

AEE POWER, S.A.

COMMUNICATION ON PROGRESS ABOUT THE
IMPLEMENTATION OF GLOBAL COMPACT PRINCIPLES
FOR SUSTAINABILITY.

-.NOVEMBER 2016.-



WE SUPPORT



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SUSTAINABILITY REPORT.

AEE POWER, S.A. 2016

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1. LETTER FROM THE EXECUTIVE DIRECTOR. RENEWAL OF COMMITMENT



November 11th, 2016

H. E. Ban Ki-moon
Secretary General
United Nations
New York NY 10017
USA

Dear Mr Secretary General,

I am pleased to hereby communicate our will to renew the commitment of AEE Power, S.A., taken on in 2015 as partners of the initiative of the Global Compact. After this first year, just as we committed, we submit today the first communication on progress which notes our evolution in the compliance with the ten principles on human rights, labor, environment and anti-corruption.

For its development, the company has been aware of the advances in the commitment and responsibility of its activity according to these principles. Thus, in our will of a better improvement of our commitment on the sustainability and responsible management, we have identified some risks and needs revealed in this report. We therefore have set out some actions and proposals that the company has to undertake in the upcoming years.

In this way, step by step, we are looking for a complete integration of the values and principles of the Global Compact in our activity, management and relations with our groups of interest and our environment to, finally, achieve a fully socially responsible and aware business culture. The commitment of AEE Power, S.A. has also a vocation of transparency which is shown being part of this initiative and that is brought to light today through the submission and publication of this first communication on progress.

Sincerely yours,



Fernando Pablo Bujanda
Managing Director

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Fernando Pablo Bujanda
Managing Director

2. PROFILE OF THE ENTITY

2.1. GENERAL INFORMATION

Corporate Name:

AEE Power, S.A.



Type of company: SME

Address

Plaza Manuel Gómez Moreno, 2
28020 Madrid (Spain)

Web: www.aeepower.com

Name of top Executive position

Mr. José Ángel González Tausz, President

Contact person

Mr. Alberto Baena del Pino, Commercial Manager
alberto.baena@aeepower.com

Number of direct employees

40

Business sector

Construction & Materials

Business activity, major brands, products or services

The area of activities in AEE Power, S.A. is focused in the generation, transport and distribution of electricity exclusively in African countries. From a deep respect to the context of our activity and to the environment, our services in electricity generation focus mainly on renewable resources (hydropower, solar, wind, and geothermal). With regard to the electricity transportation, our company builds electric network infrastructures through high-voltage lines and substations. This activity goes along with facilities for distribution infrastructure, (medium and low voltage lines and streetlights, beaconing of airports runways, catenaries, substations of traction and signaling, etc).

Sales / Incomes

42,544,202 Euros Consolidated Revenues for the financial year on 31th December 2015 (according to last audited accounts by PwC Audit, S.L. on 13th June 2016).

Significant financial assistance received from the Government (thousands of €)

0€.

Most significant stakeholders/groups of interest

Clients: public and private sector.

Employees: besides the 40 employees in AEE Power, S.A. this report considers included on this group of interest the employees on each project either directly hired by AEE Power, S.A. or indirectly through its brands or by other partners.

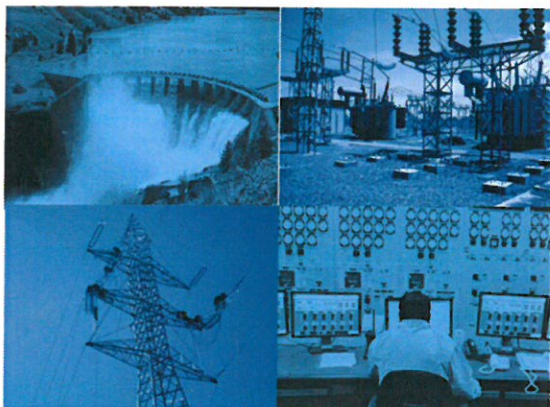
Suppliers: private sector (mainly, electromechanical companies, either national or foreign).

Partners: AEE Power Corp. group's affiliated companies and other associate companies for the development of several projects on its business setting.

Local Communities: the communities settled on our business environment are, for AEE Power, S.A., a group of interest to the extent that they are affected, to a greater or lesser degree and in a direct or indirect way, by the development of the projects and, therefore, are considered as another important actor to keep in mind whose interests, needs and rights have to be assessed.

Criteria for selecting significant stakeholders/groups of interest

The outstanding stakeholders are those which, regarding our identified mission and vision, have a special impact and, in turn, are influenced by the development of our activity and commitment with the Ten Principles of Global Compact.

