

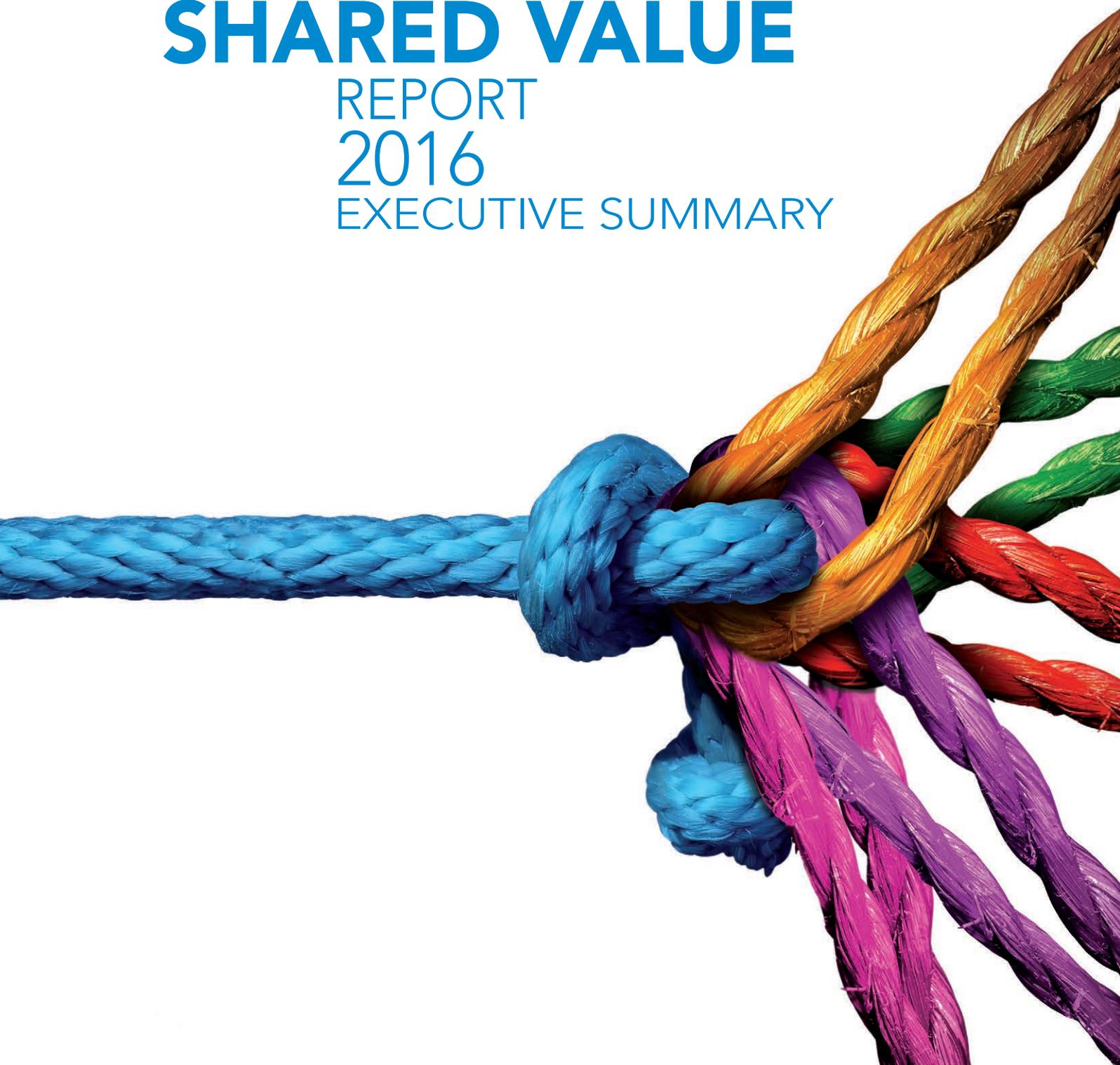


SHARED VALUE

REPORT

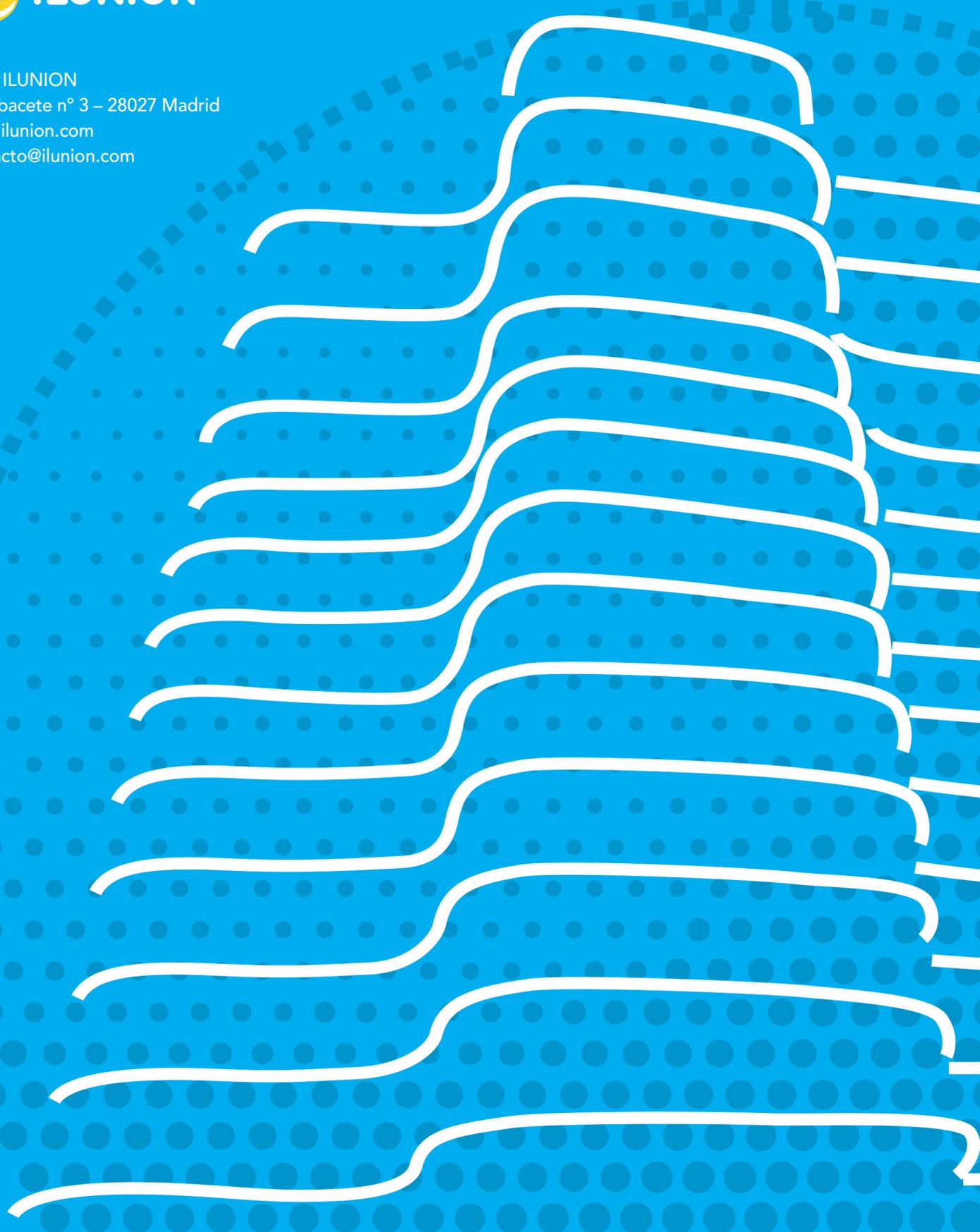
2016

EXECUTIVE SUMMARY





Torre ILUNION
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CHIEF EXECUTIVE
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ALBERTO DURÁN LÓPEZ

CHAIRMAN



by nearly 6% in 2016, generating an EBITDA of more than EUR 39 million. These figures consolidate ILUNION as a competitive group in terms of its offer, quality and service, that is capable of giving added value to customers.

