

Annual Report CSR

Aena 2017



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ABBREVIATIONS AND ACRONYMS

YOUR OPINION MATTERS

Chairman's letter



The year 2017 has been a year of maturity and consolidation of a business model that has allowed us to show the capacity of our company to create value. This has been a historic year for us. More than 265 million people have passed through Aena's airports, which places us, once again, at the forefront of airport operators worldwide; more than 2 million aircraft operations have been registered, and cargo traffic has grown strongly, surpassing the figures recorded in 2016.

This year, I would highlight the new structure of the company, thereby dividing it into two large blocks. On the one hand, the regulated business unit, which covers the development of the entire airport network (activity subject to the regulatory framework established in the DORA); and, on the other, the unregulated business unit, which encompasses commercial services, real estate development and international development (the three unregulated business lines).

From an economic viewpoint, we continue to base the results on three fundamental pillars: the increase in the volume of income, the maintenance of management efficiency and the containment of costs, along with the fulfilment of investment commitments. All of the foregoing form part of the company's strategy, thus making it possible to increase profitability and operating cash flow, whilst reducing net financial debt and the company's leverage. Operating and financial performance was reflected in the evolution of Aena's share price, which rose by 30.4% in 2017 to 169.00 euros per share, compared to the IBEX35, which increased by 7.4 %. During

2017, Aena's stock reached a maximum of 183.7 euros and a minimum of 129.7 euros.

At the same time, diversification, expansion and international presence constitute a strategic aim for us and an essential factor for the growth, generation of value and profitability of the company.

Regarding our operational outlook, I would highlight the policies of good governance and corporate responsibility, which establish the principles and values of ethics, integrity, legality and transparency, which are transferred, for example, to the code of conduct that guides the behaviour of all the people within the organisation, amongst themselves and in their relations with clients, partners, suppliers and, in general, all their stockholder groups.

This year, we have also joined the United Nations Global Compact, supporting its ten principles with the commitment and intention to inspire business strategy, our culture and way of acting.

Also, strident efforts have been undertaken to align the business model with the United Nations Sustainable Development Goals (SDG).

All our efforts have been devoted to the continuous search for excellence, security and quality of service as we must consolidate our position as a world reference in airport management and be able to respond to the demands of stakeholders, comply with the requirements of our environment and of the society we serve, and do so under parameters of sustainability and responsibility.



In this sense, all the airports in the network have obtained, throughout this year, the certificate that guarantees that the aerodrome complies with the requirements established in European Regulation 139/2014 and that affect the infrastructure of the airport and Aena as its manager. It must not be overlooked that we are a strategic company for the development and economy of our country.

Sustainable coexistence with the environment is another of the pillars on which our work is based on the environment and energy efficiency, minimising the undesired effects of our activity and paying special attention to the fight against climate change. Some examples of this are acoustic impact management through insulation plans, monitoring systems or noise maps, energy efficiency measures and environmental protection through innovative proposals, the increase of Airport Carbon Accreditation levels and the establishment of the objective "carbon neutrality" at Adolfo Suárez-Madrid Barajas and Barcelona-El Prat airports.

Our human capital is our greatest asset. Fully aware of this, our efforts strive to provide a safe and healthy working environment characterised by equal opportunities and non-discrimination, promotion of diversity, talent management and the reconciliation of professional and personal life.

I would like to take advantage of these lines to highlight the involvement, enthusiasm and good work of our employees; committed professionals to whom I thank especially for their persistent commitment and endeavours.

Convinced of our work, through this Corporate Responsibility Report that has been prepared taking into account the international framework of presentation of GRI Sustainability Reporting Standards, and with which we submit the performance of the company and our work as a sturdy and sustainable enterprise.

Chairman and CEO
Jaime García-Legaz Ponce



1

ABOUT US

Company profile

Core business lines

Governing body

Organisational structure

Main figures 2017

Standout milestones in 2017

Company profile

Aena SME, SA is a **state-run trading company** which manages 46 airports and 2 heliports in Spain and, through its subsidiary Aena Internacional, also participates in the management of 16 airports in different countries in Europe and America, including the London-based Luton, of which it owns 51% of the share capital.

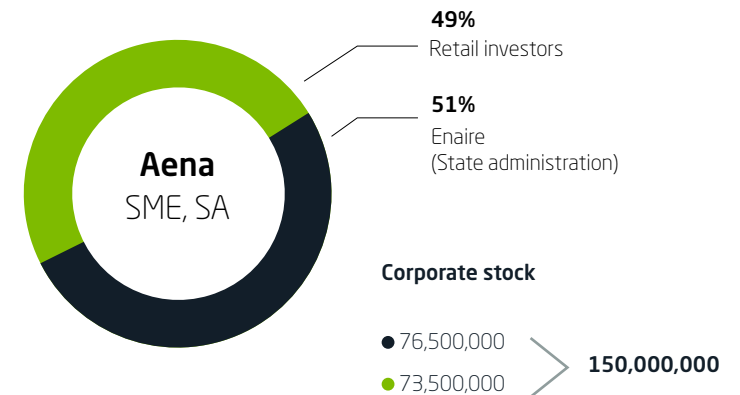
Share capital and shareholding

The shareholder composition of the Company is broken down as 51%, owned by ENAIRE (public business entity dependent on the Ministry of Development), and the remaining 49% of so-called free-float. The share capital of Aena amounts to 1,500,000,000 euros, represented by 150,000,000 shares, each with a par value of 10 euros, fully subscribed and paid up.

The shares have been listed since 11 February 2015 on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Since June 2015, it has been part of the IBEX-35.

Currently, Aena does not hold shares in treasury stock, either directly or through subsidiary companies.

Configuration of shareholding at Aena



[Share Capital](#)

Subsidiaries and dependent companies

Aena SME, SA is the parent company of a group composed of eight subsidiaries and five associates, and owns a proportion of the share capital in five other companies with a stake deemed not materially relevant.

The information presented in this report corresponds to Aena SME, SA and includes the Londo-Luton Airport, as it is the only airport outside the Spanish network of which it owns more than 50% of the capital through its subsidiary Aena Internacional SME, SA in 2017.



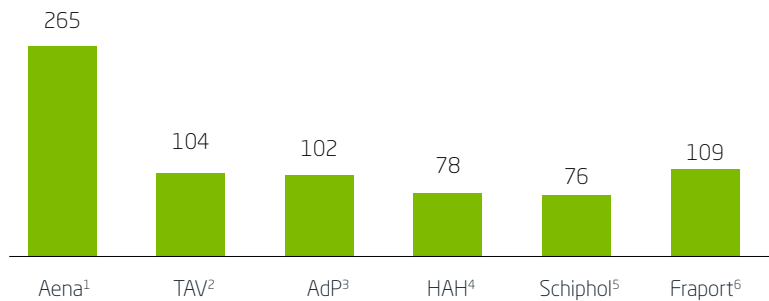
[Subsidiaries of Aena](#)

Aena SME, SA

Aena airports have modern infrastructures with a large capacity available to absorb future traffic growth estimated at 353 million passengers (Spanish airports and London-Luton Airport).

In terms of passenger numbers, Aena is the first airport operator worldwide, with more than 265 million passengers in 2017 (249.2 million in Spanish airports and 15.8 million in London-Luton Airport).

Main airport operators in 2017
(million passengers)



(1) Airports in the Spanish network plus London-Luton Airport.

(2) TAV Airports.

(3) AdP (Aéroports de Paris). Includes only Paris airports.

(4) HAH (Heathrow Airport Holdings Ltd).

(5) Schiphol Group.

(6) Fraport. Only includes Frankfurt airport.

Source: data published by operators

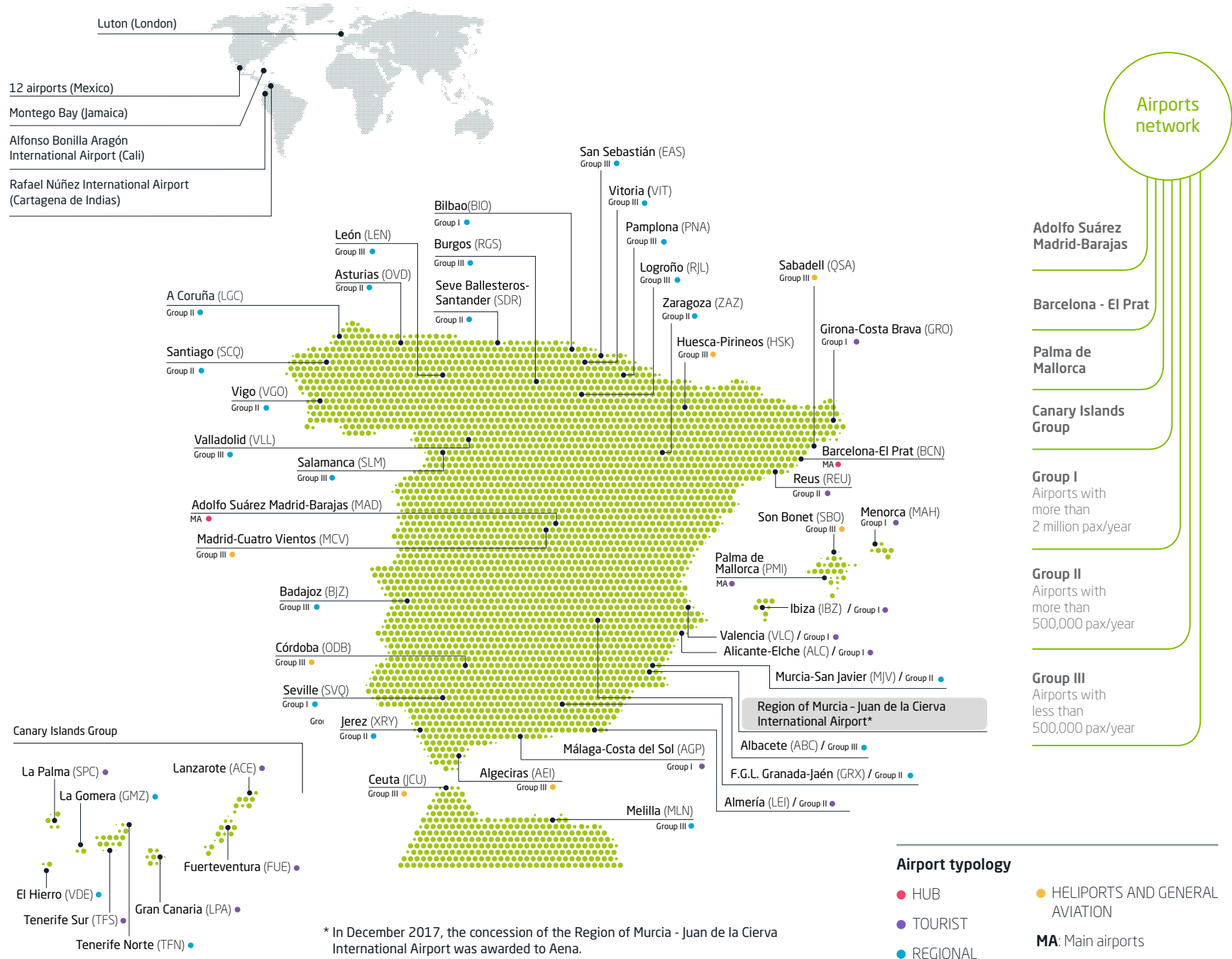


No. 1
in the world
by passenger volume

Infrastructures with an
estimated capacity of
335 M
passengers



[Company profile](#)



Core business lines

Aena is at the forefront due to its experience, capacity and professional team in the management of airport services. It offers its customers - passengers, airlines, handling agents and users in general - a comprehensive service of the highest quality.

REGULATED BUSINESS LINES*



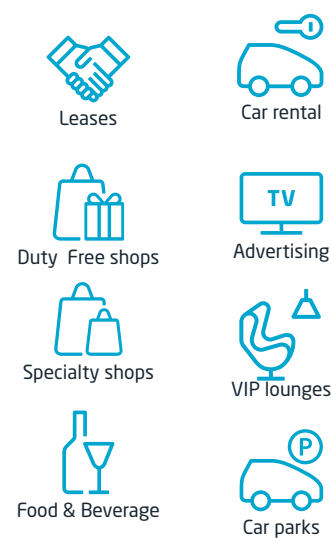
Aviation activity



NON-REGULATED BUSINESS LINES



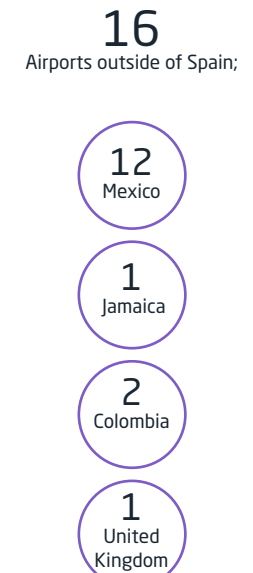
Commercial Services



Real estate services



International sphere



* On 27 January 2017, the Council of Ministers approved the Airport Regulation Document (DORA) for the period 2017-2021, which establishes the minimum service conditions that will prevail in the airports of the Spanish network of Aena over the next five years, providing a predictable regulatory framework that will make it possible to improve the levels of efficiency and competitiveness of airport operations.



Aviation activity

61.5%
of EBITDA



Commercial services

34.7%
of EBITDA



Real estate services

1.2%
of EBITDA



International sphere

2.6%
of EBITDA

EBITDA by business lines

	2017 (€M)	2016 (€M)	Variation 17/16
● Commercial	873	784	+11%
● Total Aeronautical activity	1,549	1,403	+10%
● Total Real estate services	31	36	-15%
● Total International	65	71	-9%
London-Luton Airport	59	65	-10%
TOTAL	2,518	2,294	+10%

Market analysis

The total number of passengers has exceeded 265 million in 2017, which represents an increase of 8.3% with respect to 2016. With regard to operations with aircraft, more than 2 millions, 6.1% more than in 2016. Cargo traffic has also grown strongly, with an increase by 14.1% with respect to 2016.

In the airports forming the Spanish network, the increase amounts to 8.2% (up to 249.2 million passengers) fostered, amongst other factors, by the excellent performance of the tourism sector, without this growth

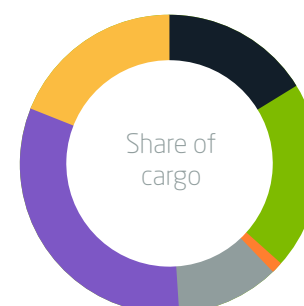
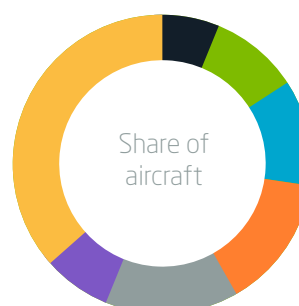
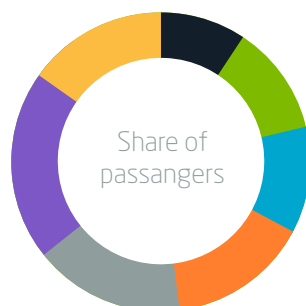
having been affected in 2017 by Brexit, the terrorist acts that occurred in Barcelona and Cambrils, the political environment in Catalonia, and the cessation of operations by Air Belin, Monarch and Niki.

With regard to London-Luton Airport, traffic reached 15.8 million passengers in 2017, 8.6% more than in the previous year, favoured by the growing demand and saturation of airports in the London area.

Traffic analysis



Airports and Airport groups	Passengers		Aircraft		Cargo	
	Millions	Variation 17/16	Thousands	Variation 17/16	Tonnes	Variation 17/16
● Adolfo Suárez Madrid-Barajas	53.4	5.9%	387.6	2.5%	470,796	13.1%
● Barcelona - El Prat	47.3	7.1%	323.5	5.1%	156,105	14.9%
● Palma de Mallorca	28.0	6.5%	208.8	5.6%	10,191	-2.5%
● Canary Islands Group	44.0	8.8%	381.0	6.9%	37,344	0.3%
● Group I	62.5	11.0%	521.3	7.0%	37,370	12.4%
● Group II	12.8	11.3%	180.1	4.3%	145,844	28.8%
● Group III	1.3	10.6%	172.0	18.4%	60,655	15.9%
Subtotal Spanish airports network	249.2	8.2%	2,174.3	6.3%	918,306	15.0%
● London-Luton Airport	15.8	8.6%	136.0	3.1%	220.06	-14.5%
Total	265.0	0.2	2,310.3	0.1	918,525.7	0.0



The contribution of international traffic in the Spanish network has grown slightly to 175.3 million passengers (8.4% more than in 2016). At London-Luton Airport, levels have risen to 14.6 million passengers (8.4% higher than 2016). The relative weighting of low cost airlines has increased (53.9% compared to 51.6% in 2016). Broken

down into airline companies, the IAG Group stands out with a share of 26.0% of the total passenger traffic in 2017 and Ryanair with a share of 17.7%. At London-Luton Airport, EasyJet and WizzAir stand out with shares of 43.2% and 33.3% respectively.



265

million passengers

2.31

million operations

918,525

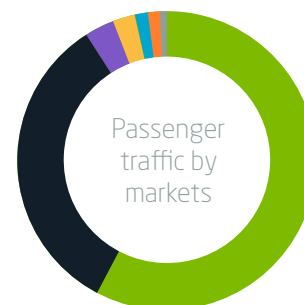
tonnes of cargo

Distribution of passenger traffic by markets 2017 (% of the total passengers of the Spanish airports network)

Ranking*	Region	% Cuota 2017
1	● Europe	62.8%
2	● Spain	29.5%
3	● Latin America	2.9%
4	● North America **	2.1%
5	● Africa	1.2%
6	● Middle East	1.2%
7	● Asia and Others	0.4%
Total International		70.5%
Total passenger		100.0%

* Ranking according to accumulated passengers up to the month of December 2017

** North America refers to the United States, Canada and Mexico



70.34%

of passengers embarked on international flights in the Spanish network (+8.4% with respect to 2016).

Traffic by airline (top 10, Spanish airports network)

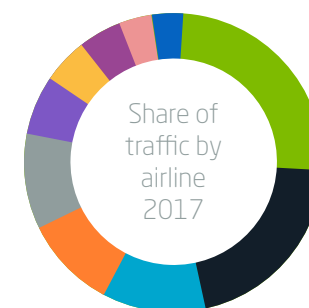
Carrier	Passengers		Variation		Share (%)	
	2017	2016	%	Pasajeros	2017	2016
● Ryanair	44,026,617	39,857,790	10.5%	4,168,827	17.7%	17.3%
● Vueling	34,802,563	32,235,760	8.0%	2,566,803	14.0%	14.0%
● Iberia	17,306,385	16,591,665	4.3%	714,720	6.9%	7.2%
● Air Europa	15,652,871	16,185,061	-3.3%	-532,190	6.3%	7.0%
● Easyjet ⁽¹⁾	15,434,439	13,861,134	11.4%	1,573,305	6.2%	6.0%
● Norwegian Air ⁽²⁾	9,772,231	7,750,724	26.1%	2,021,507	3.9%	3.4%
● Iberia Express	8,577,187	7,641,353	12.2%	935,834	3.4%	3.3%
● Air Nostrum	7,748,709	7,540,063	2.8%	208,646	3.1%	3.3%
● Grupo Binter ⁽³⁾	6,148,079	5,324,997	15.5%	823,082	2.5%	2.3%
● Jet2.Com	6,057,937	3,982,830	52.1%	2,075,107	2.4%	1.7%
Total Passengers	165,527,018	150,971,377	9.6%	14,555,641		
Total Low Cost Passengers ⁽⁴⁾	134,283,235	118,793,085	13.0%	15,490,150		

⁽¹⁾ Includes Easyjet Switzerland, SA and Easyjet Airline Co. Ltd.

⁽²⁾ Includes Norwegian Air International and Norwegian Air Shuttle AS

⁽³⁾ Includes Binter Canarias, Naysa and Canarias Airlines

⁽⁴⁾ Includes the passenger traffic of low cost airlines on scheduled flights.



Aena Internacional

Diversification, expansion and international presence is a strategic aim for Aena, and is an essential factor for growth, generating the company's value and meeting profitability targets.

Aena is committed to its international division and strongly supports the ambitious policy of expansion and global growth. Therefore, a continuous review of the opportunities that arise in the market is carried out, maintaining permanent contact with the different agents involved (investment banks, public administrations, potential investors, etc.), and selecting standout investment possibilities.

Aena owns 100% of the share capital of Aena Internacional, a division created in 1998, in the company's effort to expand business lines beyond the national scope

and to develop a diversified and profitable investments portfolio. As a result of this effort, at present, Aena holds stakes in 16 airports outside of Spain:

- 12 in Mexico
- 1 in Jamaica
- 2 In Colombia
- 1 in the United Kingdom, (London-Luton Airport) of which Aena holds the majority stake (51%).



[Aena Internacional SME SA](#)



The aggregate traffic growth in tender operated facilities in 2017 stood at

8.4%

(does not include London-Luton Airport)



Passenger traffic at the airports where stakes are held (in millions of passengers)

	2016	2017	% Variation	% Stake of Aena
London-Luton Airport (United Kingdom)	14.6	15.8	8.6%	51.0%
Grupo Aeroportuario del Pacífico (GAP) (Mexico and Jamaica)	36.5	40.7	11.4%	5.8%
Aerocali (Cali, Colombia)	5.7	5.2	-9.8%	50.0%
SACSA (Cartagena de Indias, Colombia)	4.4	4.8	7.2%	37.9%
TOTAL	61.3	66.5	8.4%	--

In addition, the aeronautical services area has a Flight Verification Unit and, in the field of airport consulting, it participates as an expert in international strategic projects and airport operations.

Among the main risks and opportunities of Aena Internacional, it is worth mentioning:

- Failure to meet deadlines and deviated amounts referring to works in progress on tenders.
- Strong pressure on operations as long as strong traffic growth continues.
- Possible consequences of Brexit on the behaviour of traffic at London-Luton Airport.
- Influence of those macro-economic variables that affect traffic forecasts, operating and investment costs and volatility of exchange rates. Also, other conjunctural factors such as oil prices.
- Expansion of capacity in the airports in which Aena is present, as a result of growth in demand levels.
- Emergence of assets in the market arising from privatisation processes or tenders, promoted by governments, or restructuring in the shareholding of airports already tendered or privatised.
- Lack of capacity in the London airport system.

London-Luton Airport



Thanks to the excellent performance of commercial income, and despite the impact experienced by the loss of Ryanair passengers and the bankruptcy of Monarch, in 2017 London-Luton Airport closed with traffic levels of 15.8 million passengers (an increase of 8.6% compared to 2016), 135,518 operations (+3.1%), and an increase in income of 10.6% (in local currency).

The Luton expansion project to reach a capacity of 18 million passengers per year is progressing as planned. Thus, the main works will be completed throughout 2018, with only minor improvements remaining in the field of flight, which will be carried out after 2020. In 2017, the access and road expansion works were completed, and terminal expansion works progressed substantially. Specifically, 36 new commercial premises were delivered, which will be used to increase by 2,500 m² the commercial surface space in use at the airport. The air field has also been extended with the extension of the taxiway to the runaway fringe 08, which has served to improve operations, and increase the capacity in rush hour in two additional operations per hour.

As part of improving access to the airport, the city council has begun work on the construction of a light rail link between the terminal and London-Luton Airport Parkway, known as DART (Direct Air to Rail Transport). This project contemplates the construction of an underground station next to Dike B of the airport and the reconfiguration of the current parking lots, including the construction of a new parking facility with a capacity of 1,900 spaces. The DART service is scheduled to become operational in 2021.

Luton is undergoing a period of sustained growth boosted by the increasing saturation of airports in the London area and, despite the expansion under way, it is estimated that it will reach its maximum capacity by 2021. To avoid congestion and contribute to the development of air traffic in the area, we are working in tandem with the authorities to agree on a capacity expansion project, compatible with the operation and the limits of the current concession.

Aerocali

(Alfonso Bonilla Aragón International Airport in Cali)



Traffic at the Alfonso Bonilla Aragón International Airport (Cali) has fallen by 9.8%. This decrease in passenger traffic has been caused, amongst other reasons, by the loss of routes, both domestic and international; resulting from meteorological phenomena, hurricanes - that have affected the transit of flights with the United States, as well as the highly significant effect that Avianca's pilot strike has had.

In line with the scheduled plans, on 8 March 2017, the New International Terminal of the Cali Airport was opened, annexed to the current one, measuring 19,600 m² and that has 6 boarding bridges and an international apron of almost 55,000 m².

In addition, in 2017 a study has been presented to the Colombian National Infrastructure Agency (ANI) on the pre-feasibility of Public Private Partnerships (PPP) to obtain a new

tender in the airport in Cali and others in the region. Currently, this is in the feasibility study phase.

During 2017, the aerodrome certification was obtained in operational safety, being the first Colombian airport to be certified.

GAP

(Grupo Aeroportuario del Pacífico)



In 2017, GAP boasted excellent performance in its traffic reaching 40.7 million passengers, representing an aggregate increase of 11.4%. Worthy of special mention in this field is the high performance of the Mexican airports within the Group (Guadalajara, Tijuana, Los Cabos and Puerto Vallarta), along with Montego Bay in Jamaica.

The most significant events taking place this year are listed below:

- Expansion of 15,000m² in the terminal building at Guadalajara Airport, which represents an increase of 35% in the terminal area and 40% in the departure gates.
- Renovation and expansion of the terminal building at Hermosillo Airport at 2,200 m² with 2 new boarding gates with footbridges.
- Expansion and remodeling works of the terminal building at Tijuana Airport with an increase of 25,000m² new and 15,000 m² of refurbished space. Service start-up will take place in 2018.
- Renovation and expansion works at Guanajuato Airport that increase existing facilities by more than 200%. Service start-up will take place in 2018.
- The increase of 41.1% in the percentage of use of the Trans-Border Bridge in Tijuana, Baja California, (cross border) that connects the United States directly with the airport terminal.
- Good commercial results, with the putting into service of new commercial areas in the main airports.
- The good credit ratings issued by Standard & Poor's (mxAAA-National scale - Outlook: Stable) and Moody's (Aaa.mx - National scale / A3- Global scale).
- The good performance of the action plan, which has led to an appreciation capitalisation rate of 25%.

SACSA

(Rafael Núñez
International Airport of
Cartagena de Indias)



Rafael Núñez Airport (Cartagena de Indias) registered an increase in traffic of 7.2% in 2017. In particular, it is worth noting the 23% growth rate experienced by international traffic at this airport. The rise has been due mainly to two reasons: the opening of new routes (such as KLM to Amsterdam and LATAM to Lima), and the increase of international frequencies to Panama (Air Panama, Wingo and COPA).

Currently, negotiations are underway with the National Infrastructure Agency (ANI) for the development of a public-private partnership (PPP) whose aim is a new tender contract once the current concession ends in 2020.

On the other hand, improvement projects have been carried out in the allocation of media operations (CUTE installation) operational security (RESAS on runway ends) and other actions that have improved the capacity of the terminal along with passenger experiences.

Flight Verification Unit (FVU)

During the year 2017, the Flight Verification Unit of Aena Internacional has rendered its services on a regular basis as the main supplier of Aena and Enaire.

This year the record number of 975.25 flight hours has been reached, since the unit was created in 2007. Likewise, the figure of 290 verification reports has been exceeded.

Governing body

The Board of Directors is the supervisory and control body for the Company's activity, with exclusive powers over matters such as corporate governance, corporate social responsibility, dividend policy, management aims and annual budgets, or investment and financing policy, whilst also fulfilling other functions.

The Board of Directors of Aena is currently composed of 15 Directors: 6 independent directors, 7 proprietary directors appointed by the State Administration, 1 proprietary director representative of TCI Advisory Services and 1 executive director, the post held by the current Chairman and CEO of Aena.

The rules that govern its operation are detailed in [Chapter 2 of this report \(Corporate Governance\)](#)

In accordance with its regulations, it entrusts the ordinary management of the company's business to the management team and the corresponding executive bodies.



[Board of Directors of Aena SME, SA](#)

[Board of Directors of Aena Internacional SME, SA](#)



Organisational structure

On 1 February, a new organisational structure was approved to ensure compliance with the commitments acquired through the new regulatory framework (DORA 2017-2021) and to promote the profitable growth of non-regulated activities.



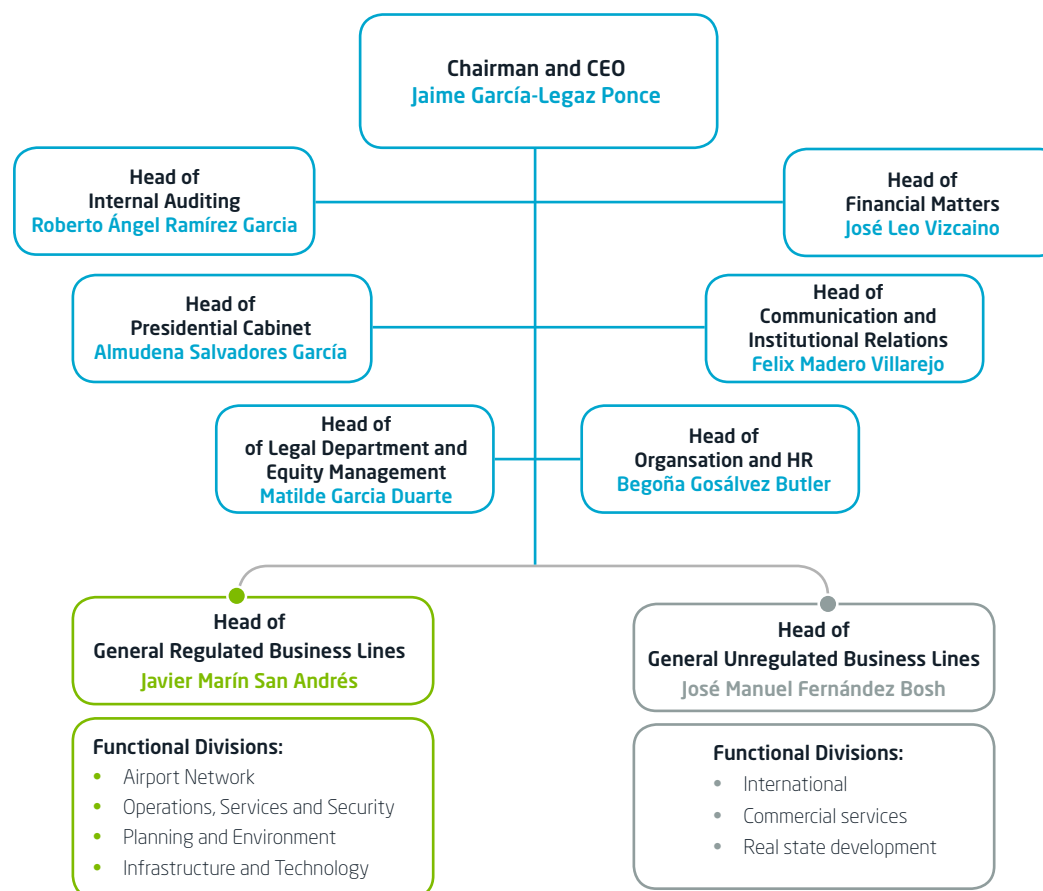
Organisational structure

The new organisational flow-chart affects the first managerial levels of Aena, structuring the company in two large blocks:

Regulated Business Unit: which encompasses the development of the entire airport network (activity subject to DORA's terms). As associated organisational measures, the Network Management has been withdrawn, with the Adolfo Suárez / Madrid-Barajas Airport and Barcelona-El Prat Airport Management models being incorporated into the Management Committee and the Contracting Directorate becoming thus dependent on the Financial Management.

Regulated Business Unit: This frames the three unregulated business lines (Commercial Services, Real Estate Development and International Development). The associated organisational measures are the separation of commercial services management and real estate management into two management blocks.

The Corporate Units continue as before, lending support to the rest of the organisation.



Main figures 2017



PROFITABILITY

€4,028 M from income
€1,232 M
Net Profit

The stock has been revalued by 30.4% reaching €169



INTEGRATION

1,520,140 assistance services to PRM in the Spanish airport network (11,158 in London-Luton Airport)

€552,558 intended for the hiring of special employment centres

+24 areas for Solidarity Spaces in airports



LEADERSHIP

Top-ranked worldwide in terms of management of airports with **265 million** passengers.

