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**ISSUER IDENTIFICATION**

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Year-end date:

[ 31/12/2019 ]

Tax Identification No. [C.I.F.]:

[ A08001851 ]

Company name:

[ **ACCIONA, S.A.** ]

Registered office:

[ AVDA. EUROPA, 18. PARQUE EMP. "LA MORALEJA" (ALCOBENDAS) MADRID ]

**A. CAPITAL STRUCTURE**

A.1. Complete the table below with details of the share capital of the company:

Last modification date	Share capital (€)	Number of Shares	Number of voting rights
28/03/2019	54,856,653.00	54,856,653	54,856,653

Please state whether there are different classes of shares with different associated rights:

Yes  
 No

On 28 March 2019, the Board of Directors executed a reduction of share capital (HR 276527) in accordance with the delegation conferred by the General Meeting of Shareholders of 30 May 2018 (HR 266287), by means of the redemption of own shares acquired via the share Buyback Programme approved by the Board under Regulation (EU) no. 596/2014 on market abuse and its Delegated Regulation. The definitive capital reduction figure was set by the Board of Directors of the Company at 2,402,897 euros, by means of the redemption of 2,402,897 shares.

A.2. Please provide details of the company's significant direct and indirect shareholders at year end, excluding any directors:

Shareholder name or company name	% voting rights attributed to the shares		% voting rights via financial instruments		% total de voting rights
	Direct	Indirect	Direct	Indirect	
LA VERDOSA, S.L.	5.78	0.00	0.00	0.00	5.78
WIT EUROPESE INVESTERING, BV	26.10	0.00	0.00	0.00	26.10
TUSSEN DE GRACHTEN, BV	29.02	0.00	0.00	0.00	29.02

Breakdown of the indirect holding:

Name or company name of indirect holder	Name or company name of direct holder	% voting rights attributed to the shares	% voting rights a via financial instruments	% total de voting rights
No data				

State the most significant shareholder structure changes during the year:

**Most significant movements**

The variations in the shareholding of the holders of significant stakes with regard to last year is derived from the share capital reduction by means of the redemption of shares described in section A.1. of this report.

Mr Alejandro Entrecanales Marsans holds the majority of the voting rights of significant shareholder, La Verdosa, S.L.  
On 24 January 2020 the significant participation of shareholder, INVESCO, LTD was declared, representing 1.013% of the share capital.

**A.3.** In the following tables, list the members of the Board of Directors (hereinafter “directors”) with voting rights in the company:

Name or company name of the director	% voting rights attributed to the shares		% voting rights via financial instruments		% total de voting rights	% voting rights that can be transmitted via financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR JUAN IGNACIO ENTRECANALES FRANCO	0.01	0.11	0.01	0.00	0.12	0.00	0.00
MR JOSÉ MARÍA PACHECO GUARDIOLA	0.00	0.07	0.00	0.00	0.07	0.00	0.00
MR JAVIER ENTRECANALES FRANCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR JOSE MANUEL ENTRECANALES DOMECCQ	0.02	0.00	0.01	0.00	0.03	0.00	0.00

**% total of voting rights controlled by the board of directors**

**0.22**

Breakdown of the indirect holding:

Name or company name of the director	Name or company name of the direct holder	% voting rights attributed to the shares	% voting rights via financial instruments	% total de voting rights	% voting rights that <u>can be transmitted</u> via financial instruments
MR JUAN IGNACIO ENTRECANALES FRANCO	OTHER COMPANY SHAREHOLDERS	0,10	0,00	0,10	0,00
MR JOSÉ MARÍA PACHECO GUARDIOLA	OTHER COMPANY SHAREHOLDERS	0,07	0,00	0,07	0,00

For clarification purposes, below are indicated the shares that the directors hold, the voting percentage of which appears as 0.00%:

- Mr Javier Sendagorta Gómez del Campillo holds 1,430 shares directly (0.003%)
- Mr Javier Entrecanales Franco holds a total of 5 shares directly.

The percentage of voting rights through financial instruments corresponds to 20% of the shares assigned to the liquidation of the triennial 2014-2016 in the 2014 Share-Based Remuneration and Shares Performance Plan, the remuneration of which has been deferred. The remuneration shall be carried out linearly in a consecutive period of three years, which is contingent upon the continuation of the Executive Director and that for a deferral period, in the opinion of the Board of Directors and at the request of the Appointments and Remuneration Committee, no cause is stated which may result, in the opinion of the auditors, in a material reformulation of the consolidated financial statements of the Acciona Group, except when it is appropriate according to a change in accounting regulations. The first and second delivery of the deferred shares in compliance with the terms of said plan, for a total of 8,675 shares in each financial year took place on 21 December 2018 and 21 December 2019, respectively.

**A.4.** If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name or company name of related party	Type of relationship	Brief description
WIT EUROPESE INVESTERING, BV, TUSSEN DE GRACHTEN, BV	Family	The indirect partners of the companies which own significant holdings are part of the family group of the descendants of Mr José Entrecanales Ibarra.
WIT EUROPESE INVESTERING, BV, LA VERDOSA, S.L.	Family	The indirect partners of the companies which own significant holdings are part of the family group of the descendants of Mr José Entrecanales Ibarra.
TUSSEN DE GRACHTEN, BV, LA VERDOSA, S.L.	Family	The indirect partners of the companies which own significant holdings are part of the family group of the descendants of Mr José Entrecanales Ibarra.

- A.5. If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Type of relationship	Brief description
No data		

- A.6. Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors who are natural persons.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JUAN IGNACIO ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV	OTHER COMPANY SHAREHOLDERS	Executive Director Mr Juan Ignacio Entrecanales Franco, is an indirect shareholder of the significant shareholder Tussen de Grachten, BV
MR JAVIER ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV	OTHER COMPANY SHAREHOLDERS	The Proprietary Director, Mr Javier Entrecanales Franco, is an indirect shareholder of the significant shareholder, Tussen de Grachten, BV
MR JOSE MANUEL ENTRECANALES DOMEQ	WIT EUROPESE INVESTERING, BV	OTHER COMPANY SHAREHOLDERS	Executive Director, Mr José Manuel Entrecanales Domecq, is an indirect shareholder of the significant shareholder, Wit Europese Investerings, BV
MR DANIEL ENTRECANALES DOMEQ	WIT EUROPESE INVESTERING, BV	OTHER COMPANY SHAREHOLDERS	The Proprietary Director, Mr Daniel Entrecanales Domecq, is an indirect shareholder of the significant shareholder, Wit Europese Investerings, BV

**A.7.** State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Spanish Companies Act" or "LSC"). If so, describe these agreements and list the party shareholders:

Yes  
 No

Parties to the shareholder agreement	% of share capital affected	Brief description of the agreement	Date of termination of agreement, if applicable
LA VERDOSA, S.L., WIT EUROPESE INVESTERING, BV, TUSSEN DE GRACHTEN, BV	60.90	The shareholder agreement was communicated to the CNMV (the Spanish National Securities Market Commission) on 15 July 2011 and has a registry number of 147698 in which it is possible to see the full text of the pact. Likewise, on the date of 26 January, the Company communicated, via Relevant Act 261036, that La Verdosa, S.L. had become the direct owner of 5.31% (currently 5.78%) of Acciona without the terms of the shareholder agreement having been affected. The shareholder agreement has been deposited in the Companies Registry. The summary of the pact, in its basic terms, is included in the corresponding.	14.07.2021 with successive implicit extensions for periods of five (5) years each, unless there is a written refusal by either of the parties at least eighteen (18) months in advance of the date of the end of the initial validity period of the pact or any of its subsequent extensions.

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes  
 No

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

The percentage of shares affected was amended circumstantially with regard to what was declared the previous financial year as a result of the reduction of share capital carried out during financial year 2019, as set out in section A.1.  
On 14 January 2020 the 18-month opposition period for the shareholder agreement described in this section expired, without any of the parties intervening registering an opposition, meaning that it was tacitly renewed for a period of 5 years.

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores (“Spanish Securities Market Act” or “LMV”). If so, please identify them:

[ ] Yes  
[ v ] No

A.9. Complete the following table with details of the company’s treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
402,842		0.73

Acciona signed a Liquidity Agreement with Bestinver SV, S.A. dated 10 July 2017 which was notified as Relevant Event no. 254438.

Variations in direct treasury stock are the result of the daily operations of the Liquidity Agreement and the reduction of share capital by means of the redemption of own shares executed by the board of directors in financial year 2019 and described in section A.1.

Notwithstanding the significant variations indicated in this section, and in accordance with the terms of the Fourth Rule, section 2 letter b) of CNMV Circular 1/2017 of 26 April, the Company has notified the operations carried out in financial year 2019 under the Liquidity Agreement on a quarterly basis.

Finally, on 29 October 2018 (HR 270951) operations were suspended under the Temporary Own Share Buyback Programme, with 4.98% of the same having been executed. The Programme expired on 27 March 2019.

(\*) through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

**Explain significant changes**

26.02.2019:  
Total direct votes: 5.034%  
Total indirect votes: 0%

16.04.2019  
Total direct votes: 0,704%  
Total indirect votes: 0%

13.08.2019  
Total direct votes: 0.734%  
Total indirect votes: 0%

**A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:**

The General Meeting of Shareholders held on 18 May 2017 adopted the following resolution (Relevant Event no. 252205):

Authorize the acquisition of own shares of the company by the company itself and by companies in its group, both directly via the purchase of capital in shareholding companies of Acciona, S.A., with respect to the limits and legal requirements and the conditions listed below, leaving without effect, in the non-used amount, the authorization approved for that purpose by the General Ordinary Meeting of Shareholders dated 24 May 2012:

- a) Modality: purchase, swap, loan or dation in payment.
- b) Maximum number of shares to purchase, in addition to those that Acciona, S.A. and its affiliates already possess: up to 10% of the issued capital.
- c) Maximum and minimum prices: the closing rate of the last meeting on the Stock Exchange, with a margin of 15% upwards or downwards.
- d) Duration of the authorization: five (5) years counting from the date of this agreement.

Authorize the Board of Directors to carry out the acquisition of own shares of Acciona, S.A. under the terms established and in order to fully or partially allocate their own already acquired shares and those acquired by virtue of the previous authorization towards the execution of remuneration systems which consist in or are intended for the remuneration of shares or stock option plans of Acciona, S.A. to the workers, managers and directors exercising executive functions according to that established in section 1 of article 146 of the Restated Text of the Spanish Companies Act.

Likewise, the General Meeting of Shareholders of 10 May 2016 agreed (Relevant Event no. 238446), in favour of the Board of Directors for a period of five years and with the express substitutional powers, to delegate the power to increase the share capital one or multiple times, via monetary contributions up to a maximum amount of €28,629.77, equal to half of the current share capital, under the terms and conditions that the board of directors may decide in each case, attributing the power to fully or partially exclude the pre-emptive subscription right up to a limit of 20% the share capital at the time of the present delegation and express authorisation to give, where applicable, a new drafting to the appropriate by-law articles, rendering void the authorisation granted by the General Ordinary Meeting of Shareholders of 24 June 2014.

**A.11. Estimated working capital:**

	%
Estimated working capital	38.16

**A.12. State whether there are any restrictions (articles of association, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.**

- Yes
- No

**Description of the restrictions**

The shareholders Tussen de Grachten, B.V., Wit Europese Investerings, B.V. and La Verdosa, S.L. and their partners have in turn been granted a pre-emptive purchasing right on their respective shareholdings in Acciona, S.A., according to the shareholder agreement indicated in section A7.



**A.13.** State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

Yes  
 No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

**A.14.** State if the company has issued shares that are not traded on a regulated EU market.

Yes  
 No

If so, please list each type of share and the rights and obligations conferred on each:

**B. GENERAL MEETING OF SHAREHOLDERS**

**B.1.** State whether there are any differences between the quorum established by the LSC for General Meeting of Shareholders and those set by the company and if so, describe them in detail:

Yes  
 No

	% quorum different from that contained in Article 193 LSC for general matters	% quorum different from that contained in Article 194 LSC for special resolutions
Quorum required at 1 <sup>st</sup> call	0.00	67.00
Quorum required at 2 <sup>nd</sup> call	0.00	62.00

**Description of the differences**

The quora demanded are greater than the general ones of 50% and 25% for special cases as established in article 194 of the Restated Text of the Spanish Companies Act.

**B.2.** State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

- Yes  
 No

**B.3.** State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the Articles of Association shall comply with that established in the Restated Text of the Spanish Companies Act and article 17.2 of the Articles of Association, the wording of which the General Meeting of Shareholders shall be established with a quorum of 67% of the issued capital and fully paid out with voting rights at the first call, or 62% in the second call in order to decide on any of the following matters:

- a) Amendment of the Articles of Association, exclusion made of the transfer of the registered office, the capital increase, the expansion of the corporate object, and, in the cases legally required, capital decrease.  
b) Transformation, merger, split, global transfer of assets and liabilities, and dissolution of the Company, save for the case of a dissolution which is legally mandatory.

For the transfer of registered office, capital increase, the expansion of the corporate object, suppression or limitation of the pre-emptive subscription right; when the General Meeting of Shareholders is in charge of issuing debentures or bonds, the issuance of warrants or options (alone or connected to debentures) and preferential holdings and, in cases where legally mandatory, capital decrease, the General Meeting of Shareholders shall be established at first call with a quorum of 67% of the issued capital with voting rights, or at a second call with a quorum of 50% of the issued capital with voting rights.

The same percentages established in the first paragraph shall apply when, in the cases of capital increase or issuance of debentures, bonds, warrants or pre-emptive holdings, the Meeting grants authorization or delegates to the Board of Director the power to adopt the agreements indicated.

In any case and as established in article 286 of the Restated Text of the Spanish Companies Act, the directors, or where applicable, the partners who wrote the proposal shall draft the full text of the amendment they propose and the corresponding justifying report which shall be made available to the shareholders at the time of the call of the General Meeting of Shareholders.

The agreements shall be adopted by a simple majority of votes corresponding to concurrent shares with a right to a vote, whether present or represented, understanding the agreement to be adopted when more votes are obtained which are in favour than those against from the capital present or represented in the establishment of the General Meeting of Shareholders.

For the valid adoption of the agreements referenced in article 17.2 of the Articles of Association, it will be necessary for the agreement to be adopted by an absolute majority of the concurrent votes, whether present or represented.

**B.4.** Give details of attendance at General Meeting of Shareholders held during the year of this report and the previous year:

General Meeting Date	Attendance data				Total physically pres.
	% By proxy	% Electronic voting	% remote voting Other		
18/05/2017	6.64	76.03	0.00	0.40	83.07
Of which, free float	5.74	20.01	0.00	0.40	26.15
30/05/2018	12.62	69.70	0.01	0.55	82.88
Of which, free float	4.41	16.89	0.01	0.55	21.86
30/05/2019	11.57	72.92	0.00	0.29	84.78
Of which, free float	5.51	17.80	0.00	0.29	23.60

**B.5.** State whether any item on the agenda of the General Meeting of Shareholders during the year has not been approved by the shareholders for any reason:

- Yes  
 No

**B.6.** State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Meetings of Shareholders, or on remote voting:

- Yes  
 No

**B.7.** State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Meeting of Shareholders:

- Yes  
 No

**B.8.** State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Meeting of Shareholders that must be made available to shareholders through the company website:

The company website is: [www.accion.com](http://www.accion.com)

This web address includes a link under the name of Shareholders and Investors and within it, a section connected to Corporate Governance where shareholders can find the corporate information on the company as well as information regarding General Meeting of Shareholders.

In addition, and due to the call of the General Meeting of Shareholders, a shortcut is provided on the main page of the website of the company ([www.accion.com](http://www.accion.com)) where shareholders are provided with all the information related to the General Meeting of Shareholders called.

**C. COMPANY ADMINISTRATIVE STRUCTURE**

**C.1. Board of Directors**

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	18
Minimum number of directors	3
Number of directors set by the general meeting	11

C.1.2 Please complete the following table on directors:

Name or company name of director	representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR JAVIER SENDAGORTA GOMEZ DEL CAMPILLO		Independent	DIRECTOR	30/05/2018	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MS ANA INÉS SAINZ DE VICUÑA BEMBERG		Independent	DIRECTOR	11/06/2015	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JUAN IGNACIO ENTRECANALES FRANCO		Executive	DIRECTOR	14/04/1997	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JUAN CARLOS GARAY IBARGARAY		Independent	DIRECTOR	06/06/2013	30/05/2019	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JOSÉ MARÍA PACHECO GUARDIOLA		Independent	DIRECTOR	30/05/2018	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JAVIER ENTRECANALES FRANCO		Proprietary	DIRECTOR	22/09/2011	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JOSE MANUEL		Executive	DIRECTOR	14/04/1997	30/05/2018	GENERAL MEETING OF SHAREHOL

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Name or company name of director	representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
ENTRECANALES DOMEQ						
MR DANIEL ENTRECANALES DOMEQ		Proprietary	DIRECTOR	04/06/2009	30/05/2018	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MS KAREN CHRISTIANA FIGUERES OLSEN		Independent	DIRECTOR	18/05/2017	18/05/2017	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MR JERÓNIMO MARCOS GERARD RIVERO		Independent	DIRECTOR	24/06/2014	18/05/2017	GENERAL MEETING OF SHAREHOLDERS RESOLUTION
MS SONIA DULÁ		Independent	DIRECTOR	30/05/2019	30/05/2019	GENERAL MEETING OF SHAREHOLDERS RESOLUTION

Total number of directors	11
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State if any directors, whether through resignation dismissal or any other reason, have left the Board during the period subject to this report:

Name or company name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
MS BELEN VILLALONGA MORENES	Other external	10/05/2016	30/05/2019		NO

**Reason for departure and other observations**

The Ordinary General Meeting of Shareholders held on 30 May 2019 resolved not to re-elect the outgoing Director. Having been first appointed over 12 years ago, the Director could no longer be considered an independent director, in accordance with the terms of article 529 duodecies 4 i) of the Spanish Companies Act.