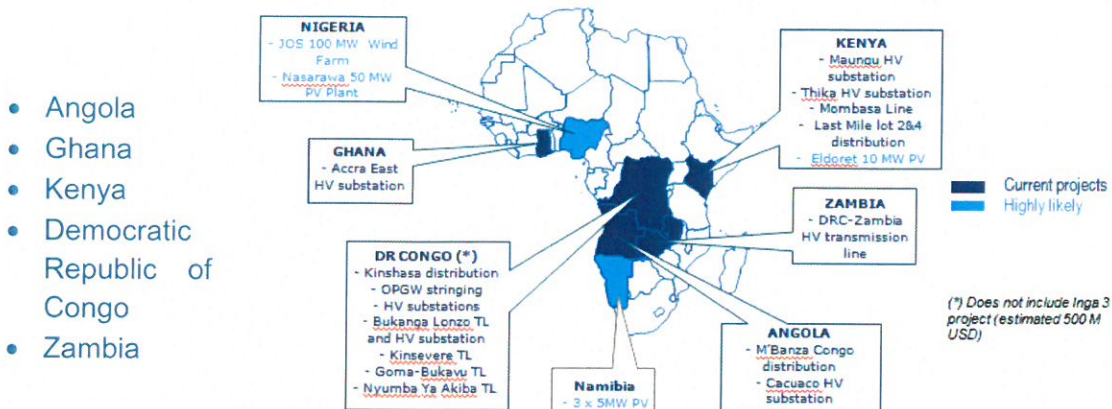


MISSION. The mission of AEE Power, S.A. is to provide the best service to our partners, clients and to involve our employees in the development and improvement of access to electricity in Africa.

VISION. For the development of our mission and based on our commitment to sustainability, our goal is to place AEE Power, S.A. among the top 10 companies in the services and engineering sector in Africa.

Scope of the COP (countries about which the company reports information in COP) and its eventual limits, if there are any

During last year, AEE Power, S.A. has operated in the following countries:



How has the materiality been established or the more significant matters to include in the COP been defined?

In an internal process of approach and reflection towards our commitment with the Global Compact for sustainability, we have tried to define the main risks in our business, relations with other groups of interest and the impact on the environment from a perspective of compliance with the Ten Principles. In this first COP, AEE Power, S.A. wants to progress on the identification of risks in order to, from now on, address specific control measures (some of which are already underway) and put new energy into its commitment to social and environmental sustainability.

COP Diffusion

Outwardly, through our website and social networks (Linked in) as in the Global Compact website.

Internally, through informative notices addressed to employees.

Period covered by the information in the COP

November 2015 (date of joining) to November 2016.

Cycle of presentation of the COP

Annual

Does your company have activities in developing countries?

Yes

Does your company have suppliers in developing countries?

Yes

Does your company have a high environmental impact?

Yes

2.2. STRATEGY AND GOVERNMENT

How does the entity incorporate suggestions from stakeholders in their strategy and their decision-making processes?

Through meetings with the different stakeholders (suppliers, clients, partners and employees) we identify the needs, interests and improvements they propose. They are then evaluated internally for their eventual incorporation into the business strategy and activity.

Legal nature of the company, organizational chart

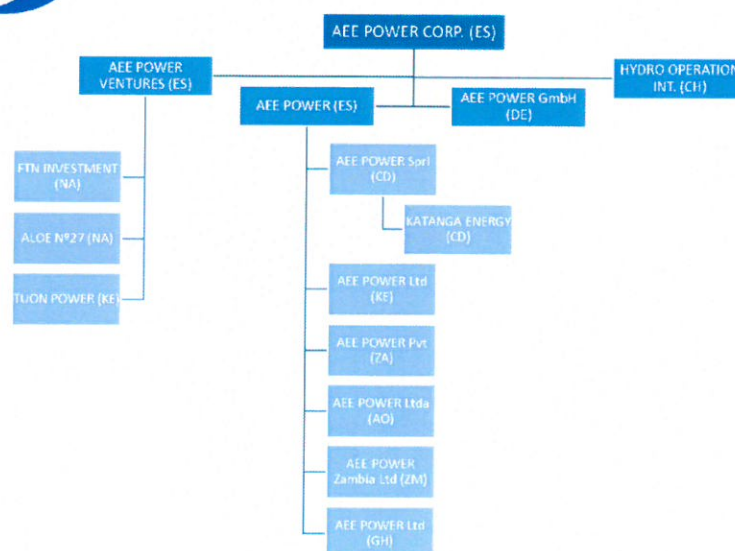
Inc. (in spanish: Sociedad Anónima (S.A.))