353 million passengers based on estimated capacity



ENVIRONMENT

Reduction by **4.8%** with regard to energy consumption/ATU

Reduction by **5.4%** of kg CO₂/ATU

Soundproofing **23,096** properties (2000-2017, Spain) and soundproofing of **49** properties (2016-2017, London-Luton Airport)



SECURITY

€91.8 M invested in security (30% of total investments)



SOLVENCY

Decrease in the ratio of net financial debt to EBITDA to **2.8%**

Note: Net financial debt / EBITDA ratio calculated according to the criteria defined in the novation contracts of the debt subscribed with the financial institutions on 29 July 2014



QUALITY EMPLOYMENT

8,234 employees

87.6% with permanent contracts

€1,400,000 intended for social assistance to employees (only Spain)



DIVERSITY

35.5% of women forming our staff

26.67% female presence on the Board of Directors

42.7% of management positions, middle managers or graduates are occupied by females (Spain only)



DEVELOPMENT

99.4% from local suppliers

622.7 million euros of tax contribution



QUALITY STANDARDS

Global quality index of **3.92** over 5 (Spanish Network)

€29.4 M devoted to improving the service of the network of Spanish airports (€1.76 M at London-Luton Airport)

Standout milestones





2

RESPONSIBLE
GOVERNMENT

Ethics and
transparency

Best practices of good governance

Code of conduct

Responsible business model

Best practices of good governance

The rules governing the operation of the company's Board of Directors incorporate the recommendations of good governance of the Unified Code of Good Corporate Governance issued by the CNMV (Stock Market Commission) and of general recognition on international markets and these are duly included in its Corporate Governance Policy.

With regard to shareholders, the Company guarantees their rights by incorporating mechanisms such as distance voting and live broadcast, through the corporate website, of the General Shareholders' Meeting. Furthermore, it maintains **ongoing inter-relations** with shareholders through a specific corporate web portal, the Shareholder and Investors' Customer Care Service (ir@aena.es) and the Investors' Relations Office, located in Aena's headquarters.

Within the framework of the company's commitment to its shareholders, the Board of Directors carries out its activity in accordance with corporate governance standards, mainly set out in the Regulation of the General Shareholders' Meeting and in the Regulation of the Board of Directors. Both have been modified in 2017 to adapt the name of the Company to the provisions of Law 40/2015 of 1 October on the Legal Regime of the Public Sector.

The Board of Directors has 15 directors, of which 6 are independent, 8 are proprietary and 1 is executive, which holds the position of Chairman and Executive Director. Following the recommendations of international corporate governance, the position of Coordinating Director is carried out by one of the independent directors.

The Board of Directors has **three support committees** whose specific powers are detailed in the Regulation of the Board of Directors:

- **Executive Committee:** body empowered with decision-making capacity of general scope and, consequently, with express delegation of all the powers that correspond to the Board of Directors except those that are deemed non-delegable by virtue of the law, the applicable regulations in matters of corporate governance, the Articles of Association, or the Regulations of the Board of Directors.
- **Audit Committee:** internal body of an informative and consultative nature, without executive functions, with powers of information, advice and proposal, which serves as support for the Board of Directors in its supervisory functions and, in particular, has the minimum scope to inform the General Shareholders' Meeting.
- **Appointments and Remuneration Committee:** internal body with powers of evaluation and control of the corporate governance of the Company, with powers of appointments of Directors, remuneration policy or incentive plans.



[Corporate Governance Policy](#)

[Shareholders and investors' portal](#)

[Reports on corporate governance](#)

[Composition of the Governing Body](#)

[Board Committees](#)

[Remuneration of Directors](#)

[Regulation of the General Shareholders' Meeting](#)

[Regulation of the Board of Directors](#)

The Committee has on-hand a **Candidate Selection Policy**, according to which, the selection process will be based on a prior needs analysis, fostering thus the diversity of knowledge, experience and gender. The Appointments and Remuneration Committee has among its powers the establishment of representation targets by gender, making recommendations on how to achieve this and informing the Board on issues of diversity. As of the date of preparation of this Report, the percentage of women on the Board of Directors is 26.67%, higher than the average of Spanish listed companies, and on the path of fulfilling their commitment to achieve a ratio of at least 30% in 2020.

The supervision of the governing body: the Board of Directors evaluates on an annual basis, following a report from the Appointments and Remuneration Committee, its operation, the efficiency and quality of its work, as

well as the endeavours of the Board Committees and the performance of the Chairman in his duties. Every three years, furthermore, this is undertaken by an independent external evaluation consultant.

Board Remuneration: in 2017, around 288 thousand euros were allocated in remuneration of the Board of Directors.

The position held by the executive director was remunerated at a rate of 163 thousand euros, which includes fixed and variable remuneration, as well as the post complement set by the Ministry of Public Works, under the terms of Order of 31 July 2014.



40%

of independent directors

26.67%

female presence on the Board of Directors (average of the IBEX35 20.31%, as of February 2017)

Board of Directors and support committees (Composition, meetings and attendance)

	Composition			Sessions 2017	Average attendance
	% executive	% independent	% proprietary		
Board of Directors	6.67	40	53.3	12	90.3%
Executive Committee	20	20	60	2	90%
Audit Committee	0	60	40	5	80%
Appointments and Remuneration Committee	0	60	40	8	88%

Code of conduct

The code of conduct in place at Aena, approved in June 2015 by the Board of Directors, constitutes the fundamental basis of the company's good governance and corporate responsibility policies, establishing therein the principles and values of ethics, integrity, legality and openness within the company that must guide the conduct of all people in the organisation, amongst themselves and in their relations with customers, partners, suppliers and, in general, all their stakeholders.

It is binding and applicable to the Management Bodies, Senior Management and all employees of Aena SME, SA (*), whatever their position, responsibility, occupation or geographical location.

The monitoring and supervisory functions are entrusted to the Compliance Supervision and Control Body, dependent on the Board of Directors, with autonomous powers of initiative and control over all areas of the Company.

In order to prevent or detect any irregular behaviour, from the Aena intranet any person in the organisation has a **Reporting Channel** to make inquiries or denounce possible risks or breaches of company policies and procedures, or the behavioural guidelines set forth in the Code of conduct.

This channel is managed by the Management Committee, dependent on the Compliance Supervision and Control Body, which ensures that all complaints received are

analysed independently, and guarantees the confidentiality of the identity of the person raising it, as well as those denounced or reported, thereby informing the people strictly involved in the process.

Any breach is liable to be sanctioned following the procedure foreseen in the Aena Collective Agreement. For breaches attributable to the members of the Board of Directors, the provisions of the Regulation of the Board of Directors shall apply; for senior executives the provisions of the contracts that regulate their relationship with Aena will be applicable.

In addition to the Code of conduct, the company features an Internal Code of conduct in the Securities Market, applicable within the scope of the Company, and of the companies included in the group, which sets the rules that protect the interests of investors and prevent and avoid any situation of abuse.

* By adopting different collective agreements, Aena Internacional, in which London-Luton Airport is included, has its own Code of conduct, although it incorporates values aligned with those of Aena SME, SA. The London-Luton Airport will implement a complaints channel in 2018. Until then, the complaints are directed to and attended by the Human Resources department, which, during 2017, has not received any complaint for breach of the Good Governance guidelines.



—
25
complaints made to
Aena's Reporting
Channel

24
admitted for processing

21
regarding HR issues

3
of other possible
breaches



Ethical principles and Good Governance

- **Legality.** The respect and duty, priority and inexcusable, of observing both the current legislation and the internal Aena regulations that result from application in the exercise of the professional functions and responsibilities of the subjects of this code.
- **Integrity, honesty and trustworthiness.** These forms an unquestionable conviction for Aena. All persons subject to the code must be honest and trustworthy in all professional activities and negotiations carried out, ensuring at all times not to be influenced by motivations, considerations or interests, personal or third-party, likely to cause an eventual conflict of interest or illegal or inappropriate behaviour.
- **Independence and transparency.** All those bound by this code will always act with impartiality, maintaining an independent criterion removed of any external pressure or private interest. Aena does not interfere with or participate in political processes. Neither does it make contributions, direct or indirect, to political parties, organisations or associations, or their representatives and candidates, or professionals in the media.
- **Excellence and quality in meeting our stakeholders' expectations. The professionals of Aena** carry out their duties with due diligence, offering a safe, high-quality service geared towards meeting the stakeholders' expectations, as the main way of ensuring excellent results and a sustainable evolution of society at short, medium long term.
- **Respect for the image and reputation of Aena.** Putting the utmost care and due diligence into preserving the image and reputation of the Company in all its professional activities, including public interventions.



[Aena Code of Conduct](#)

[Internal Rules of Conduct in the Securities Market](#)

Responsible business model

Aena has an explicit commitment to ethics, the **Human and Employment Rights**, in its corporate principles and behavioural guidelines established in its Code of Conduct.

Amongst other items, this framework ensures freedom of association, of association and collective bargaining, equal opportunities, diversity and integration, elimination of forced or compulsory labor and any other practice that involves a violation of individual or collective dignity, health and professional security, the fight against corruption and bribery,⁽¹⁾ or how to act in the face of a conflict of interest or incompatibility.

Additionally, with the aim of furthering **the principles of corporate responsibility throughout the supply chain**, social and environmental clauses are included in all tenders. The internal contracting regulations include, amongst others, requirements focused on:

- Protection of the environment, with guidelines and measures that must be met by the contractors in this area.
- Demanding respect for human and industrial rights.
- Measures for evaluation and control in environmental and social matters.
- Fostering diversity.
- Safety and hygiene mechanisms.

Likewise, monitoring and control of compliance is carried out during the term of execution of the contracts, and

there is a sanctioning regime in case of breach of any of the clauses and contractual obligations.

Similar criteria apply in the case of London-Luton Airport. Throughout the supply chain, the contractors sign their statement swearing that there has been no incidence and that they are following the best practices on ethical criteria, sustainable contracting, environment and equality. On the other hand, and according to the applicable regulations, London-Luton Airport follows the policy of zero tolerance towards human trafficking and slavery that it applies in all its contractual relationships. By participating in the contracting processes, the contractors assume their commitment to these principles, and their non-compliance gives grounds for exclusion in that and even in future processes.

In 2017, it is worth mentioning the **adhesion of Aena to the United Nations Global Compact** and the commitment to contribute to the Sustainable Development Goals of the United Nations.

Throughout this report, information is provided on the application and extent of compliance with these commitments.



In 2017, Aena became a signatory to the United Nations Global Compact



* (1) The London-Luton Airport has an ethical policy that requires authorisation from the CEO so that any gift or present may be accepted by the staff. Likewise, the purchasing and recruitment procedure has mechanisms that guarantee transparency and prevent corruption in the awarding of contracts.



3

RISK MANAGEMENT

A strategic pillar

Organisational Structure

Context of the airport sector and its translation to the risk management system

A strategic pillar

Risk management is a strategic pillar at Aena. The Risk Control and Management Policy ensures the appropriate framework for the management of threats and uncertainties inherent in the strategy, business processes and the environment in which the company operates by:

The protection of the financial soundness and corporate sustainability.

The defence of shareholders' rights, and those of any other significant interest group.

Assisting in the development of transactions by providing the security and quality required.

Safeguarding Aena's reputation.

The risks inherent to the international development of Aena form an integral part of the Risk Management System. In addition, the dependent company London-Luton Airport Operations Ltd. (LLAOL) has a specific business risk management process adapted to its

size and economic reality. The fundamental principles of the risk management in LLAOL are in line with those contained in the Risk Management Policy of Aena.



Organisational Structure

The company's risk management system encompasses all corporate directorates, as well as different government bodies, and regulates the process of identifying, analysing, evaluating, assessing and controlling risk management, according to the following scheme:


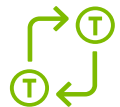



Context of the airport sector and its translation to the risk management system

Aena is exposed to a variety of risk factors related to the business, its regulation and the shareholding structure of the company.



CONTEXT OF THE AIRPORT SECTOR

	Factors	Scenario	Significant changes in Aena
Related to Aena and its business lines	Economic situation and evolution of the tourism sector 	<ul style="list-style-type: none"> The Spanish economy continues its gradual recovery. The influx of tourists to Spain has increased by 8.9% in 2017. The main countries from where tourists arrive are the United Kingdom, Germany and France 81.5% of these used the plane as a means of transport. 	<ul style="list-style-type: none"> As a result of the enormous investment effort made in the previous decade, the Spanish airport network has been able to cope with the traffic growth figures. Regarding London-Luton Airport, a significant transformation is being carried out to reach a capacity of 18 million passengers in 2018
	Political situation 	<ul style="list-style-type: none"> Socio-political context in Spain and other countries where Aena operates. Brexit: although the traffic of passengers from the UK to Spain has not been affected, the expenditure of British tourists in the commercial offer of the Spanish network has fallen. 	<ul style="list-style-type: none"> The socio-political context can influence the corporate governance model. Continuous promotions in the commercial area of the Spanish airports network.
	Evolution of the airlines' profile 	<ul style="list-style-type: none"> Volatility of routes operated by low cost airlines, with increasing weighting at airports. The trend towards airline concentration can boil down to lessened bargaining power 	<ul style="list-style-type: none"> Aena offers a wide range of incentives for airlines.

CONTEXT OF THE AIRPORT SECTOR

	Factors	Scenario	Significant changes in Aena
Related to Aena and its business lines	Terrorism 	<ul style="list-style-type: none"> The risk of terrorist threat has remained at high levels during 2017 in the European environment. 	<ul style="list-style-type: none"> Collaboration with security forces in the strengthening of security controls.
	Climate change 	<ul style="list-style-type: none"> The consequences of climate change (adverse weather events) can affect the operational capacity, safety and efficiency of airports. 	<ul style="list-style-type: none"> Implementation of various energy efficiency and renewable energies measures in airports, along with awareness-raising tasks and outreach endeavours.
	Affection to local communities 	<ul style="list-style-type: none"> Compatibility of air operations and development of airport infrastructures with local environments (noise). 	<ul style="list-style-type: none"> Continuance with noise mitigation measures in airport environments and especially sensitive spaces.
	Claims of interest groups 	<ul style="list-style-type: none"> Ethics and transparency 	<ul style="list-style-type: none"> New perception analysis mechanisms for passengers and employees. Materiality analysis update New intranet for employees with information on CSR. Adhesion to the Global Compact and Code of Good Tax Practices. Renewal of the CSR portal of the Aena website..
Related to the regulation of the business and its shareholding structure		<ul style="list-style-type: none"> Status of state commercial corporation / public-private management. Regulated sector: management of the airport network with public service criteria, airport charges regime, airport security measures (Security), Operational Security (Safety), allocation of Slots. 	<ul style="list-style-type: none"> New organisational structure Extension of the 1º Collective Agreement

With the risk management system, and in accordance with the established strategic targets, Aena identifies the risks, assesses them, and implements the appropriate control measures sufficiently in advance to mitigate the probability of occurrence and / or its potential impact. Effective, efficient and proactive management allows for the detection of new business opportunities

The assumed Risk Model considers all those risks to which the organisation is exposed. According to the Risk Control and Management System, all identified risks are incorporated and categorised in the corporate Risk Map. Each risk is managed, at least, by a Corporate Management, which documents its management according to the parameters defined and approved in the Risk Control and Management Policy.

Based on the information provided by the Corporate Offices, the risk map is updated, at least annually, by the Management Committee and supervised and approved by the Audit Committee. According to their nature, the risks are categorised as:

- **Strategic:** those that put in danger the social interest and the strategy of the company.
- **Compliance:** derived from the regulatory framework and its possible modifications, which may affect the conditions and development of the activity and cause regulatory breaches of an environmental, employment, fiscal, recruitment, etc. nature.
- **Operating activities:** risks produced by failures of processes, personnel, equipment, etc. that can affect the correct development of the operations, the quality and security of the services.

- **Information based:** derivatives of processing, storage or transmission of information that may compromise business processes or threaten the security of information.
- **Reputational:** these are the potential negative impacts on the Company derived from behaviour below the expectations of its stakeholders.
- **Financial:** events that may have negative consequences and significantly affect the results of financial operations, usually due to market, credit or liquidity risks.

In 2017, the **Risk map identifies 43 risks** for which key monitoring indicators are established, and tolerance thresholds are determined based on their economic impact, on the operations or on the reputation of the company and on its expected probability, which, if exceeded and depending on each risk type involves the implementation of the corresponding action plan and the consequent mitigating activities, thus establishing a process of continuous improvement.



—
43 risks

—
283

Mitigating activities



[Annual Corporate Governance Report](#)

Risks appearing in 2017:

- **Regulation applicable to charges:** The Council of Ministers of 27 January 2017 approved the Airport Regulation Document (DORA) for the five-year period 2017-2021, setting, amongst other aspects, that Aena's charges will undergo an annual decrease of 2.22% during this period.

The charges with this reduction came into effect on 1 March 2017, which has had an accumulated impact on revenues and EBITDA of 50.8 million euros as of 31 December 2017.

- **Coordination of operations:** The workers of the company awarded the tender for security and access control service at the Barcelona-El Prat Airport were involved in a professional dispute that led to partial work stoppages and affected the operations at said airport, mainly in August 2017, resulting in significant delays for passengers in security controls.
- **Regulation applicable to security:** On 7 April 2017, Regulation (EU) 2017/458 came into effect, by which Regulation (EU) 2016/399 is modified with regard to the reinforcement of controls by verification

of the relevant databases in the external borders. This regulation requires Member States to carry out systematic checks on passengers crossing the external borders of the Union.

This has meant:

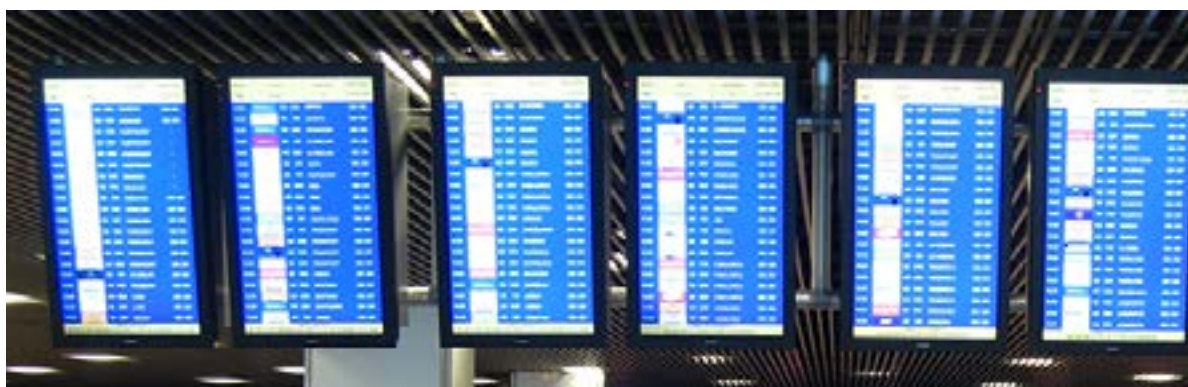
- Waiting times being much higher than usual at passport control carried out by the National Police to passengers crossing a Schengen border, in several airports of the network, especially in the period May-August 2017.
- In order to maintain the levels of operability and quality of service, it has been necessary to incur additional operating expenses, and to undertake investments in equipment for the automated control of passports. It is estimated that these investments will amount to 107.5 million euros in the 2018-2021 period, of which the majority will be carried out in 2018 and 2019.

No **tax risk** has materialised during the financial year.



123
Action plans

1,932
indicators to control their evolution



Below is a relational diagram of the risk management process, and how this is articulated throughout this report considering the material aspects it addresses.

Main factors involving risk	Risk map: Risk events (opportunities)	Examples of mechanisms for control	MATERIAL ASPECT	Financial report section
13 Strategic risk	<ul style="list-style-type: none"> Regulatory framework Governance model Aeronautical and non-aeronautical market Investment planning Evolution of environmental issues Efficient infrastructures Brexit International presence 	<ul style="list-style-type: none"> Corporate Governance Policy Contingency plan of the licensees Business development plan Actions of the airport marketing plan Investment planning and control procedure Master Plans Integrated Quality, Environment and Energy Efficiency management policy Participation in working groups on regulatory review, including tax regulations Hearing procedures regarding the modification of certain legislation 	<ul style="list-style-type: none"> CSR Strategy Ethics and transparency Social contribution Human rights Talent, working capacity and motivation Profitability / income increases Quality and service improvement Energy efficiency and climate change 	<ul style="list-style-type: none"> RESPONSIBLE GOVERNMENT SOCIAL CONTRIBUTION THE CREATION OF VALUE IN AENA HUMAN RIGHTS THE PEOPLE AT AENA DIVERSITY COMPLIANCE WITH PLANS EXCELLENCE IN TERMS OF QUALITY AND SECURITY RELATIONSHIP WITH THE ENVIRONMENT
8 Compliance risk	<ul style="list-style-type: none"> Labour legislation Environmental regulations Contract frameworks Taxation Litigation and claims Fraud Other 	<ul style="list-style-type: none"> Code of conduct Crime prevention model. Occupational Risk Prevention System Action procedures to ensure the correct management of plans and projects with an environmental impact Integrated Quality and Environmental Management System, certified by an accredited external entity in accordance with the UNE-EN ISO 9001 and UNE EN-ISO 14.001 standards Management of the acoustic impact on the surrounding populations; preparation of strategic noise maps, noise monitoring systems and flight paths, sound insulation plans Rules and systems of control on staff recruitment Participation in working groups to review the regulations, including tax regulations. Hearing procedures before the modification of certain regulations. Regulatory Compliance Policy 	<ul style="list-style-type: none"> Employment conditions Human rights and labour standards Acoustic impact Energy efficiency and climate change Control of suppliers Ethics and transparency 	<ul style="list-style-type: none"> THE PEOPLE AT AENA DIVERSITY HUMAN RIGHTS RELATIONSHIP WITH THE ENVIRONMENT EXCELLENCE IN TERMS OF QUALITY AND SECURITY THE CREATION OF VALUE WITHIN AENA RESPONSIBLE GOVERNMENT

Main factors involving risk	Risk map: Risk events (opportunities)	Examples of mechanisms for control	MATERIAL ASPECT	Financial report section
11 Operational risk	<ul style="list-style-type: none"> Dependence-coordination of third parties Quality of the services provided Physical and operational safety Recruitment processes Environmental conflicts Organisational model and management of human capital Industrial relations Carrying out of Investments Other 	<ul style="list-style-type: none"> Operational Security Management System Certification of airports under EU Regulation number 139 / 2014 External airport safety and security audits Management Centres for Airport Incidents Existence of airport security clauses for contracts signed with companies that recruit Aena to develop their activities in the Company's centres Rules and systems of control on staff recruitment. Management of the acoustic condition on the surrounding populations to ensure the correct management of environmental plans and programs. Occupational Risk Prevention Systems Investment planning and control procedure Monitoring of carrying out of investments 	<ul style="list-style-type: none"> Quality and service improvement Airport security Control of suppliers Acoustic impact Equality, diversity and inclusion Human rights: commitment and due diligence Holding on to talent and professional development 	<ul style="list-style-type: none"> THE CREATION OF VALUE WITHIN AENA THE PEOPLE AT AENA DIVERSITY HUMAN RIGHTS EXCELLENCE IN TERMS OF QUALITY AND SECURITY RELATIONSHIP WITH THE ENVIRONMENT SOCIAL CONTRIBUTION
3 Information risk	<ul style="list-style-type: none"> Financial and non-financial information systems 	<ul style="list-style-type: none"> Organisational Model and information security policy ICT security reviews under ISO 27002: 2013 Disaster Recovery Plans (DRPs) 	<ul style="list-style-type: none"> Technological solutions and competitiveness Culture of Innovation 	<ul style="list-style-type: none"> INNOVATION
1 Reputational risk	<ul style="list-style-type: none"> Emergency situations (natural catastrophes, accidents, etc.) Communication and reputation 	<ul style="list-style-type: none"> Self-protection plans and contingency, preparation and response procedures to emergencies Framework of relations with interest groups Communications Policy Fiscal Strategy of Aena SME, SA 	<ul style="list-style-type: none"> CSR Strategy Ethics and transparency 	<ul style="list-style-type: none"> RESPONSIBLE GOVERNMENT VALUE CREATION
7 Financial risk	<ul style="list-style-type: none"> Interest rates Exchange rates Liquid assets 	<ul style="list-style-type: none"> Guarantees, bonds or prepayment required from customers Interest rate hedging instruments Financial-economic analysis 	<ul style="list-style-type: none"> Profitability 	<ul style="list-style-type: none"> COMPLIANCE WITH PLANS

4

THE CREATION
OF VALUE
AT AENA

CSR Strategy

Aena Responsible

Aena CSR Strategy

CSR Action Plan

Corporate Cash Flow

Aena Responsible

Corporate Responsibility (CR) is integrated into the company's management model in a transversal manner with the purpose of contributing to tourism within a responsible business model.

The Board of Directors is ultimately responsible for promoting the CSR policy, and the Management Committee, for its part, is responsible for the deployment of the CSR Policy and Strategy through the Action Plan, with the objective of placing the company at the forefront of the best practices in this field, and contribute to fulfilling social interests, as a fundamental part of the strategy of excellence and improving the competitiveness within the company.

The CSR Executive Committee, a delegated body of the Management Committee composed of the Communication and Institutional Relations Division, the Financial Department and the Legal Advice and Asset Management Department, coordinates the implementation of the Strategy and Action Plan and, therefore:

- Identifies the actions in the field of CSR and study their adaptation to the company's strategy.
- Collects information from the different business units.
- Measures, quantifies, evaluates and communicates, both internally and outside the organisation, along with the company's actions in the sphere of CSR.

Although the competent unit in the field of CSR is the Communications and Institutional Relations Division, where the CSR Department is integrated, all the units and employees of Aena are involved in the deployment of the company's CSR Strategy, and inform the Committee Executive periodically on the actions, good practices and accomplishments.



[CSR Management Bodies](#)



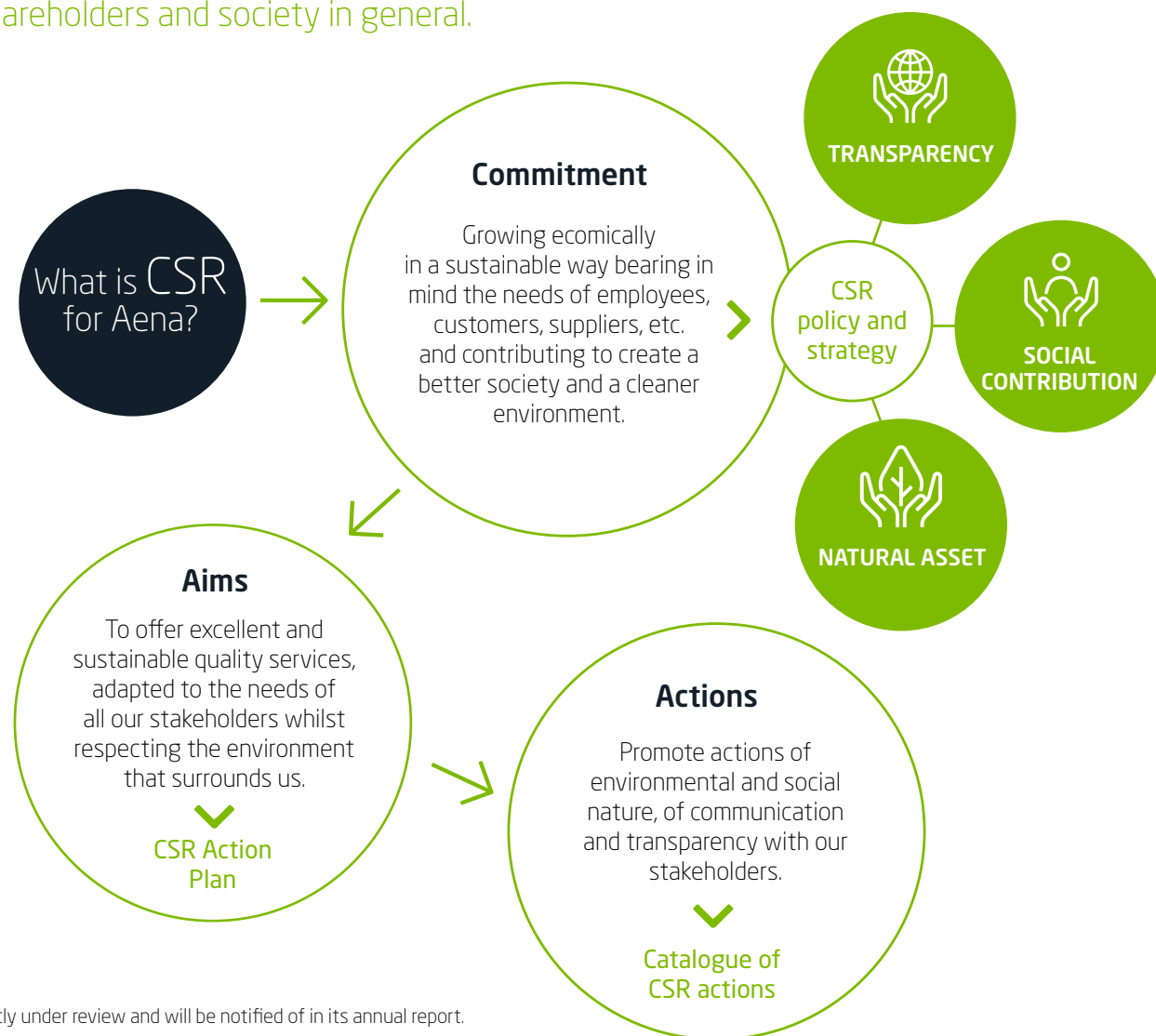
Aena CSR Strategy

Aena integrates Corporate Social Responsibility (CSR) into the business strategy to contribute to responsible tourism by making the services offered provide value to customers, shareholders and society in general.

This is intended to ensure that stakeholders perceive Aena as a valuable company for its environment, that takes care of people and that is transparent in its actions.

The main tool to guide actions in economic, social, environmental and ethical matters is the CSR Framework Policy, applicable to Aena SME, SA and all its fully-owned companies, regardless of their geographical location.⁽¹⁾ It is complemented by other policies and guidelines related to responsible communication, disability, protection of the environment, ethical conduct, prevention of occupational risks or the relationship with investors, amongst others.

CSR Strategy 2017-18, which develops this policy, is structured around 3 pillars: environmental protection, social contribution and transparency, and is materialized through the CSR Action Plan, endowed with specific actions to be carried out by the different business' units.



(1) The London-Luton Airport CSR Strategy is currently under review and will be notified of in its annual report.

The CSR Action Plan is based on the challenges the company faces in this area and takes as reference the three pillars on which the CSR Strategy is based:




- **Environment:** noise management, energy efficiency and reduction of CO₂ emissions.
- **Social contribution:** diversity, traction of suppliers and integration of social action in the airport business.
- **Transparency:** mainly the participation and conciliation

of interests with the interest groups, and the association of the image of Aena with responsible tourism.

In parallel, this model is aligned with the **10 Principles of the Global Compact** and the **Sustainable Development Goals of the United Nations**.