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisational chart of the company	Profile
MR JUAN IGNACIO ENTRECANALES FRANCO	VICE-CHAIRPERSON - CEO	Vice-Chairperson of ACCIONA since 2004. Industrial Engineer from Tufts University and Executive MBA from Instituto de Empresa de Madrid. He began his professional activity in 1992 at Arthur Andersen. He joined ACCIONA in 1994, and in 1995 he was appointed Assistant General Director of Construction, a position which he held until 1997, a year in which he assumed the position of Executive Vice-President of ACCIONA Infrastructures. In 2004, he was appointed Chairperson of ACCIONA Infrastructures, a position which he held until 2010. He has been Vice-Chairperson of SEOPAN from 2006 to 2012 and Chairperson of the Board of Mostostal Warszawa between 2001 and 2007, directing the expansion of ACCIONA Infrastructures in Poland. He is a member of multiple entities, including the Forum of companies of the Corporate Board of the Carlos III University of Madrid, the Professional Board of ESADE, the University Advisory Board of IE (Instituto de Empresa) and the Spanish Committee of Lloyds Register EMEA. He is the Vice-Chairperson of Fundación Con R (Forum of Socially Responsible Public Contracting) and Trustee of multiple entities with as Fundación Integra, Fundación José Entrecanales Ibarra and the National Archaeological Museum. He is a member of the Managing Board of the Círculo de Empresarios.
MR JOSE MANUEL ENTRECANALES DOMEQ	CHAIRPERSON- CEO	Executive Chairperson of ACCIONA since the year 2004. Graduate in Economics from the Complutense University of Madrid, he started his professional career in 1985 at Merrill Lynch in London and New York, where he joined the ACCIONA Group in 1991. He took the positions of Corporate Development Director and Financial Economic Director at ACCIONA until in 2004 he assumed the Chairpersonship. At the same time, he presides over Fundación Consejo España-Estados Unidos (Spain-United States Council Foundation), and is a member of the Management Board of Instituto de la Empresa Familiar (where he was Chairperson from 2012 to 2014). He is a founding member of Fundación Pro CNIC, main public-private cardiovascular research initiative in Spain. Also, he is a Trustee of Fundación Princesa de Asturias and the Prado Museum, as well as member of Fundación Casa Ducal de Medinaceli. He is the Chairperson of the board of trustees of Fundación Acciona Microenergía and Fundación para la Innovación en Sostenibilidad José Manuel Entrecanales. He was a Director at Vodafone España from its creation in 1994 until 2000, occupying the position of Chairperson of the Company and its Foundation during the 2000 to 2007 period. He is a member of some of the main corporate organizations which promote sustainable development and the fight against climate change, such as the World Business Council for Sustainable Development (WBCSD), being part of its Executive Committee, as well as a member of the UN Global Compact, the Corporate Leaders Group on Climate Change (CLG) and the CEO Climate Leadership Group of the World Economic Forum.

Total number of Executive Directors	2
% of Board	18.18

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder represented or that proposed his/her appointment	Profile
MR JAVIER ENTRECANALES FRANCO	TUSSEN DE GRACHTEN, BV	Graduate in business studies at Colegio Universitario de Estudios Financieros (CUNEF) and Executive MBA at Instituto de Empresa. He began his career in 1997 as an Auditing Analyst at PRICE WATERHOUSE COOPERS MADRID, SPAIN. In the year 2000, he worked as an Associate in the Department of Corporate Finance of BBVA Securities Inc in New York. In 2004, at Banco Bilbao Vizcaya Argentaria, S.A., he worked as vice-Chairperson of the Department of Leveraged Financing. Since the year 2005 he has rendered his services to BNP Paribas, as the head of the Department of Acquisitions Financing, for Spain and Portugal, and was head of Real Estate Finance in Spain from 2016 to 2019. In September 2019, he was appointed Managing Director of Incus Capital, managing a direct debt fund focusing on real estate investments in Spain and Portugal. In addition, he has taught courses for new generations of the Master's of the BBVA Finance School.
MR DANIEL ENTRECANALES DOMECCQ	WIT EUROPESE INVESTERING, BV	Graduate in Economics from the Carroll School of Management of Boston College. He started his professional career at the multinational Unilever in Madrid. He has been the Director of Marketing and Communication at Loewe (LVMH Group) exercising functions of worldwide manager of Marketing, Communication, Merchandising and Architecture and as a member of the Management Committee. In 2001 and up until the year 2004, he worked under the position of General Director of the Cinnabar S.A. Group, a retail textile company with the goal of refocusing the strategies of the Group. In 2003 and simultaneously, he presided over and founded, along with a group of executives from the sector, the advertising and communication agency Revolution (RK People). He is chairperson of the organising committee of the Madrid Horse Week. In 2018 he was appointed to the advisory board of AON Iberia.

Total number of Proprietary Directors	2
% of Board	18.18



INDEPENDENT EXTERNAL DIRECTORS	
Name of the director	Profile
MR JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	Graduate in Law and certified in Business Administration by the Comillas Pontifical University (ICADE). Diploma in Shipping by the London School of Foreign Trade, and Senior Management of Companies Programme (PADE) at IESE. He began his professional career at the maritime agency Norton Lilly International in New York. He was the co-manager of Marítima del Norte (1984 – 2008), a company dedicated to international maritime transport and one of the important Spanish shipping companies. He was the Vice-Chairperson of The Standard Steamship Owners’ Protection and Indemnity Association (Bermuda), a maritime liability insurance mutual. He is Executive Chairperson of Tanaua and Chairperson of Fadotur, a company dedicated to real estate promotion in South America, and he is part of Sociedad Operadora Hotelera HA, dedicated to the administration and operation of hotels in Chile. Likewise, he is a Director of Nullabor Holdings, a venture capital company dedicated to investments in Southeast Asia.
MS ANA INÉS SAINZ DE VICUÑA BEMBERG	Graduate in Agricultural Economics by Reading University in the United Kingdom and was in the Program for Management Development by the University of Harvard. Until the year 2002, she carried out her professional activity for 18 years at Merrill Lynch in Spain. She began her career in Private Banking where she worked as a Financial Consultant for 12 years. She subsequently joined Sociedad de Valores y Bolsa, which was incorporated following the acquisition of FG, helping in integration and exercising different functions, the last of which being head of Operations, Systems, HR and Finances. She was ultimately appointed Director General of the Spanish branch Merrill Lynch International Bank. She is a director of Quilvest Wealth Management and Quilvest Capital Partner, an international financial group devoted to asset management and private equity investment.
MR JUAN CARLOS GARAY IBARGARAY	Graduate from the University of Deusto (Bilbao). Lawyer and Economist. He also took studies at the University of Southern California. Marshall School of Business and Master in Business Administration. Studies at Duke University. Fuqua School of Business. Senior Executive Program. In the development of his professional career, we can highlight his activity carried out at Citibank (1980-1989) where he occupied the position of President of Citibank and highest executive manager of Citicorp for Spain and Portugal. In the year 2000, he was appointed CEO of Deutsche Bank for the Iberian Peninsula and head of the Personal Banking Division for all of Europe, except Germany. Between 2005 and 2008, he held the presidency of Deutsche Bank for Spain.
MR JOSÉ MARÍA PACHECO GUARDIOLA	Graduate in Economic and Business Sciences from the University of Seville. He started his professional career at the bank Banco Cetelem (BNP Paribas Group), then moving to the Santander Group, where he held different general management positions, becoming the Senior Managing Director at Santander Consumer Finance, a position which he held until 2002. Founder and Executive Chairperson of Konecta, Spanish multinational dedicated to outsourcing business processes, present in 10 countries, 60,000 employees and with a turnover of 770 million euros. He belongs to the Advisory Board of ABC Sevilla, as well as the International Advisory Board of Business Politics at Instituto Internacional San Telmo. Trustee of Fundación Konecta, dedicated to promoting social and labour integration for groups at risk of exclusion. He is also Founder and Chairperson of the Board of Trustees of Fundación Alalá, belongs to the Board of Trustees of Fundación Seres and Fundación Cámara de Sevilla.

INDEPENDENT EXTERNAL DIRECTORS	
Name of the director	Profile
MS KAREN CHRISTIANA FIGUERES OLSEN	An anthropologist, economist and analyst, she took studies at the London School of Economics and the University of Georgetown. Currently, she is Vice-President of the Global Covenant of Mayors for Climate and Energy, a Member of the Management board of ClimateWorks, Leader for Climate Change at the World Bank, Distinguished Member of Conservation International and Director of Mission2020. She has been Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC), from 2012 to 2016, participating in negotiations both in the UNFCCC as well as in the Kyoto Protocol. She was the Director of Renewable Energy in the Americas (REIA) and in 1995 she founded a non-profit organization, Center for Sustainable Development of the Americas (CSDA), which she directed for eight years.
MR JERÓNIMO MARCOS GERARD RIVERO	Graduate in Economics by Instituto Tecnológico Autónomo de México (ITAM) and holding a Master's degree in Business Administration from Stanford University. Chairperson and CEO of the group México Retail Properties (MRP). Apart from his position as the top executive of MRP, he is a Director of AMEXCAP, Vice-Chairperson of the Mexican Association of Real Estate Funds and Infrastructure (Asociación Mexicana de Fondos Inmobiliarios y de Infraestructura, AMFII), Director of the Mexican Stock Exchange, Director of Grupo Mexicano de Desarrollo S.A.B., Head of private investments funds in Mexico for "The Latin America Enterprise Fund", President of Infraestructura Institucional and Director of Telefónica Mexico. He is the Vice-Chairperson of the Special Olympics Board of Mexico and Professor of Microeconomics at Instituto Tecnológico Autónomo de México (ITAM). He was an Advisor to the Vice-secretary of Finances of the Mexican Government of Carlos Salinas throughout his presidency (1988-1994).
MS SONIA DULÁ	She holds a Degree in Economics, Magna Cum Laude, from Harvard University, and an MBA from Stanford University. She was Vice-Chairperson of Bank of America Merrill Lynch until March 2018. Before holding this position, she was Head of Private Banking for Latin America at Merrill Lynch, and directed the Corporate and Investment Bank division for Latin America, where she was responsible for the M&A, public capital and debt issues and corporate loans areas. She began her career in Mexico, at Petróleos Mexicanos (Pemex). After concluding her MBA, she worked at Goldman Sachs for 9 years, where she carried out major privatisations of Spanish, Italian and Mexican companies and led global issues of debt and capital for Latin American companies. Subsequently, she was CEO of Telemundo Studios México, in Internet Group of Brazil, of which she was also the co-founder, and at Grupo Latino de Radio, a company with over 500 radio stations in Latin America and the USA. She is a lifetime member of the Council on Foreign Relations and of the Strategic Council for Latin America of Banco Itaú (Brazil). She has been a member of the boards of directors of Council of the Americas, Women's World Banking, and The Adrienne Arts Center for the Performing Arts. She was a member of Young Presidents' Organization (YPO) and of Bank of America's Global Council for Diversity and Inclusion.

Total number of independent directors	7
% of board	63.64

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	Description of the relationship	Statement
MS SONIA DULÁ	Independent Director Ms Sonia Dulá non-executive Director and Chairperson of group companies, Bestinver Gestión, S.A. SGIIC, Findentiis Gestión, S.A. SGIIC and Bestinver, S.A. Only the position at Bestinver, S.A., to which the non-executive Director was appointed on 22 July 2019, is remunerated, with the annual amount of 100 thousand euros. The amount accrued in financial year 2019 for the time she held the position was 44,658 euros.	The Board of Directors considers that the functions to be performed by Director Ms Sonia Dula as Chairperson of the Board of Directors of the Group companies indicated do not imply incompatibility or affect the independence of the Director in any way as: (i) the remuneration received cannot be considered significant for the Director; and (ii) it does not entail exclusive dedication to the position which could have a relevant effect on the obligations derived from the position of Independent Director of the Company. The Board considers, therefore, that the relations described are not of sufficient import to affect the independence of the Director.

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of Director	Reason	Company, director or shareholder to whom the director is related	Profile
No data			

Total number of other external directors	N.A.
% of Board	N.A.

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	Year 2019	Year 2018	Year 2017	Year 2016	Year 2019	Year 2018	Year 2017	Year 2016
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	3	2	3	2	42.85	33.33	42.85	33.00
Other external		1		1	0.00	100.00	0.00	100.00
Total	3	3	3	3	27.27	27.27	27.27	27.27

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

**Description of policies, objectives, measures and how they have been implemented, including results achieved**

According to the Director Selection Policy and Board Regulations, the Board of Directors understands that, in order to suitably carry out their function of supervision and control, all of its members shall appropriately combine capacities and competences which are sufficient among them in the following fields:

- knowledge on the sectors in which the Company carries out its activities;
- experience and knowledge on economic and financial matters, on highly qualified human resource management and on regulatory frameworks and standards;
- international experience; and
- experience and knowledge in management, leadership and business strategy

Likewise, in accordance with the Director Selection Policy, the Appointments and Remuneration Committee evaluates the skills, knowledge and experience necessary on the Board, paying attention to diversity in its composition, origins, nationalities and gender, and shall, as a result, define the functions and skills which are needed in the candidates which will cover every vacancy, and the time and dedication needed to be able to carry out their assignment well.

In April 2019 the Board approved the amendment of the Director Selection Policy in order to include the new criteria of diversity, age and disability, in accordance with the amendment of article 540.4.c) LSC. In any event, the group has a Code of Conduct, applicable to the group in general, the articles of which established that selection processes will not be affected by implicit bias in the hiring processes, due to reasons of age, race, colour, sex, religion, political opinion, country of origin, sexual orientation, social origin or disability.

The Appointments and Remuneration Committee reviews compliance with the Director Selection Policy annually, concluding in 2019 that the composition of the Board of Directors is diverse in order to ensure it performs its supervision functions properly. The above notwithstanding and with a view to reaching a threshold of 30% of Board Members being female, the Appointments and Remuneration Committee has been promoting the inclusion of female directors for some time, and is currently close to reaching the figure of 30% of female members of the Board of Directors.

- C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women:

#### Explanation of the measures

The Appointments and Remuneration Committee, in compliance with that established by the Board Regulations, the Director Selection Policy and the Code of Conduct of the group, includes, among its potential candidates, women who meet the suitable professional profile and ensures that the selection processes do not have any implicit biases which may get in the way of the selection of female directors.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

#### Explanation of the reasons

-

- C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

The Appointments and Remuneration Committee has been promoting the incorporation of female directors for some time now and intends to comply with the objective that in the year 2020 the number of female directors should represent at least 30% of the total number of Directors. On the closing date, Acciona is close to reaching the objective of 30% since it currently has the percentage of 27.27%.

The Appointments and Remuneration Committee has verified the compliance with the Director Selection Policy, concluding that the composition of the Board of Directors responds to the skills, knowledge, experiences and diversity necessary to suitably carry out the functions of supervision.

Specifically, the proposals for appointments and re-elections carried out during financial year 2019, were performed in accordance with the Director Selection Policy.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Shareholder name or company name	Reason
No data	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

Yes

No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director or committee	Brief description
JOSE MANUEL ENTRECANALES DOMECQ	All those of the Board of Directors, save for those that cannot be delegated according to the Law or Articles of Association, joint and severally.
JUAN IGNACIO ENTRECANALES FRANCO	All those of the Board of Directors, save for those that cannot be delegated according to the Law or Articles of Association, joint and severally.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name of director	Company name of group entity	Position	Executive functions?
MS SONIA DULÁ	BESTINVER, S.A.	DIRECTOR AND CHAIRPERSON OF THE BOARD OF DIRECTORS	NO
MS SONIA DULÁ	BESTINVER GESTIÓN, S.A. SGIIC	DIRECTOR AND CHAIRPERSON OF THE BOARD OF DIRECTORS	NO
MS SONIA DULÁ	FIDENTIIS GESTIÓN, S.A. SGIIC	DIRECTOR AND CHAIRPERSON OF THE BOARD OF DIRECTORS	NO

Independent Director Ms Sonia Dulá was appointed non-executive Chairperson of Bestinver, S.A. on 30 January 2020.