AEE Power, S.A., is part of AEE Power Corp., with affiliated companies in the following countries:

- Spain
- Angola
- Democratic Republic of Congo
- Germany
- Ghana
- Kenya
- Namibia
- Republic of Congo
- Rwanda
- South Africa
- Switzerland



AEE Power Group – Organizational Chart



NOTE: On the purpose of these affiliated companies being identified as groups of interest, they have been included in the group labeled “partners”, since the activity and relation with AEE Power, S.A. (association of their business activity through projects) is assimilated to those of any other partner (in relation to operations, recruitment and relationship with projects).

Does the Board of Directors measure the implementation of the Ten Principles by indicators?

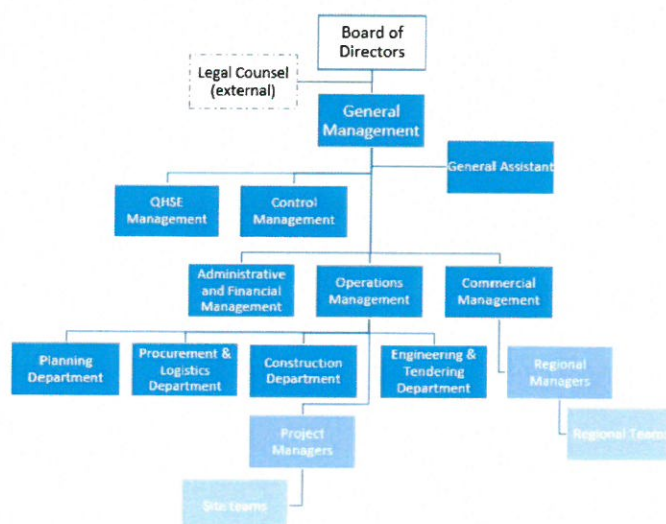
Before AEE Power, S.A. joining the Global Compact, its activity was developed taking into account the values and the CSR commitment. And, from its accession in November 2015, commitment with the Ten Principles became essential. In the next periods, AEE Power, S.A. aims to go into detail on its commitment with Global Compact through internalizing our risks, developing of controls and adopting several indicators of measurement of the progress on implementation of the Ten Principles.

Management Structure. Who at a executive level carries out the processes of decision and good governance for the implementation of CSR in line with the Principles of the Global Compact. Is the President of the governing body also an executive position? Organizacional chart.

The Board of Directors is composed of a President, two Vice-Presidents managing directors and two more members of the Board. This Board manages and decides the business strategy. It is therefore the highest board of government and shows a firm commitment with the implementation of CSR. The decisions of this Board are implemented through different boards of management, development and control according to the following organizational chart.



AEE Power S.A. – Organizational Chart – EPC Business Unit



The Board of Directors' Chairman is also an executive position. Below it, there is an Executive Director, as maximum person in charge to develop and enforce the business strategies.

3. METHODOLOGY

The approach of AEE Power, S.A. to join Global Compact follows the path of a better improvement of our responsibility and social commitment. Thus, this first COP has dealt with the perspective of a need to advance in the knowledge of our activity regarding each of the Ten Principles. To that end, an exercise has been carried out aimed to integrate said commitment in the set of our activity, business strategy and relations with the different groups of interest identified. All of this with the conviction and ultimate goal of deepening the development of an entrepreneurial culture responsible and conscious of its responsibility.

For this reason, AEE Power, S.A. has relied on an external consulting which has guided the necessary process of introspection to understand our activity, management and strategy from the perspective and in relation to the compliance with the commitments taken on with Global Compact.

In this way, based on the information provided by the different heads of the main departments for the purposes of this COP, we have identified the major risks in our management regarding the implementation of the Ten Principles, both in a direct and in an indirect way, by the company or its partners or employees.

In short, the preparation of this "year-zero" COP, AEE Power, S.A. doesn't show elevated risks of infringement. Actually, it shows a significant commitment in our management and business development, though there was not a real awareness of this fact.

The importance of this awareness has had an impact on the conviction that there is a need to spread and delve into our responsibility through the relations with each stakeholder related to AEE Power, S.A. and, in particular, with its employees.

This introspection exercise has also allowed us to find a larger scope of the real commitment to the principles and with the Global Compact initiative beyond the non-violation of Human Rights, labor, and environmental laws or facing the corruption. In this way, AEE Power, S.A. sets out actions and proposals whose scope is not only the management and control of its activity under the Ten Principles. We have also acquired a real social sense of responsibility in the management of our business activity and the need of its dissemination towards other agents in our activity, trying to encourage, to the best of our ability, these values.

4. ANALYSIS OF COMPLIANCE. COMMUNICATION ON PROGRESS (COP)

4.1. HUMAN RIGHTS

Principle 1.

