

VALUE CHAIN

Responsible quality management



ACCIONA works to ensure sustainability in all supply chains, with partners and customers, mitigating environmental, social and good governance risks. In the same way, its stake is on the quality of products and services with the aim of ensuring customer satisfaction.

CHALLENGES 2016	PROGRESS IN 2016
Implement of the PROCUR-e Risk Map in procurement processes > €100,000.	4,353 processes awarded in PROCUR-e, of which 606 are over €100,000. All bidders (10,065) have a risk map.
Increase the procurement volume and bids managed through PROCUR-e.	More than €650 M awarded in PROCUR-e and 7,800 requests for quotation (RFQ) handled, compared with €10.9 M and €510 in 2015.
Carry out enhanced due diligence of suppliers when the PROCUR-e v1.0 Risk Map Integrity variable is at high risk.	Monitoring, by means of external certified sources, the Integrity variable of the main suppliers (3,995), of which 24 had had the Integrity variable classed as high risk at one point.
Design of No Go Policy proposals for the ACCIONA group in coordination with businesses.	Design of, in agreement with the businesses, the No Go Policy proposal regarding the contracting of suppliers.
Measure procurement with sustainable procurement criteria.	Design and deployment of the indicators used to mark, justify and successfully measure sustainable procurement in both PROCUR-e and in the main Enterprise Resource Planning (ERP).
Launch of four calls for tenders to suppliers of the six training courses.	Launching of five calls for courses available to suppliers and integration of the supplier training campus in PROCUR-e.
Establish of dialogue sessions with customers in the company's most important operations.	Meetings with customers (town councils, regional governments, foundations, NGOs, businesses and chambers of commerce) to discuss matters like the execution of projects, establishment of needs or presentation of the social impact management method (more information in the Society chapter).
Define parameters and conduct an assessment of the environmental, social and corporate governance performance of selected customers.	Start of assessment process of the environmental, social and corporate governance performance of partners though not yet of customers. Meetings were held between the Sustainability Department, the Compliance Department and the Infrastructure and Energy divisions to progress in the assessment.

CHALLENGES 2017



Increase the scope of procurement management through PROCUR-e.



Revise and update the procurement processes of business in compliance with new policies, controls and risks.



Implement No Go Policies as a basis for the decisions to be made by the procurement teams:

- Create a working group in charge of analysing if additional criteria should be included in these policies in order to extend the scope of the responsible management.



Continue to investigate the risk of suppliers in matters such as legal requirements or financial risk.



Define the supplier development strategies by means of training, satisfaction surveys and ACCIONA-Supplier meetings.



Continue to validate the audit management model for suppliers in conflict with business requirements.



Refine suppliers in creating the common repository, the ACCIONA Suppliers Master.



Deploy, throughout the Energy division, the adjustment and certification of the new versions of the ISO 9001 and ISO 14001 standards.



Continue progression in ISO 50001 certification of the Energy Management Systems.



Optimize the ACCIONA Service management model through the "OneLean Productivity Services by ACCIONA" project.



Launch the ACCIONA Solar customer website to allow for the monitoring of production, incidents and notices, amongst others.



Implement the Lean Construction methodology in the Puerto Libertad (Mexico) photovoltaic project.

HIGHLIGHTS IN 2016

» PROCUR-e is ACCIONA group's consolidated supplier portal and bidding tool. More than 15,000 suppliers registered and over EUR 650 M contracted

» Design of No Go Policies, minimums which, in the event of breach, prevent suppliers from being contracted, establishing the controls for their compliance

» On the Risk Map, the variables of Integrity, OHS Activity Risk, and Environment/CO₂ risk are more important

» 90 % of ACCIONA's revenue is certified under ISO 9001 and 87 % under ISO 14001

» Customer satisfaction-focussed actions: 94 % satisfaction of Energy customers, 95 % in Services, 99 % in Construction and 100 % in other businesses

The ACCIONA supply chain

At ACCIONA, the guidelines and strategy to be applied in procurement are established by the Procurement Coordination Committee created in 2016 and composed by the managers of the main divisions.

During this last year, the company operated with approximately 17,900 active suppliers, those from which purchases were made, with a figure 9 % below that of the previous year. The overall volume procured has remained stable at the values of the previous year, exceeding EUR 3,250 million.

In this respect, the company continues to concentrate a greater volume of purchases on a smaller supplier base, successfully obtaining competitive and commercial advantages.

The **volume procured** from all active suppliers exceeded **EUR 3,250 million**

Supplier breakdown per division in 2016

Line of business	Total common	% Total	National	International
Energy	3,105	17 %	2,912	193
Infrastructure				
Construction	6,575	37 %	6,331	244
Concessions	900	5 %	851	49
Infrastructure Maintenance	638	4 %	638	0
Water	842	5 %	609	233
Services	2,968	17 %	2,707	261
Industrial	763	4 %	718	45
Trasmediterranea	431	2 %	389	42
Corporate	442	2 %	397	45
Other businesses*	1,173	7 %	1,085	88
TOTAL	17,837	100 %	16,637	1,200

Note 1. Common suppliers: suppliers with volumes procured in one or more businesses assigning the supplier to the business with which in 2016 it had the greatest volumes contracted. Throughout this Report, the quantitative data is reflected on the basis of this total (17,837).

Note 2. Suppliers by business: suppliers that have been contracted in each ACCIONA business without consolidating volumes procured.

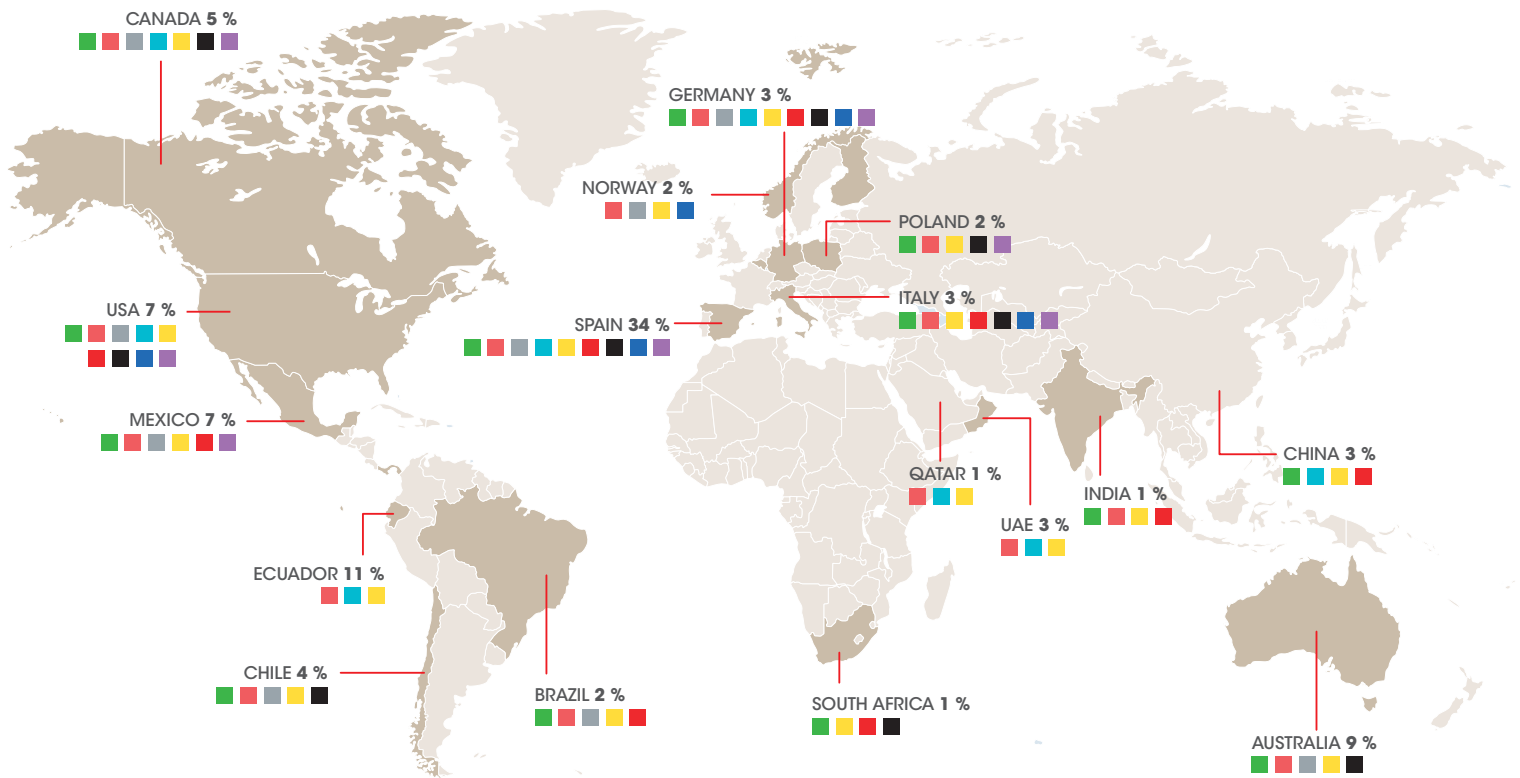
* Includes Bestinver, Grupo Bodegas Palacio 1894 and ACCIONA Inmobiliaria.