We must continue on this path and growth is the best way to do it. To ILUNION, growth is a necessary dynamic if it is to uphold its corporate and economic purposes, so we must study every business niche that could create jobs for people with disabilities, without overlooking profitability. We will do this by harnessing talent and taking on new challenges, like the internationalisation we have embarked on in Colombia with ILUNION Lavanderías.

Nations Sustainable Development Goals, which are driven by the need to promote sustained, inclusive and sustainable economic growth, together with full employment and decent work for all.

We are pleased that business is considered a key actor in the Agenda 2030 because this highlights the value of the role of companies that adopt social goals like us and encourages us to carry on and go further.

In 2016, ILUNION created 1,499 new jobs for people with disabilities. This was a very positive result tying in with the fact that, at year end, 37.7% of ILUNION's workforce were people with disabilities, which tells us that we are on the right track. We continue to rise to the challenge of being the top hirer of people with disabilities in the Spanish business sector.

ONCE and its Foundation set up Grupo ILUNION to provide more and better jobs for people with disabilities. The results confirm ILUNION's capacity to fulfil this corporate purpose in the framework of a profitable business project.

This is demonstrated by the fact that the Group increased its sales

To maintain such ambitious goals we need to be excellent and efficient in everything we do and promote the business values that set us apart from the rest. ILUNION is committed to creating quality employment and opportunities for people with disabilities with greater difficulties for integration. It is important for the Group and its guiding values to advance in this direction by tearing down existing barriers and setting challenging targets. We want to be actors and promoters of a more inclusive economy that moves forward by creating prosperity for all.

The vision and vocation of the social business project represented by ILUNION is aligned with the United

ALEJANDRO OÑORO MEDRANO

CHIEF EXECUTIVE OFFICER



ILUNION, the group of social undertakings of ONCE and its Foundation, is the result of the merger of Fundosa and Ceosa. In 2016, we made a successful start to rolling out the Strategic Plan 2016-2019, which will help to position us as a leading business group in Spain.

The economic and social results support our expectations of adding value to the global project of ONCE and its Foundation and to people with disabilities in general. In 2016 alone, the Group created 1,500 new jobs for people with disabilities, 1,500 new life opportunities to achieving full social inclusion.

These good results were made possible by the progress that

ILUNION has made in efficiency, competitiveness and profitability. The 2016 financial year closed with a sales growth of 6% more than the previous year and a remarkable improvement in economic performance.

Although 2016 was a good year, we expect 2017 to be even better. We want to make further progress in employment, creating opportunities for people with disabilities, especially those at greater risk of exclusion. We will do this by concentrating efforts on three areas: growth, excellence and innovation.

ILUNION will continue its organic growth in the business and activities most appropriate to the creation of economic and social value, and it will seek new opportunities in its current lines of activity through purchases and/or shareholdings in other companies. We will also start exporting our model beyond Spain's borders.

The Group seeks excellence in everything it does as a way of obtaining higher returns and offering more added value to customers. The Group's ambitious social goals require an effort in social innovation that sets us apart from other companies, but our efficiency and quality of service also put us on another level. ILUNION has already begun the digital transformation process to make this happen.

We realise that we cannot walk this road alone if we want to progress,

so we will continue to build new strategic partnerships, strengthening and consolidating institutional and business relationships to make us bigger and better while allowing us to learn and share our experience.

As an organisation, we want to contribute to building a more prosperous and inclusive society. We want to keep demonstrating that things can be done differently, using a model that represents the perfect combination of social goals and business efficiency. ILUNION is a different and unique project, both of the present and the future, a project of PEOPLE for PEOPLE.

Welcome to our Shared Value Report.



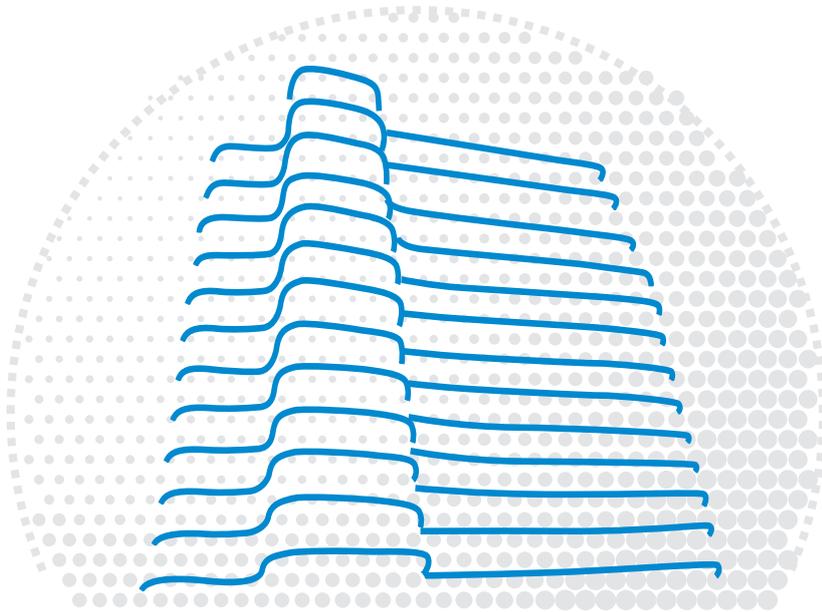
GRUPO ILUNION

IDENTITY, MODEL
AND STRATEGY

GOVERNANCE



IDENTITY, MODEL AND STRATEGY



GRUPO ILUNION

ILUNION is a social business group with five divisions that operate in over 50 business lines.

Through its various activities it is able to meet a broad profile of needs and make very competitive offers that are both tailored and flexible. ILUNION delivers comprehensive tailored solutions to industries such as public health and the hotel trade.



BUSINESS & FACILITY SERVICES:

- Cleaning and Environmental Health
- Security
- Comprehensive Maintenance
- Outsourcing and Auxiliary Services to Industry
- Contact Center
- BPO
- Laundry and Hospitality Services



SOCIAL AND HEALTHCARE:

- Social and Healthcare
- Physiotherapy and Health



MARKETING:

- Marketing
- Retail
- Insurance brokerage



TOURISM:

- Hotel Chain
- Catering
- Sports and Leisure



CONSULTING:

- Human Capital
- Technology and Accessibility
- Communication and Marketing

+ 800 PWD* at ILUNION Automoción, logistics provider of FORD

1,350 Contact Center positions

85 convenience stores

26 urban hotels and resorts

41 industrial laundry plants

8 care homes for the elderly and dependants, + 800 beds

10 day centres, 230 places

42,000 remote care users

25 own and partner physiotherapy clinics

*PWD: People with Disabilities.

ILUNION is a **very significant employer** in the Spanish job market. At the end of last year, 33,098 people worked at the Group – of whom 12,481 were workers with disabilities – and it created 1,499 new jobs for people with disabilities. It is committed to creating quality employment year after year for people with disabilities in the context of a profitable business project.