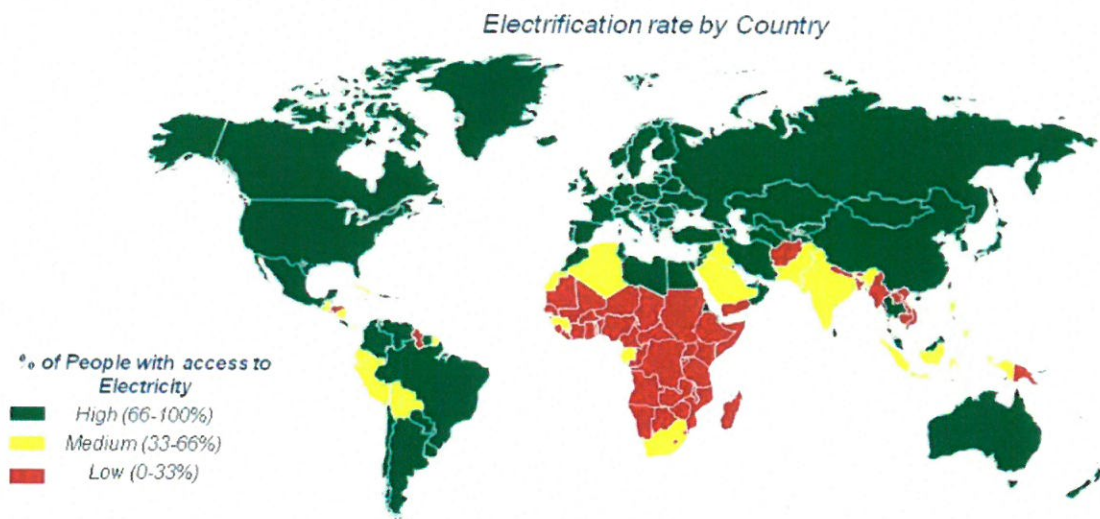
Businesses should support and respect the protection of internationally proclaimed human rights.

*Ensuring access to affordable, reliable,
sustainable and modern energy for all.*

Goal 7, Sustainable Development Goals, United Nations

DIAGNOSIS

In view of the Goal 7 of SDG, the activity of AEE Power, S.A. itself contributes to the development of the areas where it operates. Our presence in Africa does not respond just to a business opportunity, given the rates of access to electricity in the region (map below): we consider that our activity contributes directly to the development of countries with lower rates and, thereby, to support the rights of its citizens.



Source: <http://www.geni.org/globalenergy/library/energytrends/electrification-ratios/index.shtml>

Access to electricity is directly related to well-being and contributes to satisfy the basic needs of the population. Indirectly, in addition, it has an impact on other rights such as food, housing, health, environment and community development.

In short, the activity of AEE Power, S.A. contributes to the strengthening of the social and economic rights of local communities in the regions where it operates. As will be seen in the section on labor standards, AEE Power, S.A. also contributes to the generation of employment in its areas of activity (promotion of the right to work and others related to access to decent work).

ACTIONS AND PROPOSALS

In line with our support for the Human Rights of local communities, AEE Power, S.A. seeks to continue and to expand its activity in other African countries.

On the other hand, AEE Power, S.A. develops social actions associated with its main project, in an informal way but with basic identification and development guarantees, which are aimed to improve the social environment of the region. Thus, among its strategic plans, there is the development of a business policy based on a social action line to make this practice official and which will mean a 0.1% of each project to cover an identified need, always under two premises:

1. The project itself should contribute to the development and promotion of the rights of the surrounding communities;
2. The identification of the need as well as its development will necessarily be based on the knowledge, experience and capacity of the company and, therefore, linked to its activity.

This policy will mean:

1. The presentation of offers of all their projects including a percentage destined to a social action project.
2. Identification of the community needs (*ex ante* evaluation) to decide the destination and way to develop this project, through the dialogue with the social agents and ensuring respect for the Global Compact principles.
3. To promote among its partners and subsidiaries this policy or, at least, the accompaniment and contribution, as far as possible, to AEE Power, S.A. projects.

TRACKING

AEE Power, S.A. will maintain its commitment in sustainability of its business activity growth, expansion and development in the countries where it operates and will check this commitment through the annual progress reports under the Global Compact.

Regarding the proposed social action line, the developed projects will be stated through this progress report with a basic fact sheet and its impact on the environment.

Principle 2.

Make sure that they are not complicit in human rights abuses.

*Human rights are your rights. Seize them. Defend them. Promote them.
Understand them and insist on them. Nourish and enrich them.
They are the best in us. Give them life.*

Kofi Annan

DIAGNOSIS

The non-violation of Human Rights implies a negative obligation, where our activity does not present direct risks of violation. However, the commitment to this second principle also implies a responsibility *in vigilando* regarding our stakeholders.