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Position
MS ANA INÉS SAINZ DE VICUÑA BEMBERG	PROSEGUR CASH, S.A.	DIRECTOR
MR DANIEL ENTRECANALES DOMEQ	PROSEGUR CASH, S.A.	DIRECTOR
MS SONIA DULÁ	PROMOTORA DE INFORMACIONES, S.A.	DIRECTOR

Ms Ana Sainz de Vicuña Bemberg was a director of Inmobiliaria Colonial SOCIMI, S.A. until 24 January 2019.  
Ms Sonia Dula also holds the position of director and member of the audit committee of Hemisphere Media Group, Inc, a listed company on the New York securities market (NYSE:HMTV)

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

- Yes  
 No

**Explanation of the rules and identification of the document where this is regulated**

Article 38.1.c) of the Board Regulations establishes that directors cannot belong to more than three boards of directors of listed companies, including Acciona without prejudice to the fact that the Board of Directors, with a prior report by the Appointments and Remuneration Committee, may establish a lower number if it believes that the dedication needed to be given to the other boards of directors does not allow enough time to be dedicated to carrying out the functions of the position of director of Acciona.

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	7,503
Amount of vested pension interests for current members (thousand euros)	
Amount of vested pension interests for former members (thousand euros)	

The total Remuneration of the Board includes the delivery, to the executive directors, in financial year 2019, of 8,675 shares in compliance with the objectives approved by the first triennial corresponding to the 2014 Plan for the remuneration of shares and performance shares, and the remuneration of which was deferred linearly for a period of three years. The gross amount or profit of the shares delivered was 798 thousand euros in 2019.

In financial year 2019, contributions were made to the Savings Plan for Executive Directors worth 4,913 thousand euros. The economic rights derived from these contributions are not consolidated at the date of this report.

For further information, see the 2019 Directors Remuneration Report, which is available on the website of the Company and the website of the Spanish Securities Market Commission (CNMV).

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
MR ALFONSO CALLEJO MARTÍNEZ	General Manager of Corporate Resources
MR ANDRÉS PAN DE SORALUCE MUGUIRO	CEO of Acciona Inmobiliaria
MR JOSE HUBERTO MORENO LORENTE	General Manager of Construction
MR RAIMUNDO FERNÁNDEZ-CUESTA LABORDE	General Manager of Markets and Investor Relations
MR RAUL BELTRÁN NÚÑEZ	Internal Audit Manager
MR FRANCISCO ADALBERTO CLAUDIO VAZQUEZ	General Manager of Contract and Study Management for Acciona Infraestructuras
MR JOSÉ LUÍS DÍAZ-CANEJA RODRÍGUEZ	General Manager of Acciona Agua
MR LUIS CASTILLA CAMARA	CEO Acciona Infraestructuras
MR NICOLAS CORRAL FERNÁNDEZ	General Manager of Acciona Service
MS MACARENA CARRION LÓPEZ DE LA GARMA	General Manager of the Presidency
MR CARLOS MARÍA ARILLA DE JUANA	General Manager for Operations at Acciona Infraestructuras
MR RAFAEL MATEO ALCALÁ	CEO Acciona Energía
MR JOAQUIN FRANCISCO CASTILLO GARCIA	General Manager of Development at Acciona Energía
MR JORGE VEGA-PENICHER LOPEZ	Secretary General
MR DIEGO MARÍN GARCÍA	General Manager of Concessions
MR JOSÉ JOAQUÍN MOLLINEDO CHOCANO	General Manager of Institutional Relations, Sustainability and Brand
MR FERNANDO FAJARDO GEREZ	General Manager of Acciona Infraestructuras Australia and Asia
MR JOAQUIN ANCÍN VIGUIRISTI	General Manager of Engineering and Construction at Acciona Energía
MR JUAN OTAZU AGUERRI	General Manager of Production at Acciona Energía
MS ARANTZA EZPELETA PURAS	General Manager of Technology and Innovation
MR JUAN RAMÓN SILVA FERRADA	General Manager of Sustainability
MR OSCAR LUÍS REGO PRIETO	General Manager of Purchases at Acciona Infraestructuras
MR JOSÉ MANUEL TERCEIRO MATEOS	General Manager of Corporate – Financial Management
MR ANTONIO SOTO CONDE	General Manager of Grupo Bodegas Palacio 1894
MR ROBERTO FERNÁNDEZ LÓPEZ	General Manager of Corporate Resources Acciona Infraestructuras
MR JUSTO VICENTE PELEGRINI	General Manager of Acciona Construcción Spain



Name or company name	Position
MR JOSE JULIO FIGUEROA GOMEZ DE SALAZAR	General Manager of Legal
MR RAMÓN JIMÉNEZ SERRANO	General Manager of Acciona Industrial
MR JUAN MANUEL MARTÍNEZ SÁNCHEZ	General Manager of Corporate Security
MS OLGA CORELLA HURTADO	General Manager of Finance at Acciona Infraestructuras
MR DAVID GUTIERREZ ABARQUERO	General Manager of Economic and Tax Supervision
MR JOSÉ ÁNGEL TEJERO SANTOS	General Manager of Economics and Finance
MR JESUS ALCAZAR VIELA	General Manager of Latin America at Acciona Infraestructuras
MR VICENTE SANTAMARIA DE PAREDES CASTILLO	General Manager Compliance
MR JUAN MURO-LARA GIROD	General Manager of Strategy and Corporate Development
MR JOSE LUIS RODRIGUEZ HERNANDEZ	General Manager of Other Businesses and Affiliates
MR JUAN MANUEL CRUZ PALACIOS	General Manager of Labour relations at PRL Acciona Infraestructuras
<b>Total senior management remuneration (thousand euros)</b>	
	<b>22,659</b>

The list addresses those who throughout the financial year have been a part of the first two levels of management of the Acciona group and the corporate director of internal audit.

This classification is made for purely informational purposes and under no circumstances must be taken as an interpretive or assessment-based element with respect to the concept of senior management as established in current regulations and in particular Royal Decree 1382/1985.

The figure indicated as remuneration includes: a) the remuneration corresponding to those who have been part of the first two management levels throughout the entire year or part of the year (37 directors); b) indemnification paid to directors due to the termination of their labour relationships and, c) monetary liquidation due to differences of share options exercised by directors during the financial year.

C.1.15 State whether the Board regulations were amended during the year

- Yes  
 No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Directors are appointed by the General Meeting of Shareholders, save for cases of co-opted appointment by the Board of Directors to cover vacancies and designation by shareholders exercising their right of proportional representation.

The Board of Directors shall be respectful with that stipulated in the Regulations and the Selection Policy when creating proposals for the appointment of directors by the General Meeting of Shareholders, as well as when deciding on co-opted appointments by the Board of Directors itself.

The composition of the Board of Directors shall include Proprietary, Independent and Executive Directors.

The proposals for the appointment or re-election of Directors which are given by the Board of Directors to the General Meeting of Shareholders, as well as provisional co-opted appointment, shall be approved by the Board at the request of the Appointments and Remuneration Committee, in the case of independent directors, and with a prior report from the Appointments and Remuneration Committee, in the case of the remaining directors.

The Board of Directors, exercising its proposal powers to the General Meeting of Shareholders and co-opted assignment to cover vacancies, shall strive to ensure that the composition of the Board of Directors shall include proprietary directors and independent directors which represent a wide majority over the executive directors and that the number of executive directors be the minimum amount necessary, taking into account the complexity of the corporate group and the percentage of participation of the executive directors in the capital of the company, and that the number of independent directors represents at least half of all directors.

The Board of Directors and the Appointments and Remuneration Committee shall, within the scope of their respective fields, strive to ensure that the selection of the independent directors falls to those who are known to be solvent, competence and experienced, that they are willing to dedicate a sufficient part of their time to carrying out the functions of the position. Any director may request that the Appointments and Remuneration Committee take potential candidates into consideration, if they deem them to be suitable, to cover vacant director positions.

The proposals for re-election of Directors shall also be informed by the Appointments and Remuneration Committee to the Board of Directors. In its recommendation, the Appointments and Remuneration Committee shall assess the quality of the work and the dedication to the position during their mandate.

The competences attributed to the Appointments and Remuneration Committee are specified under article 40.ter of the Articles of Association and article 32 of the Board of Directors regulations.

Regarding the evaluation, article 26 of the Board of Directors Regulations establishes that on an annual basis they must evaluate:

- (i) the quality and efficiency of operations of the Board of Directors;
- (ii) the performance of functions by the Chairperson of the Board and top executive of the Company, using the report which is issued by the Appointments and Remuneration Committee;
- (iii) the operations of the Executive Committee and Committees, using the report they issue to that effect;
- (iv) the performance and contribution of every director granting special attention to the managers of the different Committees, and
- (v) the diversity in the composition and competences of the Board of Directors.

Based on the results of the evaluation, the Board of Directors shall adopt, where applicable, an action plan to correct any detected deficiencies.

The Board of Directors may be assisted by the undertaking of an evaluation by an external consultant the Independence of which shall be verified by the Appointments and Remuneration Committee.

The Directors shall cease to hold the position:

- by their own decision at any time.
- when agreed by the General Meeting of Shareholders in use of the powers legally conferred upon them,
- when, after the period for which they were appointed has passed, the first subsequent General Meeting of Shareholders is held or after the legal period in which the next ordinary General Meeting of Shareholders must be held, if it was not held.

Currently, the statutory term of a Director's mandate is three years.

Likewise, the Directors shall make their position available to the Board of Directors and, if the Board deems it appropriate, shall formalise their resignation in the cases referenced in section C.1.19 below.

In financial year 2019, the Appointments and Remuneration Committee proposed to the Board the re-election of Mr Juan Carlos Garay Ibaragaray, as Independent Director, and the appointment of Ms Sonia Dulá as Independent Director. The Committee's proposal assessing the competence, experience and merits of the proposed candidates for re-election and appointment was made available to shareholders in the announcement of the General Meeting, together with their CV and the category to which each one belongs.

**C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:**

#### Description of amendments

The Board of Directors, in financial year 2019, has carried out a self-assessment of the quality and efficiency of the operation of the Board. The results of said process show that the Board and its Committees function correctly and illustrate an improvement in the information flows between the different collegiate bodies following the enhancements introduced in financial year 2018.

In addition, throughout financial year 2019 the Board of Directors has implemented the following improvements in terms of its operation and performance:

- Establishing a training programme on Sustainability for the Board of Directors;
- The Board held into two meetings, behind closed doors, with the external auditors.
- The Audit Committee has held four meetings, behind closed doors, with the external auditors, four meetings, behind closed doors, with the internal auditors and a joint meeting with the sustainability committee.

- The Audit Committee has held four "ongoing training" meetings, one with the External Auditor, another with the Internal Auditor, the third with General Financial Economic Management and the fourth with the General Secretariat (Corporate Governance).
- The Board of Directors is assessing the amendments proposed by the CNMV to certain recommendations of the Code of Good Governance.
- The Board of Directors has adapted its Director Selection Process throughout the financial year and is currently revising said policy in line with the latest new legislative developments published with regard to diversity;
- Each of the supervisory Committees has assessed, on a collegiate basis, the operation and performance of the Board, Committees and Positions, including their respective Chairpersons and the Chairperson of the Board and Coordinator Director, submitting the corresponding Reports to the plenary session of the Board;
- As a result of the promotion of interaction between the Supervisory Committees, the holding of joint meetings of the Audit and Sustainability Committees to address issues related to non-financial information has been institutionalised. Two joint meetings were held in financial year 2019.
- The information to be addressed at the ordinary meetings of the Board of Directors and the Committees was sent sufficiently in advance with the announcement, to enable to it be analysed in depth.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

#### Description of the evaluation process and evaluated areas

In financial year 2019, the Board of Directors evaluated the quality and efficiency of the operations of the Board of Directors, the performance of functions by the Chairperson and Vice-Chairperson of the Board and the operation of their Committees, with close attention paid to their Chairmen, using the report that these have created to that effect. The evaluation is carried out via individual forms which are filled out anonymously by each director, and once completed, the Audit Committee and the Appointments and Remuneration Committee analyse the results and send the Board of Directors the corresponding reports. In addition, the Audit Committee, exercising the functions attributed to it, has assessed compliance with the governance rules and procedures and the quality and effectiveness, issuing a report in this regard and submitting it to the Board. The Board of Directors, in the exercise referred to in this report, has carried out the evaluation process without any intervention by an external consultant.

The Board of Directors had the support of an external consultant (E&Y) for the evaluation of its administrative bodies with respect to the financial year of 2017. The evaluation consists in the analysis of the performance of the Board of Directors, its Committees and positions (Audit Committee, Appointments and Remuneration Committee, Sustainability Committee and Executive Committee).

In accordance with Recommendation 36 of the Code of Good Governance for Listed Corporations, the Board plans to have an external consultant carry out a new assessment of the managing bodies for financial year 2020.

**C.1.18 Describe, in those years in which the external consultant has participated, the business relationships that the external consultant or any group company maintains with the company or any company in its group.**

No external consultant assessment was carried out in financial year 2019.

The last assessment by an external consultant was in financial year 2017, the business relations and amount of which are as follows:

The external consultant has mainly provided consultancy services regarding the supervision of the crime prevention model, remuneration policy, and tax consultancy.

The amount of the business relations between the external consultant and Acciona and Group Companies in 2017 totalled:

Company: 245 thousand euros

Group Companies: 746 thousand euros.

**C.1.19 State the situations in which directors are required to resign.**

The Directors shall make their position available to the Board of Directors and, if it deems it appropriate, shall formalize the corresponding resignation in the following cases:

- a) In the case of proprietary directors, when the reasons for which they were appointed no longer exist, understanding that this circumstance occurs when the entity or business group they represent no longer holds a significant shareholding in the share capital of Acciona, or when the entity or business group in question requests their substitution as a Director.
- b) In the case of Independent directors, if included in the executive line of Acciona or any of its affiliated companies, or when for to another reason they apply to any of the circumstances deemed incompatible with the standing of independent director.
- c) In the case of executive directors, when they cease to hold their executive positions due to which they were appointed as a director.
- d) When they are involved in any of the cases of incompatibility or prohibition as established in the law or in the Regulations.
- e) When they are admonished by the Audit Committee due to having seriously violated any of their obligations as directors.
- f) When their membership on the Board could affect the credit or reputation that Acciona and its group have on the market or otherwise risks their interests and in particular in the case that they are prosecuted or tried for any of the crimes indicated in article 213 of the Spanish Companies Act.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?:

- Yes  
 No

If so, please describe any differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as Chairperson of the Board of Directors:

- Yes  
 No

C.1.22 State whether the Articles of Association or the Board Regulations establish any limit as to the age of directors:

- Yes  
 No

C.1.23 State whether the Articles of Association or the Board Regulations establish any term limits for independent directors other than those required by law:

- Yes  
 No

C.1.24 State whether the Articles of Association or Board Regulations establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

The Board Regulations establish that the Directors shall personally attend the meetings of the Board of Directors, even though as an exception, the Chairperson may authorize the participation of Directors in a meeting via video conference, telephone or another means of telecommunication which allows the director to be undoubtedly identified and the confidentiality of that addressed is preserved. In said cases, the directors who thus participate in the meeting shall be taken to be present.

When the director cannot personally attend, a circumstance which only may occur for especially justified reasons, and it cannot be done via remote communication methods, the director shall strive to delegate their representation to another member of the Board of Directors, telling them, to the extent possible, their appropriate voting instructions. This delegation shall be formalized by letter or by any other written method which allows the reality of the representation to be demonstrated in the opinion of the Chairperson.

No limitations have been established to the maximum number of delegations which a director may have. Non-executive directors may only delegate their representation to another non-executive director

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the Chairperson present. Meetings where the Chairperson sent specific proxy instructions are to be counted as attended.

Number of Board Meetings	10
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Number of Board Meetings without the chairperson	0
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State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings of the AUDIT COMMITTEE	8
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	4
Number of meetings of the SUSTAINABILITY COMMITTEE	4

**C Board of Directors:**

Of the 10 meetings held by the Board of Directors, two of them were carried out via an agreement adopted in writing and without a meeting. Likewise, in the 10 meetings there was a total of seven absences in the different meetings. (93.63%)  
In each case, the absent director delegated their representation with specific voting instructions to another board director within their same category.

**Audit Committee:**

8 meetings with four absences, none of which were the Chairperson (83.33%)

**Appointments and Remuneration Committee:**

4 meeting with all members in attendance (100%)

**Sustainability Committee**

4 meeting with all members in attendance (100%)

**C.1.26 State the number of meetings held by the Board of Directors during the year and provide details on attendance:**

Number of meetings with the in-person attendance of at least 80% of the directors	10
% of in-person attendance over the total votes during the financial year	93.63
Number of meetings with in-person attendance, or representation given with voting instructions, for all directors	10
% of votes issued with in-person attendance and representation given with specific instructions, over the total votes during the financial year	100.00

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

- Yes  
 No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Meeting of Shareholders with a qualified audit opinion.