ILUNION is also **an important economic actor** in the regions where it does business. In 2016, the Group had 4,930 providers, of whom 98% were national, and invested EUR 314 million in purchases.

ILUNION is now the **lead provider** for many companies, borne out by the fact that Group sales for 2016 totalled EUR 796.4 million, placing the Group's EBITDA at EUR 39.5 million.

IDENTITY AND MODEL

ILUNION is the corporate group of ONCE and its Foundation. Since the launch of the brand in 2014, it has managed to consolidate itself as a single company on the Spanish stage, for both its offer and service capacity and its mission and values.

The mission of ILUNION is to develop innovative business actions to integrate people with disabilities into the workplace while maintaining the balance between social and economic values.

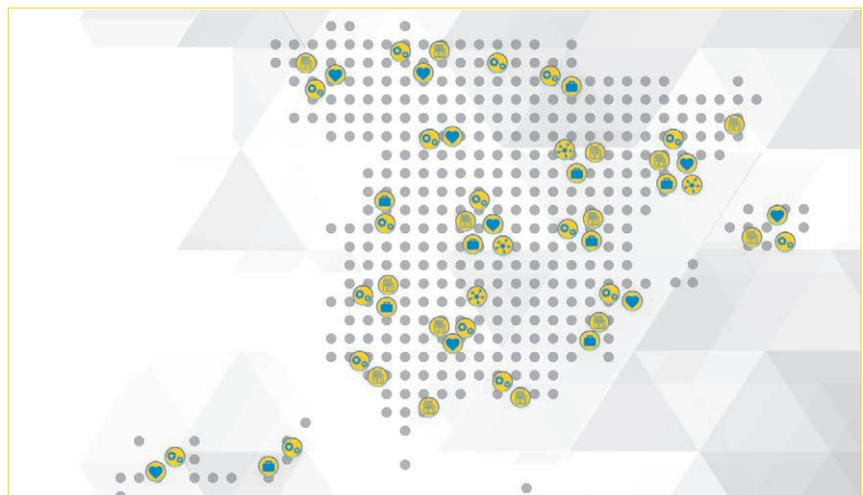
Employees, public authorities, suppliers and clients, other companies and society in general are the partners that ILUNION needs to transform the business reality of our country.

The Group puts considerable time and effort into building relationships with these groups based on their commitment to job creation – especially for people with disabilities – and their ethical and responsible business conduct. This is what ILUNION calls **Shared Value Creation**.

| | |
|--------------------------|--|
| SALES (M €) | 796.4 ↑ 5.7 % |
| EBITDA | 39.5 ↑ 24.6 % |
| WORKFORCE | 33,098 ↑ 4.6 % |
| PWD | 37.7 % ↑ 3 pp |
| PWD SPECIAL DIFFICULTIES | 13.5 % |
| | 479 employment sites |
| | 239 Sheltered Employment Centres (SEC) |

| | |
|----------------------|--------------------------|
| NO. CLIENTS | 230,258 |
| NO. PUBLIC CLIENTS | 992 |
| VOL. PURCHASES (M €) | 314 |
| NO. SUPPLIERS | 4,930 |
| ISO 9001 | 94 % certified companies |
| ISO 14001 | 80 % certified companies |

To collaborate, purchase or work at ILUNION is to contribute to a more inclusive economy and more prosperous society. This is a differential value that few organisations are able to incorporate into their sales offer.



STRATEGY

ILUNION's 2016-2019 Strategy was introduced in 2016. It takes the form of a roadmap for transforming the Group into a leading business organisation in Spain and continuing to create jobs for people with disabilities based on the following strategic lines:

■ Increasing profitability

At the end of 2016, the Group companies based at the Madrid offices were relocated to **Torre ILUNION**, the new business complex on calle Albacete 3, and with this, all the implementation and the standardisation of processes and centralised management systems.

Under the Internal Efficiency Plan, savings of EUR 4 M are expected and

the Shared Services Centre for Human Resources, Finance and Purchasing will be consolidated as a key pillar of the inner workings of the Group.

■ Development of activities contributing more added value

Innovation is key to achieving the strategic goals as a way of leveraging management excellence and the differentiation of products and services. ILUNION has launched a **Technological Development Plan** to strengthen its capacity to manage information, improve security, extend its range of services and cut costs.

■ Growth and entry to new sectors and markets

For ILUNION, growth is necessary if we are to comply with our social

obligations, and we are committed to doing so organically and inorganically.

Over the course of 2016, ILUNION Hotels opened **ILUNION Las Lomas** and **ILUNION Mérida Palace**, the chain's first 5-star hotel.

ILUNION Retail opened **5 new stores** and launched its **"Ibérico Singular"** brand under which it plans to sell high-end ham from the ILUNION company Ibéricos de Azuaga. It also opened **Explore**, a gastro space with a restaurant that also sells Spanish products.

Under the **foreign expansion plan**, ILUNION Lavanderías Colombia was set up in 2016, and work began on the construction of a new plant in Medellín.

FACTORS OF SUCCESS

DIVERSIFICATION AND RESPONSIVENESS

ILUNION is a highly diversified group able to deliver comprehensive solutions under very competitive conditions due to the synergies between its various businesses. It also covers a large area of Spain allowing it to respond to client needs in diverse social and economic contexts.

SOCIAL AND TECHNOLOGICAL INNOVATION

ILUNION incorporates the latest technology into its products and services, invests in the generation of knowledge to improve its competitiveness and aspires to be a benchmark in the areas of industrial laundry, accessible technology, contact centres, BPO and Social and Healthcare activities.

Placing people with disabilities at the heart of the business creativity process means activating solutions for jobs, products and services to benefit the whole of society through social innovation.



Presence in 5 priority sectors with 479 employment sites

Technological Development Plan to drive efficiency and deliver value to clients

Inclusion and accessibility are a differential value in the offer of the hotel and insurance industries

ILUNION also purchased 25% of the capital of Manchalán from Grupo Gureak to control 100% of the company and make an opening for itself in the Industrial Services line. It is a Sheltered Employment Centre employing 260 people, 94% of whom have disabilities. There are plans to make an investment of EUR 600,000 to improve the facilities.

Lastly, ILUNION increased its holding in Bugadería Industrial Mesnet de Tallers Baix Camp and now controls 90% of the company.

■ Corporate Social Responsibility Strategy

In 2016, work began on ILUNION's **Corporate Social Responsibility Master Plan** to advance in the aim of making ILUNION a benchmark

group on the Spanish corporate stage. It confers a strategic profile to the Group's activities in this area.

ILUNION wishes to contribute to meeting the United Nations **Sustainable Development Goals**. These goals express not only the need for companies to join in the shift towards a sustainable economic and productive model, but also the importance of progressing towards inclusive growth where we can all participate and benefit from the economic prosperity. This goal is perfectly aligned with the business model that ILUNION is and promotes.



A COMMITTED TEAM

Few companies have a social engagement as clear as ILUNION's. Our employees share in this engagement because they live out the reality of disability and see the daily proof that it is possible to do business differently.

LONG-TERM VISION

ILUNION applies a weighted strategy of growth and development that is under permanent review and not entirely subject to economic circumstances or driven by the market.

SOCIAL VALUE FOR CLIENTS

With a broad offer and the ability to develop services in which people with disabilities are part of the team, ILUNION helps other companies to meet their commitment to a more equal society.