[CSR and transparency](#)
[Commitments](#)

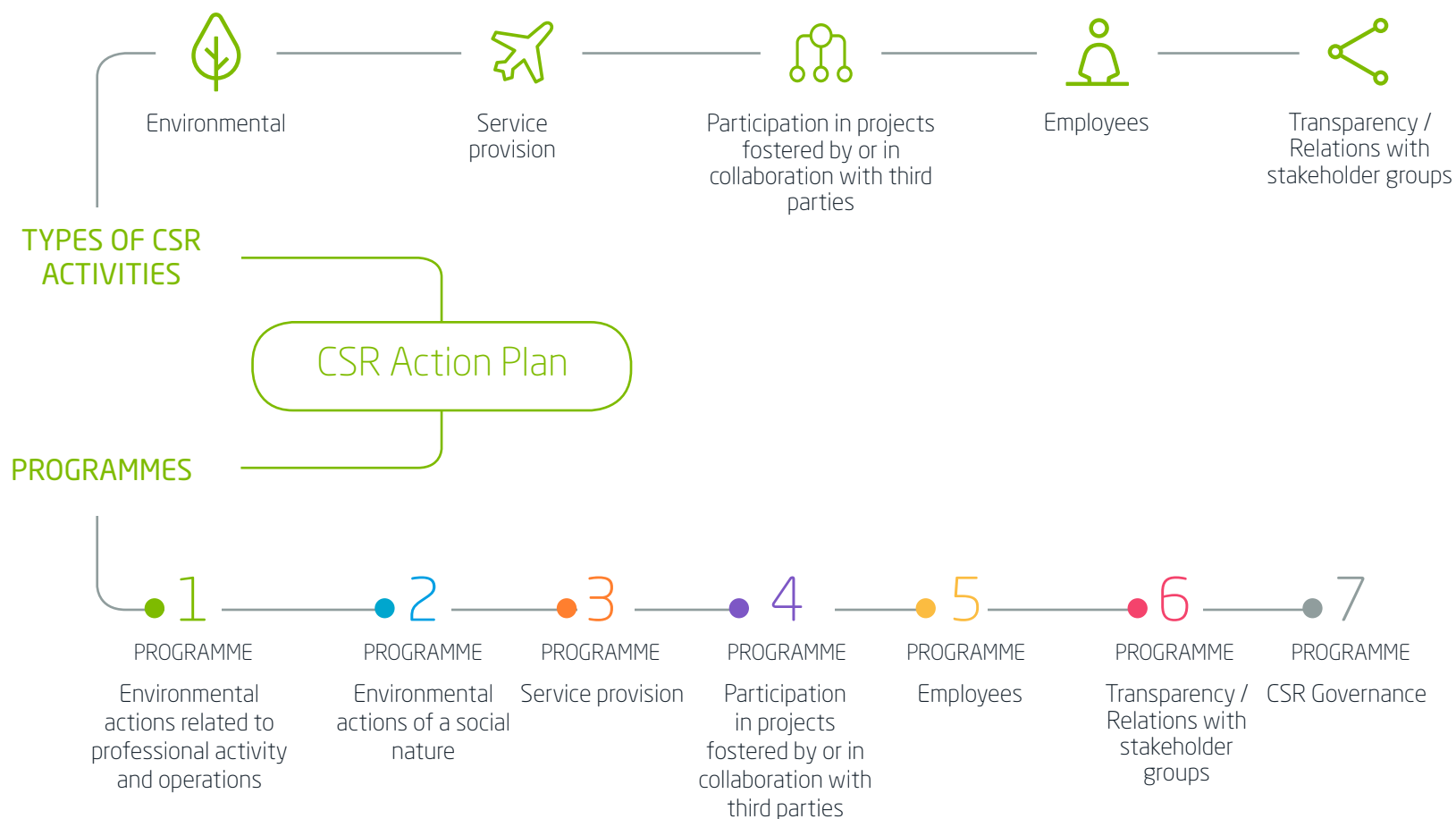
CSR strategic lines	Aims	Challenges	Framework of reference	Contribution	
				10 Principles	SDGs*
 CAPITAL NATURAL	To deploy Aena's commitment in relation to the minimisation of noise levels and atmospheric emissions, the fostering of energy efficient policies and the development of actions that ensure balance with the environment.	<ul style="list-style-type: none"> • Management of acoustic impact • Maximising energy efficiency, minimising CO₂ emissions • Strengthening the protection of the environment through the development of innovative solutions 	Policy on Integrated Management of Quality, Environment and Energy Efficiency	P7 P8 P9	SDG 7 SDG 9 SDG 11 SDG 12 SDG 13
 SOCIAL CONTRIBUTION	<p>Supporting projects or actions of a social, environmental, educational, cultural or sports nature, directly or indirectly, that add value to the business.</p> <p>Guaranteeing the quality and safety of services.</p> <p>Maintaining the highest levels of motivation and commitment of our employees, retaining talent and embracing new challenges as they arise.</p>	<ul style="list-style-type: none"> • Perform specific environmental actions aimed at particularly sensitive areas or groups • Focus Aena's participation in social projects that are aligned with the business model • Promote diversity as a factor of change 	<p>Principles of social action and contribution in the community</p> <p>Disability Policy</p> <p>Code of Conduct</p> <p>Policy on Integrated Management of Quality, Environment and Energy Efficiency</p>	P1 P2 P3 P4 P5 P6	SDG 5 SDG 8 SDG 9 SDG 10 SDG 11 SDG 16 SDG 17
 TRANSPARENCY	Promotion of a framework of relationships with stakeholders based on transparency, dialogue, the generation of trust, the creation of shared value and reputation.	<ul style="list-style-type: none"> • Association of the image of Aena with the concept of responsible tourism • Effectively reconciling social interests • Maintain transparent communication based on the need to inform both the financial and non-financial aspects of the company • Dissemination of a responsible and sustainable business management model based on the direct participation of stakeholder groups 	<p>Corporate governance and regulatory compliance policies</p> <p>Code of Conduct</p> <p>Communications Policy</p>	P10	SDG 10 SDG 16 SDG 17

* Sustainable Development Goals

Indicators GRI: 102-16; 102-29; 103-2

CSR Action Plan

The CSR Action Plan is structured around 7 programmes equipped with an ensemble of specific actions.



Deployment of the CSR Action Plan 2017

PROGRAMME	DETAILED CSR ACTIONS / COMPLIANCE	MAIN RESULTS 2017
1 , Environmental actions related to professional activity and operations  Action type: Environmental  Axis: Natural Asset	<ul style="list-style-type: none"> ✓ Acoustic impact management: insulation plans, monitoring systems and noise maps. ✓ Energy efficiency and protection of the environment through innovative proposals (specific action plans in airports, emission reduction, installation of photovoltaic plants...). ✓ Increase in Airport Carbon Accreditation confirmation levels and "carbon neutrality" goal setting at the Adolfo Suárez Madrid-Barajas and Barcelona-El Prat Airports. 	<p>CSR areas of interest:</p> <ul style="list-style-type: none"> Noise levels Energy efficiency Climate Change <ul style="list-style-type: none"> Reduction of energy consumption / ATU by 4.8%. Reduction of kilos of CO₂/ATU by 5.4%. €316.9 M allotted for acoustic insulation performances (2000-2017) in Spain. €135,436 invested in London-Luton Airport (June 2016-Dec 2017). Renewal of the ISO 9001 and ISO 14001 certification, adapting the system to the new requirements of these international standards. <p> Chapter 8</p>
2 , Environmental actions of a social nature  Action type: Environmental  Axis: Social contribution	<ul style="list-style-type: none"> ✓ Acoustic improvement actions aimed at particularly sensitive areas or groups (health, teaching, childhood, etc.). 	<p>CSR areas of interest:</p> <ul style="list-style-type: none"> Noise levels Sensitive collectives <ul style="list-style-type: none"> 23,096 homes and sensitive usage elements acoustically isolated since 2000. <p> Chapter 8</p>
3 , Service provision  Action type: Service provision  Axis: Social contribution	<ul style="list-style-type: none"> ✓ Services related to accessibility, PRM, health improvement, information services and/or children's areas. ✓ Promotion of recruitment to special employment centers. 	<p>CSR areas of interest:</p> <ul style="list-style-type: none"> Accessibility Health Disabilities Innovation Quality Standards Security <ul style="list-style-type: none"> 7 airports have renovated or opened new children's areas, and 2 have inaugurated rest areas. Free parking facilities in departure drop-off areas. 99.4% from locally-sourced suppliers. 1,520,140 assistances to PRM (rating 4.82/5 points). <p> Chapter 6 Chapter 10</p>

PROGRAMME

DETAILED CSR ACTIONS / COMPLIANCE

MAIN RESULTS 2017

4. Participation in projects fostered by or in collaboration with third parties



Action type:
Participation in projects fostered by or in collaboration with third parties



Axes:
Social contribution Transparency

- ✓ Agreements with social institutions, sponsorships and patronages related to diversity, disability, accessibility, environment, culture, etc.
- ✓ Assignments of spaces, guided visits, etc.
- ✓ Agreements and collaborative conventions with relevant bodies and institutions of the business sector.

CSR areas of interest:

- Human rights
- Diversity
- Disabilities
- Accessibility
- Environment
- Culture

- **337** current collaborative agreements in force (19 in 2017).
- **240** professionals participate in the international cooperation programme.
- Reinforcement and internal and external boost to the "Solidarity Spaces" programme.



Chapter 10

5. Employees



Action type:
Employees



Axes:
Social contribution Transparency

- ✓ Benefits to employees (employee services, training and talent, young employment), conciliation programmes and internal communication actions.
- ✓ Promotion of corporate volunteering and programmes that foster healthy living habits.
- ✓ Perception analysis.

CSR areas of interest:

- Quality of employment
- Social benefits and grants
- Reconciliation
- Training, skills acquirement and motivation
- Participation and communication
- Corporate volunteering
- Healthy habits
- Youth employment

- **336,415** training hours.
- **€1,400,000** in social assistance to employees.
- Corporate volunteering programme
- Improvements to the employee support programme (PAE).



Chapter 7
Chapter 10

PROGRAMME

DETAILED CSR ACTIONS / COMPLIANCE

MAIN RESULTS 2017

6. Transparency and relations with stakeholder groups



Action type:
**Transparency / Relations
with stakeholder groups**



Axis:
Transparency

- ✓ Reporting of non-financial information.
- ✓ Alliances, collaborations and activities focused on dialogue with interest groups, including new service quality surveys.
- ✓ Adhesion to the United Nations Global Compact Network.
- ✓ Development of active and bidirectional communication policies focused on the contribution to sustainable development objectives (SDGs).

CSR areas of interest:

- Non-financial information
- Dialogue with stakeholder groups
- Active communication
- Reputation

- Improvement in Merco ranking positions.
- Inclusion in certain sustainability indexes (FTSE4Good, Standard Ethics).
- Record of the Report in the System of Social Responsibility Reports for Companies.



Transparency, dialogue and trustworthiness section of this chapter

7. CSR Governance



Action type:
**Transparency / Relations
with stakeholder groups**



Axes
**Social contribution
Transparency**

- ✓ Adaptation of the company's practices to the "Principles of social action and contribution in the Aena community", along with the follow-up and control mechanisms in terms of CSR.
- ✓ Establishment of a methodology for estimating the calculation of CSR actions and quantification of social investment.
- ✓ Dissemination of the 2017 Aena CSR Plan and fostering of the values of transparency, externally and internally.

CSR areas of interest:

- Ethics and integrity

- New CSR portal in the intranet.
- Updating of the CSR portal on the Aena website.
- Dissemination of the CSR Strategy and Plan in the media.



**Chapter 2
Chapter 9
Chapter 11**

Adhesions and acknowledgements

Our partnerships have been strengthened through various initiatives on a global level. Our commitment to sustainability is recognised and valued by different agencies and indexes.

We work closely with some of the most representative associations and

entities in the field of CSR. Particularly noteworthy is the leadership assumed since 2016 by Aena in the Forética Integrity, Good Governance and Transparency Cluster, which in 2017 focused mainly on the transposition of the Non-Financial Information Directive.




[Adhesions and acknowledgements](#)

Global Reporting We follow reporting trends and develop our non-financial information based on international standards	 Airport Carbon Accreditation Carbon emissions of our airports have been minimised	 FTSE4Good Present in international sustainability indexes
 Forética We work closely with some of the most representative bodies in the field of CSR in our country	 The United Nations Global Compact A further step in our responsible commitment	 Excellence in Sustainability Club United for sustainable economic, social and environmental growth
 Regarding climate At the forefront of the struggle against climate change	 Companies for a society free of gender violence Fostering campaigns against gender violence	 Merco Recognised as an excellent company

Transparency, dialogue and trustworthiness

Transparency is an essential factor of credibility, trust and reputation, of undoubted value for the organization and its stakeholders. With the approval of the Communication Policy in 2017, the aim is to bring the culture of corporate responsibility to the different interest groups, strengthening effective relationship channels that allow us to guide Aena's response to the needs and expectations of the different stakeholders, whilst also contributing to the creation of shared value.

The identification of the stakeholders is carried out through processes of internal reflection of the management team, to determine which strategic groups are affected by the activity of Aena and who have the capacity to influence the organisation. Based on this analysis, different relational models are established that allow managing the needs of each group.






[Communication Policy](#)
[CSR and transparency](#)



Beyond the public information regulated by the rules of action in the markets or the Law on transparency, access to public information and good governance, Aena has active and dual-directional communication policies with the stakeholders that contribute to promoting dialogue, collaboration and accountability, whilst helping to evaluate and permanently reinforce the company's commitment.

Among the channels available to the public, the Annual Report is the main information tool, in addition to the [web](#), [social networks](#), the [telematic services portal](#), the [environmental care office](#), the [email](#) and the telephone and face-to-face customer service. Additionally, there are specific communication mechanisms for each of the interest groups that allow for the detecting of their expectations, direct communication to the most demanded and relevant issues and design improvements in the functioning of the organisation.

Communication with stakeholder groups





Stakeholder Group	Ad-hoc communication mechanisms	Relevant expectations detected in 2017
 Passengers	<ul style="list-style-type: none"> • Quality perception surveys 	<ul style="list-style-type: none"> > Quality of facilities and service > Accessibility > Security
 Airlines and Handling Agents	<ul style="list-style-type: none"> • Working groups / committees / expert sessions • Mixed monitoring commissions • Quality perception surveys 	<ul style="list-style-type: none"> > Quality of facilities and service > Security > Affordable environmental management and work procedures > Efficiency > Good practices, analysis of potential markets and active collaboration
 Employees	<ul style="list-style-type: none"> • Command chain • Mixed commissions with trade unions • Perception survey • Reporting Channel • Newsletters • Intranet 	<ul style="list-style-type: none"> > Transparency > Employment conditions > Communication > Social benefits > Equality > Training and professional development

Continues

Stakeholder Group	Ad-hoc communication mechanisms	Relevant expectations detected in 2017
 Public Administrations and regulatory bodies	<ul style="list-style-type: none"> • Working groups / committees / expert sessions • Mixed monitoring commissions • Management of parliamentary procedures through the Ministry of Public Works 	<ul style="list-style-type: none"> > Transparency and good governance > Regulatory compliance > Contribution to public policies and citizen interests > Security > Adequate infrastructure > Local planning > Exchange of information and good practices > Intermodality > Quality of facilities and services
 Investors and analysts	<ul style="list-style-type: none"> • Specific web section for shareholders and investors • Roadshows 	<ul style="list-style-type: none"> > Transparency and good governance > Advertising and fostering competition > Confidentiality and non-discrimination > Sustainability > Compliance with regulations and agreements > Profitability > Reputation > Innovation > Capacity
 Suppliers (works, supplies and services)	<ul style="list-style-type: none"> • Aena Suppliers' Portal 	<ul style="list-style-type: none"> > Transparency and impartiality in tenders > Conditions in compliance documents and controls > Punctuality in payment > Procedural agility > Suitable facilities
 Licensees (lease of premises and spaces and commercial services without leasing)	<ul style="list-style-type: none"> • Aena Companies Portal 	<ul style="list-style-type: none"> > Transparency and impartiality in tenders > Contractual conditions > Procedural agility > Suitable facilities

Continues

1,674
environmental
information
requests handled
through Aena's
different channels

Stakeholder Group	Ad-hoc communication mechanisms	Relevant expectations detected in 2017
 Business / sector organisations and international organisations	<ul style="list-style-type: none"> • Working groups / committees / expert sessions • Mixed monitoring commissions • International Cooperation Programme with the aeronautical community 	<ul style="list-style-type: none"> > Knowledge and good practices exchange > Quality of facilities and service > Security > Capacity > Operational efficiency > Regulatory compliance > Contribution to socio-economic interests
 Society / local community / NGO	<ul style="list-style-type: none"> • Working groups / committees / expert sessions • Surveys • Webtrak (Interactive noise maps of 6 airports) • SAIM Office in Barcelona-El Prat • Office of environmental information • OFIMA in Madrid 	<ul style="list-style-type: none"> > Socio-economic contribution > Regulatory compliance > Access to information > Quality of facilities and services > Security
 Mass Media	<ul style="list-style-type: none"> • Specific press web section • Press Briefings 	<ul style="list-style-type: none"> > Transparency > Access to information > Regulatory compliance
<div>  <div> Aena website Transparency and CSR Public information Telematic Services Portal </div> <div> Environmental care office Social Networks Periodic public information by CNMV Shareholder portal </div> <div> Aena Suppliers' Portal Aena Companies Portal Press office </div> </div>		

34,705,822

single web visits
(from the Desktop
and mobile versions)

110,000

followers
on social networks

870

press releases sent
to national media

102

Articles and
participations on
the most social
news in the internal
newsletter

43

Internal bulletins
published

In terms of **fiscal transparency**, the Board of Directors approved the fiscal strategy of Aena SME, SA in February 2017, which, based on values of transparency, integrity and prudence, pursues:

- Management of tax matters in a proactive, responsible and transparent manner with all our stakeholders.
- Compliance with the current tax legislation.
- Minimisation of reputational risk, making it compatible with the protection of shareholder value.

Said strategy includes the commitment not to create companies in order to evade taxes in territories considered tax havens.

Furthermore, in April 2017, Aena went a step further in this area by adhering to the Code of Good Tax Practices of the State Agency for Tax Administration of Spain, which covers all those practices that lead to the reduction of significant fiscal risks and the prevention of those conducts prone to their creation.

The fiscal contribution of the Aena group in the fiscal year 2017 amounted to 622.7 million euros. The taxes paid amounted to 412.6 million euros, the most important being the corporate tax that amounted to 263.5 million euros, while the proceeds reached 210.1 million euros, the income tax withholdings, which amounted to 46.6 million euros, being the most significant.

€622.7 M
of tax contribution in 2017



[Fiscal transparency and good practices](#)
[Tax contribution](#)

Tax contribution

	€M, 2017 fiscal year	% of the total
Taxes borne	412.6	66%
Taxes collected	210.1	34%
TOTAL	622.7	100%

Tax contribution broken down by taxation type

	€M, 2017 fiscal year	% of the total
Tax on Profits ¹	317.0	51%
Taxes associated with employment ²	138.3	22%
Property taxes ³	134.0	22%
Taxes on products and services	18.3	3%
Other taxes	15.1	2%
TOTAL	622.7	100%

(1) Includes withholdings on movable capital.

(2) Contributions to Social Security and income tax withholdings.

(3) Property tax

Tax contribution by country

	€M, 2017 fiscal year	% of the total
Taxes paid in Spain	616.5	99%
Taxes paid in the United Kingdom ¹	6.2	1%
TOTAL	622.7	100%

(1) The data for the United Kingdom are expressed in euros, for which the average exchange rate for the period has been used.

Aena with the Sustainable Development Goals (SDG)

AENA, convinced of the importance of the private sector has in achieving these goals, aligns its purposes with the new United Nations' Agenda for Sustainable Development. The company contributes to the achievement of Goals numbered 5, 7, 8, 11, 12, 13, 16 and 17 through specific initiatives included in its CSR Action Plan, which highlight the role of tourism in the following key areas:



Environmental protection, efficient use of resources and combating climate change. Working to promote models of sustainable coexistence in the environments in which we operate. Multiple actions are also undertaken geared towards, for example, mitigating the acoustic impact, improving energy efficiency, fostering the use of renewable energies or monitoring air quality.



Economic and sustainable growth. Endeavours are undertaken to provide a safe and healthy working environment characterised by equal opportunities and non-discrimination, promotion of diversity, talent management and the reconciliation of professional and personal life.



Diversity and social inclusion. Diversity and universal accessibility is of the utmost importance to us, duly favouring the exchange of cultural values, and promoting participation in the community and the contribution to social welfare.



We guarantee the modalities of sustainable consumption. Quality services and insurance are offered, which guarantee the health and protection of all their users and employees.



Alliances for the achievement of common sustainable goals are strengthened. The importance of alliances, communication and transparency as tools for raising awareness and achieving our goals is also acknowledged.










[Aena with the SDGs](#)

Aena with the Global Compact

In 2017, Aena formalised its adhesion to the United Nations Global Compact initiative, committing to support the ten principles that govern this pact in terms of human and employment rights, the environment and anti-corruption measures.

Through this agreement, Aena expresses its intention to support and develop these principles within its area of influence, integrating the Global Compact in its business strategy, culture and way of acting of the company, through proposals concrete actions contemplated in its CSR Action Plan.



PRINCIPLE		CONTRIBUTION	
1	Companies must support and respect the protection of internationally proclaimed human rights within their sphere of influence.		Chapter 11 Human Rights
2	Companies must ensure that they are not complicit in the infringement of human rights.		
3	Companies must uphold the freedom of association and the effective recognition of the right to collective bargaining.		Chapter 7 The people at Aena
4	Companies must work towards the elimination of all forms of forced and compulsory labour.		Chapter 2 Responsible Government
5	Companies must uphold the effective abolition of child labour.		
6	Business must uphold the elimination of discrimination in respect of employment and occupation.	 	Chapter 2 Responsible Government Chapter 7 The people at Aena
7	Companies must support a precautionary approach to environmental challenges.		
8	Companies must promote initiatives that promote greater environmental responsibility.		Chapter 8 Relations with the environment
9	Companies must promote the development and diffusion of technologies that respect the environment.		
10	Companies must work against corruption in all its forms, including extortion and bribery.		Chapter 2 Responsible Government

Social cash flow

In economic terms, the value distributed to society has materialised in €477.6 M intended for taxes and levies, €200.7 M in salaries, €574.5 M in dividends and €1,347.3 M in contracts awarded to suppliers.

In relation to actions with the supply chain, we must highlight the commitment of Aena with the revitalisation of the economies in the environment where it operates with 99.4% of national suppliers working to gradually reduce average payment times, always in accordance with the applicable legislation that is in force.

During 2017, the amount awarded by Aena through proceedings amounted to 1,235.1 million euros (excluding taxes). The volume of procurement awarded in a centralized manner represented 89.2% of the total (1,101.3 million euros), compared to 10.8% (133.8 million euros) allocated by airports in a decentralised manner. To this, the awarding of smaller contracts for an amount of 24.41 million euros must also be added.

As for the total volume of the awarded contract relating to leases for commercial activity, it amounted to 50.21 million euros (excluding taxes) for the first annuity of the contract.

In the workplace, Aena generates a direct employment of 8,234 jobs and an indirect employment of almost 438,900 total employment positions (1.9% of the active population) according to ACI - Interviews. Economic Impact on European Airports (2016).

Social cash flow 2017

	€M, 2017 fiscal year	% of the total
● Payment of taxes	477.6	18.4
● Payment of Salaries	200.7	7.7
● Payment of dividends	574.6	22.1
● Procurement and Contracts	1,347.3	51.8
TOTAL	2,600.1	100%

* Taxes included



Breakdown of adjudicated proceedings from suppliers (€M)

2017	Works	Supplies	Assistance, consultancy and services
Centralised investment	193.9	264.6	30.5
Centralised expenses	0.3	11.8	600.4
Decentralised investment	68.2	23.1	2.2
Decentralised expenses	9.9	6.4	23.8

Commercial lease agreements awarded centrally (€)

Business lines	No. proceedings	Adjudication Amount (1 st Annuity)	% s / Total Adjudication (1 st Annuity)
Travel agencies	17	228,017.76	0.45%
Aircraft maintenance and housing	7	988,621.20	1.97%
Car Rental	2	772,944.00	1.54%
Car parking	10	-	-
Land leases	4	325,053.96	0.65%
Bars and restaurants	17	15,193,051.60	30.26%
Cargo	5	1,410,785.52	2.81%
Fbos	2	479,088.00	0.95%
Fuelling stations	2	244,885.63	0.49%
Machinery	14	6,713,675.00	13.37%
Other real estate operations	8	218,900.00	0.44%
Other passenger services	2	229,120.00	0.46%
VIP lounges	15	-	-
Financial services	12	8,689,191.00	17.30%
Shops under the normal tax regime	74	14,721,247.21	29.32%
Totals	191	50,214,580.88	100%

Territorial vertex

In addition to its impact on the economy and the creation of employment, air transport constitutes a strategic sector in terms of connectivity, accessibility, cohesion and territorial connection.

Applying insularity criteria in the fixing of airport charges in the Canary Islands and the Balearic Islands and also the corresponding Public Service Obligations (OSP), the air sector is strengthened as a territorial structuring instrument.

At the same time, connectivity and the connection of the main cities of the world are promoted, favouring the establishment of new subsidised routes and through the development of *hub* airports.



447
new routes* in
2017

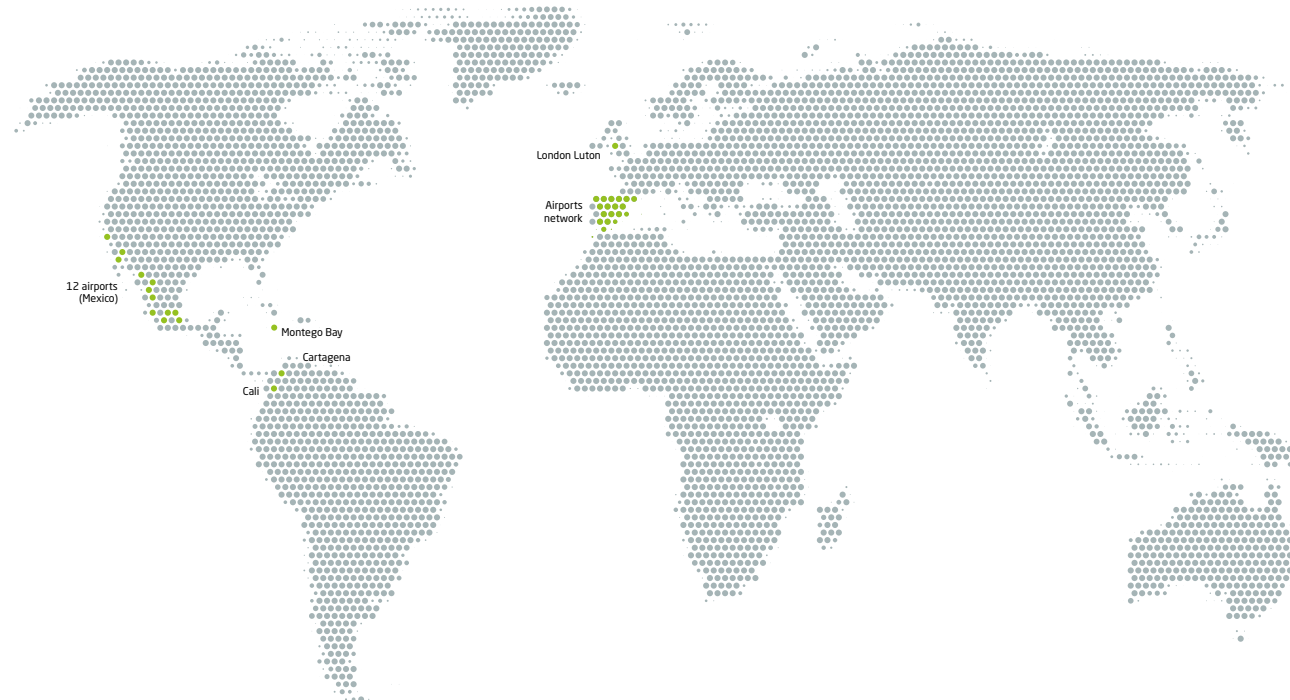
(*) Routes with more than 5,000 passengers in 2017 and less than 1,000 in 2016.



[Air transport and tourism](#)

[Aena destinations](#)

[New routes](#)



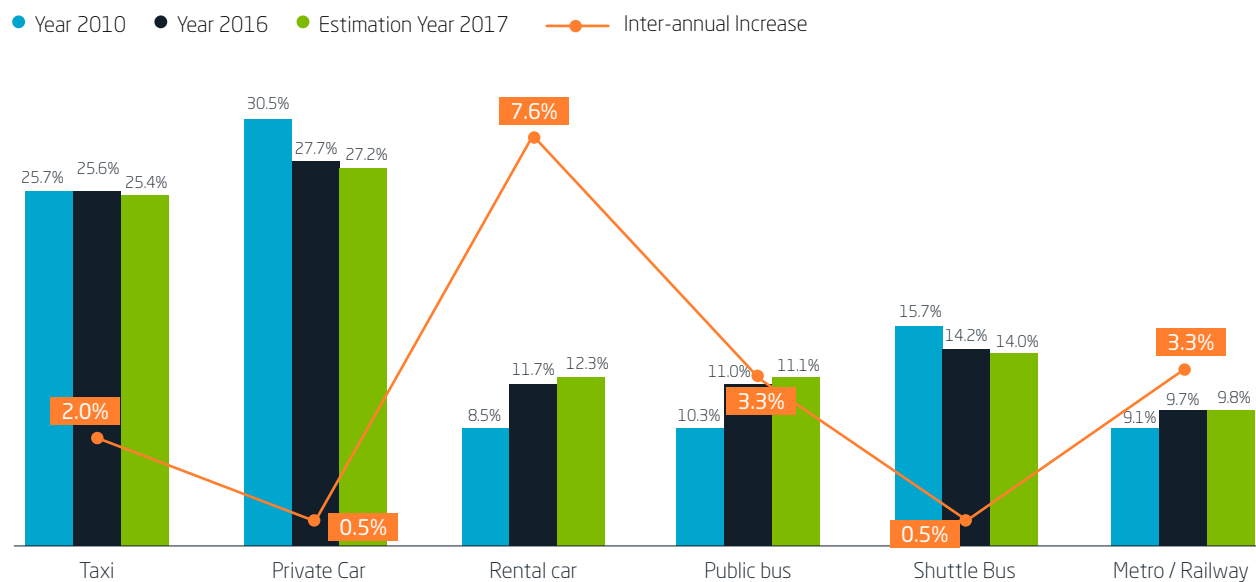
In addition, several actions are carried out in Spain to ensure cohesion and optimise the airport's connectivity with the environment. In collaboration with other public sector administrations and institutions, and in accordance with the development policy of trans-European transport networks, we work towards making our infrastructures integrated with other modes of transport by improving road access, operating in tandem with the rail network and urban planning in the airport environment.

In the same way, we work on Mobility Plans to integrate the infrastructures of access and transport of the cities (car parks, bus and taxi stop areas, etc.), with those of the airport itself. For its planning, periodic surveys of mobility in air mode (EMMA) are carried out, which allow to know the passenger's profile, modes of access and origin.

Agreements with operators of other means of transport

Institutions	Purpose	Term
<ul style="list-style-type: none"> Adif, Ports of the State and Renfe 	<ul style="list-style-type: none"> Joint presence at the 19th edition of the International Logistics and Maintenance Fair 	Until June 2018
<ul style="list-style-type: none"> ENAIRE, Adif, Ports of the State and Renfe 	<ul style="list-style-type: none"> Joint presence at the FITUR Fair 2017 	Until January 2018
<ul style="list-style-type: none"> Department of Environment, Territory and Infrastructures of the Xunta de Galicia, Adif and Renfe 	<ul style="list-style-type: none"> Promotion of intermodality and trans-shipment of passengers on public transport 	Indefinite from September 2015

Modes of transport to access the main airports of the Spanish network (% on passengers leaving land access)



5 COMPLIANCE WITH PLANS

Profitability

Cornerstones for the growth at Aena

Income increase

Cost efficiency

Investment compliance

PROFITABILITY: INCOME INCREASE



Challenges

- Aena's income comes mainly from the commercial activities of airports and airport charges. This income depends mainly on the evolution of traffic, which may be affected by the economic situation, Brexit or the geopolitical instability in Mediterranean tourist destinations and the level of the price of fuel that affects airlines' activity.
- The regulation of the maximum income per passenger (DORA 2017-2021) requires monitoring of costs to guarantee the profitability of the Spanish Airports Network
- The current environment of cost pressure associated with salary inflation that affect Aena's service providers.
- The main challenges are linked to the increase of traffic, control of costs, and the start-up of new facilities.
- Real estate development.

Main measures and aspects concerning management

- Management and cost efficiency.
- Trading incentives.
- Continuous improvement in the commercial offer.
- Renewal of the commercial offer adapting it to passenger profiles.

Main milestones 2017

- ✓ Approval of DORA in which the minimum service conditions are established in the airports of the Spanish network of Aena.
- ✓ Application of the new incentive scheme focused on boosting passenger growth by opening new routes and existing long-haul routes.
- ✓ Improvement of contractual conditions in the bidding of commercial competitions, with the entry of new operators of recognised experience and prestige in airports.
- ✓ Increase in Luton's activity and progress in the airport expansion project.

Targets 2017

- Adaptation to the new Regulatory Framework.
- Maintenance of efficiency and cost control.
- Compliance with the investment commitments set forth in DORA 2017-2021.
- Compliance with the investment plan of the Curium Project (London-Luton Airport).
- Agreement between London-Luton Airport and the Luton Borough Council for the construction of a light rail passenger transport network between the airport and the railway station.

Results 2017*

- +5.7% of net profit.
- +9.8% EBITDA vs. 2016.
- +30.4% revaluation compared to 2016.

* Consolidated

Perspectives and future outlook

- Approval of the Strategic Plan.
- Definition of the real estate development plan within the framework of the Strategic Plan.
- Compliance with the service quality standards aims set forth in the DORA.
- Salarial tensions that put pressure on costs.
- Continue adapting the commercial offer.