DISTRIBUTION OF PROCUREMENT BY GEOGRAPHY

Approximately 80 % of the volumes procured for 2016 come from eight countries, including Spain, Ecuador, Australia, the United States of America, Mexico, Canada, Chile and China.

The 19 % decline in Spain with respect to the previous year, and the entry of Ecuador and the United Arab Emirates into the map stand out.

Geographical distribution of suppliers by business line in 2016



Other countries: the remaining 2% corresponds to another 55 countries that supply ACCIONA. Percentages for the procurement spending volume in 2016 through orders to suppliers including group companies according to their countries.

- Energy
- Construction
- Concessions
- Water
- Services
- Industrial
- ACCIONA S. A.
- Trasmediterranea
- Other businesses

CRITICAL SUPPLIERS

As in the previous year, the level of criticality of ACCIONA's suppliers and contractors is established by their economic risk, that is, any supplier with an annual turnover/ commercial relationship that exceeds 100,000 is considered critical.

Additionally, any suppliers whose characteristics, degree of dependency or unique nature entail an individual risk for the company, are also considered as critical.

In accordance with the foregoing criteria, in 2016, 17 % of ACCIONA suppliers were considered as critical suppliers.

Critical suppliers by division in 2016

Line of business	Total	Critical	% Total
Energy	3,105	430	14 %
Infrastructure			
Construction	6,575	1,445	22 %
Concessions	900	115	13 %
Infrastructure Maintenance	638	107	17 %
Water	842	185	22 %
Services	2,968	199	7 %
Industrial	763	189	25 %
Corporate	442	80	18 %
Trasmediterranea	431	78	18 %
Other businesses*	1,173	124	11 %
TOTAL	17,837	2,952	17 %

* Includes Bestinver, Grupo Bodegas Palacio 1894 and ACCIONA Inmobiliaria.

LOCAL SUPPLIERS

ACCIONA continues to promote the local development of the communities in which it operates, helping improve them and fostering their growth. Furthermore, the company ensures greater flexibility and certainty of lead times of products and execution of services.

In 2016, local suppliers* totalled 15,418, 86 % of the total supplier base.

Local suppliers by division in 2016

Line of business	Total	Local	% Total
Energy	3,105	1,710	55 %
Infrastructure			
Construction	6,575	6,325	96 %
Concessions	900	851	95 %
Infrastructure Maintenance	638	638	100 %
Water	842	609	72 %
Services	2,968	2,702	91 %
Industrial	763	717	94 %
Corporate	442	392	89 %
Trasmediterranea	431	389	90 %
Other businesses*	1,173	1,085	92 %
TOTAL	17,837	15,418	86 %

* Includes Bestinver, Grupo Bodegas Palacio 1894 and ACCIONA Inmobiliaria.

RESPONSIBLE MANAGEMENT OF THE ACCIONA SUPPLY CHAIN

ACCIONA conveys its commitment to Sustainability to the whole supply chain, in any of the relations and communications it establishes. With the aim of identifying, mitigating and managing risk, ACCIONA has an internal risk management mechanism that is essentially structured over three elements:

- The **PROCUR-e platform**, an electronic procurement tool that seeks to support management of the supply chain through its two functions: Supplier Portal and Bidding Tool.
- The **Risk Map**, a tool for controlling the supply chain that supports decision-making criteria for procurement and the identification of potential areas for improvement in suppliers.
- The **Procedure for Supplier Qualification and Evaluation**, an integral, objective process where a full analysis is performed on the supplier, thereby minimising the risks, recognised for the supplier and infrastructure, such as corporate responsibility (CR) position, solvency or legal position, amongst others.

* These are those in which the country where the supplier is located coincides with the country where the company or Temporary Joint Venture of ACCIONA has carried out its business.

Risks and controls in the supply chain

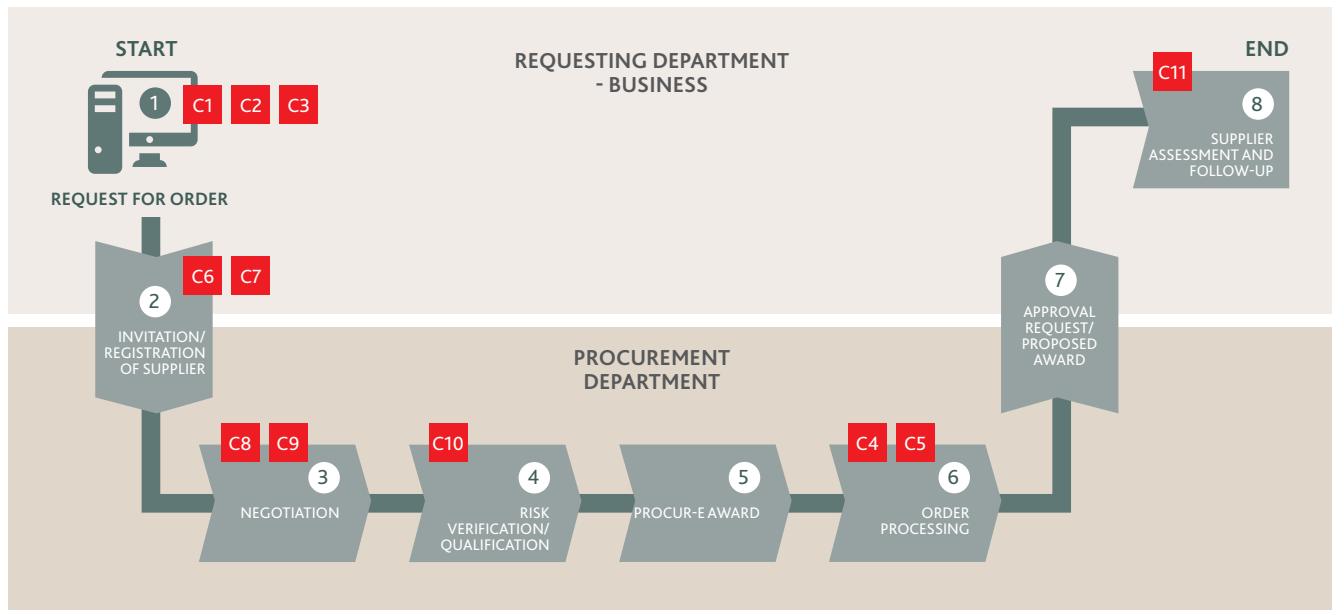
In 2016, ACCIONA processed, updated and identified new risks that may impact the supply chain, proposing preventive controls that should help mitigate problems in the future. ACCIONA has identified two types of risks in procurement processes:

■ **Operational risks:** linked to business earnings or that infringe the ACCIONA Procurement Standard. For example, the making of unauthorised purchases or those that had not been budgeted for, contracting of orders by persons outside the Procurement

Department and non-compliance with the group procurement policy.