37.7% of ILUNION employees have disabilities

During the economic crisis, ILUNION remained committed to business lines that now drive the growth of the Group and its employment offer

239 Sheltered Employment Centres in all divisions

GOVERNANCE

MANAGEMENT ENTITIES

The Board of Directors of ILUNION is the Group's highest governing body. In 2016, women were represented on the Board at a rate of 23.1%, while 83.3% of its members had some form of disability. The background of the board members is primarily Legal, Management and Business Administration. They also have management experience in the Third Sector of Social Action.

The organisation is managed by a Steering Committee composed of members of ILUNION's management team and the collegiate committees

of Remuneration, Investment, Auditing and Strategy for Information Systems, resulting in more independent decision-making.

The CEO is the highest executive responsible for the management and representation of the Group. He carries out functions relating to the design and strategic planning of the organisation globally and monitors its implementation.

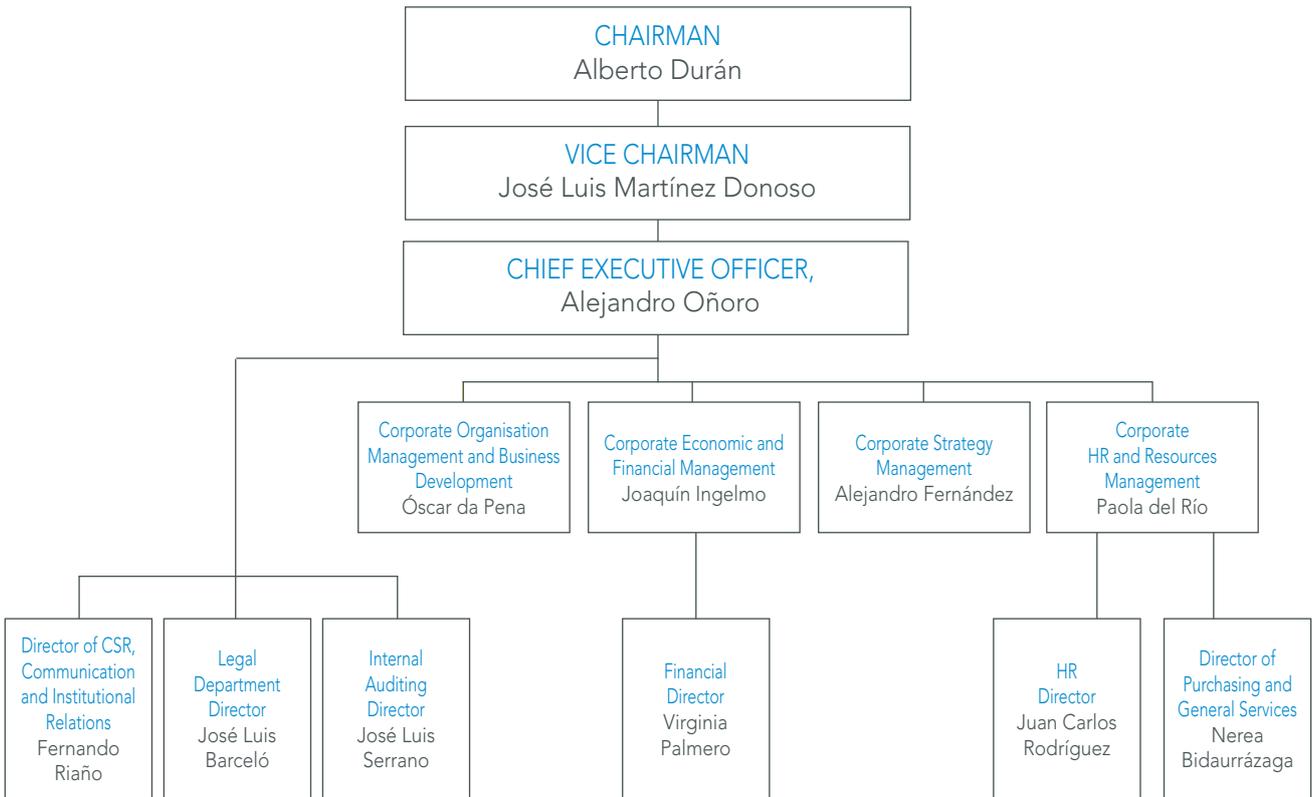
ONCE is the highest reference of the organisational system of ONCE and its Foundation, which includes ILUNION. The General Council is the highest organ of governance and

representation. Through its Strategy, Gaming and Business Development Committee, it participates in the supervision of the design and monitoring of the Group strategy, taking part in the study of decisions and the most relevant issues affecting the business group.

MEMBERS OF THE BOARD OF DIRECTORS OF GRUPO ILUNION (as at 31/12/2016)

| | | |
|---------------------------------|------------------------------------|--|
| Chairman: | Mr Alberto Durán López | Executive Vice-Chairman of ONCE Foundation |
| Vice Chairman: | Mr José Luis Martínez Donoso | Managing Dir. of ONCE Foundation |
| CEO: | Mr Alejandro Oñoro Medrano | |
| Board members: | Mr José Luis Pinto Barroso | Vice-Chairman of ONCE |
| | Ms Patricia Sanz Cameo | 2nd Vice-Chairwoman of ONCE |
| | Mr Ángel Ricardo Sánchez Cánovas | Managing Dir. of ONCE |
| | Ms Virginia Carcedo Illera | General Secretary of Inserta Empleo |
| | Mr Ancho Queiruga Vila | Chairman of COCEMFE |
| | Ms Concepción Díaz Robledo | Chairwoman of CNSE |
| | Mr Mario Puerto Gurrea | Chairman of Plena Inclusión |
| | Mr José Luis Aedo Cuevas | Chairman of FIAPAS |
| | Mr Jaume Marí i Pàmies | Chairman of ASPACE |
| Non-Executive Secretary: | Mr José Luis Barceló Blanco-Steger | |

ORGANISATIONAL CHART



GOVERNANCE PRACTICES

ILUNION has put in place the necessary measures to ensure that its governance policy is appropriate for making progress with transparency and efficiency. It recognises that the adoption of the measures and recommendations of the **Unified Corporate Governance Code** for listed companies will contribute to achieving the goals of the business group.

On its corporate website it publishes the applicable information under articles 6 and 8 of **Act 19/2013, of 9 December 2013, on transparency, access to public information and good governance**.

In 2016, a criminal enforcement analysis was conducted with positive overall

findings. The analysis also identified areas for improvement, which will be addressed by a review of the **Group's Criminal Offence Prevention Model**, the creation of specific independent bodies on criminal prevention and the creation of an observatory to monitor and issue recommendations in this area.

ETHICS AND INTEGRITY

ILUNION has a Code of Ethics, Ethics Channel and Ethics Subcommittee, tools that are applied across ONCE and its Foundation.

In 2016, the Subcommittee met 6 times and received a total of 4 complaints and 4 queries through the ethics channel. The complaints were analysed in depth and breach was

not observed in any case so the adoption or proposal of measures proved unnecessary. The actions undertaken by the Ethics Subcommittee in 2016 included extending the incompatibilities of directors with shareholdings in listed companies that are competitors of the Group and updating the "Measures for Implementation of the Code of Ethical Conduct".