It is the duty of the Board of Directors to ensure that the accounts are prepared in such a way that there are no qualified opinions by the Auditor. However, if the Board considers that it should maintain its judgement, the Chairperson of the Audit Committee and the auditors will clearly explain to the shareholders the content and scope of the discrepancies.

The functions of the Audit Committee also include serving as a channel of communication between the Board of Directors and the external auditors, assessing the results of each audit and the management team's responses to its recommendations, and mediating and arbitrating in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable in the preparation of the financial statements.

The individual and consolidated annual accounts corresponding to financial year 2019 are considered as having been presented to the General Meeting of Shareholders without qualified opinions in the audit report

C.1.29 Is the secretary of the Board also a director?

- Yes  
 No

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
MR JORGE VEGA- PENICHET LOPEZ	

C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

The Board of Directors Regulations require the Board to establish, through the Audit Committee, a stable and professional relationship with the external auditors of Acciona and the main companies in its group, with strict respect for their independence.

In order to ensure the independence of the auditor, the Audit Committee is attributed by the Articles of Association and Board of Directors Regulations and without prejudice to other functions that may be attributed thereto by the applicable legislation, among others, the following functions:

- i. To liaise with the external auditors in order to receive information on any issues that may threaten their independence and any others related to the precise development of the audit of account.
- ii. To receive annually from the external auditors the written proof of their independence from the company or entities directly or indirectly related thereto, in accordance with the provisions of the regulations regulating the activity of auditing accounts.
- iii. To issue annually, prior to the issuance of the auditors' report, a report expressing an opinion as to whether the independence of the external auditors is compromised.

The Regulations also impose the following functions on the Audit Committee:

- i. In the event of the resignation of the external auditor, to examine the circumstances giving rise to the resignation.

To ensure that the external auditor's remuneration for its work does not compromise its quality or independence.

iii. To supervise that the Company notifies the CNMV of the change of auditor as a significant event and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if they had existed, their content.

iv. To ensure that the external auditor holds an annual meeting with the full Board of Directors to inform it of the work carried out and of the evolution of the Company's accounting and risk situation.

v. To ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other regulations on the independence of the auditors.

In compliance with current legislation, the external auditor issued a report in which it stated its independence from the company and its group.

In this regard, the Committee has contrasted the statements made by the external auditor regarding the declaration of his or her independence in relation to the entity or entities related thereto, receiving from the latter the declaration of its independence and the Committee issuing the corresponding report on the independence of the auditor which was published on the Company's website on the occasion of the 2019 General Meeting.

In addition, the Board of Directors publicly reports in the notes to the annual accounts on the global fees paid for the external audit of the annual accounts and those paid for other services rendered to professionals linked to the external auditor, breaking down those paid to the auditors and those paid to any company in the same group of companies that the auditor belongs to or to any other company the auditor is linked to by common ownership, management or control.

In relation to financial analysts, investment banks or rating agencies, the Board of Directors applies the same guidelines as in its dialogue with shareholders, striving for equal treatment among them and taking special care of the symmetry and simultaneous information to the market of those data, estimates and plans that may have an effect on the share price on the stock markets. In this regard, the Board of Directors has published through its website a Communication and Contact Policy with institutional shareholders and investors and other interested parties, fully respecting the rules against market abuse and similar treatment of shareholders in the same position.

The Company has not asked a ratings agency for an assessment of its risk or that of any of its securities issues.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

Yes

No

If there were any disagreements with the outgoing auditor, please provide an explanation:

Yes

No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or Group:

Yes

No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	651	1,163	1,814
Amount invoiced for non-audit services/Amount for audit work (in %)	50.86	26.53	32.03

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given by the Chairperson of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes  
 No

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm / number of financial years the company or its group have been audited (as a %)	10.00	10.00

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

Yes  
 No

#### Details of the procedure

The Board of Directors sets the calendar and agenda of ordinary meetings before the beginning of each financial year, notwithstanding the fact that it may be modified for justified reasons.

Calls are made by letter, fax, telegram or e-mail at least three days prior to the date scheduled for the meeting, although, when circumstances so require, the Chairperson may call the Board of Directors by telephone on an extraordinary basis, without respecting the period of notice or the other requirements indicated below.

The notice shall include a preview of the foreseeable agenda of the meeting. It shall be accompanied by the appropriate written information that is available so that the Directors have sufficient time to analyse it in depth and, without prejudice to the fact that, in any case, the director may request the information he or she deems necessary to complete the information supplied to him or her.

The agenda shall clearly indicate those points on which the Board of Directors must adopt a decision or resolution so that directors can study or obtain, beforehand, the information required for its adoption.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

Yes  
 No



Explain the rules

Article 53 of the Board of Directors Regulations obliges Directors to report all legal, administrative or any other claims brought against them, as well as any subsequent vicissitudes which, due to their importance, could have a serious impact on Acciona's reputation.

Directors must place their position at the disposal of the Board of Directors and, if the latter deems it necessary, formalise their resignation when remaining on the Board may affect the credit or reputation enjoyed by Acciona and its group in the market or in any other way jeopardise their interests.

Particularly, Directors must inform the Board in the event that they are prosecuted or tried for any of the crimes set forth in Article 213 of the Restated Text of the Spanish Companies Act. In this case, the Board will examine the case as soon as possible and, in view of the specific circumstances, will decide whether or not it is appropriate for the director to continue in office. All of this will be disclosed in a reasoned manner in the Annual Corporate Governance Report.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

- Yes  
 No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

The Company is a party to several finance agreements that consider the change of control of the obligated parties to constitute grounds for obligatory early maturity under the terms of the contracts. Among others, two loan agreements with the EIB for 120 and 185 million euros to finance the Group's R&D programmes and a syndicated finance agreement for 2,200 million euros signed in March 2015 and renewed on 14 July 2017, in which Acciona acts as guarantor. During financial year 2019, Acciona Financiación Filiales Australia, Acciona Financiación Filiales, S.A. and Acciona Financiación Filiales Chile, guaranteed by Acciona, S.A., took out three syndicated loans for 400 million Australian dollars, 675 million euros and 200 million US dollars respectively, in which the change of control of the borrowers was contemplated as grounds for mandatory early maturity, in similar terms to those of the finance agreements mentioned above.

Additionally, 62.7 million euros of Standard Bonds were issued in April 2014, the terms and conditions of which give bondholders the right to early redemption in the event of a change of control. The company appears as guarantor in the EMTN (European Medium-Term Notes) programme, which covers bond issues with maturities of more than 12 months and recognises bondholders their right to early redemption in the event of a change of control, as set out in the terms and conditions of the programme. At 31 December 2019, the amount of the private placements under the EMTN programme of Acciona Financiación Filiales, S.A. was a total of 518.2 million euros. On that date, all issues under the Acciona, S.A. EMTN Programme had matured.

Finally, the Company is a borrower in three financing operations, two SCHULDSCHEIN (SSD), from November 2016 and July 2019, and one NAMENSSCHULDVERSCHREIBUNG (NSV) from October 2019, recognising in all of them the right of lenders to early maturity in the events of change of control stipulated in the agreements. The total amount of these last three operations exceeds 350 million euros.

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of beneficiaries

4

Type of beneficiary	Description of agreement
Manager	The general criterion of the company with respect to its managers and executives is not to grant indemnities except in the cases and in the amounts established in the labour legislation in force in the absence of an express agreement. Notwithstanding the foregoing, four managers, not including the executive Directors, have agreed to specific conditions in the event of termination of the employment contract due to unfair dismissal or will of the company. For two of them, such clauses set the amount in relation to a notice period equivalent to six months of total remuneration. For the other two, a clause for an amount equivalent to two years' fixed remuneration and a clause for an amount equivalent to one year's fixed remuneration, respectively.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Meeting
Body authorising the clauses	√	
	Yes	No
Are these clauses notified to the General Meeting?	√	

The Board of Directors only approves the contractual conditions relating to Executive Directors, as well as the indemnity clauses for senior executives, but does not authorise the indemnity clauses for other executives and of which the General Meeting of Shareholders is informed through this Report.

## C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT COMMITTEE		
Name	Position	Category
MS ANA INÉS SAINZ DE VICUÑA BEMBERG	CHAIRPERSON	Independent
MR JUAN CARLOS GARAY IBARGARAY	MEMBER	Independent
MS KAREN CHRISTIANA FIGUERES OLSEN	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of external directors	0.00

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10, and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

A) Functions

The Committee has the powers established in the law, in Article 40bis of the Articles of Association, in Article 30c) of the Board of Directors Regulations and in the Regulations of the Audit Committee itself.

B) Organisation and functioning

The Audit Committee shall be composed of a minimum of three and a maximum of five Directors, all of them non-executive, and at least the majority of them shall be independent Directors and one of them shall be appointed taking into account their knowledge and experience in accounting, auditing or both.

The Chairperson of the Audit Committee shall be elected by the Board of Directors from among the members of the Audit Committee who are independent Directors.

The Chairperson must be replaced every four years and may be re-elected once a period of one year has elapsed since his or her dismissal. The Secretary of the Audit Committee shall be the Secretary of the Board of Directors and, in his or her absence, the Vice-Secretary of this body.

The members of the Audit Committee, and particularly its Chairperson, shall be appointed based on their knowledge and experience in accounting, auditing or risk management.

The meetings are held on the dates set by the Committee in its meetings calendar, and also whenever called by its Chairperson, either on his or her own initiative or at the request of any of its members. The Audit Committee shall meet periodically according to its needs. It will do so at least four times a year, prior to the public disclosure of the financial information by Acciona. One of the sessions will necessarily include a compliance assessment with the rules and procedures of governance of Acciona and its efficiency.

The assessment will have an effect on the Annual Public Report on Corporate Governance, the Audit Committee intervening in the preparation of which the Audit Committee will intervene. The Audit Committee shall be validly constituted when at least half of its members are present or represented at the meeting. The resolutions of the Audit Committee shall be adopted by an absolute majority of those present, the Chairperson having the casting vote.

Minutes are taken by the Secretary of each meeting of the Audit Committee. The Board of Directors may access the minutes at any time. The Committee may request, by agreement or by decision of its Chairperson, the participation in its meetings of such Executives as it deems necessary and of the external auditor of any group company. In addition, it may seek the advice of external experts.

C) Actions for the year.

- It supervised the preparation of the Report of the internal and external auditing services on the Financial Statements for financial year 2019 and the company's risks, including tax ones. It contrasted the statements made by the external auditor regarding the declaration of its independence in relation to the entity or entities related thereto, receiving from it the declaration of its independence and issuing the corresponding report on the independence of the auditor which it publishes on the Company's website on the occasion of the calling of the 2019 General Meeting.
- It revised, internally on a quarterly and half-yearly basis, the financial information that is disclosed to the stock markets before being communicated; it held working meetings with the group's external auditors before approving the proposal for the preparation of the annual accounts; and it has supervised and been aware of the reports drawn up, both internally and by the Group's external auditor, on the efficacy of internal control of Financial Information Systems.
- It assessed and revised the consolidated non-financial information statement at the joint meetings held with the Sustainability Committee, to be referred to the Board of Directors.
- It assessed compliance with and quality and efficiency of governance rules and procedures, issuing a report on the subject and forwarding it to the Board.
- It supervised the changes of the Risk Map in addition to the methodology used.
- It formulated the annual report on corporate governance for approval by the Board of Directors, providing detailed information on the Level of Compliance with the Recommendations of the Code of Good Governance of Listed Companies.
- It checked with external auditors, in the absence of members of the management team, the quality of its relationship with them and the auditor's trust in the group's systems and information.
- It supervised the activity carried out by the Corporate Compliance Management as well as by the Code of Conduct Committee.
- It was informed of the contacts and work carried out with the Proxy Advisor that analyse Acciona. It formulated the mandatory report for the Board on the functioning of the Committee, including the report on related-party transactions and on the Auditor's independence.
- It has supervised the activities of affiliate Acciona Financiación Filiales, S.A. in its capacity as Public Interest entity.
- The Committee approved the modification of the Director Selection Policy including age and disability as elements of diversity.
- It was informed of measures and risk assessment in the Prevention of Occupational Hazards and Health and Safety and the Workplace, as well as the Policy on the Protection of Personal Data.
- It planned, with External Auditors and Internal Audit, the respective tasks for the financial year. With the mandate of the external audit about to expire, it informed in favour of renewing it;
- It formulated a report on the evaluation of the operation and performance of the Board, Committees and positions, submitting the same to the Board for its information.

- It approved a schedule of meetings and a working programme for 2020.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of directors with experience	MS ANA INÉS SAINZ DE VICUÑA BEMBERG / MR JUAN CARLOS GARAY IBARGARAY / MS KAREN CHRISTIANA FIGUERES OLSEN
Date of appointment of chairperson	30/05/2019

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MR JAVIER SENDAGORTA GOMEZ DEL CAMPILLO	MEMBER	Independent
MR JUAN CARLOS GARAY IBARGARAY	CHAIRPERSON	Independent
MR JERÓNIMO MARCOS GERARD RIVERO	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of external directors	0.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

A) Functions and Competences

The Committee has the powers established by Law, in Article 40 ter of the Articles of Association and in Article 32 b) of the Board of Directors Regulations.

B) Organisation and Operation

The Appointments and Remuneration Committee will be formed by a minimum of three and a maximum of five Directors, all of them external, and at least two of them must be independent Directors.

The members of the Appointments and Remuneration Committee shall be appointed having regard to the knowledge, skills and experience appropriate to the duties they are called upon to perform.

The Chairperson of the Appointments and Remuneration Committee shall be chosen by the Board of Directors from among the members of the Appointments and Remuneration Committee who are Independent Directors.

The Appointments and Remuneration Committee shall meet at least once a year to assess remuneration and, where appropriate, to report on the renewal of the Board of Directors, its Executive Committee or its Committees. In addition, it will do so each time it is summoned in accordance with the provisions of these Regulations.

The Appointments and Remuneration Committee shall hold such other meetings as may be appropriate to meet the requests of the Board of Directors, the Chairperson, the Chief Executive Officer or the Executive Committee, seeking a report or proposal or the opinion of the Appointments and Remuneration Committee within the scope of its competences.

The Committee is validly constituted when at least half of its members are present or represented at the meeting. Attendance by video-conference, telephone or other means of telecommunication is possible, and members who participate in the session in such a manner will be deemed to be present. The Committee adopts its resolutions by an absolute majority of the members attending the meeting in person or by proxy.

Minutes shall be taken by the Secretary of each meeting of the Appointments and Remuneration Committee. The Board of Directors may access the minutes at any time. The Committee may request, by agreement of the Committee itself, or by decision of its Chairperson, the participation in its meetings of any executive of Acciona or of companies over which it exercises a negative influence. It may also request the participation in its meetings of external advisors or of the statutory auditors of Acciona itself or of companies on which it exercises a significant influence, the cost of which shall be borne by Acciona.

C) Actions during the financial year.

- It assessed related-party transactions, confirming that they were operations pertaining to the ordinary business or activities of the group at arm's length terms and in line with the requirements established in the Board of Directors Regulations, drafting the corresponding Report.
- It analysed the remuneration of Executive Directors, of the Board itself and the first- and second-level remuneration of the management team.
- It proposed the re-election and appointment of the Independent Directors proposed by the Board to the General Meeting.
- It approved the modification of the Director Selection Policy in accordance with the recommendations on diversity, submitting the corresponding favourable proposal to the Board of Directors.
- The Committee acknowledged the second deferred delivery of shares to Executive Directors in accordance with the objectives approved in the first three-year period corresponding to the 2014 Share and Performance Share Delivery Plan.
- With the support of external consultants, the Committee started work on assessing the degree of achievement of the criteria and objectives of the Share and Performance Share Delivery Plan. It also commenced deliberations for the design of a new long-term incentive plan for Executive Directors.
- It issued a favourable report and approved the proposal for the allocation of shares to managers under the 2014 Share and Performance Share Delivery Plan and the variable remuneration Replacement Plan. It issued a favourable report on the Shareholder Plan. It submitted a favourable proposal to the Board for the increase of the maximum number of shares available under the 2014 Share and Performance Share Delivery Plan.
- The Committee approved the Annual Report on Director Remuneration and was apprised of the Annual Report on Corporate Governance. Moreover, the Committee was informed of the Degree of Compliance with the Recommendations of the Code of Good Governance of Listed Corporations.
- The Committee assessed the quality and effectiveness of the operation of the Board, the Committees and Positions and compliance with the corporate governance rules and procedures. Moreover, it assessed the performance of the Committee itself autonomously.
- It reported on the appointments of the new Managers and approved the schedule of meetings and work programme for 2020.

**SUSTAINABILITY COMMITTEE**

Name	Position	Category
MR JOSÉ MARÍA PACHECO GUARDIOLA	MEMBER	Independent
MR JAVIER ENTRECANALES FRANCO	MEMBER	Proprietary
MR DANIEL ENTRECANALES DOMEQC	CHAIRPERSON	Proprietary

% of executive directors	0,00
% of proprietary directors	66.67
% of independent directors	33.33
% of external directors	0.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

A) Functions.