ACTIONS AND PROPOSALS

For the development of this responsibility regarding its suppliers, partners and clients, AEE Power, S.A. will incorporate some criteria aimed to monitoring their respect of Human Rights, as well as the compliance of their activity with the principles of sustainability. These criteria would be crucial in the decision-making of the company for its selection and recruitment. We will also include a clause in the General Conditions of Purchase of its suppliers.

These criteria will be informed to all the employees that operate in the relations with these interest groups, since they will be in charge of applying and materializing this commitment in the final analysis, selection and contracting. In the same way, the introduction of these criteria and the new policy developed for its control will be provided to the different interest groups and given enough publicity, as well as in the proposals for projects, in the recruiting or rejection criteria of suppliers, clients and partners.

TRACKING

Through the ISO 9001 Quality Management System (QMS) certification, revised every year (last renewal, October 2016), the company checks the alignment of its management with its clients, suppliers and employees interests, needs and rights.

In relation to the inclusion of some criteria for the control of the contracting of suppliers, clients and partners according to the respect to Human Rights, the company will inform its stakeholders about this inclusion and, particularly, to its employees about the sufficient instructions and training for the relevant analysis. Likewise, compliance with the new policy will be periodically and randomly checked for the purposes of its publicity through the annual progress report.

4.2. LABOR

Principle 3.

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Negotiation suggests a compromise, a position located somewhere between two existing locations.

Edward de Bono

DIAGNOSIS

There are no risks on potential violations of the freedom of affiliation in AEE Power, S.A. Moreover, we believe that both freedom of affiliation and the collective bargaining contribute to a better understanding and development of other labor rights so it will encourage its full development in the voluntary exercise of employees.

In terms of working representation and collective bargaining, AEE Power, S.A. does not have an Enterprise Agreement, so a Sectorial National Agreement applies. On the other hand, according to the labor rules, as a company with fewer than 50 workers, these shall be entitled to choose their legal representation through three delegates. The company ensures respect for this right, as well as their exercise with all the guarantees in any case.

ACTIONS AND PROPOSALS

The company will ensure that the right to affiliation in a trade union enjoys the necessary guarantees under the principle of non-discrimination.

TRACKING

If any time our employees decide to articulate the corresponding legal representation as per current regulations, the company will ensure the articulation of the mechanisms of communication and relationship with the business representation for the proper development of their interests and functions.

It will be valued if it would be appropriate to enable a mailbox for employees to improve communication for the inclusion of their contributions in the company decisions.

Principle 4.

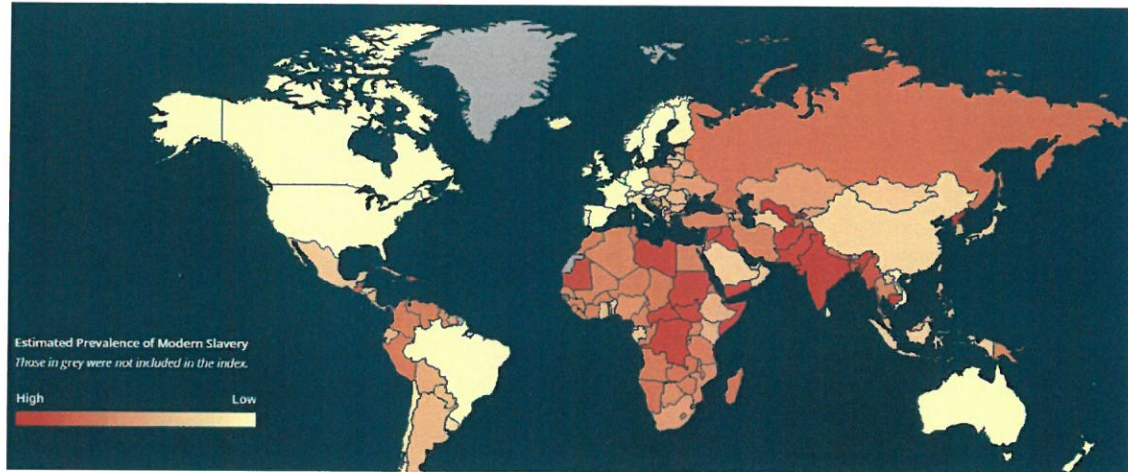
The elimination of all forms of forced and compulsory labor.

If slavery is not wrong, nothing is wrong.

Abraham Lincoln

DIAGNOSIS

The Global Slavery Index publishes its annual index which measures the number of people considered to be subject of slavery conditions. This index is developed according to a specific methodology which includes, among other elements, the vulnerability and the answers or controls of the States facing this situation. In this way, a ranking from 0 to 100 is assigned to each country from lowest to highest estimated slavery prevalence.