■ **Compliance, sustainability, environmental and social risks:** linked to poor practices in matters of corporate responsibility and sustainability, such as the environmental impact, the violation of human rights or the lack of transparency and ethics in procurement processes.

Corporate Procurement Standard



- C1. Budget controls
 - C2. Request with maximum amount per type of procurement
 - C3. Choice of material with framework agreement
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- C4. Entry of the supplier in the Master and qualification control
 - C5. Joint approval by Procurement and the requesting unit



- C6. Self Declaration of Responsibility for Suppliers
- C7. Entry of the supplier in PROCUR-e/Basic registration
- C8. General hiring conditions
- C9. Complete ACCIONA registration for the sending of offers through PROCUR-e
- C10. Calculation of the Risk Map
- C11. Assessment of the order/Contract by the requesting unit

R1 Risk C1 Controls

NB: for more information on the qualification process, see the section on the Procedure for Supplier Qualification and Evaluation

SUPPLY CHAIN RISK MAP

Throughout 2016, the PROCUR-e Risk Map matured enormously with more suppliers monitored on a daily basis, more information on external systems, more mitigation controls and more corrective actions, so as to be able to manage the potential risks far more simply. This model, which is more complete and comprehensive, combines information provided by the supplier with information obtained from certified external systems and internal information pertaining to ACCIONA, such as the history of assessment and performance classification of suppliers.

This type of web-based tool allows users to access it at all times, thereby giving them up-to-date information on the real risk of all suppliers in the supply chain.

The PROCUR-e Supplier Risk Map has 10 variables that are recalculated on a daily basis and which update the supply chain risk assessment. They all contribute towards the generation of a risk traffic light that is visible to all internal users of the tool. These 10 variables are: Supplier Integrity, Supplier Country Risk, Corporate Responsibility and Sustainability, Economic Solvency, Economic Dependence, OHS Activity Risk, Environmental/CO₂ Risk, Expired Legal Documentation, ISOs Status and Supplier Assessment. The graphical representation of the 10 variables of the Risk Map is termed the Scorecard.

MITIGATION CONTROLS

In 2016, mitigation controls were pursued for cases of variables for which a significant risk to the company has been detected, specifically:

- Supplier Integrity: progress in the implementation of due diligence on suppliers.
- Supplier Country Risk: the 2016 audit plan's main aim was to verify locally the principles of the Global Compact in countries where its application is not guaranteed.
- OHS Activity Risk: launch of voluntary improvement plans for adherence by suppliers with an incidence rate that exceeds the risk level accepted by ACCIONA.
- Environmental/CO₂ Risk: analysis of the different companies with environmental sanctions

The overview of all variables is summarised by classifying the suppliers into three risk levels: low, medium and high.

PROCUR-e Critical Supplier Risk Map v1.0

The PROCUR-e Risk Map for those considered as critical (economic risk greater than EUR 100 K) includes 1,321 suppliers, which makes for a 125 % increase in the scope of this analysis with respect to that achieved the previous year (when PROCUR-e was being implemented). This Risk Map, which analyses more variables and has also been enriched with information obtained from external systems, provides ACCIONA with a more global overview of the different nature of the risks that may affect the company.

The amount contracted with these 1,321 suppliers rises to EUR 1,506 M, 46 % of the total and has the following risk distribution:

Distribution of risk on the Risk Map in PROCUR-e v1.0

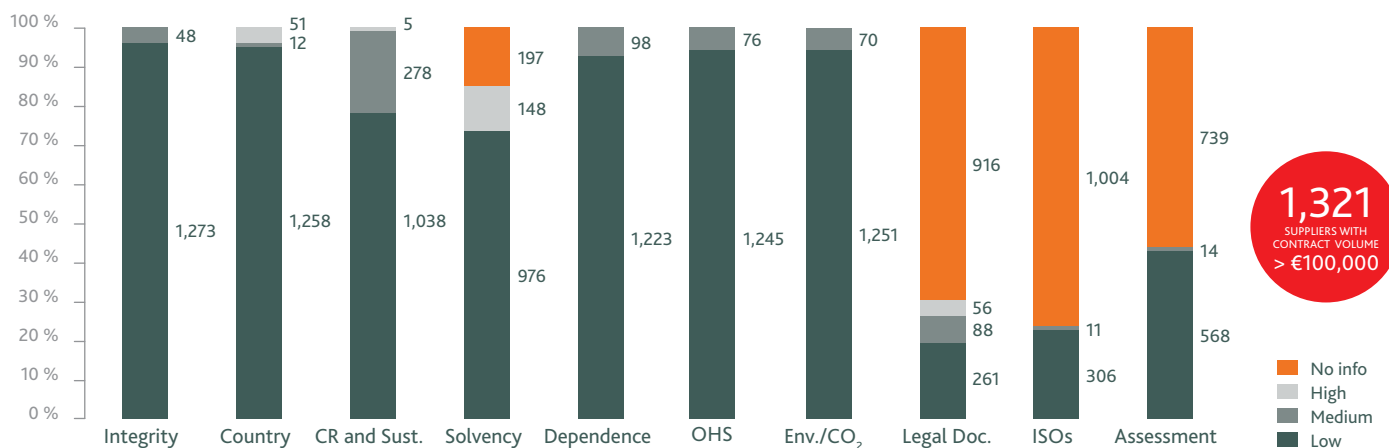


With more information from external systems and more corrective actions, the PROCUR-e Risk Map **has matured greatly**

81 % of these suppliers are medium to low risk. As this risk map has variables of differing nature and impact on the ACCIONA group - like the Supplier Country Risk, Economic Solvency and Economic Dependence, amongst others - the analysis needs to be separated out by risk variable in order to take the corrective action and implement improvements.

In the chart below, you can see the risk distribution for each of the individual variables that make up the risk map:

Distribution of risk in the variables of the Risk Map in PROCUR-e v1.0



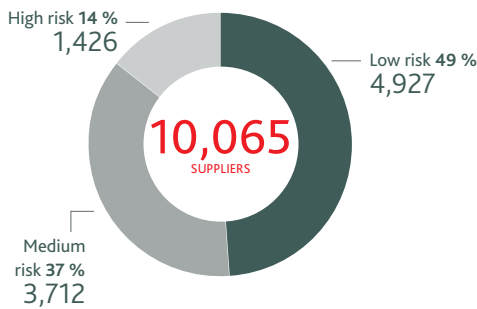
NB: the four variables that show suppliers without information contain data from external systems. The series of values given in grey corresponds to information not reported by said systems.

PROCUR-e Global Risk Map

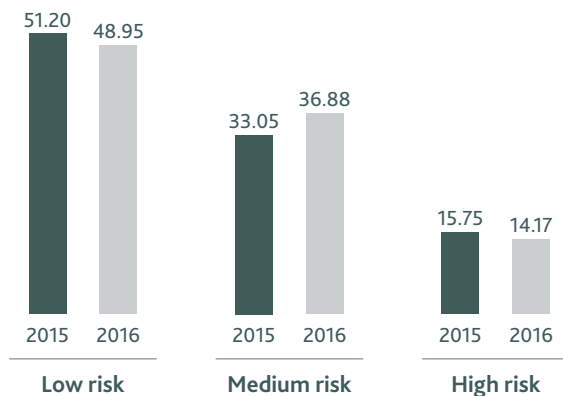
Additionally the Risk Map of suppliers exceeding EUR 100,000 analysed all suppliers registered with PROCUR-e in order to analyse global risk trends.