The Sustainability Committee shall have the basic responsibilities listed below, without prejudice to any other task that may be assigned thereto by the Board of Directors:

- a) Identifying and guiding the Group's sustainability and corporate social responsibility policies, objectives, good practices and programmes;
- b) Assessing, monitoring and reviewing the execution plans of said policies drawn up by the Group's executives;
- c) Periodically reviewing the internal control and management systems and the level of compliance with these policies;
- d) Preparing an annual Sustainability Report for approval by the Board;
- e) Submitting to the Board of Directors the Sustainability and corporate social responsibility policies, objectives and programmes, as well as the corresponding expenditure budgets for their execution

B) Organisation and Operation.

The Sustainability Committee will be formed by a minimum of three and a maximum of five Directors, all of them external.

The Sustainability Committee will meet quarterly to assess the level of compliance with the Sustainability and Corporate Social Responsibility policies approved by the Board of Directors. In addition, it will do so each time it is summoned in accordance with the provisions of these Regulations.

The Sustainability Committee shall hold such other meetings as may be appropriate to deal with requests from the Board of Directors, the Chairperson of Acciona, the Chief Executive Officer or the Executive Committee, seeking a report or proposal or the opinion of the Sustainability Committee within the scope of its powers.

The Committee is validly constituted when at least half of its members are present or represented at the meeting. Attendance by video-conference, telephone or other means of telecommunication is possible, and members who participate in the session in such a manner will be deemed to be present. The Committee adopts its resolutions by an absolute majority of the members attending the meeting in person or by proxy.

Minutes shall be taken by the Secretary of each meeting of the Appointments and Remuneration Committee. The Board of Directors may access the minutes at any time. The Committee may request, by agreement of the Committee itself, or by decision of its Chairperson, the participation in its meetings of any executive of Acciona or of companies over which it exercises a negative influence. It may also request the participation in its meetings of external advisors or of the statutory auditors of Acciona itself or of companies on which it exercises a significant influence, the cost of which shall be borne by Acciona.

C) Actions during the financial year.

- It analysed the balance of objectives for 2018 and approved the objectives of the Sustainability Master Plan for 2019 which are specified based on the forecasts for 2020.
- It assessed and revised, in joint meetings with the Audit Committee, the consolidated statement of non-financial information included in the management report, in order to submit it to the Board of Directors.
- It drafted the Sustainability Report and proposed it for approval by the Board of Directors, before being submitted for the definitive approval of the General Meeting of Shareholders.
- It revised the study regarding the application of the EU taxonomy to the activities of Acciona, according to the draft Technical Standards from the group of experts in sustainable finance.
- It presented the results of the Dow Jones Sustainability Index 2019 and the measures related to results in order to achieve an improved score in this index.
- The Committee has supervised the new ESG risk map based on the methodology of the general risk map of the ACCIONA Group and took note of the Quarterly Report on Communities and Other Groups of Interest.
- It was informed of the analysis of the inventory of greenhouse gas emissions and analysed the proposals for the establishment of a training programme for the Board of Directors in terms of sustainability.
- The Committee assessed its own performance autonomously, preparing the corresponding report.
- It approved the schedule of meetings and work programme for 2020.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	Year 2019		Year 2018		Year 2017		Year 2016	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	2	66.00	1	25.00	1	25.00	1	33.00
APPOINTMENTS AND REMUNERATION COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00
SUSTAINABILITY COMMITTEE	0	0.00	0	0.00	1	25.00	1	25.00

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The company has the Board of Directors Regulations and the Regulations of the Audit Committee. The latter was approved by the company's board of Directors on 15 November 2018, as communicated by relevant event no. 271618.

The rest of the Committees do not have their own regulations, as the company considers that what is stipulated in the Board of Directors Regulations is sufficient to regulate the organisation and operation. Nonetheless, the Appointments and Remuneration Committee is analysing the possibility of developing its own regulations in line with corporate governance best practice and the provisions for Appointments and Remuneration Committees in CNMV Technical Guidelines 1/2019.

Both the Board of Directors Regulations and the Regulations of the Audit Committee are available in the section on Corporate Governance of the company's website [www.acciona.com](http://www.acciona.com).

In compliance with the sixth recommendation of the Good Governance Code of listed companies, on the occasion of the calling of the General Meeting, the reports were published on the activity and operation of the Audit Committee and the Appointments and Remuneration Committee 2019, including reports on related-party transactions and on the independence of the auditor.

**D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

**D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.**

Pursuant to the Board Regulations, all transactions carried out by Acciona or by the companies over which Acciona exercises a significant influence with Directors, with shareholders owning a stake equal to or greater than 3% of the share capital or who have proposed the appointment of any of the company Directors, or with the respective related persons, shall be subject to authorisation by the Board of Directors or, in case of emergency, by the Executive Committee and, subsequently, ratified by the Board of Directors, following a report from the Audit Committee. The authorisation must necessarily be approved by the General Meeting of Shareholders when it involves a transaction whose value exceeds ten per cent of the company's assets.

The Board of Directors shall ensure, through the Audit Committee, that transactions between Acciona or the companies on which it exercise a significant influence with the Directors, the shareholders referred to in the previous section or he respective Related Persons, are carried out under market conditions and in observance of the principle of equal treatment of shareholders.

In the case of transactions within the ordinary course of the company's business and which are of a habitual or recurring nature, the generic authorisation of the line of operations and their conditions of execution, i.e., of those responsible for each specific business, without prejudice to its notification to the Appointments and Remuneration Committee if it exceeds the amount established by the Board of Directors, will suffice.

The authorisation of the Board shall not, however, be understood to be precise in relation to those transactions that simultaneously comply with the following three conditions: (i) are carried out under contracts whose conditions are standardised and applied on an across-the-board basis to many customers, (ii) carried out at prices or rates generally established by the person acting as the supplier of the good or service in question, and (iii) the amount thereof does not exceed 1% of the company's annual revenue.

**D.2. Describe any transactions which are significant, either because of the amount involved or subject matter, entered into between the company or entities within its group and the company's significant shareholders:**

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
No data				N.A.

**D.3. Describe any transactions that are significant, either because of their amount or subject matter, entered into between the company or entities within its group and directors or managers of the company:**

Name of director or manager	Name of the related party	Relationship	Type of transaction	Amount (thousand euros)
No data				N.A.



- D.4.** Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
No data		N.A.

- D.5.** State the amount of any transactions conducted with other related parties that have not been reported in the previous sections:

Name of related party	Brief description of the transaction	Amount (thousand euros)
No data		N.A.

- D.6.** Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

The Board of Directors Regulations regulate these matters in detail, and the following should be highlighted:

- The duty to abstain from participating in deliberations, in decision-making and in the execution of operations in respect of which they have a conflict of direct or indirect interest, except for decisions regarding their own appointment or cessation.
- The duty of non-competition, in the terms established in Article 45 of the Board Regulations.
- Transactions with Acciona, S.A. or with companies over which Acciona, S.A. has significant influence, except for certain exceptions provided for in the regulations (indicated in section D.1), require authorization from the Board of Directors or from the Executive Committee and subsequent ratification by the Board, subject to a report from the Audit Committee.
- The duty to abstain from trading in the securities of Acciona, S.A. or companies over which it exercises significant influence in the periods and under the circumstances established in Article 50 of the Board Regulations.
- The duty to refrain from taking advantage of business opportunities of Acciona or companies over which Acciona exercises significant influence in the terms of Article 48 of the Board Regulations.
- The duty to inform the Board of Directors, through the Secretary or Vice-Secretary, of any situation of conflict of interest they may have.

With regard to significant shareholders, transactions with Acciona, S.A. or with companies over which Acciona, S.A. exercises significant influence, with certain exceptions mentioned in section D1., require authorization from the Board of Directors or the Executive Committee and subsequent ratification by the Board following a report from the Audit Committee and, in all cases, must be carried out under market conditions, respecting the principle of equal treatment of shareholders.

With regard to directors, the current Code of Conduct imposes on them the obligation to provide information sufficiently in advance so that suitable decisions can be taken regarding possible conflicts of interest in which they may be involved due to family relationships, personal assets or for any other reason.

In addition, the general secretary will ask the group's directors to update their declaration of activities outside of Acciona and the Group on a regular basis.

D.7. Is there more than one company in the group listed in Spain?

- Yes  
 No

## **E. RISK MANAGEMENT AND CONTROL SYSTEMS**

### **E.1. Explain the scope of the company's Risk Management and Control System, including tax compliance risk:**

Acciona employs a comprehensive risk management system, therefore the identification, assessment and mitigation of risks is established for each line of business coordinated by a corporate-level team, which establishes and manages the accepted level of risk tolerance and coordinates actions to ensure that risks are handled in alignment with the Group's comprehensive risk policy, making it possible to know at any moment the level of exposure assumed by the Group as a whole.

Acciona's presence in diverse business areas and in various countries with different regulatory, political and social contexts gives rise to a wide range of risks that need to be identified and managed and, accordingly, an individualized treatment system has been developed to mitigate the most important risks in each of the business areas.

In 2019, the Risk Map of the Acciona Group has been updated, with a national and international scope, resulting in independent Maps for the following divisions: Acciona Agua, Acciona Concesiones, Acciona Construcción, Acciona Energía, Acciona Industrial, Acciona Inmobiliaria, Acciona Service and Bestinver, consolidating the results at an area and group level, giving rise to Maps for Acciona Infraestructuras and Acciona Other Businesses as well as the consolidated global Acciona Group.

The Risk Map identifies and assesses risk events based on probability of occurrence and their potential impact in order to take appropriate management measures to mitigate or reduce them.

Full quantitative risk analysis has also continued to be conducted, standardising the risk assessment parameters to enable the consideration of the Group's risk as the sum of the parts, thus enabling the company's risk exposure to be assessed at the divisional, area and global levels.

The results obtained in the Risk Maps are verified and approved by the General Managers of each business unit, carrying out an inherent assessment of either the impact or probability of occurrence prior to the control measures implemented to mitigate the risk, and a residual assessment after the measures taken have been applied for its control.

Following the reform of the Spanish Criminal Code, Acciona established a Crime Prevention and Anti-Corruption Model. In 2019, the process of reviewing risk matrixes and controls for ACCIONA S.A., ACCIONA Infraestructuras and their businesses and for ACCIONA Energía in Spain, concluded. The process was carried out with the support of a third party.

The identification, evaluation and management of social, environmental and governance risks is crucial to Acciona, for the purpose of improving its sustainability performance and the confidence of its stakeholders. ACCIONA's risk assessment methodology assesses climate change, environmental, social, labour, governance and corruption risks for each of the businesses in more than 30 countries where the company operates, according to their probability, economic-financial consequences and impact on image.

In the tax area, Acciona has defined a tax risk management policy based on an appropriate control environment, a risk identification system and a process of monitoring and continuous improvement of the effectiveness of the controls established.

In September 2011, the Board of Directors agreed on the adherence of Acciona, S.A. to the Code of Good Tax Practices, with the aim of combining and completing the existing control, prevention and regulatory compliance systems to reduce significant tax risks and prevent those conducts likely to generate them, approving the Tax Code of Conduct and Tax Policies on 24 July 2012, which includes a section on their management policy in which a matrix of acceptable tax risks is defined. In the course of financial year 2019, a Tax Risk Map Pilot Project was developed with is subsequently to be included in the Group Risk Map.

### **E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk:**

The General Management of Economic and Financial Control carries out the entire development and updating procedure for the identification, assessment and processing of risks of all the divisions, which are subsequently integrated at corporate level.

The Department of Corporate Internal Audit carries out the planning and execution of the audit activity on the basis of the risks identified. It also evaluates the efficiency and effectiveness of the internal control systems through continuous analysis of the main processes of the companies belonging to the Group in the various business areas.

The Corporate Compliance Department is responsible for periodically reviewing the implementation of the processes and controls established in the crime prevention model with the involvement, where appropriate, of an external consultant, notwithstanding the existence of an internal control framework involving various areas and departments which reinforces both prevention and detection in the exercise of professional functions.

The General Management of the Corporate Tax Area is responsible for establishing the control mechanisms and internal rules necessary to ensure compliance with the tax regulations in force and the strategic objectives approved by the Board.

The General Managements of the business units are responsible for risk management in their respective units, which includes the implementation of the defined risk policies, validation and calibration of the Risk Maps and supervision of the implementation of the different mitigation measures contemplated in the action plans of each of the previously identified risks.

The Risk Control units of the business units provide support to these units in their risk management work, due to their capacity to provide closer and more detailed monitoring of the risk management carried out in the businesses and in-depth knowledge of the specific concerns and problems affecting each one.

Acciona's Audit Committee provides support to the Board of Directors with regard to the company's Risk Management. The Audit Committee periodically reviews the risk management systems so that the main risks are appropriately identified, managed and disclosed and supervises the effectiveness of the risk management systems.

Lastly, as part of the non-delegable functions, the Board of Directors approves the fiscal strategy and the risk control and management policy, including tax matters, as well as investments and operations of a strategic nature or special tax risk, and the creation or acquisition of shares in special purpose entities or entities domiciled in tax havens.

**E.3. State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives:**

The risk scenarios considered in Acciona's Risk Management System have been classified in four groups: financial, strategic, operational, fortuitous, environmental and social the first two having been identified by the Group's directors as those with the highest risk profile.

**1. Financial and Economic Risks:**

Risks that mainly involve fluctuations in exchange rates, interest rates and financial markets, changes in commodity prices, liquidity, cash flow, delinquency or loss of customers.

In order to mitigate exchange rate risk, Acciona contracts currency derivatives (exchange rate insurance) to hedge significant future operations and cash flows in accordance with tolerated risk limits.

Interest rate risk is particularly important in relation to the financing of infrastructure projects, as well as in concession contracts, the construction of wind farms or solar plants and in other projects where the profitability of projects may be affected by possible variations in interest rates, and is mitigated by hedging operations through the contracting of derivatives. (Mainly interest rate swaps, IRS).

With respect to credit and liquidity risks - the Group deals exclusively with solvent third parties and requires specific guarantees to mitigate the risk of financial losses in the case of default.

In addition to an adequate level of reserves, the monitoring of forecasts and actual cash flow amounts is carried out on a continuous basis, matching these to the maturity profiles of financial assets and liabilities.

**2. Strategic risks:**

Risks that result in a reduction of the company's growth and the failure to meet its objectives due to the inability to respond to a dynamic competitive environment. These risks include organizational changes, investments and divestments, competitive threats, economic, political and legal changes, the impact of new technologies or research and development.

Acciona minimizes this type of risk by means of its own strategy and business model, through sectoral and geographical diversification of the business, by carrying out exhaustive studies of the market, the competition and the countries in which it operates and through its commitment to Research and Development.

**3. Operational Risks:**

Risks related to processes, people and products. These risks relate to statutory, regulatory, legal and contractual compliance, control systems and procedures, the supply chain, ancillary services, information systems, employee productivity or the loss of key personnel.

In each business area, specific systems are established that cover business requirements, process systematization and documentation, quality management, operations, planning and economic control.

To mitigate the risks of the procurement process, controls are established that favour free competition and the transparency of the processes, preventing any infringement of Acciona's commitment to ethical behaviour in these processes.

The risk scenarios considered in Acciona's Risk Management System have been classified in four groups: financial, strategic, operational and fortuitous, the first two having been identified by the Group's directors as those with the highest risk profile.

**4. Fortuitous Risks:**

Risks associated with damage caused to assets and civil liability risks, which could negatively affect the company's performance including the occurrence of criminal acts of a cybernetic nature

**5. Environmental Risks:**

This refers to the risks associated with the contribution that the company makes to climate change via greenhouse gas emissions, the use of natural resources and energy efficiency.

6. Social Risks:

These are the risks associated with human rights, labour rules in the supply chain, health and safety at the work place and the relationship with communities in order to obtain a social licence to operate.

7. Compliance Risks:

This refers to a collection of rules and principles that define the ethical behaviour, rights, responsibilities and expectations of the different stakeholders in the governance of companies.

As for the tax risks faced by the Group, they are essentially operating risks related to the presentation and payment of taxes, risks related to procedures and communication with business areas that can give rise to an inappropriate technical analysis, interpretative and regulatory risks due to changes in administrative and case law criteria or in tax regulations, as well as the reputational risk derived from decisions in tax matters that can harm the Group's corporate image and reputation. As of 2020, the individual type of tax risks will be included so that they are specifically considered in Acciona's Risk Management System.

**E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk:**

At a corporate level, the Group's risk tolerance level is defined taking into account its internal culture, structure and strategy. This tolerance level establishes the acceptable level of risk in relation to the achievement of the objectives determined for each of the investment activities or projects.

Once the persons responsible for each business have identified the risks that may arise throughout the activity, they are evaluated qualitatively and quantitatively and represented in a matrix for their correct treatment and evaluation at the corporate level.