Cornerstones for growth at Aena

Aena continues to base its results on three fundamental pillars: the increase in the volume of income; the maintenance of management efficiency and the containment of costs; and compliance with investment commitments. All of them are part of the company’s strategy, and make it possible to increase the profitability of the operating cash flow whilst also reducing net financial debt and the company’s leverage.

Operating and financial performance has been reflected in the evolution of Aena’s share price, which rose 30.4% in 2017, to 169.00 euros per share against the evolution of the IBEX35, which increased by 7.4%. During 2017, Aena’s stock peaked at 183.7 euros and registered a minimum of 129.7 euros.

Evolution of share price 2017

Maximum value	183.7
Minimum value	129.7
Revaluation (%)	30.4



30.4%
of revaluation of
the company stock
compared to 2016



[Stock listing](#)

[Economic and financial information](#)

Evolution of Aena's share price



Relationship with Investors

- [Shareholders and investors' portal](#)
- Customer care line: (+34) 91 321 14 49
- Email address: ir@aena.es

Income increase

Total consolidated income has increased by up to 4,027.6 million euros (+6.8% with respect to 2016)¹, of which 66.8% correspond to income from the aeronautical activity. The positive evolution of traffic in most of the airports managed by Aena, boosted in the Spanish network by excellent data from the tourism sector (passenger traffic grew by 8.2% to reach 249.2 million), has contributed to the increase in total income, partially offset by the charges decrease in Spain with respect to 2016 (airport charges were reduced in 2017 by 2.22%).



+6.8%
of income
compared to 2016

Traffic in Spain continues to be driven by the excellent data from the tourism sector that has reached record levels, boosted by factors such as the increase in the population that accesses travel and leisure, the stability of macro-economic conditions in the Eurozone and in the main countries of origin of the international tourism that visits Spain, the geopolitical instability that remains in tourist destinations of the Mediterranean and the level of the price of the fuel that is contributing to the growing activity of the European airlines.

So far, these growth figures have not been negatively affected by the Brexit, by the terrorist acts that occurred in Barcelona and Cambrils on August 18, by the political environment in Catalonia, or by the cessation of operations, Air Berlin, Monarch and Niki, or by the reduction of Alitalia flights.

As regards Brexit, during the period, the growth of passengers with origin / destination United Kingdom was 8.6% (1.2 million additional passengers), although during the last quarter of 2017 a progressive deceleration of growth is observed due to the weakness of the pound, the situation of the British economy, as well as the recovery of some competing destinations such as Turkey with effect on demand.

On the contrary, in the commercial sphere, the sales of concessionaires at airports did reflect a lower trend in British passenger spending, in line with the evolution of the exchange rate of the pound.

Regarding commercial activity, it is worth mentioning that the ordinary income reached the figure of 1,049.3 million euros, which represents an increase of 11.2% with respect to the same period of 2016.

This result is due to contractual conditions including minimum annual guaranteed rents (RMGA), improved conditions for Aena through the invitation to bid on different tenders and the entry of new operators with acknowledged experience and prestige at the airports. With regard to the businesses operated on AENA's own behalf, car parks and VIP lounges, the marketing actions carried out and the pricing strategies implemented have had a very positive impact on results.

In relation to Food & Beverage, income growth (13.7% more than in 2016) is mainly the result of good traffic data and the consolidation of the complete catering services offered, adapted to the different passenger profiles, through the different brands marketed.

(1) In this section, the percentages of variation of the economic figures have been calculated based on the figures in thousands of euros.

It also highlights the increase in income from the vehicle rental activity operated at airports, due to the positive effect of the new contracts that came into effect in November 2016. The new contracting model, based on higher variable income, has allowed to improve the income by this activity by 30.5% compared to 2016 with respect to the same period in the previous year.

The VIP services, including the 22 operating VIP lounges in 14 Aena airports, in addition to the "fast track" and the "fast lane" performed adequately in 2017, representing income of 41.0 million euros, an increase of 26% compared to 2016.

Growth is driven by the change of the management model of this activity, whose marketing in own has impacted very positively in the evolution of their income.

In 2017, the ordinary income derived from the **real estate services** they reached 59.7 million euros, a 4.4% below those obtained in 2016, mainly due to the impact in 2016 of the accounting recognition of credit rights on real estate built on land subject to assignment agreements. Excluding this effect, ordinary income remains stable.

2017 ordinary income levels per business line (€M)

	Income	% of the total	Variation 17/16
● Commercial total	1,049.3	26.5%	+11.2%
Duty Free Shops	309.0	-	+8.4%
VIP services	41.0	-	+26%
Food & Beverage	175.6	-	+13.7%
Specialty shops	91.7	-	+2.3%
Parking facilities	132.0	-	+8.6%
Car Rental	149.4	-	+30.5%
Advertising	31.6	-	+4.2%
Leases	32.1	-	+28.5%
Other commercial income*	86.8	-	-4.1%
● Total Aeronautical Activity	2,638.5	66.6%	+5.6%
● Total Real estate services	59.7	1.5%	-4.4%
● Total International	215.3	5.4%	+3.7%
London-Luton Airport	204.9	-	+3.4%
TOTAL	3,962.8	100%	+6.8%

(*) Includes: commercial activities, commercial supplies, use of conference rooms and filming and recording, Fast Track and aircraft housing.

(1) Total amount net of inter-segment adjustments (-2,2 million euros)

Total income distribution 2017 broken down by segments²



(2) Net amount of intersegment adjustments (-2.2 million euros)

On the other hand, the income of the **international segment** includes mainly the consolidation of London-Luton Airport in London (5th airport in the United Kingdom by number of passengers), as well as advisory services to international airports. The total income of the international business improved by 7.6 million euros (+3.7% with respect to 2016), as a result of the devaluation of the GBP that has led to a negative effect, compensating the sound growth of traffic experienced at London-Luton Airport.

These activities have contributed to placing EBITDA for the year 2017 at 2,517.4 million euros, +9.8% higher than 2016.

Profit before taxes stood at 1,596.7 million euros compared to 1,516.1 in 2016, and net profit increased to 1,232.0 million euros, meaning 5.8% more than the figure recorded in 2016. 50% of the net profit was transferred to dividends.

As regards the operating cash flow, this has increased 9.6% until the 2010.3 million euros, compared to 1,834.7 million euros in 2016.

EBITDA 2017 by business lines (million euros)

	Ebitda	% of the total	Variation 17/16
Commercial total	873.4	34.7%	+11.5%
Total Aeronautical Activity	1,549.0	61.5%	+10.4%
Total Real estate services	30.6	1.2%	-15.2%
Total International	64.6	2.6%	-9.4%
London-Luton Airport	58.7	-	-10.3%
TOTAL	2,517.4	100%	+9.8%



[Economic and financial information](#)



+9.8%
EBITDA vs. 2016

+5.8%
Net profit
vs. 2016

+9.6%
of operating
cash flow
versus 2016

Cost efficiency

Cost efficiency levels have been maintained during 2017, although it is worth noting that the greater activity and the upward trend in the cost of most of the services awarded since the end of 2016 has started to become visible in operating expenses.







Operating Cost
per passenger

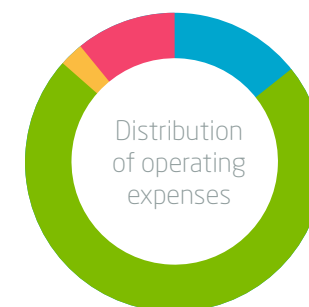
-66.6%¹

than the average of
European competitors

¹ According to 2016 data from
AdP, Fraport, AdR, Heathrow
and Zurich.

2017 operating expenses by business lines (millions of euros)

	 Total Commercial	 Total Aeronautical Activity	 Total Real Estate Services	 Total International	TOTAL ¹
Operating cost	187.7	1,136.1	30.1	150.1	1,502.2
% of the total	12.5%	75.6%	2.0%	10.0%	100%
Variation 17/16 (%)	+11.9%	-0.5%	+5.6%	+9.8%	+2.0%



(1) Total net of inter-segment adjustments (-1.8 million euros)



[Economic and financial information](#)

Investment compliance

Our investment policy, which takes as a reference point the parameters of the investment programme included in the Airport Regulation Document (DORA) for the period 2017-2021, as well as the investment plan established for London-Luton Airport in the tender agreement for the increase in airport capacity, is being developed based on efficiency and effectiveness criteria.

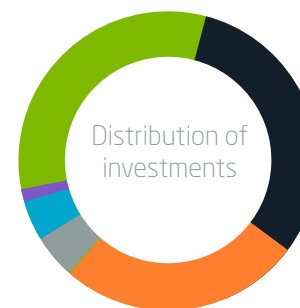
In relation to its implementation, in 2017 the investment paid amounted to 371.2 million euros (including 66.2 million euros in London-Luton Airport).

The main investments in the airport network in Spain are regulated investments that meet the demand for capacity, quality and safety, from the perspective of economic efficiency and respect for the environment.

Investment volume 2017 (million euros)*

	Investment	% of the total	Variation 17/16
● Maintenance	99.3	33%	+14%
● Security	91.8	30%	+59%
● Capacity	12.5	4%	+17%
● Expropriations	2.6	1%	+881%
● Environment	15.2	5%	-32%
● Other	83.7	27%	26%
TOTAL	305.0	100%	25%

(*) Data from Aena SME, SA



+21.5%

of investment volume
compared to 2016¹
(Includes London-Luton
Airport)

(1) According to payment criteria

€371.2 M

invested in 2017
(82.2% in Spain and
17.8% in London-Luton
Airport)

guaranteeing the maintenance of the broad base of existing assets and the optimisation of the available facilities. At London-Luton Airport investment continues both on maintaining and upgrading installations and in the Curium Project to expand the airport's capacity. This project progresses significantly in all of its areas. In 2017, the access and road expansion works were completed, and the terminal expansion works progressed substantially. The air field has also been extended with the extension of the taxiway to its fringe 08.

With respect to investments of the associates that are not entered into the accounting procedures, it is noteworthy that the new international terminal of the airport of Cali, inaugurated on 24 June, is already fully operational. The new terminal has 19,600 m² distributed on 2 levels and has 6 boarding bridges as well as connection to the original building.



Economic and financial information



Financial debt and credit quality

The net financial debt has decreased to the level of 7,156.0 million euros (including London-Luton Airport's net financial debt in the amount of 396.3 million euros) compared to 8,228.0 million euros at the end of 2016, reducing the ratio of net financial debt to EBITDA from 3.6x in 2016 to 2.8x in 2017.

It is also noteworthy that in August 2017, the refinancing of the London-Luton Airport debt structure (GBP 390 million) was completed in order to extend maturities, to set the rate for a higher percentage of the debt, and to secure financing of the entire expansion plan.

Similarly, it is also relevant to note that during 2017 Aena has renewed or contracted new credit policies amounting to 1,000 million euros with validity of 1 and 2 years and extension for the same term.

Aena has also signed with the European Investment Bank (EIB) a long-term loan of 400 million euros to finance up to 50% of the security investments related to the renewal of baggage inspection equipment foreseen in the DORA 2017-2021 framework with a term of maturity of up to 20 years.

For its part, London-Luton Airport has 66 million pounds sterling of undrawn credit lines.

In 2017, credit rating agency Fitch Ratings has upgraded Aena's rating from "BBB +" to "A" by reviewing the positive to stable outlook. Moody's Investors Service maintained the credit rating granted to Aena in 2016 ("Baa1" with stable outlook), maintaining a step above the rating assigned by this agency to the Kingdom of Spain, if well, in its report it stresses that this qualification is affected by the one of the Kingdom of Spain, with the same being rated even more highly, if it were revised upwards.



-13.0%

of debt versus
2016

2.8x

Financial debt to
EBITDA ratio vs. 3.6x
in 2016

Individual Aena Ratio
for the purposes of the
"covenants" included in
the financing agreements
novated on 29 July 2014.
(Does not include London-
Luton Airport)

Net financial debt for 2017 (million euros)

	Net accounting financial debt	% of the total	Variation 17/16
● Fixed rate	6,007.5	87.5%	325.3 (+5.7%)
● Variable rate	830.8	12.1%	-909.7 (-52.3%)
● Revisable rate	27.5	0.4%	-497.0 (-94.8%)
TOTAL	6,865.8	100%	-1,081.4 (-13.6%)



[Economic and financial information](#)

[Rating](#)



6

EXCELLENCE IN TERMS OF QUALITY AND SECURITY

Quality and
improvement
of service

Operational
and airport
security

Quality experience in all services

Improvements in airline services

Progress in passenger services

Operational and airport security



Quality and service improvement



Challenges



The satisfaction and perception of the users determines the vast majority of opportunities for improvement and in the Spanish market may result in economic incentives / penalties as is duly stated in DORA 2017-2021.

Improving the quality of passenger service at the London-Luton Airport with the start-up of new infrastructure, minimizing the impact of the works.

Main measures and aspects concerning management



- Mechanisms for the identification of complaints and claims.
- Measurement of satisfaction/perception of airport users.
- Implementation of improvements in facilities and services.
- Improvement of the commercial offer of London-Luton Airport.

Main milestones 2017

- ✓ Start-up of the new parking building and access to London-Luton Airport.
- ✓ Start of DORA: 17 new demanding and competitive quality indicators.
- ✓ Service for People with Reduced Mobility: launch of the improvement project for the service: new era of the PRM service.

Aims 2017



- Obtain the high degree of customer satisfaction committed in DORA 2017-2021 in the different processes in which they are involved when they use our facilities and services.
- Development of works and improvement projects at London-Luton Airport, maintaining optimal quality levels, to accommodate the growth of network traffic.

Results 2017



- €29.4 M allocated to improve the service of the Spanish airports network (€1.76 M in London-Luton Airport).
- 3.92 out of 5 in quality for services to passengers (Spanish airports network).

Perspectives and future outlook



- Compliance with demanding and competitive quality standards, ensuring that throughout the regulatory period high quality levels are maintained, implementing and developing the necessary improvement actions.
- Complete the expansion work of the London-Luton Airport (scheduled for August 2018).
- Start of works for the connection of a light rail (DART - Direct Air to Rail Transfer) from London-Luton Airport to the railway station, whose start-up is expected for 2021.

Operational security



Challenges



Airports are infrastructures prone to the effects of adverse weather conditions (fog, heavy rains, floods, snow and ice, extreme temperatures or strong winds, which can be aggravated as a result of climate change), and the risk of accidents and incidents, thus being able to give rise to a loss of operational capacity (delays, cancellations) and elevated incidence on efficiency and safety (accidents).

Main measures and aspects concerning management



- Certification of airports according to EU Regulation 139/2014.
- Simulation plan.
- Update of the NSP.
- Implementation of Business Continuity Plans and Recovery of activity in the 7 airports with more than 9 million passengers.

Main milestones 2017



- Completion of the airport certification process according to EU Regulation 139/2014.

Aims 2017



- Finalise the airport certification process.

Results 2017



- Investment in Operational Security: 73.2 million euros.
- Investment of 10 million euros in security equipment (1.21 million euros in London-Luton Airport).
- 100% of the airports owned by AENA certified according to EU Regulation 139/2014 (including London-Luton Airport).

Perspectives and future outlook



- Maintenance of certification and the highest levels of security.
- Creation of the Central Office of Operational Security (OCSO).

Airport Security



Main milestones 2017

- ✓ Successful results of the audits by the European Commission in Barcelona, Menorca and Palma de Mallorca, and of the CAA in London-Luton.
- ✓ Bidding on security files contemplating the requirements of the agreement to guarantee the service without problems of queues at the airports after the application of the award at the Barcelona-El Prat Airport.

Challenges

The terrorist threat has continued to remain a concern in 2017, and will continue to be so in the future. Endeavours must be continued at the highest level, complying with the requirements of airport security regulations, both nationally and internationally.

After the entry into force of RE 2017/458, the border challenge consists of improving the border points with the increase of ABC (Automated Border Control) in the airports featuring the most international traffic in the network.

Main measures and aspects concerning management

- Compliance with security regulations at all Aena airports.
- Update of Airport Security Programmes.
- Drills of Acts of Unlawful Interference to verify the capacity of resolution before a terrorist act.
- Internal Quality Control (25 reviews and 3,000 security tests).
- External audits by the Competent Authority and the European Commission (62 audits by Aesa).
- Upgrade from standard 2 to standard 3 of the EDS warehouse inspection teams.
- Replacement of X-ray inspection equipment to comply with regulatory requirements.
- New private security contracts with quality indicators of security and passenger service.
- Review of the Critical Infrastructure Protection Plan.
- ABC development plan in the main airports.

Aims 2017



- Compliance with the requirements of EU regulations 300/2008 and 2015/1998, amongst others, and the National Security Programme.
- Implementation of a security document that includes the requirements of the agreement and with quality indicators.
- Update equipment to meet safety standards and requirements.

Earnings 2017



- Investment in Physical Security: 18.6 million euros
- ACI Index * 2017: 0.821 (1.7% lower than 2016)

(*) ACI Index: number of accidents and incidents of Airport Council International, for every 10,000 operations.

Perspectives and future outlook

- Renewal of automatic detection equipment for explosives in hold (EDS) in the period 2018-2022 (scheduled for 2018 in London-Luton Airport).
- Automation of processes in security filters.
- Supply of ABC equipment in passport controls.
- Extension of security control in London-Luton Airport increasing its capacity by 35%.

Quality experience in all services

Aena wishes to offer a quality experience in all the services it provides. The modern infrastructure of its airports ensures high standards in terms of quality, security and service.

The quality and safety system of Aena includes measures to monitor and control the satisfaction of the different users of its airports in order to design improvement programmes that allow us to continue offering high quality services and make its

hub airports (including London-Luton Airport) a safe, modern and attractive environment for all. The control and monitoring extend to its supply chain to be able to respond to the expectations of the users.

Main complaints and claims

Indicator	No. 2016	No. 2017	Variation (%)
1. Transport contract	3,730	2,992	-19.8%
2. Handling	643	575	-10.6%
3. Information Systems	484	469	-3.1%
4. Facilities	570	604	6.0%
5. Security services	1,541	2,297	49.1%
6. Supplementary Services	1,067	1,246	16.8%
7. Access points	38	50	31.6%
8. Damage and theft	344	364	5.8%
9. Miscellaneous	188	141	-25.0%
10. Shopping and Food & Beverage services	411	455	10.7%
11. Parking facilities	1,468	1,959	33.4%
Total Airport Management C and C	6,111	7,585	24.1%

In London-Luton Airport they have dealt with, since December 2016 and throughout 2017, 10,687 queries, of which 61% are complaints/claims, 5% congratulations/acknowledgments, and the remaining 34%, general inquiries.



The economic dimension associated with the implementation of the 2017 improvement program resulted in 29.4 million euros of investment in quality and 91.8 million in security in the Spanish airport network. The investment in security in London-Luton Airport is estimated at 1.21 million euros in 2017, 9.28% more

than in 2016. In terms of quality, the investment in 2017 amounted to 1.76 million euros. Aena believes that it has met the required quality levels in 2017, as well as having executed strategic investments planned, so it does not expect the maximum annual income per passenger to be penalized for these reasons..



€121.2 M

invested in quality and safety in the network of Spanish airports (€2.97 M invested in London-Luton Airport)



Passenger satisfaction and perception:

- ASQ surveys (Airport Service Quality) endorsed by the ACI (International Council of Airports)
- Happy-or-Not systems at the exit of the toilets, in the luggage collection area and at the exit of the security filters in 33 airports throughout the network.
- Focus Group Perception
- Web surveys QR codes

London-Luton Airport:

- Surveys similar to the ASQ (400 surveys in 2017)
- Happy-or-Not system in toilets, security, border control and luggage collection.
- Mystery Shopper programme for the evaluation of the quality of the commercial offer.

Satisfaction and perception of airlines:

- Working groups / committees / expert sessions
- Mixed monitoring commissions
- Analysis of the satisfaction and quality perception of airlines

Relationship with franchisee companies

- Periodic surveys
- [Aena Companies Portal](#)

Relationship with State Security Forces:

- Working groups / committees / expert sessions
- Mixed monitoring commissions



[Scope of the integrated quality and environment system](#)

[Policy on integrated management of quality, environment and energy efficiency](#)



Improvements in airline services

In 2017, the airlines were provided with fluid operations, as well as facilities in the best conditions and with the most suitable technology.

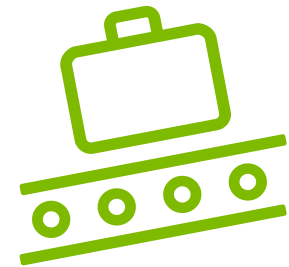
In relation to **performances in the air fields and aprons**, it has been possible to improve the service provided thanks to:

- Construction of two new access roads to the 24R heading on the north runway and three new access roads to the 06R runway on the south runway for the improvement of the management of large-scale aircraft operations at Palma de Mallorca Airport.
- Improvement of pavements, to repair deterioration of different nature in areas of the air field, reversal points and runway areas at Malaga-Costa del Sol Airport.
- Actions derived from the change of the runway designation of the Tenerife Sur Airport (vertical and horizontal signs and modification of the control system and beacon presentation).

- Actions on the coast line at head 03 of the Lanzarote Airport to endow it with RESA (runway fringe end safety area), and on the air field at La Palma Airport.
- Regeneration of taxiway pavement T0 at Reus Airport and on the runway of Son Bonet Airport.
- Expansion of aircraft parking apron and extension of a taxiway to the fringe of runway 08 at London-Luton Airport.

Improvements have also been carried out related to the service of airbridges, handling, parking, fuel and other services such as the construction of the new cargo terminal for two operators, the award of a new fuel storage and distribution service at Zaragoza Airport, which quadruples present supply capacity, and the opening of a new 1,700-seat high-rise parking lot at London-Luton Airport.

In order **to optimise the use of resources and airport infrastructures**, thus improving the efficiency of operations and minimizing delays, the main airports (Adolfo Suárez Madrid-Barajas, Barcelona-El Prat and Palma de Mallorca) have the optiA-CDM system (Airport Collaborative Decision Making). The system provides relevant information in real-time of the different stakeholders (companies, handling agents, providers of air navigation services, etc.) and allows for the reduction of the aircrafts' time scale. The airport of Alicante-Elche has a similar system called "Advanced Tower", which in 2017 has been extended to the airports of Gran Canaria and Malaga-Costa del Sol.



3.56

level of general satisfaction of the airlines (reference value 3.55) (Spanish airports network)



Progress in passenger services

To ensure passengers a comfortable and quality stay, different actions have been carried out to improve airport and commercial services.

Regarding the actions aimed at **improve the passenger experience**, in 2017, in addition to refurbishments and maintenance of toilets, floors and façades, in the airport area, improvements are highlighted in:

- guidance within the terminal with performances in static signage and service information offered to the public,
- continuous training for airport staff, airlines and handling staff in the procedures of dealing with and improvement of the passenger experience,
- lighting, air conditioning, electromechanical installations, benches, children's areas and work stations to ensure passenger comfort throughout their stay at the airport,
- accessibility to cover the needs of passengers with reduced mobility (PRM), such as the installation of two new lifts at the west end of the A module for the exclusive use of PRMs at the Palma de Mallorca Airport, the creation of a new point of service for PRM in the boarding area of Fuerteventura Airport or the reinforcement of seats for PRM in waiting areas next to monoliths in Menorca Airport,
- waiting areas for passengers travelling with children, with playground, parent area from which monitor their children, library, rear projection area, lactation room with microwave and toilet with changing diapers at the airports of Palma de Mallorca, Tenerife Norte, Tenerife Sur, Santiago de Compostela, Menorca and London-Luton Airport.



3.92

out of 5 in quality of service to passengers (ASQ survey European reference data: 3.99) (Spanish airports network)



In relation to the **commercial area**, in 2017 improvements undertaken have focused on:

- The modernisation and digitalisation of the Tax Free Tent in T4 Satellite Terminal of Adolfo Suarez Madrid-Barajas Airport, and the opening of a new shop at the end of the longitudinal dike of the T1 of Barcelona-El Prat Airport.
- Renewal and expansion of the commercial offer in Canary Islands and the Balearic Islands airports:
- Service start-up of practically all of the new Food & Beverage services offered at the airports of Bilbao (5 premises), Ibiza (6 premises, leaving 3 for the summer season in 2018), Fuerteventura (6 premises), as well as 2 new points in the module C at Palma de Mallorca Airport.
- The renewal of vending machines in the airports of Ibiza, Tenerife Sur and Gran Canaria.
- The extension of the facilities made available to driverless car rental companies. In particular, 26 new customer service locations have been made available within the terminals and 600 parking spaces and 100,000 m² devoted to cars' storage in addition to those adjudicated in the contract.
- New parking products have been implemented in the airports of Palma de Mallorca, Menorca and Valencia, with parking areas closer to the terminal.
- As part of the terminal expansion project, 2,500 square metres of retail space have been opened at London-Luton Airport. The quality of this offer is continuously monitored through the Mystery Shopper project.



3.40

quality level of commercial premises (reference value Europe: 3.44).
(Only Spanish airports network)

3.32

Food & Beverage quality level (reference value Europe: 3.31).
(Only Spanish airports network)

2.85*

Parking facilities quality level
(Spanish airports network)

3.49*

Quality level of VIP lounges
(Spanish airports network)

(*) Without reference value, since ASQ has not established specific objectives for 2017

Operational and airport security

The investments made in the field of security in the network of Spanish airports accounted for 30% of the total investment of Aena in 2017, amounting to €91.8 M (59% more than in 2016)

Airport security

Aena was named Critical Operator in 2015 by the Secretary of State for Security. In 2016, the Security Plan for the Critical Operator Aena was approved, and in June 2017, the Specific Protection Plans for the Critical Infrastructures of Aena were approved.

Aena is immersed every year in a process of airport security audits in accordance with the international regulations contained in the European regulations 300/2008 and 2015/1998, and in accordance with the national regulations contained in the National Security Programme.

To ensure compliance with these regulations, Aena is regularly audited by both the European Commission and AESA. During 2017, the European Commission carried out inspections at

the airports of Barcelona, Menorca and Palma de Mallorca, while AESA carried out 62 inspections at all airports in the network.

In addition, during 2017 the border regulations 2017/458 were approved in which systematic checks were carried out on all passengers crossing a Schengen border. All the international airports of Aena have complied with the requirements of the aforementioned regulation, whose control is the responsibility of the National Police.

Given the volume of passengers at Spanish airports, and especially international traffic in the outer Schengen region, Aena, together with the Home Office, are working on medium and long-term plans to adapt the facilities and functional designs

of the infrastructures, and provide them with automatic border control equipment ABC (Automated Border Control) in order to comply with the requirements of the RE 2017/458 more effectively, thus ensuring the management of passenger traffic in the network of Spanish airports managed by Aena. At present, 100% of the international airports of Aena with Schengen borders meet these requirements.

In addition to the actions taken immediately to improve traffic management in application of the new border control regulations, we have continued to optimise security processes.



100%
of the international airports of Aena with Schengen border fulfil the requirements of the RE 2017/458

€91.8 M
invested in the field of security in the network of Spanish airports (the investment in security in London-Luton Airport is estimated at €1.21 M in 2017)

In particular, reinforcements made in terms of support services in the control of passports (alarms, new control cabins, virtual assistant, new security filters) in the airports of Madrid, Barcelona, Palma de Mallorca, Malaga and Alicante, increasing the capacity of the infrastructure and minimising passenger waiting times, come to the fore. Added to this, from the viewpoint of operational safety, the following actions are worth remarking on:

- Renovation of the old fencing of critical areas in the Palma de Mallorca Airport, as a measure to reduce the indicator of Runway Incursions.
- New airport coordination centre at Santiago Airport.
- Optimisation and reduction of runway closing times for works and maintenance of the installation of visual aids, with a new monitoring system for the cut-outs of the regulators at Palma de Mallorca Airport.
- Extension of operating hours at the Vitoria Airport by 55%.
- The construction of a border inspection post at the Tenerife Norte Airport and the new multifunctional room that will also serve as a care room for family members of victims within the Self-Protection Plan at Tenerife Sur Airport.
- In the case of London-Luton Airport, a special follow-up is made of the Brexit negotiations, which could force changes to the border control system, thus implying the need for new infrastructures and change of procedures.

From Aena, we will work on improving the passenger experience, focusing on the following areas:

- **Infrastructure axis:** improvement of the area for the security process, such as greater space, better lighting, furniture renovation, provision of chairs, footwear, wooden floors, process information through video and signage.
- **Security equipment axis:** improvement of security equipment in current filters, with the inclusion of deviators for luggage for second-line inspection, automatic hand luggage treatment systems and automatic return to improve the inspection process.
- **Personal security axis:** evaluate the training in social skills and customer guidance in service contract documents.
- **Safety procedural axis:** improvement of the passenger-focused process with less intrusive procedures.

100%

of the network certified according to Regulation (EU) 139/2014 or the national regulations according to RD 862/2009



[Security controls in Aena](#)
[Airport security](#)

Operational security

Aena has been immersed for the last 10 years in an aerodrome certification process, first according to the national regulation RD 862/2009, and subsequently in accordance with the European Regulation (EU) 139/2014, which has required a great effort of adaptation of infrastructure to improve safety and comply with international technical standards. With the certification in 2017 (or the conversion of its certifications) of the airports of San Sebastian, Tenerife Sur, Santander, Gran Canaria, Vitoria, Pamplona, A Coruña, Vigo, Tenerife

Norte, La Palma, Lanzarote, Asturias, Santiago, AS Madrid-Barajas, Malaga, Ibiza, Barcelona, Valencia, Palma de Mallorca, Granada, Jerez, Melilla, El Hierro, Fuerteventura, Burgos, Girona, Almeria and Alicante, 100% of the airports over which Aena owns the facility (apron and movement area, including runways) is certified.

A total of 39 airports have been certified (33 by the EU regulations and 6 by the national one according to RD862 / 2009) along with 2 heliports (by national regulations).

However, in the case of the 6 air bases open to civilian traffic and the airport of joint use of Zaragoza, Aena, in coordination with the heads of the air bases, also responds to the requirements established in RD 862/2009, planned in the future to adapt to the terms established in the European Regulation.



Certifications at the main airports in the network





7

THE PEOPLE AT AENA

Talent, working
capacity and
motivation

Employment
conditions
Equality and diversity
The wellbeing of
people

The people at Aena

Training, professional development and talent

Quality, stability and productivity

Equality and diversity

The wellbeing of people: Reconciliation. Occupational
Health and Safety

Talent, working capacity and motivation



Challenges



The talent and commitment of the employees are the best asset to tackle the challenges faced by the company:

- Talent retention.
- Having on-hand better trained professionals.
- Increase motivation, commitment and involvement of employees.

Main measures and aspects concerning management



- External selection, internal provision and scholarship programme.
- Training, professional development and talent management programme.
- Climate and transparency.

Main milestones 2017



1 June 2017:
Entry into force of the new organisational structure at Aena.



Employee opinion survey.



2nd place in the Infrastructure, Services and Construction sector in the Merco Talento ranking.

Aims 2017



- Awareness of the impressions of workers on various aspects of the company to identify those most highly rated, as well as possible areas for improvement.

Results 2017



- +5.5% increase in average monthly productivity compared to 2016 (pax / employee / 12 months).
- +6.8% employment costs compared to 2016.
- €1.77 M devoted to training (Parent Company).
- €0.65 M devoted to training in London-Luton Airport..

Perspectives and future outlook



- New actions in the detection of Potential and Career Planning.
- Training derived from the results of the "Aena Opinion Survey".
- Development of new Training Itineraries.
- Implementation of the Competence Verification.

Employment conditions

Equality and diversity

Employee wellbeing



Challenges



Modernisation of people management, increasing motivation, commitment and involvement.

Improvement of working conditions, facilitation of training and development of professional skills, diversity and equality, while maintaining high levels of safety in the prevention of occupational risks, with the orientation to the efficiency of the organisation and the productivity of human resources.

Main measures and aspects concerning management



- New organisational scheme.
- Compliance with the DORA 2017-2021 regulatory framework.
- Job security.
- Performance management and target bonuses. Equality plan
- Conciliation measures.
- Backing diversity.
- Occupational health and safety.
- New Employee Service Programme (PAE).
- Protocols to deal with special situations.

Main milestones 2017



Registration Agreement to modify the Collective agreement (25/09/2017). Extension of validity until 31/12/2021. (Official State Gazette published on 09/01/2018).



New organisational structure

Aims 2017



- Ensuring compliance with the obligations and commitments acquired with the new regulatory framework and promote the profitable growth of non-regulated activities.
- Providing a framework for employment stability (2018-2021).