This PROCUR-e Global Risk Map has a far wider-reaching scope as it covers all suppliers with offers in PROCUR-e. In 2016, a total of 10,065 suppliers had a risk map, which is updated on a daily basis. The criteria considered in this global risk map are the same as for the risk map of critical suppliers explained previously.

Distribution of risk on the Global Risk Map in PROCUR-e v1.0



Evolution of the distribution of the Global Risk Map in PROCUR-e v1.0



2015	2016	Turnover
2,457	10,065	No. of suppliers
84.25 %	85.83 %	Low and medium risk

86 % of these suppliers are medium-low risk level. The percentage of suppliers with high risk is lower because one of the variables most likely to activate high risk is economic solvency and this is monitored less when suppliers are less critical (with small values). In any case, a similar distribution is seen to that recorded for critical suppliers.

The volume of suppliers in this analysis is four times greater than in 2015 and with this information, ACCIONA can analyse risk trends from year to year, drawing the following conclusions:

- The reduction of high risk, mainly due to improvements made with suppliers throughout 2016.
- By knowing the trends of recent years and specific shortcomings of each company, ACCIONA can be far more effective in running its mitigation controls and corrective actions, each time better managing supplier development. These controls are intensified in high-risk countries, as one of the factors that most impacts the risk in the ACCIONA supply chain is its globalisation. This fact was identified in previous years and the company continues to be very aware that in countries like Mexico, China, India, Ecuador, Qatar or the United Arab Emirates, it is important to take careful precautions as these countries do not guarantee compliance with the principles of the Global Compact.

Risk Map v2.0

The last quarter of 2016 saw the preparation of a new version of the Risk Map v2.0 in PROCUR-e, in accordance with the new updates applied by the company.

On the one hand, the first No Go Policy have been prepared, which are a set of minimum requirements that, if not met, prevent this company from being contracted by ACCIONA. These measures ensure compliance by the company with values during contracting.

In the same way, the list of high-risk countries was updated in 2017 using information from external sources, so as to obtain a new Scorecard resulting from the change to the different variables.

NO GO POLICIES

Preparation of the first No Go Policy on the following basis:

- Proven non-compliance with the United Nations Global Compact.
- Supplier with significant risk of ethics and integrity, as it is sanctioned on international lists or shows serious indicators of corruption, fraud or money laundering.
- Critical suppliers in high-risk countries without audit or with audit but with one or more Serious Non-Compliances that have not been remedied.
- Companies penalised by the performance assessment on previous works with ACCIONA or serious shortcomings detected in audit.

Aware of its transmission work, ACCIONA is committed to communicating its sustainability criteria to small suppliers

Focus on the variable CR and Sustainability

In 2016, the model was pursued, as had been launched in 2015, to include the self-assessment questionnaire on Corporate Responsibility (CR) of the ACCIONA group, in PROCUR-e. As it is included in the daily calculation of the Risk Map, the corporate responsibility score of suppliers completing registration on the platform is available at all times.

In 2016, 15,100 questionnaires were sent out to suppliers, accounting for 59 % of 2016 contracts, obtaining scores in CR and Sustainability of 10,065, which represents 49 % of last year's contracts. The number of suppliers with scoring in CR and Sustainability is four times greater than it was in 2015. Of these 15,100, 66 % (10,018) are from Spain and 33 % (5,082) are international, 17 % more than in 2015, thereby offering further confirmation of the international nature of the company, extending its sustainability criteria beyond its boundaries.

Scoring on the variable CR and Sustainability	No. of suppliers in 2016
B-	171
B	3,116
A-	3,920
A	2,164
A+	694
TOTAL	10,065

The average classification of suppliers continues to be A- and the average score is 50.97 points.

The companies obtaining lesser scores in CR and Sustainability are those in which turnover is least important, in many cases small suppliers. Aware of its sustainability transmission work, ACCIONA is committed to communicating, training and conveying its criteria to small suppliers. In this respect, in 2016, two main actions were pursued to improve the commitment of small suppliers to sustainability.

- Implement specific training plans, in concrete terms the CR and sustainability course for suppliers, so as to direct them towards the companies with the best opportunities for improvement in this variable.
- Preparation of questionnaire information and training assistance files, designed in collaboration with the Sustainability, Environment and OHS Departments, to facilitate understanding of the various matters covered by the questionnaire.

Specific tools to obtain checked information on any form of corruption or bribery

Focus on the variable Integrity

In 2016, ACCIONA carried out various actions focussed on reinforcing integrity and fighting all forms of corruption and bribery.

In the first place, a new management system was implemented of the variable Integrity, using specific tools that allow certified information checked with third parties, to be obtained. This procedure consists of the daily monitoring of news relating to supplier integrity, analysing data from more than 30,000 sources split over 250 different countries or geographic areas and in 28 different languages, as well as consulting more than 500 international sanctions lists.

In a complementary fashion, the integrity of the supply chain was assured by carrying out due diligence on 3,995 suppliers (44 % of total group contracts in 2016).

In the same way, the Integrity Interpretation Guide was prepared, a document intended to help classify suppliers according to their risk level in this area, establishing the following criteria:

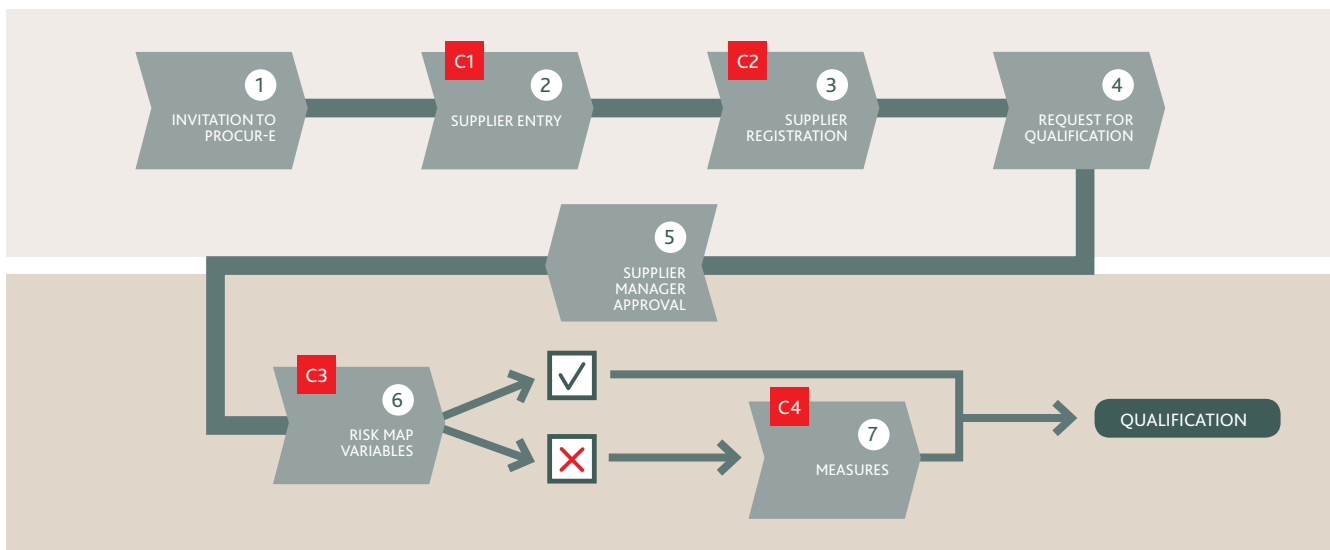
- **Green:** no indicator of any type has been detected and there is no risk in establishing commercial relations.
- **Yellow:** events subsequent to 2015 were recorded (specific claims, fines assigned, etc.) but it is not considered that any significant risk is present at the time of analysis.
- **Red:** there are sufficient indicators subsequent to 2015 (sentences, legal inquiries, etc.) to carry out enhanced due diligence (more in-depth investigations relative to integrity, assessed jointly with the Compliance Department) or directly to conclude that it is not recommended to entertain commercial relations with this supplier.