For each of the main risks of each business unit, a file is prepared in which the decision-making premises for the acceptance or rejection of the operation concerned are established, according to the level of associated risk in terms of profitability (customer solvency, minimum acceptable rates of return), operation (vulnerability of the supply chain, labour), economic-political (currency transfer, political interference, etc.) and safety.

Those situations or activities that exceed the level of risk tolerance previously defined by the company will be analysed individually by the Heads of the corresponding business line establishing, in coordination with Corporate Economic-Financial Management, the mechanisms that best contribute to their mitigation. Business opportunities that exceed acceptable levels of risk will not be approved by the Investment Committee.

In the tax area, the Group approved a tax risk matrix in which the risk areas have been defined, taking into account the impact in both quantitative and qualitative terms (reputational risk), as well as the probability of occurrence. In any case, when adopting decisions on tax matters, the Group chooses to make reasonable interpretations of the rule, or the common view expressed by the corresponding administrative bodies or courts of law of each jurisdiction in which it has a presence.

**E.5. State which risks, including tax compliance risks, have materialised during the year:**

In 2019, risks derived from the normal development of the Group's business activities occur, among others, due to global climatological factors, as well as fortuitous natural disasters, largely mitigated through control, the measures implemented and the diversification and internationalization of activities.

The Treatment and Control systems established in the different business areas have functioned properly, as well as the Crisis Management system for those fortuitous and operative risks that materialized during the year.

Acciona provides detailed information in its annual accounts on the evolution of those risks which, due to their nature, permanently affect the Group in the performance of its activities, as well as the tax risks and the main litigation in tax matters.

Among the risks that materialised in 2019, the following are worth highlighting:

- Renewable resource less than expected for the generation facilities as a whole. The wind resource level in Mexico, the USA and South Africa has been abnormally low in comparison to the resource's historical average. Although the generation park of the Energy division has strong geographical and technological diversification, which significantly mitigates the variability of the available resource, there is always a certain level of uncertainty intrinsic to the nature of these renewable energy sources.

There was a fire at the Atacama I thermosolar plant in Chile that caused material damage, the project is covered by insurance policies. The problems arising at the Toowoomba Second Range Crossing project regarding earthworks were resolved satisfactorily.

The World Bank imposed a penalty on Ingeniería especializada de obra civil, a Group company, preventing the company from participating in projects financed by the Bank and other multilateral entities for 28 months. The penalty is the result of fraudulent practices and corruption at the Bolivian branch between 2012 and 2013. The agreement signed with the Bank recognises the comprehensive cooperation of the company and the corrective action adopted voluntarily. These actions included independent internal investigations, voluntarily restricting bidding for new projects financed by the World Bank and having adopted internal measures against the employees responsible.

In recent years there have been several investigations into excess costs, liquidations and claims derived from public contracts affecting Group employees. Some cases have been shelved or are pending shelving, others are still at the investigation or intermediate stages. In all cases, there are technical reports verifying the actions of the company employees investigated or accused.

**E.6. Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise:**

Compliance Risks.

Due to Acciona's high sectoral diversification and the large number of countries in which it operates, the control of compliance with the regulations that affect it is

particularly exhaustive. Each management level is responsible for complying with the internal rules and procedures applicable to its activity.

Risks derived from conduct that is unethical or contrary to integrity.

Acciona has established a Code of Conduct that establishes the basic principles and commitments that are to be complied with and respected in the exercise of activities by all managers and employees of the divisions, as well as by suppliers and third parties that have dealings with the Group's companies. A crime prevention model has been defined in which, on the basis of existing rules and procedures, risks are assessed and the processes and controls established to prevent or mitigate certain crimes are defined. The crime prevention model established for Spain is being progressively implemented, adapted where appropriate to the requirements of local legislation, to the other countries in which the Group operates. ACCIONA S.A. holds the UNE 19601 Management system for criminal compliance certificate and the ISO 37001 Anti-bribery management systems certificate and it is planned to extend these certificates to the main areas of activity in the coming years.

Integrated project risk management system: executed from the moment any new development opportunity is evaluated and extending throughout the life of the asset, including the construction and operation phases, contributing to a more comprehensive management of these risks.

Sustainability risk management plan. During 2019 the methodology for identifying and assessing sustainability risks continues to be used. Based on this methodology, climate change, environmental, social, labour, government and corruption risks are analysed for each country according to the economic and financial consequences, the importance of the matter for each business, the potential impact on reputation and the company's management of each risk. Quality management systems: implemented in the most relevant businesses of the Company and certified under the international standard ISO 9001. Acciona establishes mechanisms to ensure the quality of its products and services, carrying out the appropriate control activities throughout its value chain.

87% of Acciona's sales are certified under the ISO 9001 international standard

Security management systems: the Company has different management systems to ensure the safety of its customers and users. These systems are certified according to the international reference standards established for each sector: Food safety (ISO 22000, FSSC, IFS), Airport safety (ISAGO), Road safety (ISO 39001), etc.

Occupational health and safety risk prevention system: this is a priority for all Divisions and lines of business. A large part of the activities is included among those considered high risk by legislation (especially Infraestructuras and Energía). The preventive activity is carried out by means of Management Systems certified under the international OHSAS 18001 standard.

Plan Supply chain risk management plan: Acciona's supplier approval and evaluation procedure is designed to ensure that any supplier required to pass this process is qualified in accordance with Acciona's standards. Each year, Acciona draws up a risk map of its critical suppliers, analysing the main risks in its supply chain in regard to economic, environmental, occupational risk prevention, activity and country of origin.

Tax risk management system: the fiscal risk control and management policy forms part of the tax strategy approved by the Board of Directors. Among its objectives is the promotion of transparent and good faith relations with the Tax Administrations of each country, aimed at achieving the greatest possible predictability of the tax positions adopted, minimizing tax discrepancies and litigation and mitigating tax risks.

Environmental risks. Acciona has put in place a Corporate Environmental Crisis Management System. This system includes the measures to take and the responsibilities and resources required to properly manage a crisis due to an incident that arises at the facilities owned or operated by the Company and which have an impact on the environment.

Every Acciona department, in Spain and abroad, has implemented environmental management systems certified in accordance with international standard ISO 14001.

87% of the Group's Sales are ISO 14001 certified.

The company takes out an appropriate insurance policy that guarantees coverage of the main damages that qualify for coverage under insurance policies.

The effectiveness of the various response plans is regularly checked by the technical services in the production units and by scheduled audits that cover every operational and administrative stage.

The reporting functions carried out by the different areas of the group (Internal Audit, Compliance, Legal, Tax, Information Technology, among others) and the supervision carried out periodically by the Audit Committee enables the Board of Directors to be informed of the main risks to which the Group is exposed and adopt the appropriate measures.

**F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF REPORTING FINANCIAL INFORMATION (SCIIF)**

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (SCIIF) of your company.

**F.1. Control environment.**

Report on at least the following, describing their principal features:

- F.1.1 The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective SCIIF; (ii) their implementation; and (iii) their supervision.

Acciona's Internal Control over Financial Reporting System (SCIIF) is set up to provide reasonable assurance regarding financial reporting. The main bodies responsible are the group's Board of Directors, Audit Committee and General Corporate Economic Financial Department.

In accordance with the Consolidated Text of the Board of Directors Regulations of 15 November 2018, the Board of Directors formally assumes the power of ensuring that the SCIIF exists and is properly applied.

Pursuant to the Corporate Standard on Organisational Structure and Responsibilities, the General Corporate Economic Financial Department is responsible for designing, implementing and operating the SCIIF.

In terms of supervision, the Revised Text of the Board of Directors Regulations grants the Audit Committee the primary role of serving as a vehicle and supporting the Board of Directors in supervising accounting and financial information, internal and external audit services and corporate governance. These Regulations stipulate that the Audit Committee is responsible for overseeing the SCIIF. This Committee's Regulations were approved by the Board of Directors in November 2018, bearing in mind the good governance recommendations and technical guide of the CNMV (3/2017) regarding Audit Committees in public interest entities. The following are the main powers of the Audit Committee in relation to financial reporting and internal control systems:

- a) Supervising the drafting, integrity and presentation to the market of regulated financial information in relation to Acciona and its group, checking that regulatory requirements are fulfilled, the scope of consolidation is appropriately defined and accounting standards are properly applied.
- b) Regularly checking the internal control and risk management systems to ensure the main risks are identified, managed and known.

- F.1.2 State whether the following are present, especially if they relate to the creation of financial information:

- Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity:

Regulations stipulate that the following powers are reserved for the knowledge of the Board of Directors to ensure that it performs its general role of supervising and controlling managers better and more diligently: defining the corporate group's structure and, at the proposal of the Company's Top Executive, appointing and possibly dismissing the Senior Executives of Acciona and other companies that belong to its group.

The "Corporate Standard on Organisational Structure and Responsibilities" assigns the General Corporate Economic Financial Department with the role of designing, reviewing and updating the organisational structure of Acciona group's General Corporate Economic Financial Department. The Corporate Department coordinates and oversees that the main duties of drafting and reporting financial information assigned to the organisational units of any subsidiary, subgroup, Department or corporation belonging to the Acciona group are properly defined, implemented and performed.

The aforementioned standard can be viewed on the Acciona group's intranet.

The organisational structure of the units involved in drafting financial information is designed in each group company based on factors such as volume of operations or type of business, with the aim of covering the activities of recording, drafting, reviewing and reporting the transactions undertaken and the financial situation of the company. The head of each of the Acciona group's Economic Financial Department submits a justified proposal for the design, review and updating of his or her unit's structure in accordance with needs, which must be validated and approved by the group's General Corporate Economic Financial Department to be implemented.

The Corporate Standard on Separation of Duties sets out the main incompatibilities between duties across the various areas of the organisational structure, and the guidelines to ensure the corporate model for separation of duties and access to information systems is properly fulfilled and maintained.

- Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions:

The Acciona group has created a Code of Conduct, the latest update having been approved by the Board of Directors on 28 July 2016. This Code is the basis for the ethics and compliance model.

ACCIONA's ethics and compliance model aims to detect and prevent risks in these areas, including in relation to unlawful conduct, and to minimise their potential impact. It has been drawn up in accordance with national and international standards and is backed by policies, processes and controls.

The main principles and values mentioned in the Code refer to:

- Basic principles of conduct and respect by every person and entity belonging to Acciona, as they go about their internal and external relationships, toward stakeholders, in accordance with the ILO Declaration on Fundamental Principles and Rights at Work and ILO Conventions, the OECD Guidelines for Multinational Enterprises and the UN Universal Declaration of Human Rights, among others.
- Objectivity, accuracy, truthfulness, integrity and confidentiality when drafting and processing financial information to ensure reliability.
- Respect for lawfulness, honesty and compliance with internal policies and standards.
- Obligation to reject and report any practice in breach of the Acciona group's Code of Conduct.
- Confidential processing of information that becomes available during the performance of professional activities.

ACCIONA applies due control to foster compliance with internal and external standards and to prevent, detect and eradicate irregular conduct or conduct in breach thereof. The Company's definition of due control includes analysing and managing risks, defining responsibilities and conduct expected, assigning resources to train employees and managers, and putting in place processes and controls to confirm and assess the company's compliance and culture of ethics, as well as notifying, assessing and responding to potential irregular conduct. Due control also means ensuring that any employee or third party who reports potential irregular conduct to the company, in good faith, does not suffer as a consequence.

The Acciona group's Code of Conduct specifically alludes to recording transactions ("Every professional who enters any type of information in Acciona's computer systems must ensure this is accurate and reliable") and financial reporting ("Every Acciona employee involved in recording, drafting, reviewing or reporting financial information must be familiar and comply with legislation and internal control standards and procedures that apply to their work to ensure the reliability of said financial information").

Every employee who joins ACCIONA must accept the Values and Principles and performance standards established in the Code of Conduct. The Company can ask employees and third parties, formally and by providing supporting documentation, to regularly confirm compliance with the Code. The subjects of ethics and compliance can also be included in the training programmes, performance assessments and/or appraisals of potential candidates or third parties. The Code of Conduct is available to everyone on the group's website.

The Code of Conduct and related Regulations assign the Code of Conduct Committee the role of controlling and supervising this code, specifically:

- Fostering the publication, awareness and fulfilment of the Code of Conduct.
- Interpreting the Code of Conduct and providing guidance in the event of doubt.
- Providing a channel for all employees to collect or provide information regarding compliance with the Code of Conduct and manage notifications and queries received to coordinate the resolution thereof and assiduously follow them up.
- Regularly reporting complaints received and the resolution thereof to the Board of Directors, via the Audit Committee.
- Reviewing the inclusion, amendment or deletion of parts of the Code of Conduct and proposing them to the Board of Directors, via the Audit Committee.

In addition, the Acciona group has a manual of Policies, corporate rules and instructions which implement the provisions of the Code of Conduct.

In 2017, following the review and approval of the Code of Conduct in July 2016, Acciona launched its global training plan with online training sessions for all workers, starting with the most senior. In 2018, Acciona continued with its training plan with the aim of reaching out to more employees.

These sessions aim to ensure that workers properly understand and are aware of Acciona's ethics principles and values, and its stance regarding any illegal or immoral conduct.

In this way, in financial year 2019 a total of 1,505 employees underwent Code of Conduct training (a total of 10,500 employees have been trained since 2017).

- Whistle-blower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature:

To achieve maximum employee satisfaction, through the Code of Conduct Committee ACCIONA has set up an ethics channel to report irregular conduct in relation to accounting, control, audits or any breaches or infringements of the conduct mentioned in the Code of Conduct.

The Code of Conduct Committee provides all employees, suppliers, contractors and partners with a postal and email address should they have any questions in relation to interpreting the Code of Conduct and to report breaches. Both channels guarantee confidentiality by restricting access to the emails and by only



allowing recipients authorised by the Code of Conduct Committee to receive postal mail.

As well as the confidentiality of the channels, the Code of Conduct Committee guarantees confidential processing of claims received by requiring all examining officials and members of the Committee to sign a confidentiality agreement.

The Code of Conduct Committee analyses all received claims and, depending on the specific case and the seriousness of the claim, assigns priority and provides a well-reasoned response to the claimant regarding the decision to open an inquiry or reject their claim. If an inquiry is opened, the examining officials responsible for analysing the claims are appointed by the Code of Conduct Committee, after signing a confidentiality agreement. They can be internal examining officials belonging to the Acciona group or external officials hired for the purpose. Once the examining official has been appointed, he or she starts processing and analysing the case in accordance with the procedures and timelines set for each of the stages of the Claims Channel action plan.

The conclusions of each inquiry and the recommendations and penalties proposed are reported to the Audit Committee to be examined and to adopt the decisions taken.

Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the SCIIF (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management:

The Acciona group believes that ongoing and refresher training for its employees and managers in the field of financial reporting and internal control regulations is vital to guarantee reliable financial reporting.

Therefore, supported by the group's Corporate University, which manages training plans, the Acciona group provides its employees, including those involved in preparing and reviewing financial information and assessing the SCIIF, with various courses and seminars.

Based on the identified needs, the Corporate Human Resources Department or the Human Resources Department in the affected subsidiaries, plan and manage specific training courses and seminars -local and centralised, and internal and external- to ensure that the updates and amendments to regulations and good practices are properly understood and applied to ensure reliable financial reporting. In 2019, a total of 1,880 workers received a total of 21,648 hours of training, of which 3,000 hours were Code of Conduct training, 678 hours anticorruption training and 17,970 hours were directly related to acquiring, updating and recycling financial knowledge, including accounting and audit standards, internal control and risk management.

In 2019, in relation to drafting, reviewing and reporting financial information, the Corporate and Local Economic Financial Departments received various publications on updates to accounting, financial, internal control and taxation regulations, and external expert courses in relation to updates to accounting standards.

The people responsible for supervising the SCIIF and members of the Auditing Department have attended sector-specific seminars, discussions and meetings in relation to the SCIIF, risk control, audits, fraud and other aspects of the group's business activities, organised by external companies.

This way the heads of the Corporate and Local Economic Financial Departments and the Corporate Accounting Policies and Tax Planning Control Unit can stay abreast of amendments to applicable standards and can report these to the appropriate Departments and Units so they can apply them and respond to any queries received.

During 2016-2017, a specific anticorruption course was launched in different stages, starting with Acciona managers and executives. The campaign continued in the 2018-2019, with 606 workers (436 in 2018 and 170 in 2019) receiving a total of 2,422 hours (1,744 in 2018 and 678 in 2019) of anticorruption training. This training focuses on increasing knowledge and awareness among workers in relation to the Acciona Group's anticorruption policy, via online seminars and specific classroom-based courses

**F.2. Assessment of financial information risks.**

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error and fraud risk, as regards:

- Whether the process exists and is documented:

As regards identifying risks that compromise the reliability of financial reporting, the Acciona group's General Corporate Economic Financial Department has finalised the procedure and criteria to determine and update the scope of the group's SCIIF on a yearly basis. This is based on quantitative and qualitative criteria, including risks of error or fraud that could have a significant impact on the financial statements.