In light of this situation and given the high rates of prevalence of slavery in Africa, where AEE Power, S.A. develops its activity, we consider the need to take some appropriate measures with a sufficient scope to reach our partners subsidiaries and not subsidiaries, customers and employees.

In regards to this diagnosis, we also consider suitable to review the actions and controls of our suppliers, as long as globally distributed companies in various countries with a higher or lower risk according to this rate.

ACTIONS AND PROPOSALS

Since October of 2016 AEE Power, S.A. has certified the OSHAS 18001 systems of management for the safety and health in the work.

Our staff in Spain is regulated by a collective bargaining and we ensure the labor regulations compliance relative to work day reductions, permissions, etc. We also respect the principles of equality and non-discrimination and we promote the flexibility in work day and vacation aimed at the conciliation between work and personal time.

The rest of employees of each project can be either direct or indirect employees. Indirect employees are selected, recruited and hired by our partners in the region, on the guidelines and needs identified by AEE Power, S.A. In this sense, these guidelines respect the workers' rights on equality and non-discrimination, decent and stable work (temporary hiring just if necessarily and always in accordance with the regulations in force), permissions, work day and remunerations. In addition, all employees have employment contracts, social security and supplementary social benefits. This warranty is reinforced by the fact that most of our clients are institutional and/or funded by multilateral agencies whose conditions compel on these terms.

Respecting our suppliers, AEE Power, S.A. will study the inclusion of indicators to allow us to know the level of their labor regulation compliance and their commitment with this principle. Therefore, these indicators will be included as criterion for the selection and recruitment of our suppliers. In this way, by including a clause in the general conditions of purchase which must be signed by all suppliers, AEE Power, S.A. shall ensure fair hiring practices by selecting suppliers.

TRACKING

Annual review and renewal of the OSHAS 18001 certification, along with the development of the rest of measures whose implementation will report annually in the COP, seem to be both sufficient measures given the current risks of our business. However, if changes in exposure to risk were detected, AEE Power, S.A. would proceed to check and adjust its controls as necessary.

Principle 5.

The effective abolition of child labour.

Child labor has no place in well-functioning and well-regulated markets, or in any supply chain.

The message that we must act now to stop child labor once and for all has been affirmed by the Sustainable Development Goals.

Acting together, it is within our means to make the future of work a future without child labour.

Guy Ryder

DIAGNOSIS

UNICEF defines child labor as any work exceeding a minimum amount of hours, depending on the age of the child and the nature of the work. This kind of work is considered harmful for the children and therefore it should be eliminated.

- Between 5 and 11 years old: at least one weekly hour of paid work or 28 hours a week of housework.*
- Between 12 and 14 years old: at least 14 hours per week of paid work or 28 hours a week of housework.*
- Between 15 and 17 years: at least 43 hours of paid work and domestic work.*

According to UNICEF, there are 158 million children aged between 5 and 14 who work worldwide, which equates to 1 in every 6 children. In addition, millions of children work in hazardous conditions. In particular, in sub-Saharan Africa, approximately 1 out of every 3 children works, summing 69 million minors.

In this regard, AEE Power, S.A. activity does not present any risk than those targeted against forced labor: we are aware of the greater risks of developing of our activity in African countries in view of these indices, but our commitment and responsibility prevents a

potential violation on the conditions and rights of workers. Moreover, regarding to this particular principle, AEE Power, S.A. complies with national legislation and international commitments in relation to the minimum age of employment.

ACTIONS AND PROPOSALS

The aimed criteria to accomplish this principle will be included among the proposed actions for the previous principle, so, on a transversal way, AEE Power, S.A. will accomplish the standards and regulations regarding the labor field and the Global Compact principles.

TRACKING

The internal review on the incorporation of indicators to ensure the compliance to this principle by our partners and suppliers will serve as tracking the annual analysis for development and publication of this COP.

Principle 6.

The elimination of discrimination in respect of employment and occupation.

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status (...)

Universal Declaration of Human Rights. Article 2

DIAGNOSIS

AEE Power, S.A. does not present relevant risks, whether direct or indirect, on potential discrimination of its employees, since we select people just in accordance to objective criteria of training and abilities for each particular position or project.

ACTIONS AND PROPOSALS

In addition to the commitment and compliance with this non-discrimination principle, AEE Power, S.A. actively and equally strengthens each employee profile, providing the necessary training for each position regardless any criteria of discrimination.

TRACKING

Insofar as there are not identified risks on this principle by the very nature of our activity and the management of our human resources, it is not necessary to set any other mechanisms to monitor its compliance beyond the annual review to report through COP.

4.3. ENVIRONMENT

Principle 7.

Businesses should support a precautionary approach to environmental challenges.
--

*Plans to protect air and water, wilderness and wildlife are, in fact,
plans to protect men.*

Stewart Udall

DIAGNOSIS

AEE Power, S.A. activity has an important impact in the environment where it operates. Therefore, a commitment with the environment is essential to plan and develop each of our projects.