In 2016, a total of 24 suppliers were identified with significant risk regarding integrity, of which 11 came out as red and are, to date, green in this variable, having implemented the enhanced due diligence process. Of the remaining 11, seven had not been contracted in the last 12 months, two had a previous contract prior to the findings and in the case of the other two, the enhanced due diligence is currently in progress.

Corporate Procedure for Supplier Qualification and Evaluation

Throughout 2016, the second edition of the Corporate Procedure for Supplier Qualification and Evaluation was consolidated, responding to the needs of each business from a more global, transversal standpoint. The main new features are:

ACCIONA supplier qualification process



Verifications at each stage of the qualification process

C1	SELF DECLARATION OF RESPONSIBILITY	<ol style="list-style-type: none"> 1. United Nations Global Compact 2. Code of Conduct 3. Ethical principles 4. Integrity, quality and environmental minimum requirements
C2	COMPLETE REGISTRATION	<ol style="list-style-type: none"> 1. Basic registration 2. Complete registration 3. Activity classification
C3	RISK MAP VARIABLES	<ol style="list-style-type: none"> 1. Integrity ✓ 2. High-risk country ✓ 3. CR ✓ 4. Solvency ✓ 5. Economic dependence ✗ 6. OHS Activity ✓ 7. Environment ✓ 8. Legal documents ✓ 9. ISO ✗ 10. Assessment ✓
C4	MEASURES	<ol style="list-style-type: none"> 1. Integrity → DDR 2. High-risk country → Audit 3. CR → Revision of human rights questions and audit 4. Solvency → Verification of financial ratios 5. OHS Activity → Accident rate analysis → Improvement plan 6. Environment → Analyse criticality of the environmental sanction → Improvement plan 7. Legal doc. → Update in external systems or provide current documents 8. Assessment → Audit

In 2016, 2,604 suppliers were qualified or requalified under the new criteria. The database of qualified suppliers has been updated, that includes those which are truly critical and important to the group. With this single, global database used by all company businesses, duplication is avoided. This is why the total number of group suppliers has dropped by 2,715 with respect to 2015.

One remarkable new feature this year as regards qualification is the inclusion of health and safety improvement plans. If a supplier has accident rates (incident rates) that exceed the threshold established by ACCIONA, once a timely investigation has been run, it is suggested that the supplier adhere to the Improvement Plan. This plan pursues the training and improvement of the supplier's professional development in terms of OHS.

In 2016, 34 suppliers were analysed as having a high risk in OHS with the following results:

- For 11 suppliers, it was concluded that the risk was not significant, hence no Improvement Plan was applied.
- For 23 suppliers, improvement plans were drafted.

In 2016, more than 7,200 assessments of requests were assessed, corresponding to more than 3,100 suppliers, where the performance of the supplier is measured in accordance with criteria relating to terms, occupational risk prevention, quality, environment, compliance with administrative duties and technical capacity.

Environmental, labour, social assessment of suppliers and audits

ACCIONA has tools by which to make decisions that help its purchasers avoid suppliers that may have a negative impact on the company, its stakeholders, or society. Through the Risk Map, a total of 10,065 suppliers were assessed, which means being assessed in matters of the environment, employment, social issues and human rights: child labour, freedom of association and forced labour.

CERTIFICATIONS

ACCIONA values positively suppliers that are Quality, Environment and OHS-certified according to the most internationally recognised standards, ISO 9001, ISO 14001 and OHSAS 18001 respectively. Audits and verifications are also run on suppliers to verify the business practices and that certificates are up-to-date.

Of the 10,065 suppliers registered fully with PROCUR-e, the percentage of suppliers declaring that they have one of these main certificates are:

Percentage of suppliers with quality, environmental and OHS certificates, by division

	ISO 9001 (Quality)	ISO 14001 (Environment)	OHSAS 18001 (ORP)
Energy	45	27	32
Infrastructure	48	27	39
Construction	47	27	40
Concessions	43	43	57
Water	51	25	36
Services	38	22	37
Industrial	63	33	36
Trasmediterranea	58	34	50
Other businesses*	40	22	35
Corporate	39	21	38

Note: % obtained on fully registered suppliers in PROCUR-e (10,065), and their statements regarding their possession of different certifications.

2016 AUDIT PLAN AND VERIFICATION OF QUESTIONNAIRES

In 2016, the supplier Audit Plan launched in 2013, with the aim of guaranteeing compliance with minimum ESG (Environmental, Social and Governance) standards, was continued. In 2016, the ACCIONA protocol was developed and consolidated whereby external auditors were trained to convey the company's values.

External Audits

Throughout 2016, a total of 190 audits were conducted on suppliers in Spain and internationally. They were carried out by auditing firms operating globally and with local auditors possessing the necessary country-specific know-how. It should be noted that this year, international audits rose from 43 in 2015 to 92.

Supplier audits in 2016

Business	International	In Spain	Total
Energy	62	45	107
Infrastructure			
Construction	11	9	20
Water	16	22	38
Services	2	10	12
Industrial	1	1	2
ACCIONA Inmobiliaria	0	1	1
Trasmediterranea	0	1	1
Corporate	0	9	9
TOTAL	92	98	190

In countries ACCIONA considered as being at high risk, supplier audits were increased by more than 100 % compared to 2015, increasing from 24 in 2015 to 54 in 2016.

Internal Audits

Also, in 2016, 118 supplier audits were conducted by their own staff of the Quality Departments, mainly of the Energy and Construction divisions, in order to ensure that they meet the requirements established by ACCIONA most importantly on the quality of the product, its manufacturing process and the service delivered.

Questionnaire verifications

The supplier recorded in PROCUR-e certifies that the information given on its business is complete and correct. Notwithstanding, and as a complement to this, ACCIONA also uses two external registration and verification systems to validate this information. Of the 10,065 suppliers fully registered in PROCUR-e, the information of 1,597 suppliers was verified through RePro and that of 2,292 through Obralia/Gestiona.

GENERAL DISABILITY ACT

PROCUR-e monitors compliance with the General Disability Act (LGD as per its Spanish acronym) for Spanish suppliers. Of the 7,128 fully registered, 85 % declared that they complied with the act or were in possession of a certificate of excellence.

RESOLUTION OF MAJOR OR SERIOUS NON-COMPLIANCES

62 % of suppliers audited in 2016 have had zero Serious Non-Conformities (SNCs). The remaining 38 % implemented the Action Plan developed during the audit to solve its shortcomings. 50 % of these suppliers that had SNCs in 2016 had already fully or partially solved its shortcomings; the rest were in the process of doing so. Non-resolution of these means that they would be reclassified as Invalid suppliers for ACCIONA. In 2016 there were three suppliers that were reclassified as Invalid, thereby being unable to take part in bids nor awarded any projects until the shortcomings are remedied.

80 % of the SNCs continue to arise in the Health and Safety and Environment sections, hence the aim is to continue to work with the suppliers to improve development in these areas.

Ethics for suppliers, contractors and partners

ACCIONA views the dissemination of the company's ethical principles to its supply chain as a priority. This practice serves to ensure alignment with its suppliers with a view to assuring the sustainability of its businesses in the different countries where it operates.

The ethical principles for suppliers are part of the ACCIONA ethical clauses. The inclusion of these clauses pursues the termination of contracts with suppliers that do not incorporate into their activity corporate responsibility and sustainability criteria in line with ACCIONA standards. In 2016, more than 135,000 requests and contracts included these clauses.

With respect to Spain, the inclusion of these clauses in the commercial documents continues to be applied by almost 100 %. Internationally, it should be noted that the construction business has increased inclusion of these clauses by 14 percentage points on the previous year.

ACCIONA's commitment with the Global Compact is also part of the ethical clauses, as is the recommendation to its suppliers, contractors and partners to adhere to it and to report progress made in this regard.

