfaction in the residential and service sector rental business, and ii) surveys to customers of the residential rental assets with the greatest occupancy rates and at all students residences. The improvement in communication channels - the survey was left in customers' letterboxes - increased the level of participation by six points, rising by 16 % in the two surveys.

As part of its Quality Management System, in 2016 the company established the objective of improving the global score obtained in the satisfaction survey. It achieved this objective 100 %.

Additionally, 100 % of the property development activities run in Spain and Poland are certified ISO 9001.

ENVIRONMENTAL MANAGEMENT: ECO-EFFICIENT HOUSING

One of the main business objectives involves the commitment to work on projects that help to conserve the environment, firmly investing in eco-efficient housing.

Eco-efficient housing consumes less in terms of energy resources and reduces contamination as it does not use toxic products and generates less waste. To do so, from the moment of interior and exterior design, there is an efficient use of materials and systems and the location in the area (climate, surroundings and existing resources) is taken into account.

One of the main business objectives is to support for **eco-efficient housing**

ACCIONA INMOBILIARIA IN 2016

118

EMPLOYEES

€105 MILLION

REVENUE

€14 MILLION

EBITDA

100 %

PROPERTY DEVELOPMENTS IN SPAIN CERTIFIED ISO 14001

100 %

OF THE ACTIVITY CERTIFIED OHSAS 18001

100 %

CUSTOMER SATISFACTION

SUSTAINABILITY-CERTIFIED HOUSING

In compliance with the objective undertaken last year, ACCIONA Inmobiliaria worked throughout 2016 on 11 development projects, approximately 1,000 new housing units, designed in accordance with the rigorous requirements of the sustainability standard in construction, BREEAM ES.

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

These measures take the form of savings such as the following:

- Reductions in the joint demand for heating-cooling that exceed 50 % due to an envelope comprising high thermal-acoustic performance materials.
- Reduction in NO_x emissions by means of the use of a centralised high-efficiency condensing boiler.
- Increase by up to 150 % of opening window surfaces to improve natural ventilation and lighting.
- Highly energy efficient internal and external lighting and special attention to the quality of light emission; regulated by environmental lighting sensors and presence detectors.
- Energy savings that exceed 30 % in the use of energy-efficient lifts.
- Bathroom fittings and taps offering very low water consumption.
- Reduced environmental impact of the materials to be used in construction.
- Existence of spaces and equipment for waste separation.

Thus, for example, the Adelfas project in Madrid (Spain) has obtained a Provisional Certificate - Design Phase, with an initial classification of Very Good.

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

It should be noted that ACCIONA Inmobiliaria has been chosen by the World Economic Forum to be part of the Advisory Board for the initiative "Emerging Horizons in Real Estate: An Industry Initiative on Asset Price Dynamics".

CLIMATE CHANGE

As part of energy savings and in line with its support for eco-efficient housing, ACCIONA Inmobiliaria division has undertaken to certify all its developments with the BREEAM sustainable seal.

This seal fosters more sustainable construction, which has repercussions in terms of economic, environmental and social benefits for all people living and using a building (owners, tenants and users).

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.

It should be noted that as evidence of the management carried out, the OHS-IF accident rate has been kept at zero for the second year running.

Bestinver's sustainability performance

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 over the long term. The 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 frame shared by investors and managers".

In 2016, 100 %
of Bestinver
customers were
satisfied with its
products and
services

BESTINVER IN 2016

85

EMPLOYEES

€85 MILLION

REVENUE

€59 MILLION

EBITDA

€5,222 MILLION

UNDER MANAGEMENT

42,374

INVESTORS

100 %

CUSTOMER SATISFACTION

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 2016, 100 % of customers who took part in the satisfaction survey declared that they were satisfied with the products and services received from the business.

In a complementary manner, Bestinver organised in 2016, for the first time ever, an investor satisfaction survey, delivered to those attending the annual conference in Madrid (Spain), to gauge satisfaction with the event and level of brand recommendation (the Net Promoter Score) through the 148 surveys received. The results regarding satisfaction with the event were 8.4/10 (which ACCIONA considers as satisfied - very satisfied customers) and the level of recommendation was 37 %, which falls within the upper range of brands with high recommendation levels.

For FY 2017, the aim is to pursue the commitment to customer satisfaction by implementing a systematic model for measurement and the Net Promoter Score, which will be extended to the various segments of Bestinver. The aim of this measure is to develop the points for improvement identified, to increase the satisfaction and levels of recommendation.

EMPLOYEE HEALTH AND SAFETY

Bestinver works on the health and safety of its employees. In concrete terms, safety management is defined in the Corporate OHS Management System Manual. In this respect, the whole of the OHS risk control and management structure is the same as the corporate division (see the ACCIONA's Commitment chapter, section on Health and Safety). 100 % of the company's activities are certified OHSAS 18001.

It should be noted that as evidence of the management carried out, the OHS-IF accident rate has been kept at zero for the second year running.

SOCIAL INITIATIVES

In 2016, Bestinver collaborated with the channelling of funds to the project to construct a new primary school in Sierra Leone, in collaboration with the NGO África Directo. The Wara Wara Community Schools Project, located in Serekuday, in the region of Wara Wara, has the aim of building schools in the province, strengthening local employment as a means to reduce poverty.