Results 2017



- 87.6% workforce with permanent contracts
- 35.5% female presence in the workforce
- 8.93% incidence rate of occupational accidents in the parent company (10.55% less compared to 2016)
- €1.4 M earmarked for social assistance (parent company)

Perspectives and future outlook



- Adaptation of the workforce and the organisational structure to the new needs of the future.
- Development of an Employer Branding strategy.
- Digital transformation for the modernisation of Human Resources management systems and associated training.

The people at Aena

At the end of 2017, Aena has a consolidated workforce, with a total of 8,234 professionals (8,174 of annual average), distributed over all the autonomous communities throughout Spain and Luton (UK). The majority are concentrated in Madrid, Canary Islands, Catalonia, Andalusia, Balearic Islands and Luton.

Total consolidated workforce variation

	2017			2016		
	Total workforce	Total Permanent	Total Temporary	Total workforce	Total Permanent	Total Temporary
Aena SME, SA	7,444	6,427	1,017	7,297	6,357	940
AENA Desarrollo International SME, S.A.	29	21	8	29	20	9
London-Luton Airport	761	761	0	737	735	2
Total	8,234	7,209	1,025	8,063	7,112	951

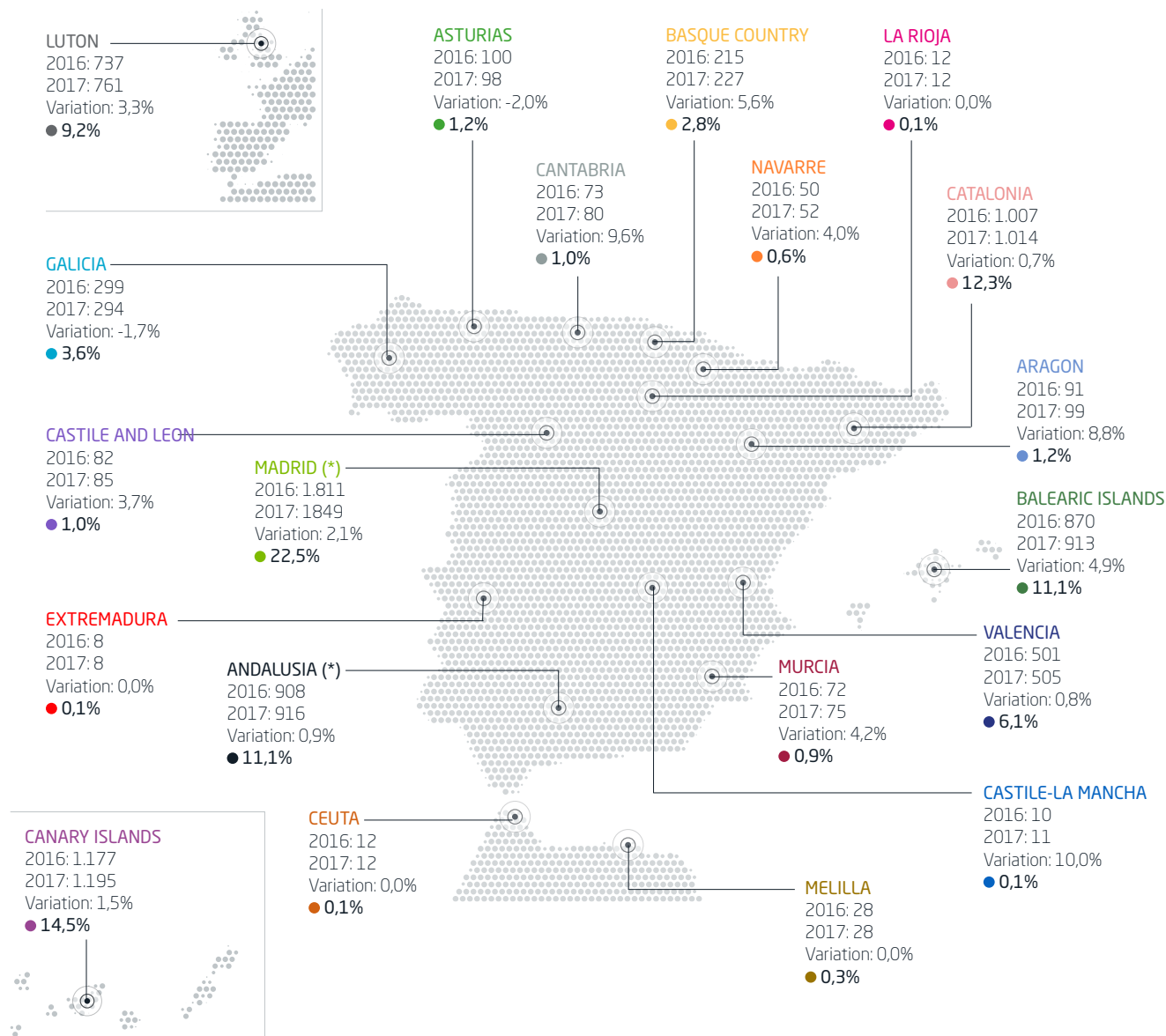


+2.1%

(Consolidated data)
workforce compared
to 2016



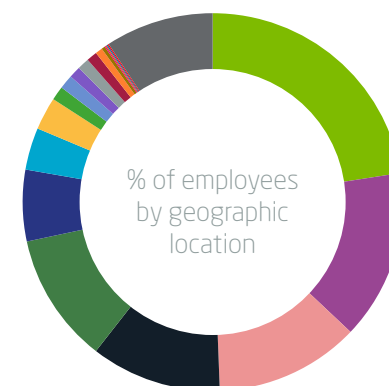
Employees by geographic location



Total workforce:

8.063 2016
8.234 2017

Variation 2,1%



(*) For calculation purposes, the entire workforce of Aena Desarrollo Internacional SME, SA (29:29) was grouped in Madrid.

Training, professional development and talent management

During 2017 actions were taken to contribute to the transformation of the organisational culture and the modernisation of the human resource management, increasing motivation, commitment and involvement and development of professional skills.

In general, in Spain, the following actions have been promoted:

A

Training Actions. The development of our workers' skills is a priority and a key element in Aena's human resources strategy. In 2017, a total of 336,415 training hours were managed, 178,823 in person and 157,592 on-line, for a total of 7,930 people.

B

Programmes. During 2017, two specific programmes are worth mentioning:

Mentoring "Leaders developing leaders" (6th Edition). Since its inception, it has accumulated a total of 163 participants. With this idea, Aena promotes the implementation of some key mechanisms for professional development:

- Transfer of knowledge and know-how, coupled with skills development for leadership.
- Encouragement of commitment, cultural transformation and internal networking.

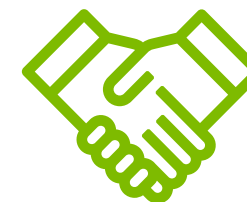
Coaching. In 2017, 24 processes were undertaken, 23 individual (10 females and 13 males) and one team coaching event. Out of all the processes, 172.5 hours of coaching have been accumulated in the company.

C

Other actions. At the end of 2017, a process was started to evaluate the current level of knowledge of the English language of the Airport Services collective, which will culminate at the beginning of 2018, and will have its continuity with a training programme adapted to the level of each worker.

In addition, in response to the needs detected in the climate survey, behavioral training, office automation and corporate tools have been developed.

The Aena Global Training programme has also been implemented for trainee graduates, which combines behavioural and technical training and which, given its good reception, has been extended to middle management and qualified staff.



336,415

hours of training (53% in person and 47% on-line)

7,930

people received training (66% men and 34% women)

Main training actions 2017

	Number of Hours	Number of employees
SSEI collective training	107,053	1,485
MTTO collective training	50,696	1,095
Programming and Operations collective training	38,950	807
Movement Area collective training	26,628	541
Passengers, Users and Clients Care Service collective training	20,432	780
Equality of opportunities between men and women	3,435	1,717
Continuing with the training endeavours commencing in 2016, 18 editions of the "Excellence in the Client Experience" course have been held for the Passengers, Users and Clients Care Service collective.		
ICT awareness course	945	189
System of Compliance and Internal Rules of Conduct in the Securities Markets	166	83



+€2.4 M
devoted to training activities
and programmes (€1,769,135
in Spain and €742,931 in
London-Luton Airport)



Aena confirms its position in the global list of Merco Talento (ranked 55th overall and 2nd in the Infrastructures, Services and Construction sector)

Aena, for a further year, rated as one of the companies best valued by university students to work ("Most Attractive Employers" in Spain)



Training

Quality, stability and productivity

Through the Organisation and Human Resources Directorate, Aena establishes the strategies, policies and procedures related to the people who work in the organisation. Its aim here is to achieve optimal operation, conditioned to the regulatory environment in which it must operate and the functions to be developed.

Aena employees are the ones who make a difference on a daily basis, becoming the best asset to face future challenges. The effective management of human resources has allowed us to continue to serve a growing volume of passengers with high quality and safety standards.

In 2017, personnel costs stood at 417.2 million euros. 87.6% of the workforce boast a permanent contract. All workers - except those who opted for reduced working hours - have full-time contracts.

Productivity continues to grow. Considering the average monthly productivity, an overall increase between the years of 2016 and 2017 of 5.5% and 6.1% is obtained, if the passenger / total workforce ratio is taken into account. The average turnover rate of the parent company's workforce has remained, with very slight variations, at low values in recent years (1.43%), another symptom of employee satisfaction and the efficiency of the recruitment processes.

Average monthly productivity

	Average workforce	Number of passengers	Average monthly productivity (no. passengers / workforce / 12 months)	Variation 17/16	Variation 16/15	Variation 17/15
2015	7,940	219,700,222	2,305.84			
2016	7,964	244,783,133	2,561.35		11.1%	17.2%
2017	8,174	265,022,263	2,701.88	5.5%		

(*) Provisional traffic data 2017



15.6

Average length of service in the parent company and 10.7 in London-Luton Airport

1.43

average turnover rate (Parent Company)

+5.5%

of increase in average monthly productivity compared to 2016

+6.8%

of employment costs compared to 2016

Consolidated evolution of productivity and employment costs

	2015	2016	2017	Variation 2017/2015
Average monthly productivity	2,305.84	2,561.35	2,701.88	17.2%
Employment costs	363.9	390.7	417.2	14.6%

Performance management system

In the parent company, there is a percentage of variable remuneration based on targets, whose compliance is evaluated through a Performance Management System that contains, amongst others, social and environmental aims. In the case of structural staff (middle management and directors) this variable reaches 3.79% of the total gross remuneration, and 6.33% of the rest of the personnel.

The remuneration model is based on the principles of equality and non-discrimination for reasons of gender or similar, and because of its status as a state trading company, is subject to the provisions of the General State Budgets approved according to Law 3/2017.

The average gross salary of structural personnel amounted to €53,445.56/year. As for the rest of the staff, this figure reached €34,312.82/year.

The average salary per employee in the parent company amounts in 2017 to €37,304.14.



Relationship with employees

- Survey of work perception
- Employee Club
- Conecta2 Programme
- Intranet (with more than 30 thematic portals)
- Internal bulletins (press releases and Aena news magazine)
- Reporting Channel associated with compliance with the Code of Conduct
- Works Council
- Mixed commissions with trade unions (State, interpretation, monitoring, conciliation and arbitration, social action, training, promotion and selection, equality, etc.)



—
€53,446*
/ year

Average gross salary
Structural Staff

—
€34,313*
/ year

Average gross salary
Collective agreement
staff

—
€37,304*
/ year

Average salary per
employee

(*) Data corresponding to Spain.

Equality and diversity

Aena is committed to diversity and rejects any discrimination for access to work, recruitment or promotion.

The Collective Agreement applicable to Spain has an Equality Plan whose enforceability has been monitored since 2010 by a Joint Commission formed in equal parts by Aena and the most represented trade unions. The plan pays special attention to the prevention of sexual harassment,

having a specific protocol in place since 2015 that includes a programme to manage complaints.

In the case of workers with disabilities, the Aena Code of Conduct provides for the necessary actions so that they can develop professionally on equal terms.

Aena's commitment to equality and diversity extends to London-Luton Airport, through compliance with the requirements established in the British Equality Act 2010.



35.5%

female presence on the workforce

42.7%

of women in management positions, middle managers or graduates

Workforce by collective (parent company)

	Total	% male	% female	% more than 45 years	% between 25 and 45 years	% less than 25 years	% Spaniards	% foreginers
Senior management	9	77.78%	22.22%	77.78%	22.22%	0.00%	100.00%	0.00%
Other management and qualified staff	1,550	56.06%	43.94%	48.19%	50.84%	0.97%	99.74%	0.26%
Coordinators	1070	72.80%	27.20%	73.55%	26.45%	0.00%	99.72%	0.28%
Technicians	4,349	67.42%	32.58%	49.34%	50.47%	0.18%	99.47%	0.53%
Support Personnel	466	49.57%	50.43%	47.21%	52.36%	0.43%	98.71%	1.29%
Total	7,444	64.72%	35.28%	52.49%	47.18%	0.34%	99.52%	0.48%

Total workforce by type of contract of the parent company

	Permanent			Temporary			Total
	Male	Female	Total Permanent	Male	Female	Total Temporary	
Agreement	3,634	1,757	5,391	592	407	999	6,390
Structure	588	448	1,036	4	14	18	1,054
Total	4,222	2,205	6,427	596	421	1,017	7,444

Percentage of females in consolidated total workforce

Gender	Employees	% s / total workforce
Male	5,311	64.5%
Female	2,923	35.5%
Total	8,234	100%



1.5%

of disabled people
on workforce

7

complaint received for
harassment in 2017*:

- **4 filed** after the analysis of objective data, foreseen in the harassment procedure.
- **3 processed** after the initial inquiry and assessment phase. In the absence of sufficient evidence of presumption of harassment, complaints were filed (consolidated data)

(*) Consolidated data

Employee wellbeing

In order to increase the motivation, commitment and wellbeing of the people who are part of the organisation, the parent company is committed to guaranteeing measures for the conciliation of work, family and personal life centered on the improvement of paid leave for births, breast-feeding or serious illness, flexible hours and grants for studies, health, disability, camps and nurseries.

Reconciliation

In 2017, the parent company launched a New Employee Service Programme (PAE). This programme offers a series of services geared towards helping resolve vital events. It includes both attention and advice in areas related to these situations (legal, fiscal, social, administrative, etc.), specialist legal care or emotional support in person.

At a corporate level, action protocols are also available to address special situations such as those included in the Emotional Support Programme and the Prevention and

Treatment of Addictive Behaviours, or to resolve possible conflicts of a professional nature through dialogue.

Aena employees can access the Employee Club to enjoy deals on top brand products at affordable prices. They also have the possibility to propose ideas and social and cultural activities and enjoy the advantages of collaborative consumption through Conecta2, exchanging products and services and sharing plans.

Likewise, in 2017, the AenaVolunteer programme was launched, through which Aena employees can collaborate with different bodies in a selfless manner giving donations or performing volunteer acts. For more information, see chapter 10 of this report.



€1,400,000

intended for social assistance to employees



[Club de beneficios](#)

[Conecta2](#)

Social benefits and conciliation in Aena

Permits



- Improvement to paid leave for childbirth, serious illness of relatives, breastfeeding. Compensation for public holidays that fall on a Saturday.
- Granting of leave on personal grounds.
- Holiday leave for length of service.

Flexi-time



- Flexible entry and departure times.
- Intensive working schedule during holiday periods.
- Two hours of daily flexibility for parents with children with disabilities.

Employment grants



- Medical insurance. Life and accident insurance.
- Flexible retribution (restaurant tickets).
- Medical examinations.
- Financial aid for studies, health, disability, camps, nurseries, reimbursable advances.
- New Aena Employee Service Programme (PAE). A set of counseling, facilitation and emotional support services that take place in the life of our employees, offering attention and advice in all aspects derived from these situations (legal, fiscal, social, administrative, etc.).



[Employee support programmes](#)

[Aena benefits club](#)

Occupational Health and Safety

Aena has an occupational risk prevention service that guarantees the prevention and protection of all workers, regardless of their level of exposure.

These health and safety issues are formally included in the collective agreement and 100% of workers are represented through Health and Safety Committees.

In its commitment to maintain the highest levels of security, action protocols are available, the necessary protection equipment is provided and ongoing training and information activities are carried out.

In 2017, the following actions are worthy of special mention:

- OHS Guide for Airport Managers: guidance to the management team of airports in the environment of Occupational Risk Prevention, its management and legislation that applies to them.
- Collaboration protocol with centres aimed at identifying and implementing improvement areas in communication skills, conflict management, decision making and leadership in a dialogued, collaborative manner and with monitoring, evaluation and impact agreements.
- Health and Safety Management Measures on Individual Protection Equipment (IPE) and Image Clothing.
- Advisory Services to the entire staff.
- Increase in the disclosure to employees, through the corporate intranet, of the risk sheets for each occupation.
- Management of more than 18,000 records of Coordination of Business Activities (CAE).
- Completion of more than 10,500 medical tests (recognitions, clinical analyses, certificates of aptitude, etc.).

Occupational health and safety indexes (calculated according to Spanish regulations) *

	2015	2016	2017	Variation 17/16
Incidence rate of occupational accidents	7.39	9.98	8.93	-10.55%
Frequency index	4.47	5.80	5.25	-9.48%
Absenteeism rate	4.98	5.71	5.76	0.90%

(*) London-Luton Airport: AFR per million hours = 14.02.



100%

percentage of workers represented through Health and Safety Committees

Decrease in 10.55%

of the incidence index of occupational accidents with respect to 2016



[Health and safety in the workplace](#)



8

RELATIONSHIP WITH THE ENVIRONMENT

Mitigation of
acoustic impact

Energy and
climate
change

Sustainable coexistence with the environment

Mitigation of acoustic impact

Energy and climate change

Mitigation of acoustic impact



Challenges



Acoustic impact is one of the most significant environmental effects of airport activity. The increase in air traffic and population growth in the vicinity of airports contribute to increasing social problems associated. In Spain, 5,243 complaints related to noise were received (94.4% of total environmental claims) and in London-Luton Airport, 15,330.

Main measures and aspects concerning management



- Acoustic insulation plans in homes and buildings for sensitive use.
- Noise Monitoring Systems and Interactive Noise Maps
- Strategic Noise Maps (MER) and Acoustic Easements and Action Plans
- Acoustic improvement actions aimed at particularly sensitive areas or groups (health, teaching, childhood, etc.)

Main milestones 2017

- ✓ Preparation of the Strategic Noise Maps for 11 airports.
- ✓ Installation of noise monitoring systems for the airports of Gran Canaria and Bilbao.
- ✓ Holding of 23 meetings with state, autonomous community and local organisations directly related to the follow-up of sound insulation plans

Aims 2017



- For AENA, it is key to harmonise the management of its airports with respect for the environment that surrounds them.
- Reinforcement a model that guarantees a sustainable coexistence, with the local communities and the natural environment.
- Response to the needs of society, complying with legislation and applying additional initiatives on noise.

Results 2017



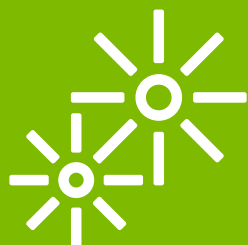
- €316.9 M allocated for acoustic isolation actions (2000-2017) in the Spanish airports network.
- €154,383 invested in London-Luton Airport (June 2016-Dec 2017).
- Soundproofing of 23,096 buildings (2000-2017, in the Spanish airports network).

Perspectives and future outlook



- Reinforcement in the coordination and monitoring of the execution of the measures included in the Action Plans of the Acoustic Easements (including acoustic soundproofing actions) and the Strategic Noise Maps
- Soundproofing of 25,000 homes and buildings for sensitive uses, included in the Acoustic Insulation Plans, before the end of 2020.
- Implementation of Noise Monitoring Systems and Interactive Noise Maps in all airports with more than 50,000 operations before the end of 2020.

Energy and climate change



Challenges

The consequences of climate change (adverse weather events) on operational capacity, safety and efficiency, justify Aena's commitment to the fight against climate change, also supporting the commitment made by Spain at the Paris Summit.

If we add to this the measures that may be derived from the future Climate Change and Energy Transition Law and the high energy cost that the company must assume, progress must be made in the implementation of energy efficiency measures, implementation of renewables and compensation of emissions.

Main measures and aspects concerning management

- Climate Change Strategy.
- Energy efficiency and reduction of GHG emissions.
- Implementation of renewable energy facilities.
- Ground support vehicles with reduced pollution.
- Airport Carbon Accreditation.

Main milestones 2017

- ✓ Increasing the level of the Palma de Mallorca Airport in the Airport Carbon Accreditation programme.
- ✓ Report of the Management Report on Climate Change of the Carbon Disclosure Project (CDP).
- ✓ Energy audits in 12 airports of the network (these constitute 85% of the total energy consumption).

Aims 2017

- Reaching new commitments to reduce emissions at airports.
- Increasing level in the Airport Carbon Accreditation programme of the main airports.
- Design of the Climate Change Strategy.

Results 2017

- 4.8% reduction in energy consumption / ATU compared to 2016.
- Reduction by 5.4% of kg CO₂/ATU*.

* ATU is a parameter that reflects the activity of an airport, taking into account its operations, passengers and the volume of annual cargo.

ATU = Passengers + (100 * Operations) + (10 * Tonnes of cargo)

Perspectives and future outlook

- Reduction of electricity consumption / ATU by 17.5% by 2020.
- 60% share of energy supply from renewable in high voltage and 100% in low voltage for 2020.
- 30% reduction of CO₂/ATU emissions for 2020.

Sustainable coexistence with the environment

For Aena, to harmonise the management of its airports with respect for the environment that surrounds them is a key factor. To achieve this, the company applies an action model based on its Integrated Quality, Environment and Energy Efficiency Management Policy, with which it aims to guarantee a sustainable coexistence, both with local communities and with the natural environment.

The main impacts derived from Aena's activity are noise, energy consumption and GHG emissions.

To manage its relationship with the environment, Aena has a system certified according to ISO 14001 (integrated into the quality system) that guarantees, through specific sample audits for each unit and units, the continuous improvement of its environmental behaviour. This certification affects 100% of the company's activity, including London-Luton Airport.

When establishing plans and measures to improve our performance on sustainability and corporate responsibility issues, the opinion and concerns of our stakeholders is a major factor.

With the aim of facilitating this bidirectional communication process with our users, we have an environmental consultation channel on Aena's public website, where requests for information, complaints and suggestions regarding the environment are centralized, which allows us to respond in a swift, standardised and effective way, as well as minimising response times.

In terms of noise, Aena has a Web application, which provides residents of towns close to airports with

reliable and transparent information on aeronautical operations and the acoustic levels they generate. Furthermore, it allows for the observance, almost in real time, of the aircrafts' trajectory during take off or landing. This tool is called WebTrak at Spanish airports and TraVis at London-Luton Airport.

Regarding the supply chain, Aena includes environmental clauses in 100% of the contracts, including London-Luton Airport.

100%
of the activity certified according to ISO 14001

100%
of supply contracts have environmental clauses

1,674
environmental information requests managed through the different Aena channels

(Spanish airports network)



Communication channels with communities affected by noise

- [London-Luton Airport interactive noise map: TraVis system](#)
- [Aena Environmental Care Office](#)
- [Aena interactive noise maps: WebTrak](#)



The need to make the development of air transport compatible with the conservation of natural values and the quality of life in the airport environment, requires an action model based on the balance between economic, social and environmental factors that allows us approach a sustainable development model.

To this end, Aena carries out the environmental impact assessment of its airport infrastructure projects and coordinates and prepares the necessary documentation to submit to environmental evaluation those projects that, due to their characteristics, as is required. This procedure ends, once the corresponding Environmental Impact Statement (DIA) is published by the Ministry of Agriculture and Fisheries, Food

and Environment, which determines the measures that must be established for the protection of the environment during the phases of work and exploitation of the evaluated project. In order to ensure compliance with all the conditions included in each of the DIAs obtained, Aena carries out Environmental Surveillance Programs defined for both the working and development stages of each of the projects.

Likewise, in the field of strategic environmental assessment, Aena carries out the environmental analysis of the planning instruments of all its airports.

Aena’s material impact on the environment

Impact	Extent of significance*
Noise levels	High
Energy consumption	Medium
GHG emissions	Medium

(*) Established based on the concerns of the affected communities



- [Policy on Integrated Management of Quality, Environment and Energy Efficiency](#)
- [Scope of the IMS](#)
- [Strategic environmental assessment of plans](#)
- [Environmental evaluation of projects](#)

Mitigation of acoustic impact

With the aim of mitigating the effects of noise and, at the same time, responding to the concerns of interested parties (noise accounted for 94.4% of total environmental claims in Spain and Luton; more than 15,000 claims received), Aena dedicates a large part of its efforts to the continuous improvement of the measurement, control and minimisation programs of the acoustic impact in the airport environment.

Currently, 18 acoustic insulation plans are underway, which since 2000 have meant allocating 316.9 million euros in the case of Spanish airports (2000-2017) and 154,483.9 million euros, in the case of London-Luton Airport (2016-2017).

During 2017, soundproofing activities were carried out on 23,096 properties

in Spain. Regarding Luton, the actions covered 49 properties in the 2016-2017 period.

In relation to the legal obligations for airports with more than 50,000 annual operations, during 2017 the Strategic Noise Maps of 9 airports of the Spanish network were exposed to public information, and during 2018 the

corresponding to the airports of Madrid and Barcelona will be carried out.

As for London-Luton Airport, British legislation in force also requires the drafting of such maps.



—
€316.9 M

invested in acoustic insulation (2000-2017, Spanish airports network)

—
€154,383

inverted in sound insulation in London-Luton Airport (2016-2017)

—
Soundproofing of

23,096

buildings (2000-2017, Spanish airports network)

—
Soundproofing of

49

buildings (2016-2017, London-Luton Airport)



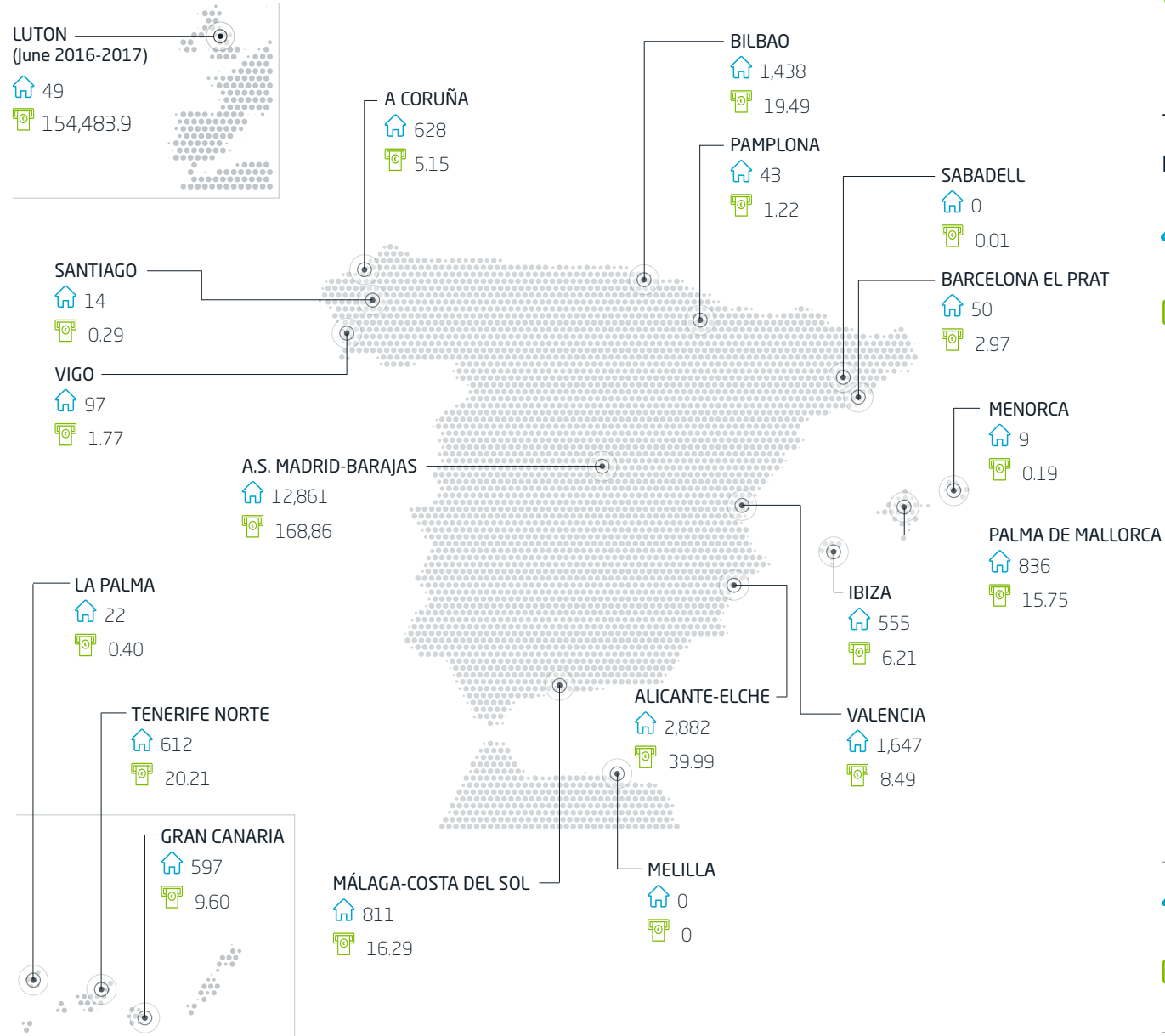
[Strategic Noise Maps \(SNM\)](#)
[Acoustic easements](#)

[Noise monitoring systems](#)
[Acoustic insulation plans](#)

London-Luton Airport:
[NOISE London Luton Airport](#)




Soundproofing plans



Total Spanish airports network

 23,096
 316.90

 No. of soundproofed buildings (2000-2017)

 Amount allocated (€M 2000-2017)

Evolution of the number of people exposed to noise in the Spanish network run by Aena

MER PHASE I	Noise levels	Gran Canaria	Lanzarote-Arrecife *	Tenerife Sur	Tenerife Norte	Alicante-Elche	Bilbao	Barcelona	Ibiza*	Madrid	Malaga	Palma de Mallorca	Valencia	Seville*
	Lday 65 dB (A)	191		0	1,049	84	24	11		2,058	299	90	10	
	Levening 65 dB (A)	66		0	825	90	23	19		1,957	314	98	8	
	Night 55 dB (A)	614		120	0	172	23	24		708	605	336	52	
MER PHASE II	Noise levels	Gran Canaria	Lanzarote-Arrecife *	Tenerife Sur	Tenerife Norte	Alicante Elche	Bilbao	Barcelona	Ibiza	Madrid	Malaga	Palma de Mallorca	Valencia	Seville
	Lday 65 dB (A)	57		0	475	61	29	23	9	1,824	232	110	3	0
	Levening 65 dB (A)	0		0	198	60	506	18	9	149	240	110	3	0
	Night 55 dB (A)	42		45	0	112	0	26	637	38	348	152	19	0
MER PHASE III	Noise levels	Gran Canaria	Lanzarote-Arrecife	Tenerife Sur	Tenerife Norte	Ali-cante-Elche	Bilbao*	Barcelona**	Ibiza	Madrid	Malaga	Palma de Mallorca	Valencia	Seville*
	Lday 65 dB (A)	282	304	20	252	86		10	14	1,751	319	177	1	
	Levening 65 dB (A)	0	294	0	13	62		10	14	1,497	255	187	1	
	Night 55 dB (A)	308	0	90	0	201		12	591	1,754***	1,520	515	91	

Evolution of the number of people exposed to noise

Noise level	MER PHASE I	MER PHASE II	MER PHASE III
Lday 66 dB (A)	<100	<100	<100
Evening level 66 dB (A)	<100	0	<100
Nocturnal level 57 dB (A)	2,300	900	600

(*) MER not drafted given that at the time of its completion it did not reach 50,000 annual operations.

(**) Provisional data. Pending the final closure of the data.

(***) The increase in nighttime values at the AS Madrid-Barajas Airport is due to maintenance actions on runway 32R-14L. These actions have forced the use of the non-preferred runway (32L-14R) during 2016.

The daytime, evening and night levels correspond at all times to the application regulations in force.

Energy and climate change

Our Energy Saving and Efficiency Plan coordinates all the programmes and actions related to environmental sustainability and energy efficiency integrated into the airport network. It aims to optimise energy consumption, as well as the use of renewable energy, in a coordinated and global manner for all its airports. A large part of the actions are included in the Aena CSR Plan within the programme of environmental actions.