PERFORMANCE

2016

ECONOMIC
HUMAN RESOURCES
INNOVATION
SOCIAL AND RELATIONAL
ENVIRONMENTAL



KEY PERFORMANCE INDICATORS

| | 2016 | 2015 |
|--|-------------|--------|
| Sales (in EUR millions) | 796.4 | 753.4 |
| Operating result (in EUR millions) | 12.4 | 4.0 |
| EBITDA (in EUR millions) | 39.5 | 31.7 |
| Purchasing volume (in EUR millions) | 314 | 307.6 |
| % local purchases | 97% | 96% |
| Number of suppliers | 4,930 | N/A |
| Total number of employees | 33,098 | 31,636 |
| % employees with disabilities | 37.7% | 34.7% |
| % employees with special difficulties ⁽¹⁾ | 13.5% | N/A |
| Jobs created for people with disabilities | 1,499 | 1,165 |
| % women employed | 54.0% | 55.7% |
| % employees with open-ended contracts | 62.1% | 64.6% |
| Total training hours | 124,749 | 88,565 |
| Accident rate ⁽²⁾ | 9.27 | 8.86 |
| % Group companies with ISO 14001 certification | 80.0% | 77.8% |
| % Group companies with ISO 9001 certification | 94.0% | 98.1% |
| Total energy consumption (domestic consumption) (Kwh) ⁽³⁾ | 419,605,266 | N/A |
| Total water consumption (m ³) | 2,315,810 | N/A |
| Waste generated (t) | 231,161 | N/A |

⁽¹⁾ Of all employees. Employees with mental disabilities – individuals with cerebral palsy, mental illness or intellectual disability – with a recognised degree of disability greater than or equal to 33% and employees with a physical or sensory disability with a recognised degree of disability equal to or greater than 65%.

⁽²⁾ Accident rate: (Total number of accidents/Total hours worked) x 200,000.

⁽³⁾ The environmental indicators for the years prior to 2016 are not comparable due to their having a different scope.

ECONOMIC

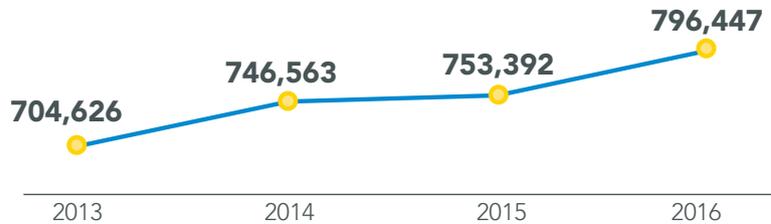
In terms of economic performance, 2016 has been an outstanding year for ILUNION.

In this first full year of Grupo ILUNION since its merger, consolidated **sales** totalled 796,4 M€, a 5.7% increase on the same figure for 2015. For its part, consolidated **EBITDA** amounted to 39.5 M€, a 24.4% increase on 2015.

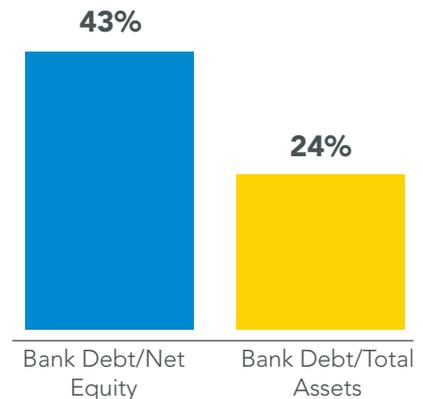
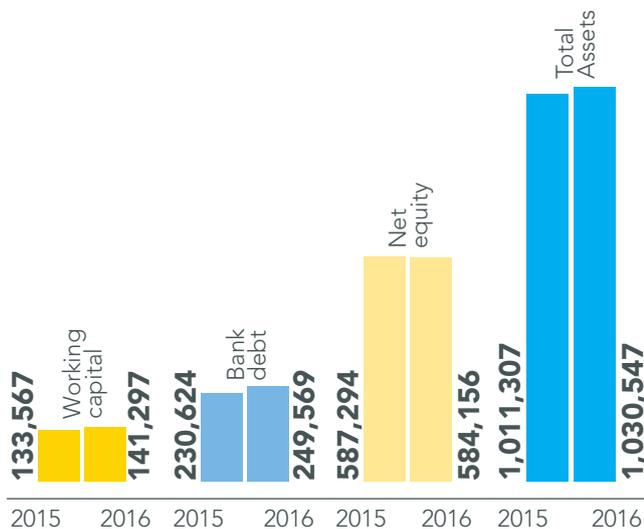
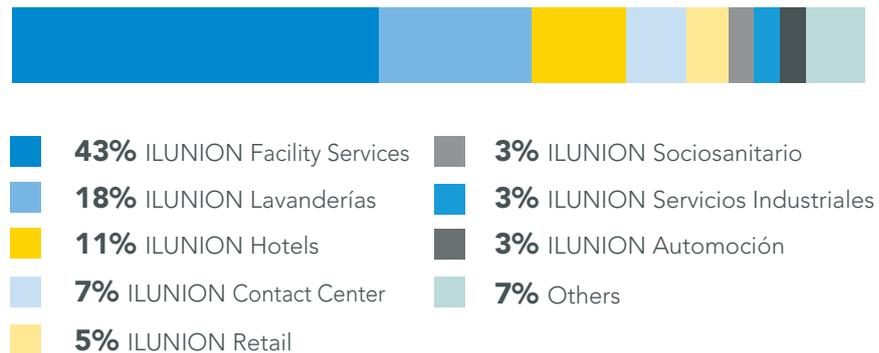
With regard to the **operating result**, in 2016 this amounted to 12.4 M€, a significant improvement on the figures for previous years: 4 M€ in 2015 and negative 1 M€ in 2014.

In **stability ratios**, total assets exceeded 1,030 M€, with a net worth of 584,2 M€. Assets were mainly financed with own resources, making up 56.7% of total liabilities. Gross debt amounted to 249.6 M€, representing 24% of total assets and 43% of equity.

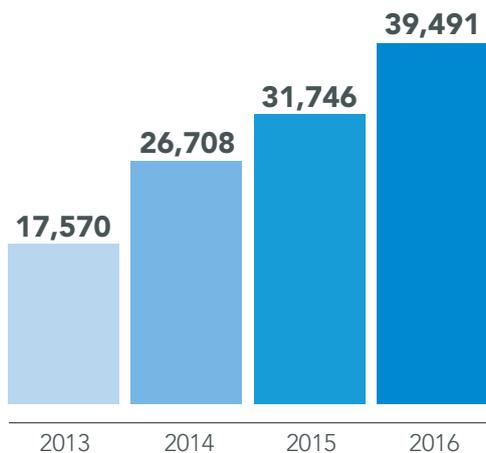
SALES (IN EUR THOUSANDS)