In 2016, the Self Declaration of Responsibility for Suppliers was improved, adding information on how ACCIONA assesses the supplier's performance. This document expressly refers to the Global Compact and includes links to the Ethical Principles and Code of Conduct, in addition to incorporating the minimum standards on Integrity, Quality and Environment for ACCIONA. All suppliers must accept this document if they wish to work with ACCIONA.

Additionally, in 2016 the company made more than 242,000 communications to suppliers, transmitting these principles in all of them. These include acceptance of the Self Declaration of Responsibility for Suppliers, requests, contracts, tender basis, bulletins and training courses.

Supplier training and communication

In 2016, the ACCIONA Corporate University Supplier Campus was integrated into PROCUR-e, meaning that all activities the supplier has with ACCIONA (profile, bids, awards, training, etc.) are included and updated in the same place.

Throughout the year, five free training campaigns were launched, particularly aimed at small suppliers with low CR scores.

Of all suppliers that worked with ACCIONA in 2016, 681 were trained in some of these courses and account for 2.62 % of 2016 contracts.

Supplier training

Course	No. of suppliers	No. of people
Code of Conduct	120	181
Corporate Responsibility and sustainability in the Supply Chain	134	209
Basic concepts, international OHS management and rules	149	227
Equality and Prevention of Discrimination	142	213
Disability Awareness	136	202
Total	681	1,032

As an integral part of supplier training, ACCIONA has prepared 20 questionnaire assistance sheets, available in both Spanish and English. These information and training sheets help clarify the questions asked by ACCIONA of its suppliers as regards CR and extend awareness in this field. For more information on other communication with suppliers in respect of ORP, please refer to the chapter on "People".

Throughout 2016, communications continued with suppliers through the already mature channels in ACCIONA: [ACCIONA: comproresponsable@acciona.com](mailto:comproresponsable@acciona.com), boletinproveedores@acciona.com, proveedores@acciona.es and procure.help@acciona.com.

In addition, suppliers have the ethical channel to report any irregular practice, which ACCIONA will then review.

Integration of ESG principles into the procurement process

In 2015, the criteria were redefined to identify sustainable procurement by means of the preparation of the Sustainable Procurement Guide. In 2016, implementation was completed of the indicators for its identification and at the end of the year, 590 requests were classified as sustainable procurement requests, making for a total value of EUR 46 M.

Find below some examples of how the sustainability criteria have been incorporated into procurement and contracting management, and different actions carried out by the main divisions in this regard.

<p>RENEWABLE ENERGY</p>	<p>In 2016, 586 Gwh of energy of renewable sources was consumed, 4.4 % more than in 2015. In the same way, 1,166 installations consumed energy from 100 % renewable sources and 76 installations consumed 100 % green energy. This bet on using energy from renewable sources, in addition to the action taken in terms of adjustments made to power and improved usage, resulted in total savings of EUR 832,000.</p>
<p>ECO-EFFICIENT VEHICLE FLEET</p>	<p>The active fleet in 2016 was made up of 348 vehicles, of which more than 30 % are low emission vehicles, i.e., emitting less than 120 g CO₂/km, which implies lower fuel consumption. 99.7 % of the active fleet has EURO5 and EURO6 engines, and 1.4 % are hybrid powered vehicles with EURO6 engines (a total of five vehicles), which means lower CO₂ emissions, coupled with a reduction of NO_x and particulate emissions.</p>
<p>SUSTAINABLE WOOD</p>	<p>In 2016, 683.34 t of wood consumed by ACCIONA Construction was certified. ACCIONA S. A., ACCIONA Energy and ACCIONA Service include a clause applicable to all wood-derivative orders and contracts in their ERP: "The Customer shall ask the Supplier for the forest products chain of custody certificate (FSC, PEFC, or similar) for all wooden elements that are the subject of this request."</p>
<p>HIRING OF SPECIAL EMPLOYMENT CENTRES</p>	<p>In 2016, 26 Special Employment Centres (CEE as per its Spanish acronym) were contracted, seven more than in 2015. The aim of this practice is to promote the inclusion of people with disabilities into the workplace. Hiring throughout 2016 totalled EUR 2,426,610.7, at similar values as the previous year. ACCIONA mainly uses these companies to supply work clothing, laundry services, safety materials, travel agencies, printing and vending machines, amongst others. Trasmediterranea stands out among the group companies, having increased its contracts with CEE by 35 %.</p>
<p>BREEAM CERTIFICATION: SUSTAINABLE CONSTRUCTION</p>	<p>ACCIONA Inmobiliaria has continued with the development of 10 promotional projects developed in compliance with the sustainable construction certification BREEAM, thereby obtaining more energy efficient buildings with more reasonable consumption of resources.</p>
<p>SUSTAINABLE ROOFS AND MULTIFUNCTIONAL PHOTOVOLTAIC PRODUCTS</p>	<p>ACCIONA Construction has designed the world's first smart thermal insulation on the roof of the Secondary School of the province of Lieges (Belgium). A catalogue of new multifunctional photovoltaic products has been prepared for architectural integration (BIPV), developed by using a new technique of encapsulation in composite materials of resins and fibreglass, with a transparent finish.</p>

OPPORTUNITIES: CUTTING COSTS AND INCREASING INCOME

Various actions are being implemented, for the most part by the ACCIONA companies, essentially seeking to save on energy consumption and reduce the environmental impact.

<p>WASTE MANAGEMENT</p>	<p>The CONRUT project run by the Concessions division consists of better waste management, including electronic waste. Costs are reduced due to the lesser collections of non-hazardous industrial waste containers and there is no cost to the concession company.</p>
<p>REMOTE CONTROL AND RECEIVING OF SIGNALS</p>	<p>In the ACCIONA Agua DEPURAR 8B concession, the augmented virtual reality project allows instructions to be given to operators by specialist technicians, with no need for them to be physically present. Through the GOTA (Work Order Management) project run by ACCIONA Agua, a system that manages the impact of failures in real time was installed in the Lima (Peru) water network, thereby reducing repair time, minimising water loss and the impact on traffic and travellers.</p>
<p>HERITAGE BUILDINGS</p>	<p>ACCIONA Inmobiliaria has improved consumption controls by means of energy efficiency plans, improving the lighting installations of eight Heritage buildings.</p>

ACCIONA with excellent management

The company works with an excellent quality management model from two standpoints (external and internal). From an external point of view, the aim is to generate products with high added value and to satisfy customers' needs. For this to be possible, the company incorporates excellence into the development of its internal management model.

The company's Quality Policy sets out the principles and commitments in this matter. In the same way, this commitment is structured around the Sustainability Master Plan, which sets out goals for improvement, acknowledging that employees are an essential part of the company's improvement.

In 2016, ACCIONA continued to make progress in the pursuit of ever more efficient processes and the provision of sustainable, high quality products and services.

In this sense, ACCIONA has delivered 13,340 hours of training and sensitisation on processes and quality, with the aim of ensuring that employees have the technical knowledge and specific skills required to go about their duties and improve the knowledge of customers.

QUALITY IN ACCIONA'S OPERATIONS

Certified management systems

All divisions of ACCIONA in Spain and internationally have management systems implemented and certified in accordance with international benchmark standards (ISO 9001, ISO 14001, ISO 50001, ISO 22000, SA8000, EMAS, etc.). ACCIONA aims to ensure organisational commitment to continuous improvement of processes and activities, guaranteeing the competence of its staff to develop the works assigned and the economic and technical organisational capacity to carry them out in each of the countries it operates.

In 2016, 90 % of group sales were ISO 9001-certified and 87 % of sales were ISO 14001-certified (more information is supplied in the chapters specific to the business lines).

Improvement tools

The audits, both of customers and certification entities in relation to ACCIONA management systems, constitute one of the main tools that the company has in order to identify opportunities for improvement.