The implementation of various energy efficiency measures in airports, together with awareness-raising and outreach activities, have made it possible, despite the growth of passengers and the uniqueness of the weather in 2017, for ATU1 energy consumption to have decreased by 4.8% compared to 2016, standing at 2.47 Kwh / ATU.

In December 2017, Energy Audits were completed in the buildings and facilities of twelve airports belonging to the Aena network (Alicante, Barcelona, Fuerteventura, Gran Canaria, Ibiza, Madrid-Barajas, Malaga, Palma de Mallorca, Santiago, Seville, Tenerife Sur and Valencia), thus giving compliance to RD 56/2016, meaning this has covered more than 85% of the total final energy consumption of all the facilities located in Spanish territories under the auspice of the activities managed by Aena.

With regard to air conditioning projects, highlights the planned project of use of surplus superheated water from the cogeneration plant that currently supplies the T4 Adolfo Suárez Madrid-Barajas Airport to replace

the oil boilers of terminals T1, T2 and T3, with the consequent energy saving and minimisation of GHG emissions. It is noteworthy that this initiative has been financed through the Carbon Fund of the Climate Project for a Sustainable Economy.

Energy saving has a direct reflection on greenhouse gas (GHG) emissions. In this sense, the reduction of GHG emissions by ATU stood at 5.4%, compared to 2016.

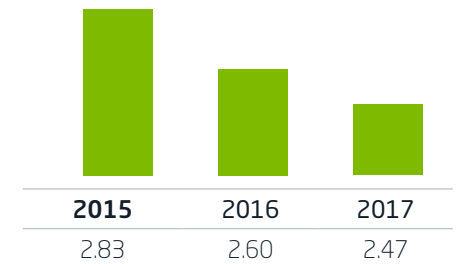
In the field of the implantation of renewable energies, Aena has continued investing in technologies that allow the advancement of energy, avoiding the emission of 781 tonnes of CO₂.

Aena works jointly with the other agents operating at the airport (airlines, handling agents, etc.) with the objective of minimising Scope 3 emissions over which it has influence.

-4.8%

energy consumption / ATU
Includes London-Luton
Airport

Energy consumption Kwh / ATU



This includes the consumption of fuels, electric power, heating and cooling.

1. ATU is a parameter that reflects the activity of an airport, taking into account its operations, passengers and the volume of annual cargo.

ATU = Passengers + (+ 100 * Operations) + (+ 10 * Tonnes of cargo)

The main measures undertaken in this sphere are set out below:

Measures for the reduction of LTO¹ and APUs² cycle emissions

- Implementation of A-CDM or CDM (*Airport Collaborative Decision Making*) or "*Collaborative Decision Making*") whose purpose is to improve the overall efficiency of airport operations, through the sharing of updated information of an operational nature. The result is a reduction of taxi times and therefore a lower fuel consumption and emissions.
- Plan to implement fixed systems of 400 Hz power supply for aircraft. It is currently planned to implement 290 outlet sockets in the airports network until 2030.

Measures to reduce handling vehicles' emissions

- Aena has incorporated requirements for the progressive reduction of emissions of GSE equipment in the specifications for the licensing of handling-based activities. *Handling* agents have drawn up a plan to reduce their emissions by 20% by 2020, and a common methodology for calculating vehicle emissions has been established.

1 LTO Cycle (*Landing and Take-Off*) includes the approach, descent, taxiing, takeoff and ascent operations of an aircraft at an airport up to 3000 ft (approx 915 m)

2 APU (*Auxiliary Power Unit*). Auxiliary energy units that supply electricity and compressed air to the aircraft when it is parked and with its main engines stopped.

In relation to the certifications in the *Airport Carbon Accreditation programme*, in 2017, Aena renewed the certification of Adolfo Suárez Madrid-Barajas and Barcelona-El Prat airports (both with level 2), Málaga-Costa del Sol, Menorca and Lanzarote (all three at level 1). In addition, the airport of Palma de Mallorca has increased in level, reaching level 2 "Reduction".

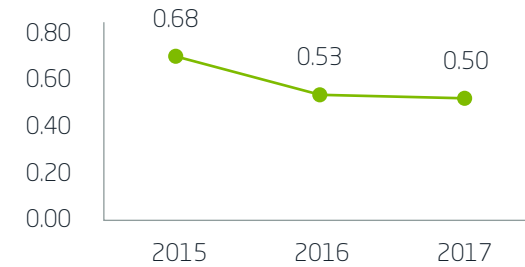
By 2018, the incorporation of the Alicante-Elche and Santiago airports into the Programme is scheduled.

Finally, the goal of "carbon neutrality" has been set at Adolfo Suárez Madrid-Barajas and Barcelona-El Prat airports by 2030, with the aim of obtaining Level 3+ certification for these airports, which means offsetting Scope 1 emissions and 2 of them, which represent almost half of the emissions of the Aena network.

Another noteworthy aspect is the completion by Aena of the questionnaire *Carbon Disclosure Project* (CDP), which is currently configured as the main reporting framework on climate change, obtaining the qualification "Management B".

-5.4%
KG CO₂ /ATU

KG CO₂ / ATU



Includes Scope 1 and Scope 2 emissions, also contemplating those at London-Luton Airport

Evolution of GHG emissions (equivalent tonnes of CO₂). (Includes London-Luton Airport)*

	2015	2016	2017
Direct emissions**	19,578	21,119	22,467
Indirect emissions***	273,993	229,986	232,580
Avoided emissions****	983	778	781

* Emission factors sources: GHG Protocol (fuels) and REE (electricity). An operational control approach has been used to consolidate GHG emissions. For Scope 2, CO₂ emissions have been evaluated, that by its 1: 1 equivalence with CO₂eq, they will be considered CO₂eq.

** Emissions associated with the consumption of fossil fuels in sources of ownership or under operational control.

*** Emissions associated with the generation of electricity (and heating or cooling) consumed.

**** Emissions avoided thanks to the implementation of renewable energy facilities.

Implementation of renewable energies and energy efficiency

Installation*	2015		2016		2017	
	kWh generated	T CO ₂ eq avoided	kWh generated	T CO ₂ eq avoided	kWh generated	T CO ₂ eq avoided
Wind turbines at La Palma Airport	2,500,156	665	2,660,905	569.43	2,241,916	480
Cogeneration plant at Bilbao Airport	425,916	113	485,464	103.89	806,932	173
Photovoltaic modules at Menorca Airport	79,254	21	54,824	11.73	69,983	15
Photovoltaic modules at Menorca Airport	50,391	13	31,985	6.84	53,574	11
Photovoltaic modules at Alicante-Elche Airport	55,605	15	54,279	11.62	53,006	11
Photovoltaic modules at Madrid-Barajas Airport	90,176	24	113,000	24.18	96,670	21
Photovoltaic modules at Madrid-Cuatro Vientos Airport					20,000	4
Photovoltaic modules at La Palma Airport	76,889	20	96,489	20.65	65,373	14
Photovoltaic modules at Valencia Airport	35,100	9	15,473	3.31	29,285	6
Photovoltaic modules at Valencia Airport	25,691	7	17,015	3.64	56,546	12
Thermal solar collectors at Barcelona Airport	358,040	95	79,450	17.00	117,700	25
Reus geothermal power plant		0	26,500	5.67	38,914	8
TOTAL	3,697,218	983	3,635,384	778	3,649,899	781

(*) Emission factor sources: REE





Certifications Airport Carbon Accreditation *

Airport	2016	2017	2018 Objective
Adolfo Suárez Madrid-Barajas	Level 2	Level 2	Level 2
Barcelona - El Prat	Level 2	Level 2	Level 2
Palma de Mallorca	Level 1	Level 2	Level 2
Málaga Costa del Sol	Level 1	Level 1	Level 1
Menorca	Level 1	Level 1	Level 1
Lanzarote	Level 1	Level 1	Level 2
Alicante-Elche	--	--	Level 1
Santiago	--	--	Level 1

* Carbon accreditation programme for airports that provides a common framework for the management of CO₂ emissions. Certification distinguishes between four levels of progress:

- Level 1 (inventory): calculation of the carbon footprint of scope 1 and 2
- Level 2 (reduction): preparation of a Carbon Management Plan and reduction of Scope 1 and 2 emissions
- Level 3 (optimisation): incorporation of Scope 3 emissions and preparation of a Dialogue and Cooperation with Stakeholders' Plan
- Level 3+ (neutrality): compensation of all emissions from operations under the auspice of the airport.

9 DIVERSITY

Talent
without labels

The sum of all

Talent without labels



Talent without labels



Challenges

Diversity management is increasingly important for investors, customers and employees.

The diversity applied to talent in companies must not respond to quotas or prejudices, moreover to competencies, skills, experiences, knowledge, values and different attitudes contributed by people who complement each other to create a competitive team that responds to the needs of the market and society.

Main measures and aspects concerning management

- Diversity is included in the company's Code of conduct.
- The **Selection Policy for Board Candidates** avoids any discrimination bias.
- Equality Plan included in the Collective Agreement.
- Diversity clauses in tenders.

Aims 2017

- Strident efforts to increase the percentage of females on the Board of Directors in the medium term.
- Fostering the diversity of knowledge, experiences and gender as a goal.

Results 2017

- 26.67% female presence on the Board of Directors.
- 42.7% of positions of managers, middle managers or graduates are occupied by females in Spain (18% in London-Luton Airport)
- 35.5% female presence in the workforce.

Perspectives and future outlook

Reaching a representation level of at least 30% female presence in the Board of Directors by 2020.

The sum of all

Aena acknowledges and defends the identity, uniqueness and dignity of all people in the organisation, extending its commitment to the supply chain and the services offered at its airports.

This commitment is embodied in a talent management model that guarantees any discrimination bias thanks to the principles included in:

- the **Selection Policy for Board Candidates**
- the **Code of conduct** applicable to all people who work in the organisation,
- the **Equality Plan** defined in the Collective Agreement,

Diversity is also present throughout the value chain through the inclusion of diversity clauses in bids.

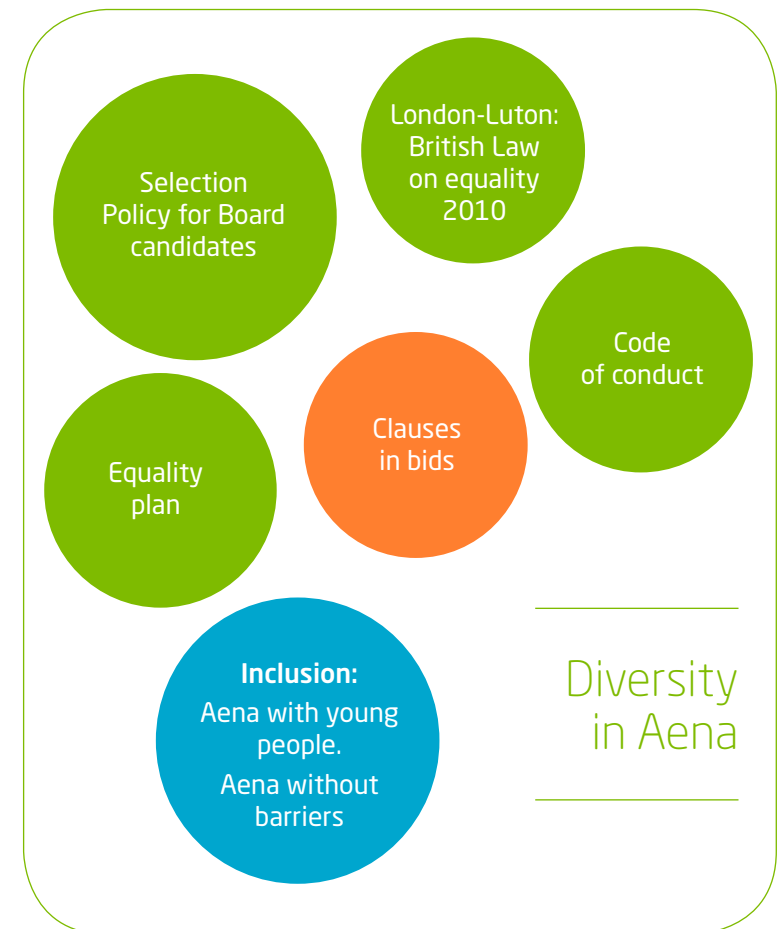
Diversity is reinforced with **active inclusion policies** of disadvantaged groups such as those aimed at the integration of young people into the labour market, the recruitment of special employment services, and the offer of a comprehensive service for people with reduced mobility at airports.

In the case of the London-Luton Airport, the commitment of the organisation

comes into being through compliance with the requirements established in the British Equality Act 2010, which requires:

- The provision of accessible services of high quality.
- The promotion of equal opportunities in all employment practices and the provision of services.
- The understanding of issues related to age, disability, gender reassignment, pregnancy and motherhood, marriage, race, religion or belief, sex and sexual orientation.
- The commitment to clients, local communities, staff, stakeholders and contractors to identify and implement improvements.
- The tackling of barriers that restrict access to services.

For this reason, the London-Luton Airport employee manual includes the company's commitment to equal opportunities, non-discrimination and the fight against harassment.



Talent without labels

Diversity offers the opportunity to access the best talent in a highly competitive market.

Diversity is a relevant issue in the entity's governance system. The Board has a Candidate Selection Policy approved in February 2016, according to which, amongst other aspects, it is taken into account to foster gender diversity within the Board, and indicating that, in particular, strident efforts will be made so that by year 2020 the number of female directors represents at least thirty percent of the total number of members, basing the selection on a prior needs analysis, that favours the diversity of knowledge, experiences and gender. Likewise, section 7.(b) of article 24 of the Regulation of the Board of Directors, establishes, as part of the powers of the Appointments and Remuneration Committee, the aim of representation for the least represented gender on the Board of Directors, preparing guidelines on how to achieve said aim and inform the Board regarding issues of gender diversity. To date, the percentage of women on the Board of Directors is 26.67%, higher than the average of Spanish listed companies.

During 2017, strident efforts were made to increase the percentage of females on the Board of Directors, since due to vacancies caused by the resignation of Mr Juan

Miguel Báscones Ramos, and Mrs Pilar Fabregat Romero, both presented on 17 March 2017, the Board of Directors proposed, with the favourable report of the Appointments and Remuneration Committee, the appointment of Mrs Alicia Segovia Marco and Mr Jesús Romero de Ávila Torrijos, as proprietary directors representing the majority shareholder. Both directors were appointed at the General Shareholders' Meeting held on 25 April, thus increasing the percentage of women that existed until then in the Board. These appointments were carried out keeping in mind the diversity aims of the Board, specifically those related to academic training, professional experience as well as gender balance.

In addition to approaching the target of the percentage set in the Selection Policy for Board Candidates and the Recommendation of the Code of Good Governance for the year 2020, in terms of gender diversity, the Appointments and Remuneration Committee and the Board of Directors of Aena has valued positively, and will ensure that in the future there continues to be diversity within the of the Council there is diversity, both in terms of professional experience and the age of the members of the Board.



[Aena Code of conduct](#)



26.67%

women on the Board of Directors

35.5%

women in the workforce,

42.7% of manager, middle manager or graduate positions are occupied by females in Spain (18% in London-Luton Airport)

114

employees with disabilities (1.5% of the workforce in Spain)

Likewise, training has also been taken into account whilst assessing diversity in the Board and, therefore, in the meeting of the Board of Directors held on October 24, 2017, in accordance with article 25.2 of the Regulations of the Board, a programme was proposed for members' attendance to update their knowledge, putting forward a Training Plan for future sessions, which was positively evaluated by all the Directors, agreeing that it must be a plan open to possible modifications depending on interests at each specific time. Likewise, it was agreed that the training sessions must be carried out separately from the Board session on different days and that there be the presence of external advisors and internal directors of the Company.

Diversity and the rejection of any discrimination for access to work, recruitment or promotion is also a commitment of Aena and, in Spain, this is reflected in its Code of conduct and the Collective Agreement, in which Aena commits itself to provide the same opportunities in access to work and in professional promotion, rejecting any type of discrimination based on race, nationality, social origin, gender, marital status, sexual orientation, religion, political ideology, disability or any other personal condition, physical or social.

In this regard, people subject to Aena's Code of conduct, who intervene in any way in the recruitment, selection and/or professional promotion processes, will make decisions based on criteria of objectivity, responsibility and transparency, without admitting the influence of factors that they could alter the objectivity of their judgment to identify the people that best respond to the profile, qualifications and needs of the position to be filled.

From the Reporting Channel contemplated in the Code of conduct, in 2017 they have received two notifications related to possible risks or non-compliance with the principle of non-discrimination. Both were filed for failure to observe breaches of the Code of Conduct. At London-Luton Airport, the Human Resources department received 3 notifications.

In the case of workers with disabilities, the Aena Code of conduct provides for the necessary actions so that they can be professionally developed under equal conditions

The Collective Agreement applicable to Spain guarantees equity in access to jobs, professional promotion, training and retribution between men and women. It also has a **Equality Plan** whose enforcement is monitored by a Joint Commission formed in equal parts by Aena and the most represented trade unions. This plan pays special attention to the prevention of sexual harassment by having a specific protocol to manage complaints.

Aena extends its commitment to equality and non-discrimination to its supply chain by incorporating **Diversity promotion clauses in procurement contracts**, as stated in the internal recruitment standard.



7
complaint received for
harassment in 2017:
4 filed
3 processed and
filed due to absence
of sufficient evidence



[Human rights chapter](#)

10

SOCIAL CONTRIBUTION

Contribution
in the company

Social action linked to business strategy

Investment in social action: Embracing Values

Traction of suppliers

Agreements and projects with third parties

Social inclusion initiatives

AenaVolunteers



Social contribution



Challenges



Business management must reflect the conscience of the organization, its responsibility and its commitment to the society in which it operates.

An effective contribution in society is not improvised, but must be based on thorough planning that allows its alignment with the business activity itself.

Main measures and aspects concerning management



- The social contribution as a strategic axis of the CSR Action Plan.
- Adaptation of social action to the CSR policy.
- Assignment of solidarity spaces.
- Participation in social projects promoted by third parties.
- Transfer of CSR criteria in the value chain.
- Support for employee participation in social action initiatives.

Main milestones 2017

- ✓ Adherence to the United Nations Global Compact.
- ✓ AenaVolunteers, the corporate volunteer programme of Aena.
- ✓ Active policies for youth access to the labor market, improvement of accessibility, etc.

Targets 2017



- Align 100% of the social contribution with the CSR Action Plan.
- Support social initiatives related to the airport environment.
- Promotion of the culture of commitment among employees, motivating their involvement in social action and contribution in the community.
- Backing diversity as a factor of change.

Results 2017



- Over €6 M devoted to agreements and collaborations with third parties.
- 26 social bodies represented.
- 192.21 m² set aside at airports for social action.
- 148 university graduates of the total workforce, recruited through internships.
- €552,558 intended for special employment services.

Perspectives and future outlook



- Actively contribute to the achievement of the Sustainable Development Goals of the United Nations.
- Promote sustainable development and create shared value, contributing to the social welfare in the environment in which Aena develops its activities.

Social action linked to business strategy

Social **contribution forms** one of the **strategic axes of the CSR Action Plan** at Aena. The CSR Committee identifies and evaluates the actions according to the **principles of social action and contribution in the community**, approved in 2017.

These principles are intended to align the social collaboration of the organisation and its business activity, to strengthen the trust between the company and the societies where it operates. The aims of these principles are:

- Promotion of sustainable development and creation of shared value, promoting participation in the community, promoting integration in the territory and contributing to the social welfare where Aena develops its activities.
- Fostering the values and commitment of Aena with the more social dimension of corporate responsibility.
- Promotion of the culture of commitment among employees, motivating their involvement in social action and contribution in the community.
- Support projects or actions of a social, environmental, educational, health, teaching, cultural, or sports nature, that are directly or indirectly related to the airport environment, and that are framed in the Aena Corporate Responsibility Policy.



Along these lines, Aena aligns its business model with the **Sustainable Development Agenda of the United Nations**, contributing to the achievement of the SDGs through concrete initiatives included in its CSR Action Plan (*please refer to chapter 4, Contribution to the SDGs*).

It also highlights the adherence of Aena to the **Global Compact** in 2017.

Aena contributes with social causes, looking for those mechanisms that can act as levers for change.

From a internal dimension, this contribution involves the people of the organisation and the supply chain through management guidelines and solidarity initiatives. Own Network facilities and services of airports are also available to social causes.

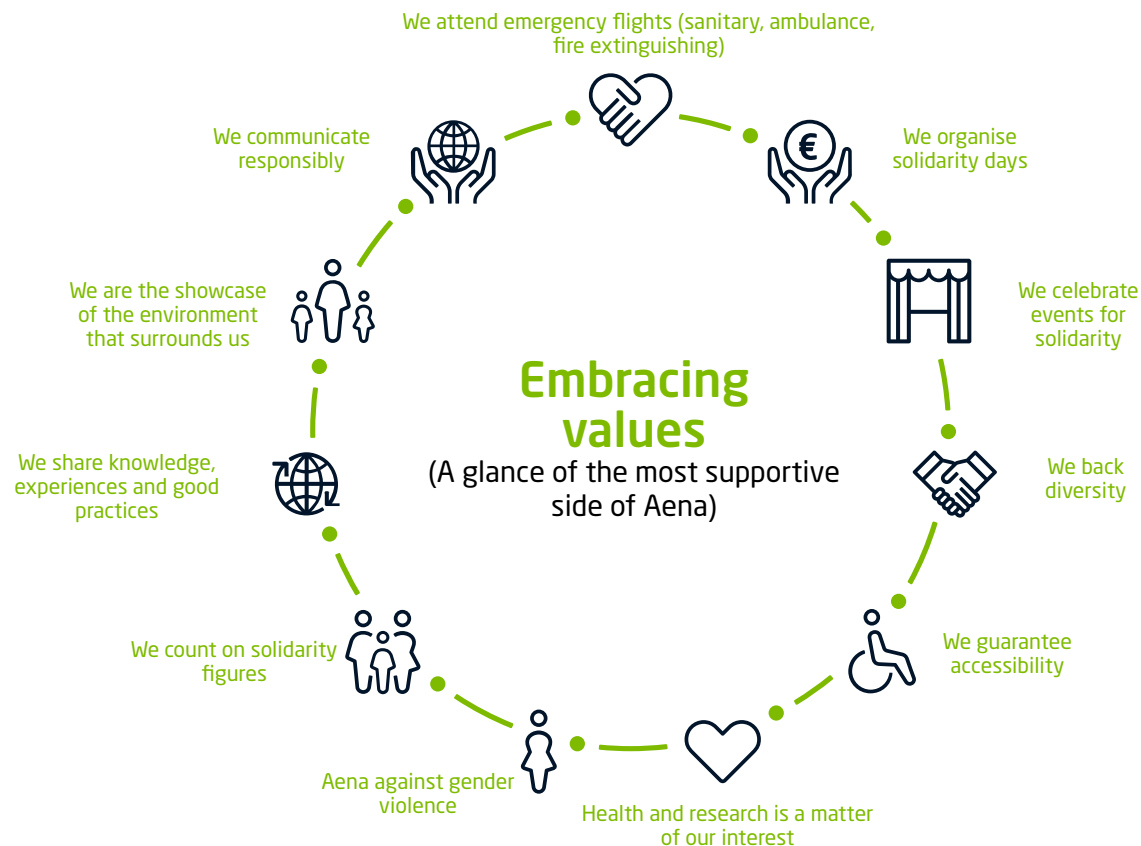
From a external dimension, Aena also collaborates with different institutions supporting third party initiatives.



[Social action principles](#)

Investment in social action: Embracing Values

The project 'Embracing values' frames the initiatives with which Aena actively participates in society, responding to the needs of vulnerable groups and establishing strategic alliances with the aim of devising new forms of collaboration that put the common good before any other interest.



Through the “Embracing valuesW project, Aena makes available to organisations the spaces and services offered by the airports network.

These actions, which in many cases take place in our centers and airports, reflect our support for different social causes, such as the protection of children, the integration of disadvantaged people, with disabilities or special needs, the treatment and investigation of diseases, and the fight against poverty or gender violence.

In this way, airports act as a showcase for social reality by giving spaces to support awareness campaigns promoted by NGOs and other institutions, thus becoming exhibition spaces for photographic exhibitions and panels on social, environmental or cultural topics or making available to the organisations our internal communication channels.

Through collaboration agreements with public and private entities, it directly contributes to the promotion of the local culture and economy in the airport environment.



100%

of average occupation of the solidarity spaces in airports such as Adolfo Suárez Madrid-Barajas, Barcelona-El prat or Tenerife Norte

+15%

of NGO participation

Investment in social action

Social project	Action type	Participating entities	Airports	m² assigned	Days of usage over the year	Cost type	Amount (euros)
Solidary space	Free access of spaces	26	24	192.21	2,148	Opportunity	307,476
Exhibitions	Free access of spaces	N/A	23**	N/A	N/A	Opportunity	N/A
Donations	Public bidding processes	8	N/A	N/A	N/A	Direct	100,000

* Opportunity cost calculated taking as reference the commercial m² amount assigned to the airport per year.
** 4 with permanent space; 19 have exhibited on some occasions.

Aena organises **visits and open-door days** aimed at schoolchildren, universities, professional groups, sensitive groups (disability, etc.), to observe the world of airports, air transport and aviation in general, by relating the environmental, social and economic aspects of our environment with the management of an airport base. In 2017, over 1,400 guided visits in 18 different airports took place, in which over 42,700 people took part (provisional data available at the close of 2017).

Through the programme **Holidays in Peace**, we collaborate with humanitarian associations in the reception of foster children. During 2017 more than 1,200 children were received at some Aena airports, such as Malaga-Costa del Sol, Gran Canaria, Madrid, Malaga or Santiago de Compostela (provisional data available at the close of 2017).

Likewise, the airport network is available for emergency situations and for the transfer of medical organs and equipment. In this sense, during 2017 more than 14,300 **ambulance flights** were carried out (provisional data available at the close of 2017).



+42,700

people participated
in the guided tours
(provisional data available at
the close of 2017)

+1,200

foster children welcomed
in the Málaga-Costa del
Sol, Gran Canaria and
Tenerife Sur airports
(provisional data available at the
close of 2017)

102

of internal bulletins
echoed solidarity actions



+14,300

ambulance flights
(provisional data available at
the close of 2017)



[Social initiatives](#)

Traction of suppliers

Aena ensures the regulatory compliance of all its suppliers and includes in its contracting rules elements that promote a better environmental and social behaviour of its supply chain.

Amongst these elements are:

- Guidelines and mandatory measures regarding environmental protection.
- Demanding respect for human and industrial rights.
- Fostering diversity.
- Safety and hygiene data.
- Demands and incentives for the promotion of R+D+i.
- Measures for evaluation and control in environmental and social matters.

Solidarity **events** were similarly held in collaboration with non-profit bodies committed to disability, childhood or fair trade, to exchange experiences between the companies that work at the airport and the social bodies that fight for integration.

Also, Aena is involved **in recruitment with special employment services**. In 2017, a total of €552,558 were allocated for the hiring of gardening, reception, caretaking and reprobography, and comprehensive waste management services by special employment centres.



Monitoring compliance with clauses in tenders

Periodic controls are carried out during the term of implementation of contracts to verify compliance with the clauses and contractual obligations.

The internal contracting regulations also include a penalty system in case of non-compliance.



100%

of the suppliers has complied with the contract documents

€552,558

intended for the recruitment of special employment centres



[Value Chain](#)

e-Procurement

The most important aims of this project are:

- Savings in economic and administrative costs.
- Improvement of the procedures' effectiveness.
- Compliance and reinforcement of the general principles of public procurement.

Regarding the main related ICT projects are:

- Implementation of the electronic signature in the contracting processes (transversal measure).
- Electronic Records System (transversal measurement).
- Authentic electronic Notification System (transversal measure).
- Electronic Communications System (transversal measure).
- Electronic Tendering System.
- Electronic invoice system.
- Certified Document Scanning System
- Development of the document manager according to the National Interoperability Scheme.

During 2017, the functional requirements of practically all of them have been analysed and defined, and the technical specifications are being prepared, with the aim of initiating the bidding process for procurement that will allow the acquisition of the most appropriate electronic solutions.

E-Auctions

- | | |
|--------------------------------|------------------------|
| • Adolfo Suarez Madrid-Barajas | • Palma de Mallorca |
| • Barcelona-El Prat | • Tenerife Sur |
| • Girona-Costa Brava | • Lanzarote |
| • Bilbao | • Fuerteventura |
| • Santiago | • Malaga-Costa del Sol |
| • Alicante-Elche | • Ibiza |
| • Gran Canaria | • Seville |

REVLA system

In addition, in order to simplify the recurrent administrative procedures in the contracting processes, during the year 2017, Aena has reinforced the Aena Voluntary Tenders Registry (REVLA) system, allowing the economic operators to incorporate numerous documentation electronically.

Public Sector Procurement Platform (PLASCP)

This allows for us to generate and publish in its platform the announcements corresponding to the different contractual states of our contracting with suppliers.

Implementation of OFISPA

It is the electronic signature card developed by Aena to sign electronically, and easily, quickly, easily safely, the documents that are generated from the contracting of suppliers from the different addresses and units of the company.

Subscription system for Economic Operators

This system allows for the improvement of the publicity of AENA tender contracts and to encourage the concurrence in the contracting processes.

474

E-Auctions
(368 centralised and 106 decentralised)
(Since its implementation, at the beginning of 2015)

6

electronic auctions held in electronic contracting

105

economic operators registered in the REVLA system
(As of 31 December)

390

Volume of registered economic operators,
(December 2017)



Agreements and projects with third parties

Participation in projects promoted or in collaboration with third parties is another of the instruments that make it possible to materialize Aena's commitment to social and cultural causes, whether through the assignment of spaces, financial contributions or other type of consideration framed in collaboration agreements.



Agreements related to accessibility and disability

€160,000

for agreements related to disability

Organisation	Purpose	Airport	Term
Spanish Committee of Representatives of Persons with Disability (CERMI)	The completion by CERMI of advisory tasks, studies, implementation of best practices, reports and analysis related to accessibility and assistance to people with disabilities and reduced mobility in the field of air transport, and particularly in the field of airports (amount: 60,000 euros).	Spanish Network	Until 03/13/2018
Differents organisations	Labour insertion program for people with disabilities (Amount: 100,000 euros)	Aena	Until 2019

Continues



[Subscribed agreements](#)



€6 M

for the local tourism promotion in airports

Agreements for local tourism promotion

Organisation	Purpose	Airport	Term
Regional Government of Majorca	Temporary and free transfer of premises for a tourist information point	Palma de Mallorca	Until 30/06/2019
Excellent Provincial Government of Almería	Temporary and free transfer of premises for the installation of a tourist information point at the airport of Almería	Almería	Until 17/05/2018
Barcelona City Council	Improve the international image of Barcelona and boost tourism development	Barcelona - El Prat	Until 19/12/2017
Government of the Basque Country	Temporary and free transfer of premises for a tourist information point	San Sebastián	Until 23/01/2019
	Temporary and free transfer of space for the installation of a permanent information office for travellers	Bilbao	Until 31/12/2017
Elche City Council	Installation of a sculpture of the Lady of Elche	Alicante-Elche	Until 01/12/2017
Valencian Tourism Agency	Promotion of the Valencian Community	Airports of the Valencian Community	Until 20/09/2018
Turismo y Planificación Costa del Sol SL	Promote tourism promotion in the province of Malaga and the Costa del Sol	Málaga Costa del Sol	Until 01/07/2018
Regional Council of Biscay	Temporary and free transfer of space for permanent information of public transport	Bilbao	Until 01/07/2018
El Prat de Llobregat City Council	Transfer of use of land for the mobility road of the beach (pedestrian path and bicycle lane), environmental management and aircraft lookout points.	Barcelona - El Prat	Until 01/12/2017

Continues

Organisation	Purpose	Airport	Term
Madrid Regional Government	Fostering ecological connectivity of the Red Natura 2000 network and complete restoration of the Arganda del Rey reservoir.	Adolfo Suárez Madrid-Barajas	Until 11/17/2017
Pontevedra Regional Government	Temporary and free transfer of premises for a tourist information point	Vigo	Until 1/10/2017
Reus City Council	Temporary and free transfer of commercial counter for the service of the Urban Guard of Reus.	Reus	Until 12/08/2018
La Palma Island Council	Temporary and free transfer of premises for a tourist information point	La Palma	Until 01/08/2018
Public Company for the Management of Tourism and Sports of Andalusia and the Malaga City Council	Assignment of spaces for the installation of a joint tourist information office	Málaga Costa del Sol	Until 17/04/2018
Island Council of Fuerteventura	Temporary and free transfer of premises for a tourist information point	Fuerteventura	Until 29/12/2017
Island Council of Lanzarote	Temporary and free transfer of premises for a tourist information point	Lanzarote	Until 22/12/2017
Malaga City Council	Photography exhibition with tourism snaps, with the aim of promoting the municipality of Malaga	Málaga Costa del Sol	Until 23/04/2018

Promotion of culture and art

Organisation	Aim	Term
Gran Teatre del Liceu Foundation	Sponsorship of the 2016-2017 season	Until 31/07/2017
Teatro Real Foundation	Sponsorship of the 2016-2017 season	Until 31/07/2017
Orfeo Catalá - Palau de la Música Catalana Foundation	Sponsorship of the 2016-2017 season	Until 31/08/2017

International cooperation

Our international cooperation activities are a reference and meeting point for sharing knowledge, experiences and good practices with the entire aviation community in Latin America.