The school is located in a mountainous area that is difficult to access, with the lowest schooling rate in the country and where many of the teachers are volunteers.

The project aim is to children of Serekuday and neighbouring communities access to school and, at the same time, provide them with an area to pursue cultural and sports activities.

Grupo Bodegas Palacio 1894's sustainability performance

Grupo Bodegas Palacio 1894* engages in the production and marketing 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 across the globe.

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

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 and safety of its customers, the Group has management systems certified as follows:

The improvement in the quality of Group products has a direct impact on customer satisfaction. In 2016, various surveys were conducted to measure the satisfaction of its customers (direct sales, export, food and HORECA). One hundred percent of customers who took part in these surveys declared that they were satisfied with the products and services of the business.

GRUPO BODEGAS PALACIO 1894 IN 2016

216
EMPLOYEES

€6 MILLION
EBITDA

350
DISTRIBUTION PARTNERS
(POINT OF SALE)

€41 MILLION
REVENUE

+ 3,000
ONLINE CONSUMERS (DIRECT
SALE TO END CUSTOMER)

100 %
CUSTOMER SATISFACTION

Bodegas Viña Mayor obtained the **Wineries for Climate Protection** certification, the only seal that recognises improvements in processes that reduce emissions and increase energy efficiency

GRUPO BODEGAS PALACIO 1894 CERTIFICATIONS IN 2016

■ **ISO 9001 and ISO 14001:** 100 % of the wines produced in the Peñascal, Viña Mayor, Caserío de Dueñas and Palacio wineries. Also in ISO 9001: 100 % Viñedos Viña Mayor, Caserío de Dueñas and Finca 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 Certificate of Origin Ribera de Duero to obtain this distinction.

It involves improvements to processes to reduce emissions and increase energy efficiency. This award was supported by the activities of Bureau Veritas Iberia, the certification entity authorised by the Spanish Wine Federation (FEV).

■ **Food Safety System Certification (FSSC 22000):** at Peñascal, Viña Mayor, Caserío de Dueñas and Palacio wineries. This is the international benchmark standard for the management of food safety risks, including those of the supply chain.

* Formerly called Hijos de Antonio Barceló (before 2017).

In 2016, the complaint management process and delivery periods were improved thanks to product centralisation with a logistics operator and the concentration of back office management activities (for Food, HORECA and Export). For the Direct Sales channel, complaint management is handled via the web page or telephone, solving issues within one or two days and always providing the customer with feedback. In the same way, the data collection process regarding complaints has been improved to allow for the inclusion of complaints caused by incidents in transport, receiving a total of 47 product complaints and 216 for the breakage of goods during transport.

It should be noted that in 2016, Grupo Bodegas Palacio 1894 developed its new webpage, offering an overview of all Group wineries and brands, as well as the different details about the wines: origin, vintage, grape variety and process of preparation and ageing, amongst others. Furthermore, customers can purchase online, return goods and join customer clubs.

For 2017, the group set the objective of improving the overall customer satisfaction, optimising the current survey and focussing on initiatives involving how complaints are managed, from reception to solution.

CLIMATE CHANGE

Grupo Bodegas Palacio 1894 is committed to the fight against climate change. In the sense, 100 % of electricity consumed by this business comes from renewable sources.

During last year, the Group studied and even implemented various measures in the field of energy efficiency and the use of renewable sources in Bodegas y Viñedos Viña Mayor, such as:

- Remodelling of the temperature control systems of the office, cask and bottling areas, so that the new technology, sector-division and control system increase energy efficiency by up to 24 %. Additionally, new systems are only based on electricity consumption, that comes on certified renewable sources, meaning that greenhouse gas emissions are zero.
- Reduction in the consumption of diesel by up to 7 % through the optimisation of the hot water operating temperature, in the bottling line for cask and bottle washing.
- Analysis of the viability of changing current heater burners to use alternative fuels, which will reduce the contaminating emissions released into the atmosphere.

ENVIRONMENTAL MANAGEMENT: REDUCTION OF WATER CONSUMPTION

Water consumption is one of the most important environmental variables in the wine-making business. More specifically, the property stretching out over more than 380 ha of vineyard manages water resources strategically. This is why in 2016 measures aimed at reducing water consumption, both in the vineyard and in the wineries:

- Re-grafting of 100 hectares (38.8 ha in 2016) with grape varieties requiring less water. Since 2013, water consumption has been reduced by up to 60 % comparing to previous varieties.
- Carrying out of a second study in Caserío de Dueñas on the use of fertilisers that increase water retention capacity in the roots. The results obtained indicate water savings between 5 % and 10 % with an average yield per hectare equal to the sample plot.
- Changes made to the water treatment system of the Viña Mayor winery, resulting in savings of up to 26 % in water.

SOCIAL INITIATIVES

For the second consecutive year, Grupo Bodegas Palacio 1894 has joined the social cooking project, Gastronomix. It offers training opportunities in catering to 50 young adults from vulnerable situations, aged between 16 and 23 years old.

The group has been responsible for introducing 50 young adults to wine culture in an educational, professional, responsible manner. Activities included a master class on the main principles of wine, giving the students tools and techniques to be applied on a daily basis in the Gastronomix canteen.

In addition to specialised training, Gastronomix offers participants a series of parallel activities, such as emotional intelligence and entrepreneurship.