In 2016, 551 internal audits were conducted in ACCIONA (46 % more than in 2015) for the main standards implemented and certified; 163 customer audits were received (21 % more than in 2015). Non-compliances identified during these audits are examined and managed, with the necessary action plans being carried out to address them.

ACCIONA Service accounts for 58 % of all audits received from customers in 2016. Strengths include the obtaining of Grade A certification in the BRC (BRC Global Standard for Food Safety) audit carried out at the request of one of its customers (a multinational in the food sector).

Improvement groups and lessons learned

In 2016, ACCIONA implemented 39 improvement groups, composed by multidisciplinary teams whose mission it is to identify and implement innovative solutions and to establish mechanisms for the management of the risks associated with the various businesses. These groups worked in very varied areas, from wind production through to the management of knowledge and creation of working standards in the Water sector or the creation of the ACCIONA Service process management model.

Each of these improvement groups had specific results, such as, for example, the creation of a team specialised in uptower repairs (COE Production improvement group), the preparation of 192 descriptive sheets of 74 water treatment processes available on the Colabora platform (Operating Criteria improvement group) or the definition of seven standard processes in ACCIONA Service (ACCIONA Service Process Management Model improvement group), which they are implementing in the organisation, training the staff involved.

Lessons learned and best practices are a tool that ACCIONA uses to document and share the knowledge gained with experience, and make it available for the benefit of the entire company. Once approved, they are disseminated to employees in various ways: e-mails, specific repositories, quarterly bulletins, the intranet, QSE alerts (ACCIONA), amongst others, and are used as inputs to help improve the processes with which they are related.

In 2016, 290 lessons learned and good practices were identified, more than double those of 2015. Of these, 12 lessons learned relative to construction are pending approval by the Technical Committee.

ACCIONA'S COMMITMENT TO ITS CUSTOMERS

Meeting the needs and expectations of its customers is a priority goal of ACCIONA. Through its various businesses, the company has different types of customers, which are fundamentally large customers from the public sector, such as governments, public administrations and other public bodies, and from the private sector, private companies and financial investors, amongst others.

Notwithstanding this, in several of its companies, ACCIONA Agua Servicios, Grupo Bodegas Palacio 1894, Trasmediterranea and Inmobiliaria, the company has business-to-customer consumers or clients (more information is provided in the chapter on the Company Profile).

Customer relationship and communication

ACCIONA has a large variety of communication channels suitable for the diversity of its customers and designed to ensure the best possible access and agility in all communication with the company's stakeholders. The following stand out:

- **Personal managers:** all ACCIONA companies that execute projects, designate contract managers who are available to the customer throughout their relations with the company.
- **Meetings with customers:** these meetings are used to identify the needs and expectations of customers, in connection with the product or service provided and the degree of satisfaction with it (more information in Society chapter).
- **Websites:** ACCIONA Green Energy, Trasmediterranea, Grupo Bodegas Palacio 1894, ACCIONA Construction, ACCIONA Agua and ACCIONA Service, amongst others, have specific sections for the consultation of information and others, where the customer can make contact with the company.
- **IT applications:** there are different IT applications available to improve the customer experience, that may be used by them to make claims and complaints, to communicate with the company or as a means by which to report measurements of results of certain services to the customer.
- **Physical points of customer service and dealing directly with customers:** all companies that manage large construction projects, operations or concessions, hold regular meetings with their customers from when the contract is signed through to its completion. The physical points of contact are offered by the ACCIONA Agua services, property promotions, handling services in airports, cellar stores or shipping stations in Trasmediterranea.

- **Call centres and telephone lines:** there are phone lines and call centres to serve customers 24 hours a day in various businesses of the company, such as ACCIONA Green Energy or ACCIONA Airport Services, where the local representatives of the airlines can communicate with ACCIONA's representatives by means of mobile telephone numbers available 24 hours a day.
- **Online services offered to customers:** a great number of companies have online customer services available to provide information, as well as management services or virtual offices through apps, platforms for the exchange of information or additional sales channels, like the online store of Grupo Bodegas Palacio 1894 or the purchase of tickets and online check-in offered by Trasmediterranea.
- **Publications and signs:** from time to time, the company launches various publications offering information and news on the various businesses and projects, such as the *ACCIONA Reports* magazine that can be downloaded from the company's corporate web page.

Customer satisfaction

Customer satisfaction is one of the most important aspects by which to measure ACCIONA's performance and facilitate the planning of specific actions aimed at improving customer experience with the company.

this is why the measurement of customer satisfaction is one of the main aspects included in the Corporate Quality Policy and each year, concrete targets are established in the annual planning of each business, to improve the aspects that had been worst rated. In 2016 the following tools were used:

- **Satisfaction surveys:** this is the method most widely used throughout the ACCIONA divisions to measure the satisfaction of their customers. They provide insight into the issues with which the customer is less satisfied and those needing improvement. In 2016, **ACCIONA conducted 37,816 surveys (29 % more than in 2015)**, from which 7,734 replies were obtained. The supports used include paper and digital formats, enabling specific apps for mobile telephones and online platforms.
- **Creation of specific personnel:** for example, in Trasmediterranea the Landscape Attention Manager has been created, with an appointment made on each ship, who has the task of ensuring excellence in attention to landscape, developing sales points and improving efficiency in the use of resources.
- **Other tools:** such as meetings and conferences with stakeholders, specific customer-focussed projects, creation of specific figures and mailing techniques.

Customer participation in satisfaction surveys:

Starting from these tools, each year the ACCIONA divisions measure the satisfaction of their customers. In 2016, the company obtained a global rating of 97 % satisfied customers.

Number of surveys sent out and received by business

Line of business	Sent	Received	Satisfied customers (%)
Energy	120	27	94 %
Construction*	122	56	99 %
Water	109	104	100 %
Services	315	127	95 %
Industrial	4	3	100 %
Other businesses**	37,146	7,417	100 %
Total	37,816	7,734	97 %***

* Includes AMISA, Construction Mexico and Concessions.

** Includes Bestinver, Grupo Bodegas Palacio 1894, ACCIONA Inmobiliaria and Trasmediterranea.

*** The difference compared with the 2015 data is due to the fact that in 2016, ACCIONA decided to be more demanding in its measurement of customer satisfaction, as those assigning assessments of more than 1 point above the average scale value are considered as satisfied customers.

Customer complaints and claims service

ACCIONA acts with due diligence in response to customer complaints and claims, having specific procedures in all its divisions. To do so, it enables a wide variety of accessible channels that:

- Record and measure the number of claims received.
- Assign people to be responsible for resolving complaints and claims. Considering the diversity of ACCIONA customers, the areas or persons responsible for the company in terms of managing complaints, claims and suggestions vary from business to business.

- Assess the causes and resolve claims.
- Offer feedback to customers and users with respect to the treatment and resolving of claims and their closure once customer approval has been obtained.
- Depending on results, action plans are defined to improve.

The ACCIONA divisions measure the suitable handling of complaints and claims through various indicators: i) the total number received, ii) the ratio of cases closed in a satisfactory manner and iii) the time spent on resolving them.

Business to Business claims per line of business 2016

Line of business	No. of claims 2016
Energy	52
Infrastructure	
Construction	56
Concessions	1
Water	24
Services	378
Industrial	0
Other businesses*	708
Total	1,219

* Includes ACCIONA Inmobiliaria promotions customer claims and claims made by export and distribution customers of Grupo Bodegas Palacio 1894.

With respect to the total number of claims, there has been an increase in the number in various businesses with respect to the previous year. This may be explained by a combination of various factors:

- The number of business-to-business claims has increased in comparison to 2015 due to the increase in the scope considered in 2016, as claims made by customers in various activities that had not been considered in previous years, due to lack of information (e.g Solar Gardens of ACCIONA Energy, ACCIONA Agua Servicios, ACCIONA Facility Services Portugal) or companies created in 2016, have been included this year/in 2016 (ACCIONA Multiservicios).