The SCIIF also considers the possibility of error in certain general processes that are not directly linked to specific transactions but are of particular relevance regarding the reliability of financial reporting. One example is the Closing and Consolidation processes, and another are management processes in the Information Technologies area.

The Acciona Group has documented the main Corporate processes and the processes considered tangible in the main subsidiaries of its various lines of business. In 2019, in accordance with the guidelines established in the Corporate Standard on Maintaining, Reporting and Supervising the SCIIF, the validity of the documentation for those processes was checked in the group's main subsidiaries, which was accordingly updated and formalised.

Acciona's Separation of Duties Policy places particular emphasis on identifying risks of error or fraud. Acciona has therefore defined a responsibility assignment matrix in relation to drafting and managing financial information, which identifies the risks of error or fraud if incompatible responsibilities are assigned to the same user.

This Separation of Duties Policy has been implemented in automated form in several lines of business by implementing the risks management system in the computer system in which the financial information resides. This automation allows each conflict situation to be identified as soon as access is requested, requiring proof for authorisation. It also allows compliance with this Separation of Duties Policy to be monitored.

- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency:

For each of the processes identified in each of the significant entities within the scope, the inherent risks and controls implemented to mitigate them are identified. The result is a Risks-Controls Matrix which, for each risk, describes the financial reporting objectives covered (existence and occurrence, integrity, assessment, presentation, breakdown and comparability, and rights and obligations).

The scope of the SCIIF and the process to identify and update the documentation on risks and controls in company processes is determined at least annually and always in the event of a significant change in the group's scope of consolidation.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities:

The "Corporate Standard on Corporate Transactions" was established by the Acciona group's General Corporate Economic Financial Department to establish and implement the appropriate internal control systems when approving any type of corporate transaction in relation to the Acciona group. This Standard requires analysis and authorisation by the General Corporate Economic Financial Department, thereby ensuring that all of the group's transactions are properly identified and included in the financial statements.

This standard considers the possibility of complex corporate structures and special purpose vehicles, establishing the procedure to request, authorise, report and record any incorporation, merger, split-off, acquisition or sale of companies, and any other corporate transaction. The Corporate Financial Control, Consolidation, Legal and Taxation Departments, among others, will be directly involved in implementing them.

This standard goes hand-in-hand with the "Corporate Standard on drafting and reporting financial information", formalised by the Acciona group's General Corporate Economic Financial Department, which establishes the monthly procedure to report changes in the scope of consolidation by the heads of consolidation in each of the Corporate Consolidation Department subgroups, allowing the scope of consolidation for all of the group's subsidiaries to be maintained centrally.

If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The Acciona group's global Risks Management System is designed to identify potential events that could affect the organisation, manage their risks by establishing internal processing and control systems to keep the probability of those events occurring and their impact within set tolerance levels, and providing reasonable assurance regarding the fulfilment of corporate strategic goals

The identification and assessment of risks is established for each line of business, coordinated by a corporate-level team, which manages and sets the permitted tolerance level in accordance with the Corporate Department's guidelines, and coordinates actions to ensure they are keeping with the group's global risks policy and to be able to find out the group's overall main risks.

The Risk Management System includes 7 types of risks:

- a) Financial. Risks that have a direct impact on the group's bottom line: these are mainly fluctuations in exchange rates, interest rates and financial markets, changes in commodity prices, liquidity, cash flow, default and customer loss.
- b) Strategic. Risks resulting from non-compliance with group objectives and growth reduction. These risks include organisational changes, investments and divestments, competitive threats, economic, political and legal changes, the impact of new technologies or research and development.
- c) Operational. Risk related to processes, people and products. They are related to legislative, legal, regulatory and contractual compliance, control procedures and systems, the supply chain, auxiliary services, information systems, employee productivity, the supply chain and loss of key personnel. This type of risks includes those associated with reliability of financial information that has a direct impact on the production process and the reporting of that financial information.
- d) Fortuitous. Risks related to damage incurred by the company's assets and people which may have a negative impact on the company's performance, such as fire, explosion, natural disasters, environmental contamination, damage to third parties and labour risks.
- e) Environmental risks. – risks associated with how the company contributes to climate change via greenhouse emissions, waste management, the use of natural resources and energy efficiency.
- f) Social Risks. – risks associated with human rights, labour rules in the supply chain, health and safety at the workplace and relations with communities to obtain the corporate licence to operate.
- g) Compliance Risks. – risks in relation to the collection of rules or principles that define ethical conduct, rights, responsibilities and expectations among the different stakeholders in the governance of companies.

All these types are considered by Acciona in its risk assessment evaluation process of the reliability of financial information as described in the "Corporate Regulation on Internal Control of Financial Reporting.

The governing body within the company that supervises the process:

The Amended Regulations of the Board of Directors and the Regulations of the Audit Committee, vest powers in this to carry out regular reviews of the internal control and risk management systems in order to identify, manage and report on the main risks.

In financial year 2019, the Audit Committee reported on the results of the updated risk map.

### **F.3. Control activities.**

Report on whether the company has at least the following, describing their main characteristics:

**F.3.1** Review and authorisation procedures for financial information published by the stock markets and a description of the SCIIF, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts

The Acciona group has established procedures for the review and authorisation of the financial information and the description of the SCIIF, which is the responsibility of the General Corporate Economic Financial Department, the Audit Committee and the Board of Directors.

With regard to the review and authorisation of financial information, the Consolidation and Budgetary Control Management Department has established a reporting procedure where all the Economic Financial Departments of the Businesses confirm that they have carried out and supervised the most significant aspects of the corresponding financial information.

Additionally, and before publishing the financial information in the stock markets, the Audit Committee, in collaboration with the General Corporate Economic Financial Department and the external auditors, analyses the Financial Statements and other relevant financial information, as well as the main judgements, estimates and assumptions included therein, to confirm that this information is complete and complies with the applicable law.

In this regard, the consolidated annual account of the Acciona group contain information about most relevant areas of uncertainty regarding the judgements and estimates made and criteria followed for their evaluation.

With regard to the description of the SCIIF, by means of mandatory corporate policies, standards and procedures, the General Corporate Economic Financial Department has established the method of documenting flows of activities, risks and controls over different types of transactions which may have a material impact on the year's financial statements.

When identifying the risks and controls of the SCIIF, specific consideration is given to risks involving fraud and to certain general processes not directly linked to specific transactions identified in the financial statements, such as the Process of Closing and Consolidating the financial statements. Likewise, the key risks and controls in processes which judgements, estimates, assessments and relevant assumptions are made are identified.

As prescribed by the "Corporate Preparation and Reporting of the SCIIF" at year end 2019, the financial heads of the different Departments submitted their annual reports describing the variations occurred during the year regarding identified risks and associated controls and incidents detected during the period to the Corporate Economic Management Department.

Acciona group is currently in the process of pre-implementing a Risk Management tool defined with the following objectives:

- - Systematize the processes to identify and evaluate the different risks that may affect both the Acciona Group's business strategies and their routine operation.
- - Define, implement and monitor the compliance of the internal control systems associated with risk mitigation.
- - Supervise the efficacy and efficiency of the internal control systems.
- - Report the results of monitoring and supervision.
- - Follow up the implementation of recommendations and facilitate the updating of the internal control systems.

**F.3.2** Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

The Acciona Corporate Information Communication Technologies (ICT) Department is responsible for promoting, implementing and supporting the establishment of technical, organisational and control measures that guarantee the integrity, availability, reliability, security and confidentiality of the information.

The Acciona ICT Security Committee is the body responsible for establishing the strategy, driving, prioritising and following up the security of the information system projects, plans and programmes that supervise the effective and efficient management of security risks and incidents, informing the Corporate Assessment Committee of any possible crises that may be caused by an incident related to information system security.

Loa group information systems are based on the development of applications and information processing services that include the phases of demand and evaluation of the need, analysis, design, construction, tests, implementation, transfer to production and maintenance of the information. All this applying the different methodologies which seek to preserve the integrity and reliability of the group's information, including financial information.

Acciona group has policies, standards and descriptions of processes and controls, framed in the Information Security Management System (ISMS), in accordance with recognised international norms and standards such as ISO 27001, ISO 27002, BS25999 and different adaptations of the NIST standards and ITIL processes.

Those policies establish the group's corporate risk management guidelines relating to information system management processes and specifically for access control, change control, segregation of functions, operation, exploitation, continuity and recovery of the information, applicable to all group Companies.

Access to the information systems is centralised for the great majority of national and international subsidiaries of each group business Department and individually for the remaining subgroups and affiliates, by defining access profiles, modification, validation and consulting information according to the role of each user of the information systems in accordance with the duties of the post. To facilitate this assignment, a series of criteria have been established in the "Corporate Information Systems Security Standard", which establishes that permission to access networks, systems and information must be granted in accordance with criteria of segregations of duties, established by business areas, so that users only have access to the resources and information necessary for the correct performance of their duties.

Likewise, the Group Segregation of Duties standard establishes the basic premises that apply to all group companies, based on generally accepted standards, and the additional approval and control routes to be followed in exceptional cases.

The "Corporate Information Systems Security Regulation" establishes security measures against leaks, loss, unavailability, manipulation or unauthorised disclosure of information with which all group affiliates must comply, identifying different levels of security according to the confidentiality level of the information.

The general security and access management policy is aimed at protecting equipment from installation or modification of software without specific permission, and to protect information systems against viruses, Trojans and other types of malware, for which electronic elements and updated software are available to prevent unauthorised access to information systems.

The control mechanisms for the continuity and recovery of the information and the information systems are defined in the continuity plans. These plans define the infrastructure recovery strategies that support the business processes. As a consequence of this, there are backup systems that automate information safeguards redundantly and synchronously that ensure continuity of critical systems within accepted availability levels in service agreements. Moreover, backup copies and contingencies that require use of these copies are systematically stored in alternative physical locations.

**F.3.3 Internal control policies and procedures intended to guide the management of subcontracted activities and those of third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.**

In general, the Acciona Group manages activities that may materially affect the reliability of the financial statements, making direct use of internal resources, avoiding outsourcing.

The management of evaluation, calculation and valuation activities entrusted to independent experts by the Acciona group consists primarily of the valuation of assets, mainly real estate, for which the involvement of a third party is requested at least once a year. In order to ensure their independence and training, valuation companies are selected in accordance with the recommendations of the Spanish National Securities Market, engaging only valuation companies that hold Royal Institution of Chartered Surveyors (RICS) valuation certification in the application of International Valuation Standards.

Asset valuation reports obtained from valuation companies are subject to an internal review process to verify the accuracy of the most significant hypotheses and assumptions used, and their conformity with International Valuation Standards (IVS) and accountancy (IFRS) standards, and the reasonableness of their impact on the financial information.

Moreover, in order to ensure that, in accordance with the Acciona group Transfer Price Policy, all related-party operations are recognised at market value in all countries where it operates, Acciona usually hires independent experts to analyse intergroup operations and the adequate correlation between the margins applied to those transactions and the general policy approved by the Group, and the usual market margins applied in similar situations by other groups in the same business sector. Engagement of those independent experts is coordinated by the General Management of Corporate Tax Area, and the reports produced by those experts are monitored by the General Area Directorate and are revised by the Financial Departments of the associated subsidiaries in each country.

Lastly, it should be pointed out that the Acciona group has controls and procedures for the supervision of businesses which operate through corporate structures over which it does not have control or which are not administered directly by the group, as is the case of UTES and joint-ventures.

#### **F.4. Information and communication.**

State whether the company has at least the following, describing their main characteristics:

**F.4.1** A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Acciona group has adequate procedures and mechanisms to inform staff involved in the process of preparing the financial information of the applicable performance criteria and the information systems used in those processes. This is supported by the Accounting Policy Control Unit, dependent on the Acciona Group Corporate Economic Management Department.

The powers of the Accounting Policy Control Unit are defined in the Corporate Financial Information Preparation Standard, including, among others, the following functions:

- Define, administer, update and communicate Acciona group's accounting policies, in compliance with the applicable accounting and consolidation standard for preparation and presentation of the financial information to present.
- Prepare, update and communicate the Accounting Policy Manual to be applied by all the economic financial units of the Acciona group. Said manual is updated annual and is approved by the Corporate Economic Management Department. In this regard, the version of the Accounting Policy Manual applied in the 2018 financial period was updated in February of that period. Additionally, during 2019, the accounting policy unit analysed the impact of the new accounting standards, defining, if any, the criteria to apply and communicating it to the affected parties.
- Resolve doubts or conflicts derived from the interpretation and application of the accounting policies, maintaining fluid communication with the parties responsible for these operations in the organisation.
- Define and establish templates, formats and criteria to use to prepare and report the financial information. In this way, all the financial information published in the markets is prepared by consolidating the reports of the different business units prepared in application of mechanisms for the homogeneous gathering, preparation and presentation for all Acciona group units. Those mechanisms are designed so as to enable compliance with the standards applicable to the group's financial statements, including accounting criteria, valuation rules and presentation formats, and apply not only to the balance sheet, the income statement, statement of changes in net equity and cash flow statement, but also to the gathering of other information, necessary for preparing the notes to the Report.

The Acciona group Accounting Policies Manual was revised, updated and formalised during financial year 2019, including, among other matters, the recognition and valuation criteria to be applied by group companies, according to each type of business, in compliance with the provisions of the IFRS 16 on classification, recognition, measurement and presentation of leases.

**F.4.2** Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding SCIIF.

La Preparation of Acciona group's consolidated financial information starts with the process of aggregating the individual financial statements of each of the subsidiaries that make up each sub-consolidated company, for subsequent consolidation according to accounting norms and consolidation standards defined homogeneously for the entire group (IFRS), until obtaining all the financial information to publish in the markets.

The entire process of aggregating and consolidating the Acciona group financial statements is based on the Business Planning Consolidation (BPC) SAP. In 2016, all the information was migrated to an updated version of the same application.

Data is uploaded in the consolidation application homogeneously for all subsidiaries and subgroups included in the consolidation perimeter and in compliance with the reporting calendar communicated by the Corporate Economic Management Department at the start of each financial period. The information uploaded in SAP BPC includes the main breakdowns necessary to prepare the Acciona group consolidated annual accounts.

At year end 2019, almost all the companies in the consolidation perimeter of Acciona group reported their individual financial statements through the single SAP BPC corporate tool, the remainder being of little or no significance, which are, in turn, reported through their parent company.

The system for reporting and reviewing the information in order to prepare the financial statements is governed by the "Corporate Financial Information Preparation Standard", which establishes, for each level of responsibility of the economical financial units of Acciona group (Subsidiary / Subgroup / Department / Corporate), both the nature and format of the information to report, and the reviews of these by the corresponding parties.

The SAP BPC consolidation application is set to perform numerous automatic checks and reconciliations on which analytical and comparative reviews are carried out on each inconsistency in the data recognised prior to validation. Automatic reviews are complemented by a review of the data in the closure and consolidation procedure, and a review of the criteria of estimation, valuation and calculation used to obtain them. This review is carried out by the financial supervisor of each level of aggregation and consolidation and, after reporting and the information is then reviewed again by the Corporate Economic Management Department.

The General Corporate Economic Financial Department will end the stage for preparing financial information by reviewing the financial statements prepared by the Corporate Economic Management Department.

As regards the process of preparing and reporting information about SCIIF, the Acciona group has implemented a reporting system for maintaining the internal control systems for financial information contained in the "Corporate Regulations for Maintenance, Reporting and Supervision of Internal Control Systems for Financial Information". The aim of these regulations is to establish the bases for the maintenance, review, reporting and supervision of SCIIF in the Acciona group to ensure that risks arising from errors, omissions or fraud in financial information are suitably monitored, in terms of prevention or the detection and correction of errors. When deficiencies in control are noted, the managers of the company involved must explain the actions necessary to correct them, helping thereby to guarantee the reliability of the financial information of the Acciona group.

The 2019 report was compiled in half-yearly instalments by the subsidiaries of the Acciona group that are within the scope of the SCIIF, with the same deadlines as those set for the six-month Financial Information report. The Financial Director of each Subsidiary/Sub-group is responsible for the report and reports to the Economic and Financial Department of the corresponding Division, who then report in turn to the Acciona group Corporate Economic Management Department.

#### **F.5. Supervision of system performance.**

Describe at least the following:

- F.5.1 The activities of the audit committee in overseeing SCIIF as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including SCIIF. Additionally, describe the scope of SCIIF assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

The Restated Text of the Board of Directors Regulations of Acciona and the Regulations of the Audit Committee assign to the latter the fundamental role of acting as the instrument and support of the Board of Directors in supervising the accounting and financial information, the internal and external audits and Corporate Governance. Both Regulations assign the following responsibilities, among others, to the Audit Committee.