On the other hand, the energy generation, as one of our main business activities, promotes the use and transition to renewable, as we are aware of our intergenerational and global responsibility.

ACTIONS AND PROPOSALS

AEE Power, S.A. accomplishes with the environmental legislation where it operates and incorporates its own business values of protection and preservation of the environment.

In addition to ISO 9001, AEE Power, S.A. has also ISO 14001 certification for environmental management (renewed in October 2016) to promote, throughout its value chain, the environmental protection and the prevention of pollution and to reduce the environmental impacts of our management and projects. The implementation of this ISO also allows us to manage potential risks on accidents.

TRACKING

Given the current identified risk and implemented actions, AEE Power, S.A. is committed to continue renewing its certification for responsible in terms of environmental management and planning projects, which will also be reported through the annual COP.

We will plan to develop a register of environmental incidents to identify new potential risks which will allow us to implement new measures if necessary, with a solid determination to eliminate or minimize its impact and with an attitude of control and ongoing improvement.

Principle 8.**Undertake initiatives to promote greater environmental responsibility.**

*Even if I knew that tomorrow the world would go to pieces,
I would still plant my apple tree.*

Martin Luther King, Jr.

DIAGNOSIS

AEE Power, S.A. develops its activity from the respect to environmental values and legislation. We also seek to spread these values and responsible management through our surroundings.

Thus, the exercise of broadcasting and promotion of environmental responsibility must develop both inward, through our employees integrating values in all our processes and management, and outward, making them known through our clients, partners and suppliers.

ACTIONS AND PROPOSALS

AEE Power, S.A. believes that the better way to disseminate and promote an environmental responsibility is the best integration of the values of respect and responsibility throughout our value chain.

Own adherence to Global Compact and the publication today of this first COP represents a new step towards the transparency and dissemination of these values. After this first year of commitment, we consider that is necessary to include some actions to strengthen our involvement in the promotion of our environmental responsibility among our employees and suppliers. In this respect, we are planning to introduce the following measures:

- A wider dissemination among employees of the need to carry out a better management of resources.
- Development of a reduction, reusing and recycling system of generated remains at our offices (toner, paper, electronic equipment, plastic...).
- Inclusion of some criteria on environment values in selection of our suppliers.

TRACKING

As the actions proposed get in progress in our commitment with this principle, the results will be collected in the annual COP presented to Global Compact.

Principle 9.**Encourage the development and diffusion of environmentally friendly technologies.**

The proper use of science is not to conquer nature but to live in it.

Barry Commoner

DIAGNOSIS

AEE Power, S.A. is not a technological company. However, as a competitive company in the global market, we make use of the technologies, ensuring its responsible use.

The advances and technological means, as useful tools, have to allow the elimination of some paperwork (printing, use of paper, etc), travels (allowing meetings by videoconference, on line, etc)... It also may contribute to reduce our carbon footprint towards a more responsible and effective management.

ACTIONS AND PROPOSALS

Our company has reduced the consumption of paper since we started to work with on line tools and through the cloud. In addition, we consider sending our offers and documentation through digital systems whenever possible to avoid the use of paper and printing.

Thus, we will disseminate and periodically remain the use of paper and printing policy among our employees (policy named at actions of principle 8: reduce, reuse and recycle and black and white facing color printing).

In addition, we will seek the transition towards low consumption technologies and electronic elements.

Finally, we will implement and spread among employees an internal policy for the effective and responsible energy consumption (shut-off lights and equipment, use of the printers, care of the waste of water...).

TRACKING

The volume of paper today will be measured trying to adapt it to reality and technological means of the company, in the spirit of its aim to reduce it and reporting through the COP.

4.4. ANTI-CORRUPTION

Principle 10.