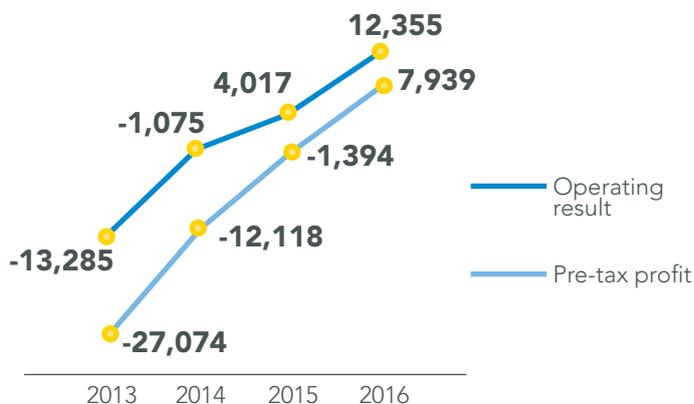
COMPANY SALES



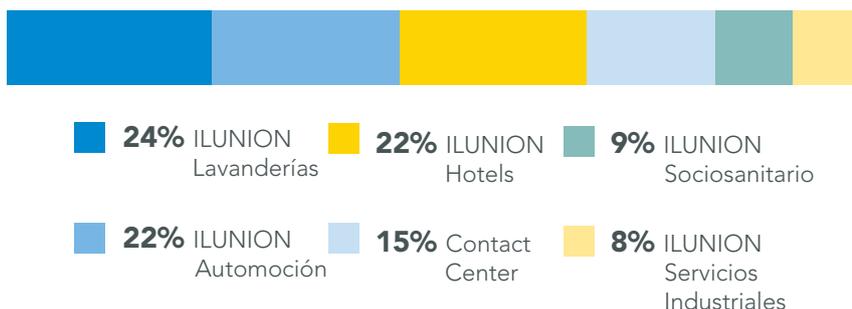
EBITDA (IN EUR THOUSANDS)



DEVELOPMENT OF THE OPERATING RESULT AND PRE-TAX PROFIT



KEY CONTRIBUTIONS TO THE OPERATING PROFIT OF GRUPO ILUNION



ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED BY GRUPO ILUNION IN 2016

| | |
|---|---------|
| Direct economic value generated (EVG) | |
| Income (in EUR thousands) | |
| Sales, variation in finished product inventories, property, plant and work, financial income and other income | 849,223 |
| Economic value distributed (EVD) | |
| Operating costs (in EUR thousands) | |
| Supplies and operating expenses | 246,339 |
| Wages and social benefits (in EUR thousands) | |
| Payments to employees and social contributions | 562,066 |
| Payments to providers of funds (in EUR thousands) | |
| Financial expenses: payments to capital providers of the organisation | 6,122 |
| Payments to government (in EUR thousands) | |
| Gross taxes and rates | 4,344 |
| Community investments (in EUR thousands) | |
| Voluntary contributions and investment of funds in the community (includes donations) | 550 |
| Economic value retained (EVR) | |
| Reserves, amortisations, depreciations, etc. (in EUR thousands) | 39,491 |

ILUNION RETAIL, A YEAR OF GROWTH AND DIVERSIFICATION

ILUNION Retail has a network of convenience stores in hospitals and motorway rest areas throughout Spain. The network now has 85 stores having added five new ones in 2016.

ILUNION Retail has also launched two new projects: Explore and Enriqueta Regala Bonito.

Explore is a fully accessible gastro space. It is a restaurant/bar/store where gourmet Spanish products can be purchased or tasted.

Enriqueta Regala Bonito is a new brand of online gift boxes containing original and quality items that cannot be found on the high street.



In 2016, ILUNION purchased products and services to the value of 314 M€. The Group worked with a total of 4,930 suppliers. The main groups of products and services purchased over the year were utilities (gas and electricity), bedding, machinery, hardware and software, washing products, cleaning products and uniforms.

A total of 98.2% of suppliers were national and accounted for 97% of the Group's total purchasing budget. A framework general collaboration agreement was maintained with 22 suppliers, allowing the development of a series of measures to benefit people with disabilities above and beyond the supply agreements.

Development is underway of the supplier approval and negotiation platform, specifically of the phase allowing individual users to go directly to the authorised supplier's catalogue. A pilot version of this has been tested at ILUNION Hotels. Work on the definition of balanced scorecards is also ongoing, as is the development of Business Intelligence tools to streamline management tasks.

HUMAN RESOURCES

JOB CREATION

At the end of 2016, a total of 33,098 people worked at ILUNION, 4.6% more than in the previous year. Of these, 37.7% – 12,481 people – had some form of disability, while in 2015 this percentage stood at 34.7%. Therefore, at the end of 2016, the Group employed 13.6% more people with disabilities than at the end of 2015.

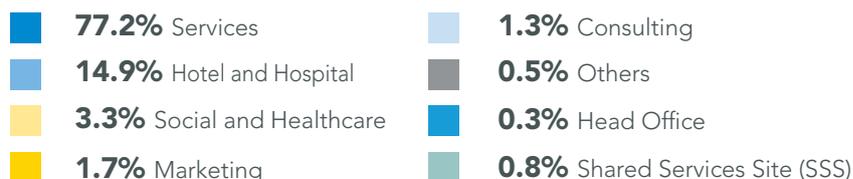
ILUNION companies thus managed to create 1,499 direct jobs for people with disabilities over the past year.

INDIVIDUALS WITH SPECIAL DIFFICULTIES

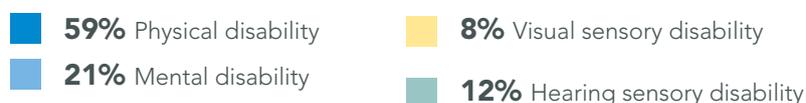
Of the total employees with disabilities, 35.7% had special difficulties for inclusion. A total of 21% had a mental disability – cerebral palsy, mental illness or intellectual disability – with a recognised degree of disability equal to or greater than 33%. The figure for employees with a physical or sensory disability with a recognised degree of disability equal to or greater than 65% was 14.7%.

In addition, 1,536 individuals were of nationalities other than Spanish – 5% of the workforce – and 30% of these had disabilities.

JOB CREATION



INDIVIDUALS WITH SPECIAL DIFFICULTIES



A total of 54% of ILUNION employees fall into the 45-65 years age bracket.

During 2016, ILUNION signed two collaboration agreements to promote the employability of female victims of domestic violence with disabilities, one with **Fundación Integra** and the other with **Cruz Roja de España**, and an agreement with **Federación del Secretariado Gitano** for the inclusion of Romany people with disabilities. It also signed an agreement with the **Subdirectorato General of Support to Terrorism Victims, attached to**

the Ministry of the Interior, in the framework of the Working Programme for the Employability of Terrorism Victims.

The agreement signed with the **Ministry of Health, Social Services and Equality** to raise social awareness and improve the employability of victims of gender violence continued over the past year.

GENDER DIVERSITY

At the end of 2016, **54% of ILUNION's workforce were women**, 30.4% of whom had disabilities; of these, **37.9% had special inclusion difficulties**.

By **professional category**, 102 women, 32 of whom had disabilities, held positions of management or middle management. The percentage of women on management and governance bodies totalled 36%.

In 2016, the **Third Equality Plan** of Grupo ILUNION was approved and the equality plans of ILUNION Sociosanitario and ILUNION Lavanderías were renewed. The **Equality and Anti-Harassment Committees** continued with their tasks, dealing with 8 harassment cases and 5 conflicts.

Over the year, **3 victims of gender violence with disabilities joined ILUNION**, while specific follow-up and care were given to 6 female workers in this situation.

DISCWORK PROGRAMME



The Discwork Programme was launched to move the corporate headquarters to Torre ILUNION. The purpose of the programme is to guarantee professional performance under equal conditions and to facilitate the basic activities of working life for employees with special adaptation needs, such as those with reduced mobility, major disability (greater than 65% with the need for a third person), or walking difficulties.

Needs have been identified in workplace accessibility, personal assistance to perform the basic tasks of daily living (eating, drinking, grooming, etc.) and for job performance (using work tools, printers, etc.).

From 7:30 am to 7:00 pm, a personal assistance service tailored to the needs and circumstances of each individual is provided.