- ACCIONA Service received more claims due to the implementation of EMAS.
- Grupo Bodegas Palacio 1894 has improved its claim management in some areas, centralising them in a new department that has successfully improved claim management and channels.

The average of claims closed in a satisfactory manner came to 88 %, 10 % more than in 2015.

Business to Customer claims per line of business 2016

Line of business	No. of claims per 1,000 customers
ACCIONA Agua Servicios (subscribers of the comprehensive water management service in Spain)	1.22
Services	
Urban waste management (users in municipalities)	2.08
Handling (users of the airports of Palma de Mallorca and Frankfurt)	0.004
Grupo Bodegas Palacio 1894 * (direct sale of wines)	82.7
ACCIONA Inmobiliaria ** (buyers of residential customer houses for sale)	-
Trasmediterranea (passengers who have made a claim)	0.56
Total	17.3

* Grupo Bodegas Palacio 1894 has improved its data collection process, booking claims made in terms of transport incidents that were previously not taken into account. In 2016, 47 product claims were received and 216 for breakage of goods during transport. Although caused by the supplier, the company wishes to control the whole of the value chain and, therefore, also takes responsibility for these claims. Therefore, the scenarios depicted in 2015 and 2016 are not comparable.

** Inmobiliaria does not consolidate for the ratio of complaints average per thousand customers because its total number of users is outside the range of other customers/users in the table.

The time taken to solve them is not comparable for the different ACCIONA businesses. This is due to the fact that the claims differ considerably in terms of the nature of each business, technical complexity, the type of cause and influence of external factors, amongst others.

In 2016, for the first time, customer suggestions were consolidated and included in the report. 367 suggestions were received for the Grupo Bodegas Palacio 1894, ACCIONA Agua Servicios, ACCIONA Green Energy and ACCIONA Construction Mexico divisions. As a rule, ACCIONA tends to receive more suggestions from its service customers or from its end consumers.

Loyalty and recommendation of the company between customers

ACCIONA also measures customer loyalty and seeks to establish lasting relations over time. To do so it asks customers direct questions about:

- 1) The possibility of contracting ACCIONA again, intended as the subjective assessment of respondents depending on their satisfaction with a previous experience.

100 % of customers of ACCIONA Construction Spain, ACCIONA Industrial and Facility Services Portugal who answered declared that they would contract the company again (all having improved their results with respect to 2015). And between 80 and 95 % customers of ACCIONA Construction Mexico, Facility Services Spain, Forwarding, ACCIONA Environment and Urban Services activities and the solar garden customers of ACCIONA Energy, would place their trust in the company again.

- 2) The comparison of the company with its competitors, measured through a comparative scale of various levels.

Regarding the assessment by customers of ACCIONA with respect to its competitors, it should be noted that 100 % of ACCIONA Industrial customers and 91 % of construction works customers in Spain who answered the surveys declared that the company is "better/much better" than the competition.

The company assesses the degree of recommendation of its customers including a direct question in the satisfaction surveys: "Would you recommend ACCIONA to other companies?", based on the Net Promoter Score (NPS) Indicator which measures the level of recommendation according to the difference between the customers removing loyalty and those promoting it. The majority of customers consulted can be considered as promoting it, with the case of ACCIONA Construction España and ACCIONA Industrial standing out in particular, for which 100 % of customers surveyed declared that they would recommend ACCIONA.

CUSTOMER HEALTH AND SAFETY

Customer health and safety is a priority for the company. Therefore it carries out various actions related to its products and services:

- Information to customers for safe use of its products and services.
- Product quality controls and analysis of critical points.
- Continuous monitoring of facilities.
- Safety management systems.
- Regulatory inspections and compliance with applicable law.

The Safety Management Systems implemented by the company ensure the development of the activities according to international benchmark standards established for each sector. 15 % of ACCIONA's turnover comes under the umbrella of one of these certified systems:

- Road Safety Management System implemented and certified according to ISO 39001 on the highways of A2-T2 and the highway of La Plata, managed by ACCIONA Concessions. This international standard lays down the requirements for an organisation that interacts with the road system with a view to reducing deaths and serious injuries caused by road accidents. These are the first highways in Spain to obtain this certification.
- Rail Transport Safety System of ACCIONA Rail Services, audited by the State Railway Safety Agency (Agencia Estatal de Seguridad Ferroviaria), which guarantees compliance with the national safety standards.
- At its Palma de Mallorca branch, ACCIONA Airport Services has the ISAGO (Safety Audit of Ground Operations) certificate, in accordance with the International Air Transport Association regulations.
- ACCIONA Facility Services is certified according to ISO 22000 Food Safety Management, for its food plant industrial cleaning operations.
- Certification of the National Safety Plan as Known Dispatcher for air cargo of ACCIONA Forwarding, issued by the National Aviation Safety Agency (Agencia Estatal de Seguridad Aérea).

- Trasmediterranea Safety Management System, whose procedures are approved by the Directorate General of Merchant Marine.
- Four wineries of Grupo Bodegas Palacio 1894 are certified under FSSC 22000 (Food Safety System Certification) for the management of food safety risks throughout the supply chain. The group has also adhered to the Wine in Moderation initiative to foster responsible consumption.

ACCIONA covers aspects of online security and privacy of its customers through:

- A built-in platform in fraud detection systems in the area of Information Technology and Communication.
- Feedback on security issues such as hacker attacks or issues with the firewall to block unauthorised access.
- Contingency plan for possible failures.

During 2016, the company had no evidence that there had been claims for breach of legal regulations or voluntary codes regarding privacy and loss of customer data.

ACCIONA notes an incident that took place involving a citizen using the road cleaning service in the city of Almería. This service, provided by a Temporary Joint Venture of which ACCIONA Urban Services is a member, was reported by the user who suffered injuries in a public road whilst it was being cleaned. The Temporary Joint Venture attended the citizen immediately and made the means available in a timely manner, providing all information necessary on the appropriate procedures. The Temporary Joint Venture is doing everything within its power to solve the incident.

Labelling of products and services

ACCIONA informs its customers on the safe use of its products and services through various forms of information: labelling, the delivery of product manuals, equipment documentation, contractual requirements, adherence to international programs for the promotion of responsible consumption, etc.

The only product supplied by ACCIONA that requires specific information on the label, according to current applicable legislation, is the wines of Grupo Bodegas Palacio 1894. To this end, 100 % of bottles include information on the origin of the components (varieties, harvests, origin), safe use (allergens, sulphites) and form of disposal (information is given on the bottles about the possibility of recycling the packaging). Moreover, the data sheets for each

product, giving detailed information, are available for downloading from the company website.

Although electricity and water are products that cannot be labelled, all energy marketed by ACCIONA Green Energy has a certificate issued by the National Markets and Competition Commission (CNMC, as per its Spanish acronym), which certifies the 100 % renewable source of said energy. On its part, the water treated by ACCIONA Agua complies with the standards laid down by applicable legislation: quality of drinking, desalinated water, parameters for purified water, etc.

In the case of ACCIONA Inmobiliaria, at the time of recording the title deed of a house, owners are given the pertinent user manuals for the equipment that is part of the facility, as well as warranty certificates. The Building Records are also given to the Owners' Association. All properties built and marketed have the corresponding energy certificate, as per current legislation.

With respect to the projects developed by ACCIONA, 100 % have all the information necessary in the as-built report delivered to customers. These projects have been fulfilled in accordance with current legislation in each country and internationally-recognised standards for the sector in question (ASTME, British Standards, etc.). Moreover, all equipment installed in the industrial plants has Instruction Manuals, which include safety aspects: installation, control and revision conditions.

During 2016, ACCIONA did not supply banned products or services, and is not aware, through information collection systems set up by the company, that there have been incidents, nor has it received fines or penalties related to the information and labelling of products or services, nor indeed to any technical market communications (advertising, promotion and sponsorship).