The International Cooperation Programme of Aena trains aviation professionals (usually from the public sector and Latin America), with the aim of improving their training in aeronautics and promotes the development of their countries and regions. This programme also reinforces the image of excellence and good practices on the part of Aena and Spanish industry abroad.

All activities are conducted in collaboration with national and international organisations and institutions. Amongst these, the Spanish Agency for International Cooperation for Development (AECID), the Technical Cooperation Directorate of the International Civil Aviation Organisation (ICAO), the Centre for Distance Learning for Economic and Technological Development (CEDDET) Foundation or the Higher Technical School of Aeronautics and Space Engineering at the Polytechnic University of Madrid.

Over the last five years, around 1,100 aviation professionals from 23 different countries have benefited from these courses. At this time, €576,000 has been set aside for joint activities with the ICAO, €277,000 for training as per other agreements with national institutions in Latin America and a further €100,000 for on-line training.

In 2017, 240 professionals participated in our training programme, with a total investment of €182,500, and a satisfaction rating of 9.4 points out of 10.



—
€182,500

invested in vocational training programmes in 2017

—
Programme rated

9.4
out of 10 in 2017

—
240
professional participants in 2017

(1,100 in the last 5 years from 23 countries)



Initiatives aimed at social inclusion

Aena's commitment to equality and diversity includes social inclusion initiatives in the offer and contracting of services and in employment opportunities.

Aena's efforts to guarantee equality are also aimed at people with reduced mobility (PRM) through investments in the conditioning of the airports of the Spanish network and the offer of a specific service that, under the name **"Aena without barriers"** has handled in 2017 nearly 1.52 million requests (4.12 millions since 2015). The rating of this service in 2017 has been 4.82 out of 5. The London-Luton Airport also offers this service and in 2017 it handled 11,158 requests.

Aena also fosters the inclusion of disabled people hiring with **special employment services**, for which a total of €552,558 were allocated in 2017.

Aena, as a participant in the Youth Emancipation Plan 2014-2016 and the Youth 2020 Strategy, both initiatives promoted by the Government of Spain, has launched the call for internship contracts for university graduates. The objective is to offer a work experience that complements the

academic training and facilitates the formation of an internal pool of professionals in the organization. The number of internship contracts in the parent company has reached 148 since 2015.

Likewise, in Spain, it has a total of 17 agreements with universities (public and private), business schools and other educational centers, to encourage the integration of young people into the labor market, through external academic practices (curricular and extra-curricular), with undergraduate and/or master students in the company. Approximately 80 university students of the last courses have had the possibility of acquiring a practical knowledge of the business reality in Aena.

Regarding Luton, the technical department offers a continuous learning program that aims to be extended to other areas.



Handled

1.52 M

requests for
PRM services
(11,158 in London-Luton
Airport)

4.82

out of 5 on service quality
index to PRM
(only Spanish airports network)

148

university graduates
of the total
consolidated staff,
hired in internships

40

undergraduate or
master students in
Spain

17

agreements in force
with universities and
other educational
centers





Existing agreements for the promotion of the professional integration of young people

Organisation	Aim	Term
University of Leon	External academic internships and/or PhD studies	Until 08/11/2021
Universiy of Barcelona	External academic internship	Until 7/09/2021
Comillas Pontifical University	External academic internships and final year projects	Until 24/08/2018
Rey Juan Carlos University	Practical Training	Until 01/02/2019
University of Alcalá	Practical Training	Until 13/01/2019
University of the Balearic Islands	Collaborative relationships	Until 14/09/2018
Complutense University of Madrid	External academic internships and End-of-Degree / Master's project	Until 03/08/2019
University of Las Palmas de Gran Canaria	External academic internship	Until 30/09/2018
Polytechnic University of Catalonia	External academic internship	Until 05/05/2018
University of La Laguna and the General Canary Foundation of the University of La Laguna	External academic internship	Until 29/04/2018
Autonomous University of Barcelona	External academic internship	Until 22/04/2018
University of Cadiz	External academic internship	Until 22/04/2018
University School of the Chamber of Commerce, Industry and Navigation of Bilbao	External academic internship	Until 31/08/2018
Garrigues European Centre for Business Studies and Training	External academic internship	Until 12/03/2018

around

80 university students have received scholarships to do academic practices during 2017



[Subscribed agreements](#)

AenaVolunteers, the corporate volunteering programme by Aena

There are many workers who collaborate with different bodies in a selfless manner through donations or voluntary actions.

Therefore, and aligned with the company's culture and values, at the end of 2017, Aena has launched the AenaVolunteers programme, which will be developed throughout 2018 with the aim of strengthening the collaboration of the Aena community with social organisations and vulnerable sectors, through different forms of volunteering:

- **Volunteering in sports events:** promoting the participation in sporting events for solidarity, or their collaboration in the organisation of these, whilst promoting healthy habits and practices.
- **Professional volunteering:** employees can provide NGOs with their specific professional skills according to their qualifications and professional occupation.

- **Notification of volunteer and social action opportunities.** This seeks to raise awareness for social transformation through its own communication channels, as well as promoting the participation of employees in information and outreach actions geared towards solidarity.

In this way, Aena tries to promote initiatives that contribute to creating a better and more responsible future, paying special attention to the care of the most vulnerable groups in our environment.



[Social initiatives](#)

11

HUMAN RIGHTS

Human rights:
commitment and
due diligence

A deep-rooted commitment

Identification of impact

Due diligence mechanisms



Human rights: commitment and due diligence



Challenges

Corporate activity has an impact on the well-being of the people who must be identified and controlled, as well as having mechanisms that allow an active contribution to make the fundamental human rights and labor rights promoted by the International Labour Organisation a reality.

Main measures and aspects concerning management

- Commitment at the highest level: CSR Policy, Global Compact and contribution to the SDGs.
- Due diligence for the identification, control, prevention and mitigation through the mechanisms established in the Code of conduct, the Collective Agreement and the Internal Recruitment Regulation.
- Reinforcement of internal communication through the new CSR portal.
- Social action aimed at contributing from the capabilities of the business itself to solve social concerns.
- Forced Labour Policy in London-Luton Airport

Targets 2017

- Incorporate the SDGs in the deployment of the corporate responsibility strategy.
- Ensure the protection of human rights and its translation in due diligence mechanisms.

Results 2017

- 25 complaints received
- 21 of them related to employment issues
- In none of the cases have sanctions been taken
- 7 complaints received for harassment (3 processed 4 filed).

Perspectives and future outlook

Aena is wholly committed to making the Global Compact and its principles part of the company's strategy, culture and daily actions, as well as to be involved in cooperative projects that contribute to the broader development aims of the United Nations, particularly those pertaining to the Sustainable Development Goals.

A deep-rooted commitment

The Government of Spain, through the Ministry of Development, and this in turn of the public entrepreneurial body "Enaire, EPE", which owns 51% of the share capital of Aena, establishes the application of the ratifications, recommendations or binding directives made by the Spanish Government before the United Nations and the International Labour Organisation and, consequently, that are applicable to Aena.

On this basis, in the development of its commitments to society, Aena takes into account the human rights internationally recognized in the Universal Declaration of Human Rights and in the fundamental Conventions of the International Labour Organisation.

The protection of human rights is also transferred to the CSR Action Plan and the Code of conduct of the company, the Collective Agreement and Internal Recruitment Regulations.

In order to guarantee compliance, Aena has implemented a General Regulatory Compliance System that includes its Code of conduct, the Compliance Policy, the constitution of the Supervision and Compliance Control Body and the creation of the Reporting Channel, having proceeded to carry out the necessary training on the System for the entire Company.

The Aena Compliance Model is based on the principles of proportionality, integrity, homologability and effectiveness and has been the subject of an Independent Review Report, concluding that it meets the criteria established

in ISO 19600 on "Compliance Management Systems".

For its part, the London-Luton Airport maintains a specific document and procedure, although aligned with the requirements of the Aena Policy.

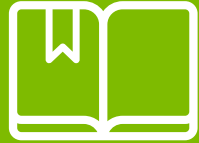
Likewise, during fiscal year 2017, the general regulatory framework, corporate policies and rules of conduct of Aena's Corporate Governance System were reviewed, as well as the analysis of regulatory compliance risks and existing controls associated with them, along with the implementation of the necessary additional controls.

It should be noted that in June 2017, Aena has reinforced its commitment by joining the more than 13,000 signatory companies **of the United Nations Global Compact**, assuming the commitment to defend its 10 principles regarding Human Rights, Employment Rights, Environmental Issues and the fight against corruption.

Convinced of the importance that the private sector has in achieving the purposes of the **Sustainable Development Agenda of the**

United Nations, Aena contributes through multiple actions that underline the company's role in key social areas such as:

- the reduction of inequalities and development in harmony with the territory,
- social inclusion and universal accessibility, promoting the exchange of cultural values, and promoting participation in the community and the contribution to social welfare,
- equal opportunities and non-discrimination fostering diversity in talent management, and the reconciliation of professional and personal life,
- the health and protection of users and employees, offering services with high safety standards and providing a safe and healthy work environment,
- the awareness and mobilisation before the great social dilemmas establishing alliances, launching social action initiatives and awareness tools.



HUMAN AND EMPLOYMENT RIGHTS AT AENA

Legal Framework

- Universal Declaration of Human Rights
- ILO fundamental conventions

Commitment

- CSR Policy at Aena
- The United Nations Global Compact
- Sustainable Development Goals
- Code of conduct
- Regulatory Compliance Policy
- Forced Labour Policy in London-Luton Airport

Action

- CSR Action Plan
- Collective agreement
- Internal Recruitment Regulations
- Reporting Channel
- General Regulatory Compliance System



[ILO Conventions](#)

[Code of conduct](#)

[Collective Agreement Spain](#)

[Please refer to Chapter
10.Social contribution](#)

Identification of impact

The activity of the company in Europe (Spain and the United Kingdom), due to the sector and the legal framework, has risks linked mainly in terms of the **occupational health and safety of people, equality and non-discrimination and compulsory employment**. Due to the eminently local nature of the supply chain, the same risks of violation of human and labor rights for suppliers are assumed.

From an external dimension, the CSR Executive Committee is responsible for evaluating the most demanding and pressing **social concerns** to design and propose to the Board of Directors projects or actions of a social nature that are directly or indirectly related to the airport environment. The 2017 CSR Action Plan comes to remedy rights such as respect for particularly sensitive areas or groups, the integration of the disabled, the defence of children or the promotion of fair trade. The collaborations with bodies for the reception and attention of refugees, or

the holding of solidarity days in the offices for the sale of fair trade products, are some examples of this line of social action.

The mechanisms for controlling and monitoring compliance with the commitments made allow a continuous assessment of the level of risk and identify possible new impacts and social concerns.



Main impact of the activity on human and employment rights

- Occupational health and safety of people
- Equality and non-discrimination
- Forced labour



Due diligence mechanisms

Following the Guiding Principles on businesses and human rights, Aena has instruments for prevention, control and monitoring that also include sanctioning mechanisms in relation to non-compliance with human rights, freedom of association, collective conventions and association, equality of opportunities, diversity and integration, health and safety at work or the fight against corruption, amongst others.

For Spain, the Code of conduct in place at the organisation includes mechanisms to identify possible non-compliance through its **Reporting Channel**, allowing for the implementation of sanctioning mechanisms, as well as the search for solutions for their repair and future prevention. Available to all people within the organisation, it is accessible from the company's intranet and guarantees the issuer confidentiality. It also covers the rights acquired through the Collective agreements, except for those related to **harassment in the workplace**, which have their own protocol.

During 2017, the Administrative Body of the Reporting Channel of Aena received 25 complaints through said channel, of which 21 referred to matters of an industrial nature. In relation to the complaints processed on 31/12/2017, in none of the cases have sanctions been taken. A total of 7 harassment complaints were received in 2017 at the consolidated level:

- 4 have been filed, after analysing the data with objectivity, as is foreseen in the harassment procedure.
- 3 have been processed after the initial inquiry and assessment phase. In the absence of sufficient evidence of presumption of harassment, complaints were filed.



In relation to the supply chain, the Internal Contracting Regulation foresees mechanisms for **monitoring of the degree of compliance with the social clauses included in the contracts** and sanctioning measures. During 2017 the all suppliers have complied with their social clauses.

The control and monitoring of social action activities is carried out by the CSR Committee, which meets periodically to evaluate the contribution of the actions carried out or the proposals received. In this line, work is being undertaken to determine the methodology to be applied for the analysis and evaluation of the company's contribution to the development of the community.

As a result of its commitment to transparency, the company has promoted communication on Human and Employment Rights through the **new CSR portal on the intranet** and also devoting a specific chapter in this report to the same. It has also carried out internal awareness actions aimed at employees through the completion of specific training courses, such as, for example, related to Equal opportunities between women and men.



25

internal complaints about risk or non-compliance with human rights, labor rights and harassment.

25 complaints filed

(24 admitted for processing)

21 of them related to labor issues

0

breaches of social clauses detected



[Guiding Principles on Companies and Human Rights](#)

12

INNOVATION

Open
Innovation
Culture

Technological
projects

Culture and open innovation

Technological projects



Open innovation culture



Main milestones 2017



Launching of the 1st Edition of the INNOVA Awards with three categories: Best innovative idea, Best idea to solve a challenge and Best practice already implemented.

Challenges

Create an innovative culture to be able to involve the rest of the company and add other partners that complement us in order to accelerate the innovation process.

Aims 2017



- Internal reinforcement of innovation through the impulse of the Innovation Management Group (R&D+i).
- Call for the 1st Edition of the INNOVA Awards.
- Training for employees in innovative agile methodologies of ideation.
- Initiation of the organisation's digital cultural transformation.

Main measures and aspects concerning management

- Involvement of all business units in the deployment of the company's innovation strategy.
- System of ideas management to incorporate the expert knowledge of employees.
- Cooperation with partners, entities and organisations in the field of innovation.

Results 2017



- More than 100 innovative ideas have been received.
- 80 people trained in innovation techniques.
- 4 newsletters on internal innovation news.

Perspectives and future outlook

- Continuance with the momentum in innovation of the company.
- Acceleration of innovation processes through "start-ups".
- Maintenance of our national and international leadership in the sector through new advances in R&D+i.
- Improvement of the passenger experience through the digital transformation of the services offered.
- Backing innovation in document management and the "paperless office".

Technological projects



Main milestones 2017

- ✓ "Diamond of purchase" award in the category of purchases in the public sector 2017 granted by AERCE, in recognition of the implementation of the electronic auction
- ✓ Adolfo Suárez Madrid - Barajas Airport incorporates a video-panoramic system, becoming the first to cover each track in a single image.

Challenges

- Making the flow of passengers through the airport easier.
- Providing useful services to all our customers.
- Using fewer resources in all areas of our activity.

Aims 2017

- Creation of a section of technological testing on Aena's public website.
- Tests in genuine A-CDM System environment in the integration of PMM and baggage processes.
- Digital Transformation Strategy.
- R&D+i projects in collaboration with European companies (Horizon 2020).
- Start-up of projects associated with technical or pre-commercial pilots.

Results 2017

- €7.55 M devoted to R&D+i.
- Aena at the technological forefront of the airport sector.

Perspectives and future outlook

- Finding solutions and innovative practices that allow us to continue to remain at the forefront in the global market, favouring thus our leadership position.
- Reduction of the barriers of travellers.
- Definition of the second phase of the SESAR 2020 programme.
- Strategic plan and BIM implementation.

Main measures and aspects concerning management

- Innovation strategy aligned with in-house strategy.
- Coordination of actions through the Innovation Management Group (R&D+i), across the entire organisation.
- Profitability guidelines and assumable risk.
- Close collaboration with partners and organisations in the sector, auxiliary industry, reference institutions and other administration bodies in the field of innovation.
- System to verify through real trial-error the theoretical expositions and identify the most relevant variables together with professionals of the R&D+i sector.
- Two cross-cutting working groups to develop new technological applications in the field of Drones (RPAS) and optimise security processes (security control, passports, etc.).

Culture and open innovation

The management of R&D+i in Aena is planned through the “Sustainable Innovation Management Strategy” and the involvement and coordination of all units is essential for its operation. This coordination effort is achieved through the “Innovation Management Group (R&D+i)”, which is transversal to the entire organisation, which is made up of representatives of all its units.

To promote creativity and develop, implement and improve new processes and services, Aena has different means of receiving ideas. In 2017, the innovative ideas management system (INNOVA) stands out, channeling the best ideas of employees towards the people with decision-making power, enabling the subsequent implementation of these contributions and recognition of the innovators that have generated them.

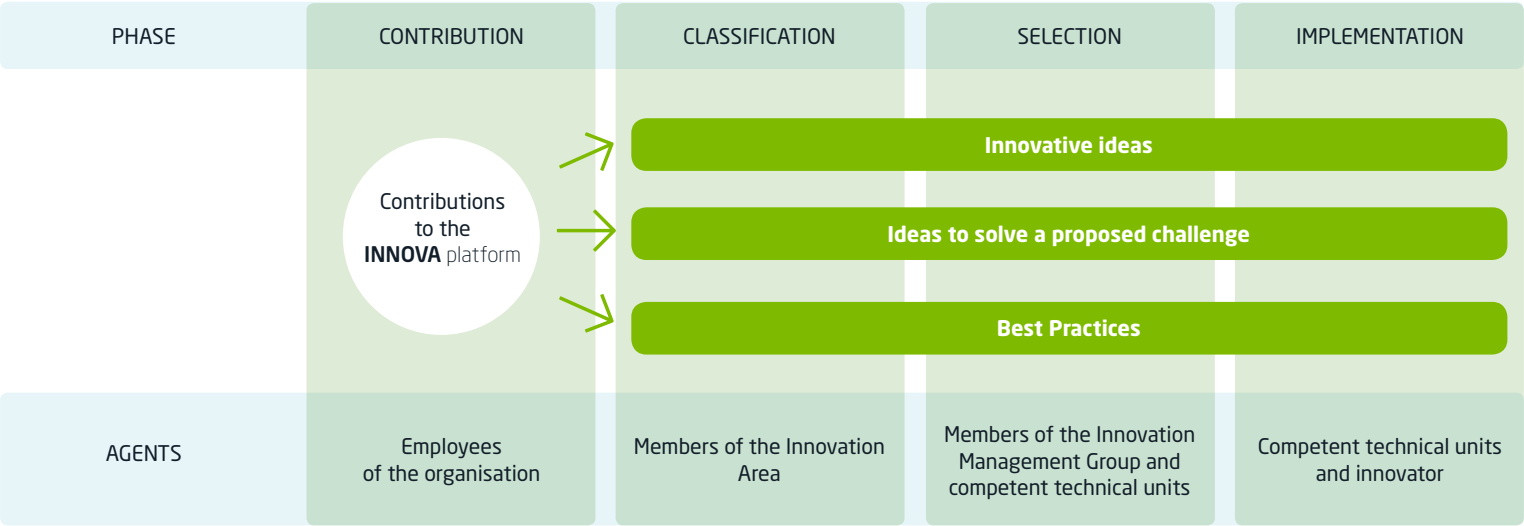
To this end, Aena uses airports as a testing laboratory for new technologies and processes, in a controlled environment in order to find innovative solutions and alternatives for the airport business.

In addition, Aena promotes collaboration as a success formula with its partners, sector organisations, auxiliary industry, reference entities and other administration bodies in the field of innovation.



[Innovation at Aena](#)

INNOVA Awards



Management of innovation proposals

Outstanding external collaborations in the field of innovation

Stakeholder Group	Type of collaboration
Ministry of Development	Participation in the Innovation Plan for Transportation and Infrastructure.
Innovation Committee of the Spanish Association for Quality Standards	Participation in 5 working groups to promote innovation in companies: Incubator of initiatives, Culture of innovation, Accelerator tools, Open Innovation and Transformation / digitalisation.
EFSA	Participation in the drone working groups.

- innova@aena.es
- Innovation Management Group (R&D+i)

Technological projects

The investment effort made this year, together with the expert knowledge of its employees, has allowed the undertaking of numerous projects.

Focused on improving service quality, safety, productivity, environmental protection, planning, infrastructure development and optimisation of management and operations processes, an investment of €7.5 M has been made in 2017.

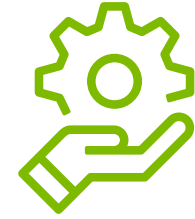
The main R&D lines of the research and development project in the field of air traffic management of the Single European Sky have been:

- Integrated management of land and air side airport processes.
- Integration of airports into the ATM network operations management.

- Management of the environmental impact of airport operations.

Aena advertises on its website the participation of companies and individuals to test new technologies and processes at its airports, in order to find innovative solutions and alternatives for airport business lines.

The purpose of these tests is to verify that the proposed technologies and processes provide innovative solutions and are prone to development in a useful way within the airport environment. Anyone can direct their proposal to innova@aena.es.



€7.5 M

invested in R&D+i projects (of which €0.4 M correspond to London-Luton Airport)

+200%

increased investment effort in R&D+i than in 2016

Innovation projects

Project	Contribution to strategy for the Company	Description
A-CDM system	<ul style="list-style-type: none"> • Improvement of punctuality and predictability in departures. 	<p>This forms part of the European SESAR program that aims to ensure the modernisation of the European air traffic management (ATM) system. The "Airport Collaborative Decision Making" system (A-CDM) consists in the collaboration between the different parties involved in the process of rotation of an aircraft at airports, ie between, ATC, Air Companies, Handling Agents and Airport Operator. Currently it has been implemented in the transcendental processes of the main airports and work is being done to extend it to other processes and adapt it to medium and small sized airports, with emphasis also on:</p> <ul style="list-style-type: none"> • PRM processes and departure baggage. • Greater automation and sophistication that allows CDM procedures to be simpler for the actors involved, especially for handling, while achieving important improvements in the management of the scale

Project	Contribution to strategy for the Company	Description
Control system and monitoring of aeronautical lights	Improvement of maintenance management. Reduction of repair response time.	System that allows the monitoring and individual control of visual aids installed in the field of flights to facilitate repair and inventory of them at the Palma de Mallorca Airport.
Panoramic camera system	Improved security and airport control	Installation of high resolution panoramic cameras to visualise different areas of the air field. Implemented at the Adolfo Suárez Madrid - Barajas Airport.
Cooperative surveillance equipment	Improvement of safety and efficiency.	On-board equipment for the implementation of the Advanced-Surface Movement Guidance and Control Systems (A-SMGCS) at the Adolfo Suarez Madrid-Barajas, Barcelona and Palma Airports.
Detectors of liquid explosives	Improvements to airport safety.	Supply with installation of liquid explosives detection equipment for the airports of the Aena network.
Application development and maintenance service	Improvements to entrepreneurial management.	Evolutionary developments of commercial applications such as: Web of reservations in the cloud, analysis of pricing, payment by registration.
Online Auction	Improvements in recruitment management.	According to the provisions of Law 31/2007 (LCSE) and the Recast Text of the Law on Public Sector Contracts (TRLCSP), an electronic auction may be held for the purpose of awarding the contract, which takes place after a first full evaluation of the contract. Bids, for the submission of improvements in prices, based on an electronic device through automatic evaluation methods.
Mini-wind turbine in self-consumption at Valencia Airport	Improvement of environmental aspects.	Pilot project that aims to reduce greenhouse gas emissions and increase the use of renewable energies. Seeking out synergies with photovoltaic technology projects in order to maximise energy production.
AlgaEnergy	Improvement of environmental aspects.	Collaboration project between Aena and AlgaEnergy, in order to promote research into the generation of biofuel from microalgae, by transferring the necessary land for the location of a Technological Platform for Experimentation.
DORA	Improving passenger experiences.	R&D project within the Horizon 2020 programme that aims to use technology to facilitate the connection without disruption of air transport of passengers with land transport and, specifically: "The development of technology that supports operators and users of air travel in Europe", including information services, with the peculiarity of also considering the travel segments to and from airports.
BIM	Improvement in the management of information processing.	Development of methodology for the implementation of "Building Information Modeling" (BIM) in airports and pilot test in terminal T3 of Adolfo Suarez Madrid Barajas Airport.



[A-CDM system](#)

[AENA App](#)

[Voluntary Registry of Aena Bidders \(REVLA\)](#)

[Aena Recruitment Portal](#)

[R & D+i tests carried out](#)

[Telematic service portal](#)

Cyber-security

Aena is exposed to a series of threats associated with the massive use of information and communications systems, which support the vast majority of its business processes.

Being aware of the risks associated with the potential materialisation of these threats, Aena has a thorough Cybersecurity Plan, approved by the Board of Directors, to adequately manage these risks. This plan includes a continuous improvement process and a complete programme to increase defensive capabilities (awareness, training, technological resources, intelligence capabilities, etc.).

Although in 2017 there was no information security incident with a relevant impact on the business, Aena is already taking measures and continuously improving the response capabilities (organizational, real time, procedures, collaborations, etc.). In 2017, several technological solutions have been put into operation, and in 2018 the technological and operational capacities will be expanded in line with the continuous evolution of threats and risks, in order to guarantee that the residual risk remains at an acceptable level.



0

incidents of
information security
with a relevant impact
on the business



13

METHODOLOGY OF THIS REPORT

Initial information and traceability

Scope and boundaries

Reporting principles

Materiality

GRI content index, Global Compact and SDGs



Initial information and traceability

All those responsible for the main management areas of Aena participate in the preparation of the contents of this report. The Corporate Responsibility Division, in close collaboration with those of External and Internal Communication, coordinates the different divisions that have relevant information and is responsible for providing a global view of all the company's highlights during the year.

A new feature compared to the previous year's report, this report has been developed in accordance with the Exhaustive option of the 2016 GRI Standards. In addition, other reporting frameworks have been taken as reference, such as the G4 supplement Airport Operators Sector Disclosures, the United Nations Global Compact, Guiding Principles on Business and Human Rights of the United Nations, Sustainable Development Goals of the United Nations, International Integrated Reporting Council (IIRC) and Carbon Disclosure Project (CDP).

This report includes a description of the policies, results and risks related to non-financial and diversity information required by Royal Decree-Law 18/2017 of 24 November, which transposes Directive 2014/95/EU to the Spanish legal system.



Phases for the preparation of the Report

Phases	Responsible parties
Consultation of stakeholder groups and materiality analysis	Internal agents
	External agents
Preparation of drafts	All units
Review and consolidation	All units
Final endorsement	Board of Directors
Layout and dissemination	External agents
	Communication and International Relations Directorate

All the content of this report is supported by documentation and internal controls, and covered by the policies and procedures incorporated into Aena's control systems that include:

- User quality survey
- Consultations with experts in corporate social responsibility and with other stakeholder groups.
- Internal and External Audits.
- Internal evaluation mechanisms and KPIs.
- Committees and control bodies such as the CR Committee, Equality Committee, Appointments and Remuneration Committee, Audit Committee, Management Committee dependent on the Code of Conduct Compliance Supervision and Control Body.
- Annual reports and internal information mechanisms.
- Reporting Channel



Scope and boundaries

This report describes the results and progress of the company in economic, social and environmental matters, corresponding to the period between January 1 and December 31, 2017, showing concisely the main activities, impacts, principles, etc. that govern the company and that allow to understand its strategy to reach the proposed aims, to face the challenges and create value in the short, medium and long-terms.





The issues that have been relevant after the analysis of materiality are dealt with in this report and reflect the significant impacts caused by the organisation (Aena SME, SA) in the economic, environmental and social fields, as well as those related to its services and commercial relations.

Non-financial information required by Royal Decree-Law 18/2017 of 24 November

This report presents in detail the information related to the corporate responsibility of Aena SME, SA for the year 2017.

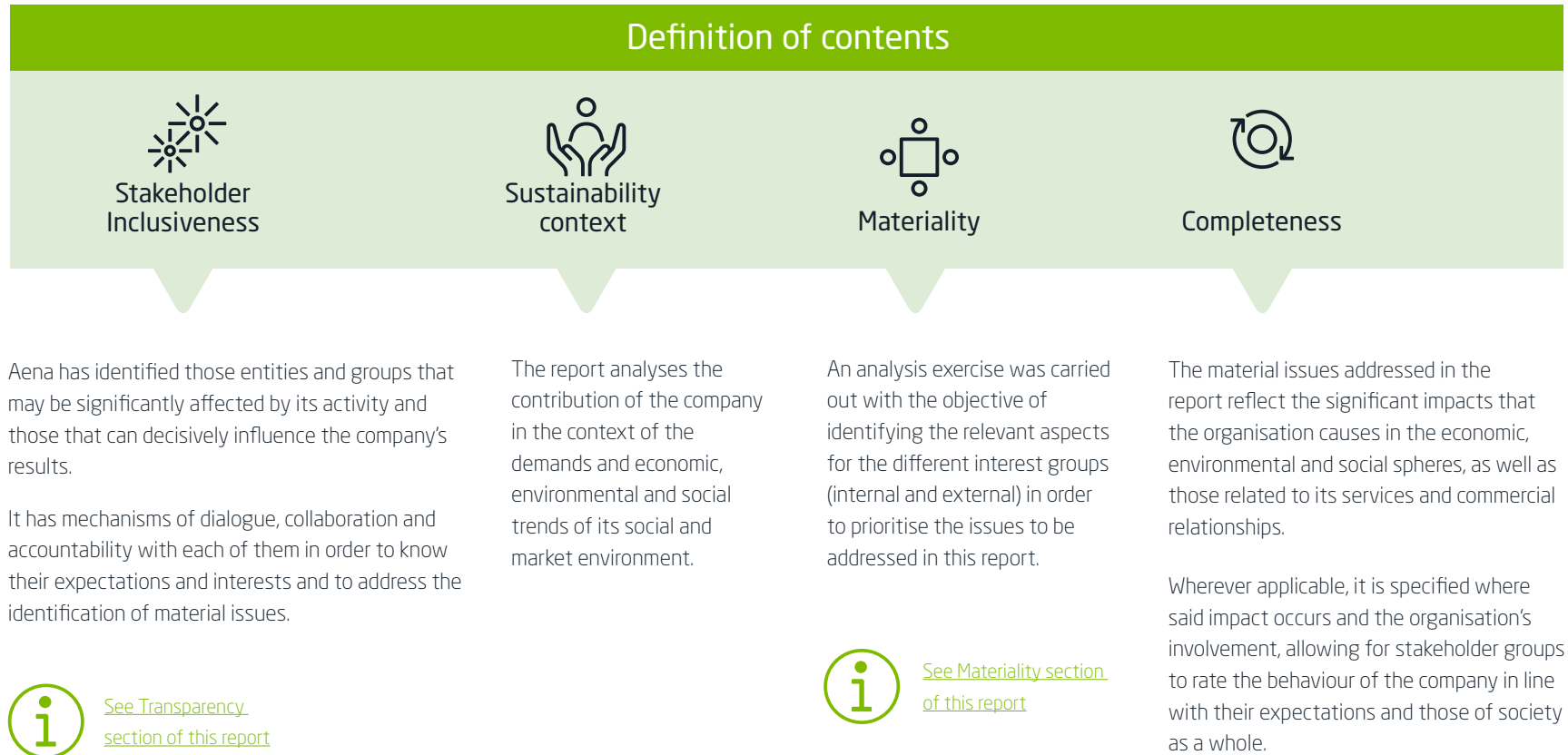
For this, and in a schematic way, the following table includes in which chapter in this report the information necessary to

understand the evolution, the results and the situation of the company, and the impact of its activity on environmental and social issues, as well as those related to personnel, regarding human rights and fight against corruption and bribery can be found.