DIVERSABILITY PROJECT

Support units or social development units are multi-professional teams that form part of the Personal and Social Adjustment Services of the Sheltered Employment Centres (SEC). Their mission is to support aspects of the working life (incorporation, development and permanence) of workers who need it due to disability. This SEC concept is regulated by Royal Decree 469/2006 of 21 April 2006.

But the social development units go beyond the mere legal obligation because they have a key impact on the quality of employment and recruitment capacity of ILUNION.

Under Diversability, a regional network of support units is set up to deliver services to various SECs of the Group and a common policy on support services for workers with disabilities will be designed and implemented for all SECs.

The development of this regional network of support services will improve employment quality, promote job stability and contribute to worker employability, generating job opportunities in the ordinary market and through forms of entrepreneurship. The improvement to support services will also allow ILUNION to recruit more people with disabilities.

The project will last for 18 months, from 1 July 2016 to 31 December 2017, and has funding from the European Social Fund. By December 2016, the key actions had been designed and the first recruitment round for new technicians had been held. In parallel, the support unit technicians hired previously began to provide services to members of staff with disabilities in the SECs attached to the project.

| INDICATORS | OBJECTIVES |
|--|------------|
| Regional networks of support units created | 10 |
| Total employees who benefited | 3,143 |



PROFESSIONAL DEVELOPMENT

In 2016, almost **125,000 hours' training were carried out**, 41% more than in 2015. This dramatic year-on-year increase is a result of business growth and the need to keep the workforce

up to date and trained to successfully meet the new challenges of the Group.

Of the total hours, 38.6% went to employees with disabilities. By category, 14.1% were allocated to

training executives and middle management, so the remaining 85.9% of the total hours were for training other professional categories, including production areas.

MAIN MATERIALS OR LINES OF TRAINING



OCCUPATIONAL HEALTH AND SAFETY

At the end of 2016, **68% of Grupo ILUNION companies were certified in occupational health and safety** under OHSAS 18001 criteria and a total of 21 audits had been conducted. Moreover, 66% of Group employees were represented on formal joint health and safety committees and 23,534 hours of training were held in this area.

The Occupational Risk Prevention Plans are a reflection of the special emphasis on disability in the organisation's preventive management. One such plan is the Mobility and Road Safety Plan, launched to reduce road traffic and pedestrian accidents. ILUNION also joined the European Road Safety Charter.

ILUNION SOCIO SANITARIO: WALK



Over the past year, ILUNION Sociosanitario launched the CAMINA ("Walk") Initiative to encourage its employees to do physical exercise. Up until the end of the initiative, each of the 15 participating sites was given a pedometer and every week one of their workers was invited to use it.

At the end of the week, all the worker's steps taken in and outside the workplace were counted. The pedometer added up the steps taken by the workers at each site and placed them in a "classification of steps".

The total number of steps came to 32.4 million (equivalent to 24,937 km), which gave an average of 83,124 steps (about 64 km) per worker and week. The winner was La Solana (Ciudad Real), with 3,563,252 steps.

THE EMPLOYEE'S VOICE



In the context of the family-responsible company model and in order to find out staff opinions on equality and reconciliation policies at the ILUNION head office, a survey was carried out on a sample of employees. The La Voz del Empleado ("The Employee's Voice") report reflects the main conclusions drawn by the survey, which were used to identify four areas of action: Communication, Time Management, Flexibility and Family Responsibility.

Key conclusions:

- The majority of participants have seen very positive developments in reconciliation and equality in recent years at ILUNION but point out certain areas for improvement.
- The level of satisfaction is more than 75% in almost all of the awareness-raising policies and actions carried out each year.
- Men and women have different perceptions. Only 25% of women said that they had a good work-life balance, compared to 50% of men.

- The average age of the Group's workforce is 45 years, so a balance is required in connection with children aged between 7 and 18 and older parents who need care. Maternity and paternity measures are seen as positive but they are barely used because of changing needs with respect to average employee age.
- Flexitime is the measure that most people know about and use.
- Working from home is a familiar measure and in high demand but is not used to a great degree.
- The individuals who use the reconciliation measures consider that they have the support of their co-workers, although 69% of women believe that using them can sometimes slow down their career.



INNOVATION



ILUNION seeks to provide the best offer on the market and deliver maximum added value to clients. But it also wants to create value for society. Hence, on many occasions, the challenges it sets itself are harder than those of other organisations doing business in the same sectors.

Moreover, at ILUNION, **social innovation** is a necessary practice for adapting working conditions to different types of disability and allowing every employee to develop all their skills. Nonetheless, it also means spearheading many areas of business activity, considering people with disabilities as a client and the market as a stage on which

to assert the opportunities and needs of these individuals.

INNOVATION WITH A SOCIAL IMPACT

Smart Human Cities

The *Smart City* concept refers to the innovations, projects and visions that will configure the cities of the future. Environments where technology will promote economic development and citizenship. The concept is therefore a meeting point for companies, innovation and the wider community. ILUNION wants to participate in this future and intervene to make these cities accessible and inclusive. We

are working with the ONCE Foundation to develop technologies to progress in this direction, advocating the **Smart Human City** concept.

The project **Eliminando barreras en el transporte público** ("Removing Public Transport Barriers") is aimed at making public transport in Barcelona accessible. With the collaboration of Transports Metropolitans de Barcelona (TMB), the ONCE Foundation and the Vodafone España Foundation, ILUNION Tecnología y Accesibilidad has developed an indoor mapping application that, when used with Beeacons, allows individuals to find their way to the platform of their metro line from the station entrance,

change between metro lines that meet at a station or identify – with zero error for blind people – the bus approaching the stop and distinguish it from others if there is more than one.

INSURANCE FOR PEOPLE WITH DISABILITIES

ILUNION Correduría de Seguros is a leading marketer of products for associations, including insurance tailored to the needs of associations, foundations and social organisations, and private individuals. With over 20 years' experience, it now has a client portfolio of almost 1,800 insured non-profits and 25,000 volunteers. The company develops highly specific policies to meet the needs of its clients.

In 2016, ILUNION Correduría de Seguros launched three new products along these lines: life insurance, insurance for hearing aids and another for wheelchairs (manual and electric) and scooters. Each of these products is unique on the market and offers solutions highly tailored to the situation of people with disabilities.

MEASUREMENT OF SOCIAL IMPACT

ILUNION Automoción was born out of a partnership agreement signed in 1999 by Ford and the ONCE Foundation. It is now Ford's top logistics supplier with eight of its own plants located at different points of Ford's provider assembly factory in Almussafes, Valencia. At the end of 2016, this partnership had created jobs for more than 900 employees, 852 with disabilities.

In 2016, in partnership with PWC and with co-funding from the European Social Fund, the ONCE Foundation conducted a social impact measurement

BEEPCONS

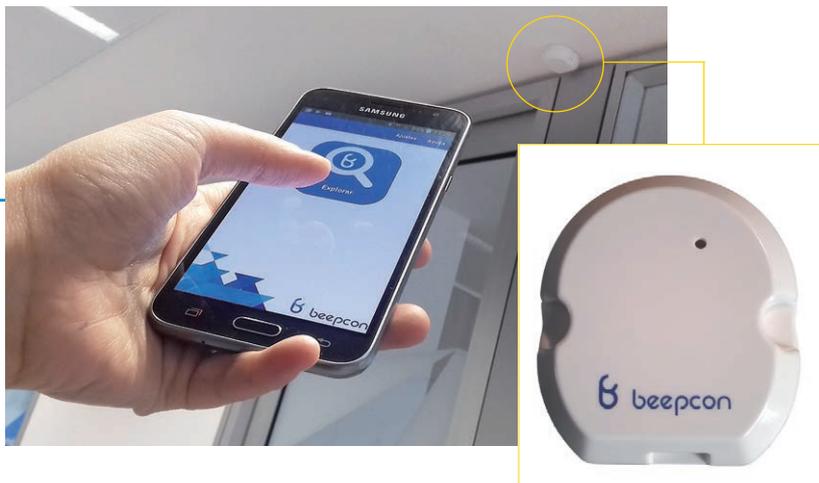
Beepercon technology, developed and marketed by ILUNION Tecnología y Accesibilidad, significantly improves the way to obtain information and orient oneself in a building or facility, thereby increasing accessibility.