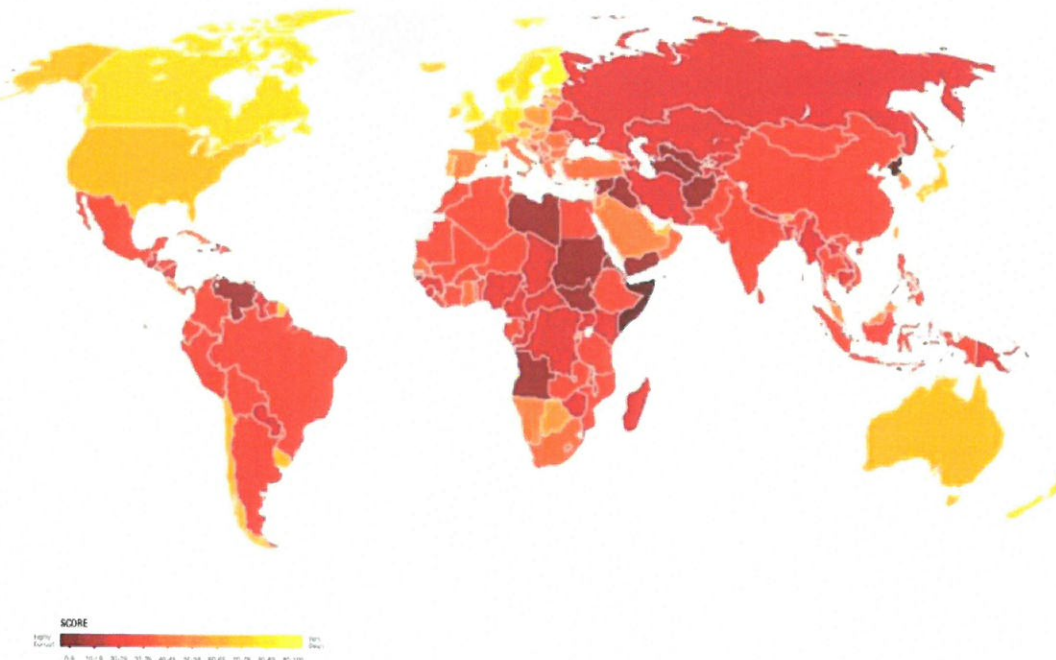
Businesses should work against corruption in all its forms, including extortion and bribery.

DIAGNOSIS

Since 1995, the NGO Transparency International publishes each country's corruption perception score after analyzing and contrasting several private sector sources and analysts. According to a standardized methodology, they elaborate the CPI (Corruption Perceptions Index) and publishes the data and reports on it.

The CPI indicates the level of corruption perception on the public sector in each country between 100 (perception of absence of corruption) and 0 (perception of very corrupt).

MAPA MUNDIAL DE LA CORRUPCIÓN (IPC 2015)



According to the latest data from 2015, the countries where AEE Power, S.A. operates have the following CPI scores:

- | | |
|------------------------------------|--------------|
| - Kenya: 25 | - Angola: 15 |
| - Democratic Republic of Congo: 22 | - Ghana: 47 |
| | - Zambia: 38 |

Only Ghana shows a midpoint between very corrupt and not corrupt. The rest of countries show a high exposure to the risk of corruption according to this indicator. In general, in sub-Saharan Africa, only 6 countries exceed the 50-point barrier towards the

absence of corruption (Botswana, Cape Verde, Seychelles, Rwanda, Mauritius and Namibia).

Although it is a corruption perception index, Transparency International's methodology, history and rigor make it a benchmark index in studies and research and in the actions of various social agents (in the scope of civil society, political influence, cooperation...), also in the business world. Therefore, this exposure to risk should be taken into account by any agent operating in these countries.

ACTIONS AND PROPOSALS

AEE Power, S.A. has ISO 9001 Quality Management Systems (last renovation, October 2016). In addition, in our commitment to the Global Compact values, our activity is governed by the principle of transparency which, in a transversal way, affects the processes around presentation, contracting, association and development of the projects.

However, in view of the risks that, in this matter, the development of our activity in the regions where AEE Power, S.A. is present, more specific control systems will be considered:

- Development of a public and accessible anti-corruption policy in the presentation and contracting projects which will be disseminated to suppliers, customers, partners and employees.
- Elaboration of a code of conduct or internal instructions to employees that includes controls regarding the prohibition of giving and receiving bribes, restriction of facilitation payments, offer and reception of gifts, etc.
- Inclusion and internalization of these principles and practices in the development of their social action projects.
- In the medium term, development of a broader regulatory compliance policy.

TRACKING

AEE Power, S.A., in the development of the indicated actions, undertakes to give information and publicity of its control systems and policies in the matter, in order to facilitate the knowledge of their compliance by the interest groups, as well as through the annual publication of the report of progress on Global Compact.

5. CONCLUSIONS OF THE FIRST AEE POWER S.A. PROGRESS REPORT

AEE Power, S.A., in the preparation of this first progress report, has evaluated its behavior and compliance with the commitment with the Ten Principles of Global Compact taken on a year ago.

Inasmuch as our activity is developed from the strongest conviction and respect for Human Rights, for workers, for the environment and anti-corruption, our management does not present a high risk of violation of them. However, the sector itself and the environment in which it is developed poses challenges that the company is aware of and must manage. In this respect some control measures and actions have been proposed to complement the already developed responsible management.

In short, our adherence to the Global Compact and the preparation of this report has been taken as an opportunity to identify improvements in our social and responsible commitment to the environment and the development of our business activity.