ASPECT	Business model 		Environmental issues 	Social issues 	Staff 	Human rights 	Corruption and bribery 	Equality and diversity 
WHERE TO FIND INFORMATION	Chap. 1, 2, 4	Management model ¹	Chapters 3, 4, 8, 12	Chapters 3, 4, 6, 10, 12	Chapters 3, 4, 7, 12	Chapters 3, 4, 11	Chapter 2	Chapters 2, 3, 4, 9
		Results	Chapters 8, 13, 12	Chapters 6, 10, 12	Chapters 7, 12	Chapters 11	Chapters 2, 13	Chapters 9, 13
		Related risks	Chapters 3, 8	Chapters 3, 6, 10	Chapters 3, 7	Chapters 3, 11	Chapters 2, 3	Chapters 3, 9

¹ Policies, commitments, management procedures, measures adopted.

Reporting principles



Quality of the report



Accuracy

The information is presented sufficiently detailed so that stakeholders may evaluate the behaviour of the company based on evidence provided. In the case of quantitative information, the calculation and measurement methods or the estimates made are indicated, as the case may be.



Balance

The report clearly outlines the challenges and risks, favourable and unfavourable, faced by the company and the positive and negative aspects of its actions, offering an impartial image that allows a reasonable assessment by the stakeholders.



Clarity

The information is presented in a clear, understandable, accessible and useful way for all stakeholder groups. This is reinforced by the inclusion of infographics, tables and graphs, list of acronyms, as well as avoiding technicalities as much as possible.



Comparability

The information submitted facilitates the analysis of the company's performance, especially of its material affairs, offering, whenever possible, its evolution over time, the comparison with the sector and standardised ratios.



Reliability

All the content of this report is supported by documentation and internal controls, and covered by the policies and procedures incorporated into Aena's control systems.



Timeliness

This report is annual with the aim that stakeholders may make decisions with the appropriate information.



Initial
Information
and
Traceability
section



Materiality

Aena's materiality analysis for 2017 is the result of a process of reviewing and updating the materiality analysis for 2016 and adaptation this to the sectorial context and the reality of the moment.

The methodology followed covers three phases:

1. Identifying trends and relevant issues for the sector and society as a whole taking into account its relationship with the company's strategic aims, the CSR strategy, risk analysis and the information demanded by the stakeholders.

2. Prioritising of the issues identified based on the combination of an internal and external analysis of their relevance (please refer to materiality matrix).

a. Internal relevance: the different units of the company have evaluated the importance and possible effects of the identified issues (financial, operational, strategic, reputational, regulatory and *reporting*) about the company's value creation capacity.

b. External relevance: the most important issues have been analyzed for different significant stakeholder groups for the organisation (workers, users of services, regulatory bodies, public administrations, media, NGOs, etc.) based on the information exchanged through the different instruments of communication that Aena puts at their disposal.

The involvement of CSR experts has also allowed knowing the latest trends in this field, helping to link the relevant aspects to the company's CSR practices.

3. Review and validation of material matters by the various management divisions of the company and approval by the Board of Directors.



Main sources of information used in the Materiality Analysis

Stakeholder Group	Source
CR Experts	ESG Report by Sustainalytics Pro-IBEX35 Sustainability Analysis carried out by the Spanish Network of the Global Compact Forética Transparency Cluster
Public administrations and regulatory bodies	Working groups / expert sessions Mixed monitoring commissions Management of parliamentary procedures through the Ministry of Public Works
Shareholders, investors and analysts	Shareholder portal General Shareholders ' Meeting. Roadshows
Service users (passengers, airlines, handling agents)	Complaints and claims Analysis of quality perception Social Networks Mixed monitoring commissions Working groups / experts
Service providers and dealers	Company portal
Mass Media	Press section on the web Press Briefings Social Networking Sites
Local community	Complaints and claims Environmental care office
Society and NGOs	Telematic Services Portal Working groups / expert sessions Surveys Webtrak SAIM Office in Barcelona-El Prat. Environmental care office
Employees	Chain of command Intranet Mixed commissions with trade unions Perception Analysis Reporting Channel

Materiality Matrix

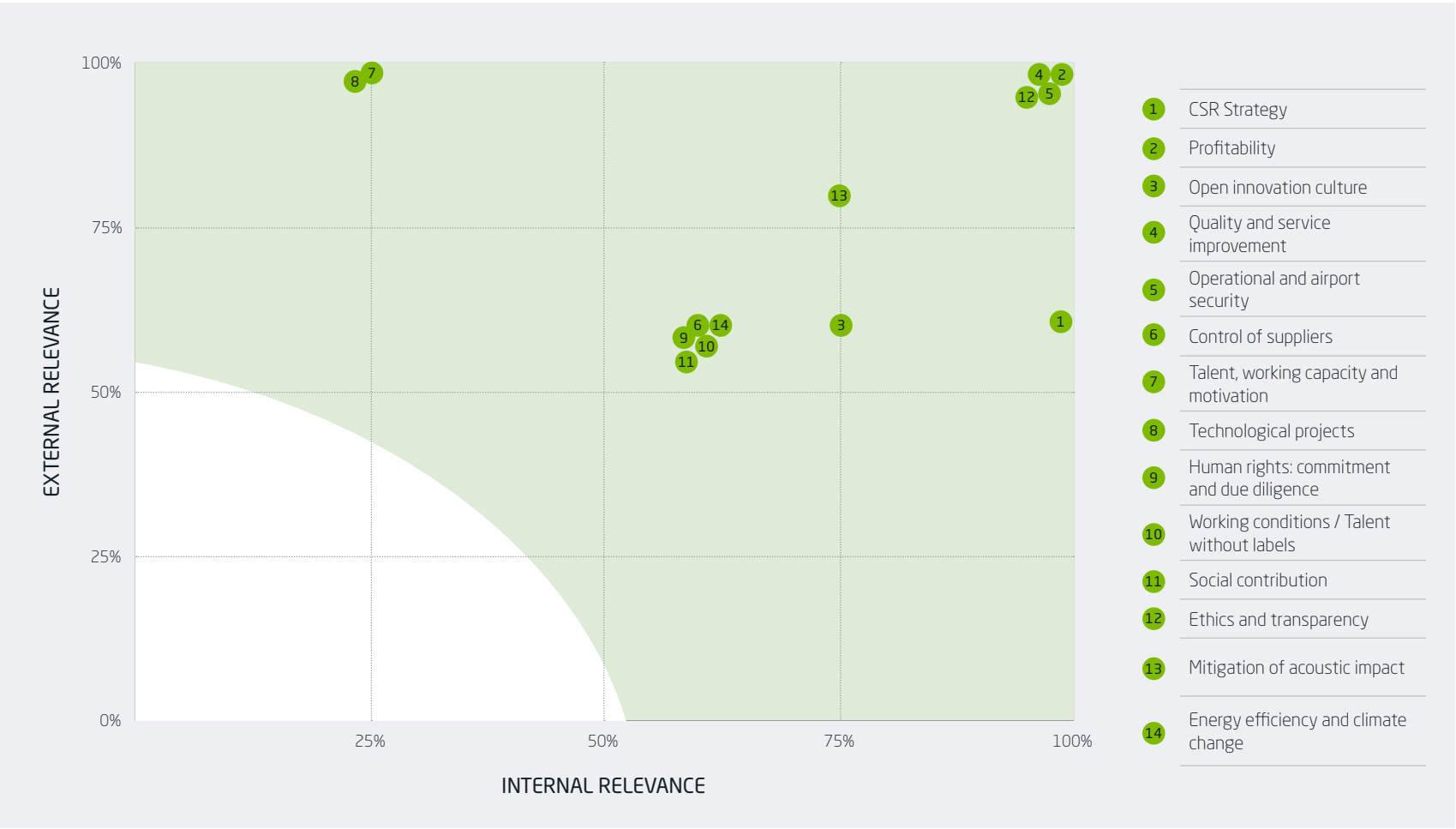
Aspect	Why is it material?	GRI Standard 2016	Where to find more information
CSR Strategy	Aena wants to contribute to responsible tourism by making the services provided value to customers, shareholders and society in general. With this, it aims to ensure that it is perceived as a valuable company for its environment, that takes care of people and that is transparent in its actions.	102-15, 102-16, 102-17, 103-1, 103-2, 103-3	Chapter 4
Profitability	The DORA 2017-2021 regulates the maximum income per passenger, forcing them to monitor the costs in order to guarantee profitability. In addition, it imposes penalties in case of non-compliance with the deadlines for the completion of certain strategic investments.	103-1, 103-2, 103-3, 201-1, 203-1	Chapter 5
Open innovation culture	Creation of an innovative culture to be able to involve the rest of the company and add other partners that contribute to accelerate the innovation process of the companies.	102-15, 103-1, 103-2, 103-3	Chapter 12
Quality and service improvement	The satisfaction and perception of the users determines the vast majority of opportunities for improvement and in the Spanish market may result in economic incentives / penalties as is duly stated in DORA 2017-2020.	102-43, 102-44, 103-1, 103-2, 103-3	Chapter 6
Operational and airport security	Airports are infrastructures sensitive to adverse weather conditions, which may be aggravated as a result of climate change, and to the risk of attacks, which may lead to a loss of operational capacity (delays, cancellations) and a high impact on efficiency and safety (accidents).	103-1, 103-2, 103-3, 416-1, 416-2	Chapter 6
Control of suppliers	The quality of service perceived by users depends to a large extent on the behaviour of the concession companies. In addition, the ethical commitment and with the human and employment rights of Aena, is reinforced by extending these values to its supply chain.	102-9, 103-1, 103-2, 103-3, 308-1, 308-2, 407-1, 414-1, 414-2	Chapter 4, Chapter 6, Chapter 8, Chapter 10, Chapter 13
Talent, working capacity and motivation	It is essential to have a trained and committed staff to ensure the correct performance of the organisation against the new regulatory framework (DORA 2017-2020) in a growing environment of passenger volume and cost efficiency.	103-1, 103-2, 103-3, 404-1, 404-2, 404-3	Chapter 7
Technological projects	The integration between technology and business is a key factor for the competitiveness of the company.	103-1, 103-2, 103-3, 203-1	Chapter 12
Human rights: commitment and due diligence	The private sector is not an agent alien to social problems. Its activities have an impact on the well-being of the people who must be identified and controlled, as well as having mechanisms that allow an active contribution to make the fundamental human rights and labor rights promoted by the ILO a reality.	103-1, 103-2, 103-3, 410-1, 412-1, 412-2, 412-3, 419-1	Chapter 2, Chapter 7, Chapter 11, Chapter 13

Continues

Aspect	Why is it material?	GRI Standard 2016	Where to find more information
Working conditions / Talent without labels: <ul style="list-style-type: none"> Equality and diversity Employee wellbeing 	<p>The diversity applied to talent in companies must not respond to quotas or prejudices, moreover to competencies, skills, experiences, knowledge, values and different attitudes contributed by people who complement each other to create a competitive team that responds to the needs of the market and society.</p> <p>Factors such as job stability, opportunities, communication, conciliation, recognition, convivial working environments, occupational health and safety or the connection with corporate values, influence employees' performance rates.</p>	102-41, 103-1, 103-2, 103-3, 401-1, 401-2, 403-1, 403-2, 403-4, 405-1, 405-2, 406-1, 419-1	Chapter 2, Chapter 7, Chapter 9, Chapter 13
Social contribution	In addition to its impact on the economy and the creation of employment, air transport constitutes a strategic sector in terms of connectivity, accessibility, cohesion and territorial connection.	103-1, 103-2, 103-3, 203-1, 203-2	Chapter 10
Ethics and transparency	Building a relationship of trust with stakeholders and demonstrating the company's responsibility is a fundamental pillar for competitiveness.	102-16, 102-17, 102-25, 102-40, 102-41, 102-42, 102-43, 102-44, 103-1, 103-2, 103-3, 205-1, 205-2, 205-3, 206-1, 415-1, 419-1	Chapter 2, Chapter 4, Chapter 13
Mitigation of acoustic impact	Acoustic impact is one of the most significant environmental effects of airport activity. The increase in air traffic and the growth of the population in the vicinity of airports contribute to increase the associated social problems.	103-1, 103-2, 103-3, 419-1, A07 (Airport Operator Sector Supplement 2011)	Chapter 8, Chapter 13
Energy efficiency and climate change	The consequences of climate change affect the operational capacity and security of airports. If we add to this the scenario of the future Law of Climate Change and Energy Transition, advancements must be made in energy saving measures, implementation of renewables and the reduction of GHG emissions.	103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5	Chapter 8, Chapter 13



Materiality Matrix



GRI content index, Global Compact and SDGs



GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GRI 101: Foundations 2016					
GRI 102 General Contents 2016					
ORGANISATION PROFILE					
102-1	Organisation name			6	
102-2	Activities, brands, products and services			9	
102-3	Location of headquarters				(1)
102-4	Location of operations			8	
102-5	Property and legal regime applicable			6	
102-6	Markets served			10-18	
102-7	Size of the organisation			64-66	
102-8	Information on employees and other workers		8, 10	86-87	
102-9	Supply chain			56-57	(2)
102-10	Significant changes in the organisation and its supply chain			23-24 34-35	(3)
102-11	Precautionary principle or approach	1, 2		32	
102-12	External incentives			53-54	
102-13	Membership of associations			48	
STRATEGY					
102-14	Statement of senior executives responsible for decision making			3-4	
				36-39	
				56-59	
				61	
				72-74	
102-15	Impacts, risks and main opportunities	1, 2		84-85	
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				115	
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ETHICS AND INTEGRITY					
102-16	Values, principles, standards, and norms of behaviour	1, 2	16	26-30 42-43	
102-17	Mechanisms of advice and ethical concerns	1, 2	16	41	

GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GOVERNANCE					
102-18	Governance Structure			19-20, 33	
102-19	Delegation of authority			19, 21, 33, 41	
102-20	Executive level liability for economic, environmental and social issues			19, 21, 33, 41	
102-21	Consultation with groups of interest on economic, environmental and social issues		16	49-52	
102-22	Composition of the highest governance body and its committees		5, 16	19-20 26-27	
102-23	Chairman of the highest governing body		16	20	
102-24	Nomination and selection of the highest governance body		5, 16	27	
102-25	Conflicts of Interest		16	26	(4)
102-26	Role of the highest governance body in the selection of purposes, values and strategy			19	
102-27	Collective knowledge of the highest governance body			ND	This information will be included in future reports
102-28	Evaluation of the performance of the highest governance body			27	
102-29	Identification and management of economic, environmental and social impacts	1, 2	16	33-36 41-43	
102-30	Effectiveness of risk management processes	1, 2		36-37	
102-31	Evaluation of economic, environmental and social issues	1, 2		36	
102-32	Role of the highest governance body in the drafting of sustainability reports			147, 152	
102-33	Communication of critical concerns			26, 36, 152	
102-34	Nature and total number of critical concerns			153-155	
102-35	Remuneration policies			27, 91	
102-36	Process to determine compensation			27, 91	
102-37	Involvement of stakeholder groups in NP compensation			NP	(5)
102-38	Annual total NP compensation ratio			ND	This information will be included in future reports
102-39	Ratio of the percentage increase of the total annual NP compensation			ND	This information will be included in future reports
STAKEHOLDER PARTICIPATION					
102-40	List of interest groups			50-52	
102-41	Collective bargaining agreements	3, 4, 6	8	92, 96	(6)
102-42	Identification and selection of interest groups			49	
102-43	Approach for the participation of the interest groups			50-52	
102-44	Key issues and concerns mentioned			50-52	

GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
PRACTICES FOR REPORT DRAFTING					
102-45	Institutions included in the consolidated financial statements			6	Aena SME, S.A.
102-46	Definition of the contents of the reports and the Coverage of the subject			146-150	
102-47	List of material topics			153-155	
102-48	Re-expression of information				(7)
102-49	Changes in drafting of reports				(8)
102-50	Period covered by the report			148	
102-51	Latest date of report				2016
102-52	Report drafting cycle				Annual
102-53	Contact point for questions regarding the report			168	rc@aena.es
102-54	Declaration of drafting the report in accordance with GRI standards			146	
102-55	GRI Table of Contents			156-164	
102-56	External verification				(9)
GRI 103 Management focus 2016					
103-1	Explanation of the material topic and its coverage			35-36	
				61	
				72-74	
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				115	
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				154-155	
103-2	The management approach and its components	1, 2, 3, 4, 6, 7, 8, 9, 10		28-30	
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				100-101	
103-3	Evaluation of the management approach	1, 2, 3, 4, 6, 7, 8, 9, 10		111-113	
				116-117	
				121	
				132-135	
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				80	
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				100	
135					
				141-142	
Indicators GRI: 102-48; 102-49; 102-51; 102-52; 102-55; 102-56					



GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GRI 201 Economic performance 2016					
201-1	Direct economic value generated and distributed		5, 8, 9	56-57	
201-2	Financial implications and other risks and opportunities arising from climate change		13	35, 73, 99	This information will be expanded on in future reports
201-3	Obligations of the defined benefit plan and other NP retirement plans			ND	This information will be included in future reports
201-4	Financial assistance received from the NP government				(10)
SECTOR-SPECIFIC-(Airport Operator Sector Supplement 2011)					
A01	Main data on passenger traffic			11-12	
A02	Main data on aircraft movements			11-12	
A03	Main data on movement of merchandise			11-12	
GRI 203 Indirect economic impacts 2016					
203-1	Investments in infrastructure and supported services		5, 9, 11	58-59 68-69 128	
203-2	Significant indirect economic impact		1, 3, 8	58-59 68-69	
GRI 204 Acquisition practices 2016					
204-1	Proportion of spending on local suppliers		8	22, 45, 57	
GRI 205 Anticorruption 2016					
205-1	Operations evaluated for risks related to corruption			ND	This information will be included in future reports
205-2	Communication and training on anti-corruption policies and procedures	10	16		(11)
205-3	Confirmed cases of corruption and measures taken	10	16		None
GRI 206 Unfair Competition 2016					
206-1	Legal actions related to unfair competition, monopolistic practices and against free competition		16		None
GRI 302 Energy 2016					
302-1	Energy consumption within the organisation	7, 8, 9	7, 8, 12, 13		(12)
302-2	Energy consumption outside the organisation			ND	(13)
302-3	Energy intensity	7, 8, 9	7, 8, 12, 13	105	
302-4	Reduction of energy consumption	7, 8, 9	7, 8, 13		(14)
302-5	Reduction of the energy requirements of products and services			NP	(15)
SECTOR-SPECIFIC (Airport Operator Sector Supplement 2011)					
A09	Number of impacts with wild animals per 10,000 movements	7			(16)

GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GRI 305 Emissions 2016					
305-1	Direct GHG emissions (scope 1)	7, 8, 9	3, 12, 13, 14, 15	106	
305-2	Indirect GHG emissions when generating energy (scope 2)	7, 8, 9	3, 12, 13, 14, 15	106	
305-3	Other indirect GHG emissions (scope 3)	7, 8, 9	3, 12, 13, 14, 15	106	
305-4	GHG Emissions intensity	7, 8, 9	13, 14, 15	106	
305-5	Reduction of CO2 emissions	7, 8, 9	13, 14, 15	107	
305-6	Emissions of substances that deplete the ozone layer (ODS)			NP	(17)
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions			NP	(17)
SECTOR-SPECIFIC (Airport Operator Sector Supplement 2011)					
A05	Air quality (concentration of pollutants subject to legislative control)			NP	(17)
A07	Exposure to noise			104	
GRI 307 Environmental compliance 2016					
307-1	Non-compliance with environmental legislation and regulations	7	16		(18)
GRI 308 Environmental evaluation of suppliers 2016					
308-1	New suppliers that have passed screening and selection filters according to environmental criteria	7		121	
308-2	Negative environmental impact to the supply chain and actions taken	7		121	
GRI 401 Employment 2016					
401-1	New employee recruitment and staff rotation		5, 8, 10	90	(19)
401-2	Benefits for full-time employees that are not given to part-time or temporary employees		3, 5, 8	94-95	
401-3	Parental Permission		5, 8	ND	This information will be included in future reports.
GRI 402 Worker-company relations 2016					
402-1	Minimum warning periods on operational changes		8	ND	This information will be included in future reports.
GRI 403 Occupational Health & Safety in the workplace 2016					
403-1	Representation of the workers in formal employees-company committees related to health and safety	3	8	96	
403-2	Types of accidents and frequency rates of accidents, occupational diseases, missed days, absenteeism and number of deaths due to work-related accidents or occupational diseases		3, 8	96	
403-3	Workers with high incidence or high risk of diseases related to their activity		3, 8	ND	This information will be included in future reports.
403-4	Health and safety issues addressed in formal agreements with unions			96	

GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GRI 404 Professional Training and education 2016					
404-1	Average training hours per year per employee		4, 5, 8, 10	88	
404-2	Programmes to improve employee skills and transition assistance schemes		8	88-89	
404-3	Percentage of employees who receive periodic performance evaluations and professional development		5, 8, 10	91	
GRI 405 Diversity and equal opportunities 2016					
405-1	Diversity in government bodies and employees	6	5, 8	27 92-93 112	
405-2	Ratio of base salary and remuneration of females compared to males	6	5, 8, 10		(20)
GRI 406 Non-discrimination 2016					
406-1	Cases of discrimination and corrective actions taken	6	5, 8	28, 93	
GRI 407 Freedom of association 2016					
407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	3	8	NP	(21)
GRI 409 Forced or compulsory employment 2016					
409-1	Operations and suppliers with significant risk of cases of forced or compulsory employment	4	8	135-136	
GRI 410 Security Practices 2016					
410-1	Security personnel trained in human rights policies or procedures	1, 2	16	ND	(22)
GRI 412 Human Rights Assessment 2016					
412-1	Operations subject to reviews or impact assessments on human rights	1, 2		135-136	
412-2	Training of employees in human rights policies or procedures	1, 2		89 136	(23)
412-3	Significant investment agreements and contracts with clauses on human rights or submitted to human rights assessment	1, 2		121	
GRI 413 Local communities 2016					
413-1	Operations with local community participation, impact evaluations and development programmes			118-120	
413-2	Operations with significant negative impact, either real or potential, on local communities		1, 2	103	
SECTOR-SPECIFIC (Airport Operator Sector Supplement 2011)					
A08	Displacement of persons and compensations				(24)



GRI Standard	Description	The UN Global Compact	SDG	Page	Notes
GRI 414 Social evaluation of suppliers 2016					
414-1	New suppliers that have passed screening and selection filters according to environmental criteria		5, 8, 16	57 121	
414-2	Negative environmental impact to the supply chain and actions taken		5, 8, 16	121	
GRI 415 Public policy 2016					
415-1	Contribution to parties and / or political representatives		16		(25)
GRI 416 Customer Health and Safety 2016					
416-1	Evaluation of the health and safety impact on the categories of products or services			38-39 75 81	
416-2	Cases of non-compliance related to the health and safety impact on the categories of products and services		16	74-75	
GRI 418 Customer privacy 2016					
418-1	Claims based on violations of customer privacy and loss of customer data		16	75, 144	
GRI 419 Socio-economic Compliance 2016					
419-1	Failure to comply with laws and regulations in social and economic fields		16		(18)

ND: Not Available; NP: Not Applicable

(1) The registered office of Aena SME, SA is located in Madrid, C / Arturo Soria 109. 28043 Madrid

(2) The type of suppliers can be consulted in the [internal standard for general contracts](#). In the [Aena Suppliers Portal](#) you can consult the bids and contracts.

Commercial services are also contracted as described in [Aena's commercial contracting standard](#). The bids and contracts can be consulted at the [Aena Company Portal](#).

(3) The most notable changes that occurred in 2017 were:

- Approval of the Airport Regulation Document (DORA) for the period 2017-2021, which establishes the minimum service conditions that will prevail in AENA's airports in the Spanish network.
- Change of organisational structure.
- Appointment of Jaime García-Legaz as Chairman of the Board of Directors of Aena SME, SA.
- Adherence to the United Nations Global Compact.
- The concession in December 2017 of the International Airport of the Region of Murcia - Juan de la Cierva.
- The agreement to modify the collective agreement extending its validity until 31/12/2021.
- Adherence to the Code of Good Tax Practices.

(4) Aspect regulated in the [Regulations of the Board of Directors](#).

(5) The status of a state company means that the remuneration of the CEO and senior executives of Aena SME, SA is regulated by the general budgets of the state.

(6) In September 2017 the Agreement to modify the collective agreement was registered, extending its validity until 31/12/2021. Please refer to the [Official State Gazette published on 9/1/2018](#).

(7) Any re-expression of information collected in previous reports is explained in each case. Information from previous reports was limited to the parent company and in this report the consolidated information with Luton is included insofar as is possible.

(8) Material issues have been categorised into more general topics in the 2016 report.

(9) The 2017 CR Report has not been subject to external verification. The internal control and verification systems of the organisation guarantee the veracity of the information (see p. 146).

(10) Aena has not received in 2017 subsidies, tax credits or credits or financial incentives from the government.

(11) Through the Aena intranet, an on-line course may be accessed on the organisation's code of conduct.

(12) Internal energy consumption (GJ) and Total itemised consumption

		2015	2016	2017
Fuel Consumption (Gj)	Diesel	154.162	157.823	171.175
	Petrol	1.831	1.588	1.877
	Natural gas	138.898	161.581	166.960
	Propane	866	972	948
	Kerosene	1.398	1.439	1.881
	Subtotal	297.155	323.402	342.840
Consumo energético (Gj)	Electricity	3.422.766	3.463.869	3.521.617
	Heating	230.490	231.134	210.011
	Cooling	415.846	383.585	424.679
	Subtotal	4.069.102	4.078.587	4.156.307
Total energy consumption (Gj)		4.366.257	4.401.990	4.499.148
		2015	2016	2017
Energy generated from renewable sources (Gj)	Wind power	9.001	9.579	8.071
	Solar power / photovoltaics	1.487	1.379	1.600
	Solar thermal energy	1.289	286	424
	Geothermal	0	95	140
	Subtotal	11.777	11.340	10.235
Energy consumed from renewable sources (Gj)	Wind power	7.372	8.319	7.497
	Solar power / photovoltaics	1.383	1.277	1.479
	Solar thermal energy	1.289	286	424
	Geothermal	0	95	140
	Subtotal	10.044	9.978	9.540
Energy sold from renewable sources (Gj)	Wind power	1.629	1.261	574
	Solar power / photovoltaics	104	102	121
	Solar thermal energy	0	0	0
	Geothermal	0	0	0
	Subtotal	1.732	1.362	695

Source of conversion factors: GHG Protocol (WRI / WBCSD) and International Energy Agency (IEA).

(13) The necessary information cannot be obtained and is beyond the scope of the organisation.

(14) Reduction of energy consumption

Total consumption

	2015	2016	2017
Gj	4.366.257	4.401.990	4.499.148
2017-2015 Ratio	3,04%		

Consumption of electric power in airports of the Spanish network per unit area thanks to Aena sponsored initiatives

Year	Ratio kWh/m ²	Percentage compared to the previous year	Percentage accumulated with respect to 2009
2009	254	-	-
2010	242	-5,00%	-5,00%
2011	234	-3,00%	-8,00%
2012	228	-2,00%	-10,00%
2013	222	-3,00%	-13,00%
2014	210	-5,00%	-18,00%
2015	212	1,00%	-17,00%
2016	218	2,83%	-14,17%
2017	222	1,83%	-12,60%

(15) The services offered by Aena do not entail energy consumption by the end user.

(16) Total annual number of wildlife impact events per 10,000 aircraft movements:

	2016	2017
Network of Spanish airports	5,52*	4,46

(*) The data that appears in the 2016 report was estimated at 5.12, yet the value of the index following verification is 5.52.

London-Luton Airport

	2015	2016	2017
Controllable species	3	6	12
Uncontrollable species	7	18	9

The reason why no global data is given is that the effective management of Controllable Species attracts uncontrollable species. In addition to birds of prey uncontrollable species have a much lower risk and both species require very different approaches.

(17) Ozone depleting substances direct emissions are not significant, and neither nitrogen oxides (NOX) nor sulphur oxides (SOX). Air quality is controlled by immission measurements and it is not possible to distinguish the amount of pollutants from Aena's activities. No legislation applies to the direct emissions into the atmosphere from Aena's activity.

(18) In relation to the contentious-administrative appeal against Aena, ENAIRE and the Ministry of Public Works filed by some inhabitants of the inhabited locality named Ciudad Santo Domingo (Algete, Madrid), demanding the paralysis in the use of runway 18R (one of the four with which the Adolfo Suárez Madrid Barajas airport has) considering that the overflight of planes violates their fundamental rights due to excessive levels of noise in their homes, and in accordance with the contents of the Supreme Court ruling of 3 April, 2017, there are no material consequences for Aena, nor does it entail any obligation for the Administration or for AENA (e.g. modification of routes, reduction of overflights, etc.) and maintains the current operational capacity of the airport. This ruling requires a verification of the level of noise existing outside and inside the homes following the methodology referred to in Regulation (EU) 598/2014 and whose term ends on February 22, 2018.

(19) In September 2017, 50 candidates were added to internships for university graduates. Two processes of external personnel recruitment were also called. The first call, aimed at engineering and IT occupations, ended with the recruitment of 7 graduates in September 2017; the second is still in process and its completion is expected in the month of April 2018.

(20) There are no salary differences due to gender.

(21) For the sector (public) and legal framework of the geographical areas where it operates (Europe), there have not been identified as significant risks associated with the violation of the rights of freedom of association and collective bargaining. Due to the eminently local nature of the supply chain, the same risks are assumed for suppliers.

(22) Security is a concession and it is outside the scope of the organisation to control the human rights training of the employees of the concessionaire company.

(23) There is a course accessible from the intranet in relation to the code of conduct in place at Aena SME, SA

(24) There have been no displacement of persons or compensation.

(25) The Aena Code of Conduct prohibits the financing of parties and / or political representatives.



ABBREVIATIONS AND ACRONYMS



Abbreviations and acronyms

ABC	Automated Border Control
A-CDM	Airport Collaborative Decision Making
ACI	Airports Council International
AdP	Aéroports de Paris
AECID	Spanish Agency of International Cooperation for Development
AERCE	Spanish Association of Procurement, Contracting and Procurement Professionals
AESA	State Air Safety Agency
ANI	National Infrastructures Agency
APP	Public-Private partnership
APU	Auxiliary Power Unit
A-SMGCS	Advanced-Surface Movement Guidance and Control Systems
ASQ	Airport Service Quality
ATM	European air traffic management system
ATU	Parameter that reflects the activity of an airport, taking into account its operations, passengers and the annual cargo volume.
BIM	Building Information Modeling
CAA	Civil Aviation Authority
CAE	Coordination of business activities
Cap.	Chapter
CDM	Collaborative Decision Making

CDP	Carbon Disclosure Project
CEDDET	Center for Distance Learning for Economic and Technological Development
CERMI	Spanish Committee of Representatives of People with Disabilities
CNMV	National Securities Market Commission
DART	Direct Air to Rail Transport
DART	Direct Air to Rail Transfer
dB	Decibels
DDHH	Human rights
DIA	Declaration of environmental impact
Dir.	Director
DORA	Airport Regulation Document
EDS	Explosive detection system
EMMA	Mobility surveys in air mode
EPIs	Personal Protection Equipment
GAP	Grupo Aeroportuario del Pacífico
GBP	Pound sterling
GEI	Greenhouse gases
GI	Interest group
GRI	Global Reporting Initiative
GSE	Ground service vehicles

HAH	Heathrow Airport Holdings Ltd
IIRC	International Integrated Reporting Council
Inc,	Increase
KPIs	Key Performance Indicators
LLAOL	London Luton Airport Operations Ltd.
LTO	Landing and Take-Off
M	Million
MER	Strategic Noise Maps
MTTO	Maintenance
N/A	Not applicable
NSP	Network Service Provider
OACI	International Civil Aviation Organization
OCSO	Operational Safety Central Office
ODS	Sustainable Development Goals
OIT	International Labour Organisation
ONG	Non-Governmental Organization
OSP	Public Service Obligations
PAE	Employee Service Program
Pax	Passengers
PMR	Passengers with reduced mobility
PRL	Prevention of occupational hazards

RC	Corporate Responsibility
RD	Royal Decree
RE	Regulation
REE	Red Eléctrica de España
RESA	Track End Safety Area
REVLA	Aena Bidders Voluntary Register
RMGA	Minimum guaranteed rents
RPAS	Remotely Piloted Aircrafts
RRHH	Human Resources
RRSS	Social media
SSEI	Rescue and Fire Extinction Service
TIC	Information and Communication Technology
TRLCSP	Consolidated text of the Law on Contracts of the Public Sector
UVV	Flight Verification Unit

YOUR OPINION MATTERS

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