1. Approving the internal audit plan to assess the Internal Control Systems for Financial Information and to receive regular information on the results of its work, and the action plan to correct any deficiencies observed.
2. To ensure the independence and effectiveness of the internal audit function; to recommend the selection, appointment, re-election and termination of the internal audit service manager; to propose the budget for the service; approve its orientation and plan of work, making sure that its activity focuses mainly on significant risks; receiving regular information about its activities and checking that senior management takes the conclusions and recommendation of the reports into account.
3. Supervising Acciona and its group's internal audit services, approving the annual department budget, being aware of the internal audit plan and overseeing the selection and hiring systems for internal audit personnel.

The Acciona group has its own dedicated Internal Audit unit which, under the supervision of the Audit Committee, ensures that the information and internal control systems work correctly. Its responsibilities include supporting the Audit Committee in its work to supervise the Internal Control System for Financial Information.

The Corporate Internal Audit Department regularly reports its annual plan of work to the Audit Committee, informing it directly of any issues detected in the course of the same and the corresponding action plans and appropriate corrective measures, delivering at the end of each financial year a summary report of the activities carried out in this period.

In 2019, the Corporate Internal Audit Department has reviewed the effectiveness of the design and implementation of key controls in the main processes of the sub-groups and subsidiaries in the different business areas of the Acciona group that have a significant effect on the group's consolidated financial statements. The purpose of this review was to assess and supervise the description of the processes, the identification and assessment of the risks with the greatest impact on financial information and the effectiveness of the controls deployed to reduce these.

The result of the reviews and the issues detected by Internal Audit were reported to the Audit Committee. The action plan to address these issues was also submitted to the managers responsible for correcting them as well as the Audit Committee.

**F.5.2** If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weakness in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The revised text of the Acciona Board of Directors Regulations and the Audit Committee Regulations assigns to the latter the responsibility and tasks of:

1. Review, analysis and discussion of the Financial Statements and other significant financial information with senior management, internal and external auditors to confirm whether the information is complete and that the same criteria has been used as in the close of the previous year.
2. Supervise senior management decisions on the adjustments proposed by the external auditor and to study and intervene when there are disagreements between them.
3. Ensure that the external auditor has an annual meeting with the plenary Board of Directors to report on the work completed and changes in the accounting situation and any risks facing the Company.
4. Act as a conduit for communications between the Board of Directors and the external accounts auditors, assessing the results of each audit and the response of the management to the recommendations made, and to intervene and mediate when disagreements arise between them about the relevant principles and criteria for preparing the financial statements

The Audit Committee has a stable, professional relationship with the external accounting auditors of the different businesses and the main companies of the Acciona group, maintaining strict respect for their independence. This relationship encourages communications and debate on any important weaknesses in our internal control identified during the review of the annual accounts or any other task that has been commissioned.

The Audit Committee has therefore met with the external auditor 5 times and the internal auditor 6 times in 2019, when they presented information about the audit planning, the results of the same, the action plans carried out or proposed to address the weaknesses identified. The Audit Committee also invited Senior Management to these meetings so that they could take the recommendations into account.

The external auditor also met the plenary Board of Directors before preparing the annual accounts for the financial year, to report on the work it carried out.

**F.6. Other relevant information.**



**F.7. External auditor's report.**

Report on:

F.7.1 If the SCIIF information submitted to the markets has been subject to review by the external auditor, in which case the entity shall include its report as an attachment. If not, reasons why should be given.

The SCIIF information described by Acciona in this document has been reviewed by the external auditor, whose review report is attached as an annex.

**G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions.

General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies [ X ]      Explain [ ]

2. That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

- a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies [ ]      Complies Partially [ ]      Explanation [ ]      Not applicable [ X ]

No dependent company is listed in Spain

3. That, during the course of the ordinary General Meeting of Shareholders, complementary to the distribution of a written Annual Corporate Governance Report, the Chairperson of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

- a) Changes that have occurred since the last General Meeting of Shareholders.
- b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

Complies [ ]      Complies Partially [ X ]      Explain [ ]

In accordance with the Board and General Meeting Regulations, the chairperson shall inform shareholders verbally of the most significant aspects of the Company corporate governance that have occurred since the publication of the Annual Corporate Governance Report and the specific reasons why the Company has not followed some of the recommendations of the Corporate Governance Code if they have not been explained in the Annual Corporate Governance Report itself.

The Company does not consider it necessary to repeat its reasons for not complying, in full or in part, with the recommendations during the Annual General Meeting if they have been fully explained in the Annual Corporate Governance Report.

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies [X]                      Complies Partially [ ]                      Explanation [ ]

5. That the Board of Directors should not propose to the General Meeting of Shareholders any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies [X]                      Complies Partially [ ]                      Explanation [ ]

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Meeting of Shareholders, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions
- d) Report on the corporate social responsibility policy.

Complies [X]                      Complies Partially [ ]                      Explanation [ ]

7. That the company reports in real time, through its web page, the proceedings of the General Meeting of Shareholders.

Complies [ X ]                      Explain [ ]

8. That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Meeting of Shareholders which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the Chairperson of the audit committee and the auditors clearly explain to the shareholders the content and scope of said qualifications or reservations.

Complies [X]                      Complies Partially [ ]                      Explanation [ ]

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory.

Complies       Complies Partially       Explanation

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Meeting of Shareholders, the company:

- a) Immediately distributes the additions and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.
- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Meeting of Shareholders, a breakdown of the results of said additions or alternative proposals is communicated.

Complies       Complies Partially       Explanation       Not Applicable

11. That, in the event the company intends to pay for attendance at the General Meeting of Shareholders, it establishes in advance a general policy of long-term effect regarding such payments.

Complies       Complies Partially       Explanation       Not Applicable

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies       Complies Partially       Explanation

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies  Explanation

14. That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Meeting of Shareholders submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies  Complies Partially  Explanation

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

Complies  Complies Partially  Explanation

16. That the percentage of proprietary directors divided by the number of non- executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies  Explanation

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies  Explanation

18. That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies  Complies Partially  Explanation

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies  Complies Partially  Explanation  Not Applicable

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies  Complies Partially  Explanation  Not Applicable

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies  Explanation

22. That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies  Complies Partially  Explanation

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies  Complies Partially  Explanation  Not Applicable

24. That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies       Complies Partially       Explanation       Not Applicable

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board Regulations establish the maximum number of company Boards on which directors may sit.

Complies       Complies Partially       Explanation

26. That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies       Complies Partially       Explanation

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies       Complies Partially       Explanation

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies       Complies Partially       Explanation       Not applicable

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies       Complies Partially       Explanation

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require.

Complies       Explanation       Not applicable



31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the Chairperson wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies       Complies Partially       Explanation

32. That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies       Complies Partially       Explanation

33. That the Chairperson, as the person responsible for the efficient operation of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies       Complies Partially       Explanation

34. That when there is a coordinating director, the Articles of Association or the Board Regulations should confer upon him the following competencies in addition to those conferred by law: Chairperson of the Board of Directors in the absence of the Chairperson and deputy chairperson, should there be any; reflect the concerns of non- executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the Chairperson.

Complies       Complies Partially       Explanation       Not Applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies       Explanation

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The operation and composition of its committees.

c) Diversity of membership and competence of the Board of Directors.

d) Performance of the Chairperson of the Board of Directors and the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies       Complies Partially       Explanation

37. That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies       Complies Partially       Explanation       Not Applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies       Complies Partially       Explanation       Not Applicable

39. That the members of the audit committee, in particular its Chairperson, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies       Explanation       Explanation

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive Chairperson of the Board or of the audit committee.

Complies       Explanation       Explanation

41. That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies       Complies Partially       Explanation       Not Applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.
- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re- election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a. In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b. Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c. Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d. Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e. Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies       Complies Partially       Explanation

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies       Complies Partially       Explanation

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies       Complies Partially       Explanation       Not Applicable

45. That the risk management and control policy identify, as a minimum:

- a. The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
- b. Fixing of the level of risk the company considers acceptable.
- c. Means identified in order to minimise identified risks in the event they transpire.
- d. Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off-balance sheet risks.

Complies       Complies Partially       Explanation

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a. Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b. Actively participate in the creation of the risk strategy and in important decisions regarding risk management.

- c. Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies       Complies Partially       Explanation

47. That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate - are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies       Complies Partially       Explanation

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies       Explanation       Not Applicable

The company does not consider it necessary to create two independent Committees as it would increase the expenditure of the Board unnecessarily, and taking into account the current number of Directors which would lead to some of them coinciding on both Committees.

At present, and in 2019, Acciona's Appointments and Remuneration Committee consists of three independent members. All the members of the Committee have sufficient knowledge, talent and experience in the functions that the Committee has to deal with, both in terms of appointments and the work that is required for the question of remuneration.

Nonetheless, the Articles of Association consider the option of having distinct Committees for appointments and for remuneration, and this separation may be implemented in the future should circumstances recommend it.

49. That the appointments committee consult with the Chairperson of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies       Complies Partially       Explanation

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies       Complies Partially       Explanation

51. That the remuneration committee consults with the Chairperson and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies       Complies Partially       Explanation

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies       Complies Partially       Explanation       Not Applicable

Acciona has not complied with sections a) and b) of the recommendation which refers exclusively to the Sustainability Committee. When the Board of Directors agreed in 2009, at the proposal of the proprietary directors and expressing the vision and commitment of the main shareholders, to create an Advisory Committee with specific corporate social and sustainability responsibilities, it did so under no legal obligation as defined under Recommendation 52 of CBG. It considers that by grafting these responsibilities into the essential business strategies of the Group, it was neither necessary nor even convenient to apply the conditions of independence that apply to other Board Committees and which is essentially done for the purpose of monitoring them.

It is therefore a Committee whose function, besides that of monitoring, also focuses on taking Sustainability as an inspiration and guiding force behind all the group activities. On the other hand, the presence of the Committee is due to an initiative of a major shareholder, acting as both executive and proprietary directors on the Board of Directors. In accordance with these reasons, the Board of Directors understood when creating the Committee that it should be entirely made up of external directors with both proprietary and independent directors represented, with no restriction on who may hold the chair.

The Board of Directors continues to consider that the reasons that led it to take this decision eleven (11) years ago still apply today, so that neither the global business environment and the structural position of the company make changes advisable, while a different arrangement of the directors, with a majority of independent members would not make it more effective than it currently is, when it has fulfilled its role of promoting these policies with considerable success.

In any case, this Committee complies with the other rules contained in sections c), d) and e) of the aforementioned recommendation 52, as foreseen by the Board of Directors Regulations.

It fully meets this recommendation about obligatory legal Committees.

53. That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:
- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules.
  - b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
  - c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.
  - d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
  - e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
  - f) Supervision and evaluation of the way relations with various stakeholders are handled.
  - g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
  - h) Coordination of the process of reporting on diversity and reporting non- financial information in accordance with applicable

rules and international benchmarks.

Complies       Complies Partially       Explanation

54. That the corporate social responsibility policy includes principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:
- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
  - b) Corporate strategy related to sustainability, the natural environment and social issues.
  - c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
  - d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.
  - e) Means of supervising non-financial risk, ethics, and business conduct.
  - f) Communication channels, participation and dialogue with stakeholders.
  - g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies       Complies Partially       Explanation

55. That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies       Complies Partially       Explanation

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies       Explanation

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Complies       Complies Partially       Explanation

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.

- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies       Complies Partially       Explanation       Not Applicable

59. That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies       Complies Partially       Explanation       Not Applicable

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies       Complies Partially       Explanation       Not Applicable

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies       Complies Partially       Explanation       Not Applicable

62. That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The forgoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies       Complies Partially       Explanation       Not Applicable

The company has established the mechanisms that ensure either the return or the repayment of the shares handed over.

The Board considers the fact that the shares handed over to the executive directors in December 2017 were provided through the issue of shares to companies controlled by these or in which they had a stake does not run counter to the Recommendation, although they must be held for three years and are pledged to Acciona S.A. to guarantee the forecasts made in the Plan.

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies       Complies Partially       Explanation       Not Applicable

64. That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies       Complies Partially       Explanation       Not Applicable

## **H. FURTHER INFORMATION OF INTEREST**

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1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a complete and more comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July 2010

Note Section A.5.

Global Lubbock, S.L., the company owned by the director Mr José Manuel Entrecanales possesses 6% of the equity of the company ATLL Concessionaria de la Generalitat de Catalunya, S.A., 88% of whose shares were also held by Grupo Acciona on 31 December 2019.

Global Buridan S.L., the company owned by the director Mr Juan Ignacio Entrecanales possesses 6% of the equity of the company ATLL Concessionaria de la Generalitat de Catalunya, S.A., 88% of whose shares were also held by Grupo Acciona on 31 December 2019.

Note Section A.7.

The summary of the basic terms of the agreement is as follows:

1.- Tussen de Grachten, BV and Wit Europese Investerings, BV, La Verdosa, S.L. their respective partners and the descendants of Mr José Entrecanales Ibarra who signed this agreement mutually acknowledge the right to preferential acquisition of their respective direct share holdings in Acciona, S.A. arising from the reverse merger of Grupo Entrecanales, S.A. and its subsidiaries in Acciona, S.A., whatever the reason for ownership, and/or over their respective shares in Tussen de Grachten, BV and Wit Europese Investerings, BV. and La Verdosa, S.L.

2.- These preferential acquisition rights shall apply for ten (10) years from the registration of the merger between Acciona, S.A. and Grupo Entrecanales, S.A. in the Company Register, with successive tacit extensions for five (5) year periods, unless terminated in writing by either of the companies Tussen de Grachten, BV or Wit Europese Investerings, BV eighteen (18) months prior to the end of the Initial validity period of this agreement or any of the successive extensions. The merger was entered in the Company Register on 14 July 2011. This Agreement does not impose or assume any concert of the signatories in relation with the management of Acciona, S.A.

The investment companies that own the shares of Wit and Tussen joined the agreement in the 2015 financial year without modifying its terms. The investment companies were founded and are controlled by the shareholders descendants of Mr Jose Entrecanales Ibarra who continue to be the owners and who also signed the agreement.

The company reported the continuation without modification of the terms of the Shareholder Agreement which La Verdosa, S.L. is party to on 26 January 2018 (HR 261036) following the restructuring carried out by the company Wit Europese Investerings, BV, with each signatory retaining full voting freedom and therefore without concert in relation with the management of Acciona.

Note Section A.14.

Acciona possesses a Euro Commercial Paper (ECP) programme through its subsidiary Acciona Financiación Filiales, S.A. and acts as guarantor for a maximum sum of 750 million euros which is registered with Euronext Dublin (formerly the Irish Stock Exchange). This programme thereafter issues notes on the Euromarket that mature between 15 and 364 days. This programme is renewed annually, with the last renewal taking place on 30 April 2019.

Finally, Acciona is the guarantor of the programme for issuing fixed income securities: Euro Medium Term Note Programme (EMTN) for a maximum sum of up to 2,000 million euros or the equivalent in other currencies. Under this programme, securities are issued with maturities in excess of 365 days, listed on Euronext Dublin. This programme is renewed annually, with the last renewal taking place on 30 April 2019.

Note Section D.



There were no transactions outside the ordinary business of the company or Group which did not take place under normal market conditions. Entities linked to certain directors have made their own ordinary business transactions with Acciona or companies of the group which are in no way unusual in their amount or significant in their substance. These transactions essentially consisted of:

- A. Advertising agency services provided by Revolution Publicidad S.L. to group companies, with the fees payable to the agency amounting to approximately 131 thousand euros.
- B. Lease of offices for the sum of 55 thousand euros.

Note Section H.

Adherence to other Ethical Codes or codes of good practice that apply internationally, in the sector or in another area:

In September 2011, Acciona signed the Code of Good Tax Practices approved and promoted by the Large Enterprise Forum and the Tax Office.

Acciona has been a member of the United Nations Global Compact since 2005. This is a voluntary initiative which is based on the commitment to adopt, support and extend a set of foundational values -the Ten Principles of the Global Compact- in the areas of human rights and employment, the environment and the fight against corruption and thus favour the achievement of the Sustainable Development Objectives.

Caring for Climate: Acciona forms part of this joint platform of the Global Compact and the United Nations Environment Programme (UNEP), which was founded to boost the role of business in the global strategy against climate change and to raise awareness in governments and public bodies to reduce it.

Acciona also forms part of the Business Ambition for Climate and Health Action Platform of the Global Compact with the objective of mobilising the private sector so that it becomes a catalyst for improving actions at an international level to achieve the ambitions of the Paris Agreement and the Sustainable Development Objectives.

Acciona is listed among the "100 Most Sustainable Global Corporations 2019" presented by Corporate Knights at the World Economic Forum de Davos. This table assesses 17 sustainability criteria for nearly 7,400 companies in 25 countries around the world.

In September 2019 during the United Nations Climate Action Summit, it signed up to three initiatives to accelerate the fight against the climate emergency led by the United Nations Global Compact, Carbon Pricing Leadership Coalition (CPLC) y el World Bank Group respectively.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on

27/02/2019

State whether any directors voted against or abstained from voting on this report.

Yes

No