These small, low-cost, user-friendly beacons are positioned in areas of interest offering orientational information in unfamiliar spaces: receptions, toilets, meeting rooms, lift and stair access, emergency exits, etc.

Therefore, these devices can be used to mark out an area and obtain information about what is in it to the user on the mobile device. Beepercons emit an audible signal to guide blind people and let them know their position through a three-dimensional audio system, allowing them to create a mental map of their position in relation to the beacons.

In the tourism industry (in hotels, for example), a user can locate and head towards the lift, read the restaurant menu or locate the doors of halls, since the application guides the user with voice messages with precise details.

Beepercons are compatible with the communication protocols most commonly used for beacons, allowing for their integration with other business services.



study to determine the improvement in the social integration of ILUNION Automoción employees and the value in monetary terms that the project brings to society.

Several employees were chosen to take part in the project and, with them, a number of beneficiaries of

government aid signed on as Inserta Empleado job seekers as a control sample. A total of 87 interviews were conducted.

The study found that the **ILUNION Automoción project improved the social inclusion of workers by an average of 7.6 points.**

To achieve the goal of monetising the impact, a **europunto** ("europoint") was defined to indicate the monetary value for every additional inclusion point obtained.

From the government aid paid to the control group and the perceived effect on beneficiaries in terms of social inclusion, it was estimated that the value for society of each point of social inclusion of people with disabilities amounted to 956 € per year.

From this data, it was concluded that **the ILUNION Automoción project had generated an impact of 5,979,589 € per year.**

TOTAL IMPACT OF THE PROJECT IN SOCIAL INCLUSION TERMS



- **7.6%** Total
- **2.2%** Personal development
- **2.1%** Emotional well-being
- **1.3%** Material well-being
- **1.0%** Physical well-being
- **0.5%** Social interaction
- **0.5%** Interpersonal relationships
- **0.0%** Self-determination

■ **-0.1%** Rights
 It can be considered to have had zero impact, since almost all workers considered that there was no effect on this dimension and negative impacts were recorded in specific cases.

R&D+I

THE FIRST MODULAR REGIONAL RAILWAY STATION

PRIMUR is ILUNION's urban furniture projects and installation company. It adopts the differential approach of innovation to position itself at the forefront of the sector and be able to develop any sort of design suited to the needs of urban environments.

In collaboration with Renfe, PRIMUR has developed a modular regional railway station. The project introduces major innovations in the design of railway stations, previously fixed and difficult to adapt to the needs of users and their various demands.

The module consists of five elements: entrance block, sales block, turnstiles, walkway block and exit block. At the end of 2016, PRIMUR installed the first of these modules at Ramón y Cajal station in Madrid for testing in actual use.

This innovation offers noteworthy advantages for customers. RENFE ensures the correctness of the elements of service to users through a more modern, standardised system with easier installation and maintenance. The processes for defining and approving new station projects are also streamlined, since the elements are standardised and come from the factory with all the necessary equipment and facilities to operate the station.

PRIMUR will supply Renfe with a further 20 regional railway station modules of this type for installation between 2017 and 2018.

SOCIAL AND RELATIONAL

ILUNION has joined forces with a number of actors to develop their business capacity, multiply their social impact and consolidate their model of value creation. Long-term vision and the desire for continuous improvement result in dialogue, the exchange of knowledge, agreement and collaboration to achieve even more.

NEW BUSINESS DEVELOPMENT PARTNERSHIPS

ILUNION Correduría de Seguros expands its business in partnership with Grupo Gureak

ILUNION Correduría de Seguros and Gureak Aseguru signed a partnership agreement in 2016 by which ILUNION will manage the portfolio of the latter, consisting of insurance policies signed by Grupo Gureak and third-party entities. Both entities are committed to increasing the portfolio by pooling marketing efforts. Gureak is a Basque business group that operates in the industrial, services and marketing sector and employs more than 5,000 people, 83% of whom have disabilities.

More accessible cities in partnership with Microsoft, ONCE and ILUNION

In November, the Smart City Expo World Congress was held in Barcelona. At the event, Microsoft presented a comprehensive proposal for the creation and development of Smart City platforms. It included solutions developed by Microsoft Research, ONCE and ILUNION, such as the Cities Unlocked project for guiding

the blind outdoors with the use of smart beacons. ONCE and ILUNION also presented a solution for guiding blind people indoors using mobile device apps and radio frequency beacons. This type of solution can be used by people with and without disabilities to improve the general accessibility of the services offered by smart cities to their inhabitants.

PARTNERSHIPS WITH THE DISABILITY SECTOR

Agreement between ILUNION Sociosanitario, the Pilares Foundation and the ONCE Foundation to promote Comprehensive Person-Centred Care (CPCC)

This agreement has been renewed annually since 2014. It is aimed at the extension and knowledge of the Model and Environment Good Practice Network to highlight and develop the different dimensions of the CPCC model, promoting learning, contact, exchange and cooperation among institutions, professionals, associations and other actors in caring for the elderly and people with disabilities.

Collaboration with CERMI for the right to vote of more than 80,000 people with disabilities in Spain

ILUNION joined the campaign launched by the Spanish Committee of Representatives of People with Disabilities (Comité Español de Representantes de Personas con Discapacidad, CERMI) calling for the elections of 26 June to be the last elections in which 80,000 people with intellectual disability, mental illness or cognitive impairment were not recognised the right to vote. This situation is contrary to the UN Convention on the Rights of Persons with Disabilities, ratified by Spain, so the campaign is calling for a reform of the General Electoral Regime Act so that these rights can be enforced. It also reiterated the need to eliminate



COLLABORATION & INNOVATION FOR A MORE ACCESSIBLE HEALTH

At the end of 2016, ILUNION signed a partnership agreement with the university hospitals of Madrid Fundación Jiménez Díaz-Grupo Quirónsalud (HUFJD), Rey Juan Carlos de Móstoles, Infanta Elena de Valdemoro and Hospital General de Villalba. This agreement and the launch of a Comprehensive Community Care Project will bring us one step closer to our goal of facilitating access to individualised health care adapted to the specific needs of people with physical, mental, intellectual or sensory disabilities.

The hospitals involved will give specific training on disabilities and any other deemed necessary for reception and primary care staff. A study of the accessibility of each hospital will also take place and, if necessary, they will be improved and adapted and any architectural, physical, sensory or technological barriers will be eliminated. In the area of technological accessibility, new tools will be developed to unify appointments, make communication with these patients more efficient and accessible through channels such as the hospital websites or patient portal, and generally improve the health management model for these individuals. Lastly, the agreement will foster research and education on disability-related diseases to promote scientific discoveries that will improve the quality of life of these patients.

all obstacles encountered by certain individuals with disabilities in electoral processes.

Agreement between FIAPAS and ILUNION Salud to minimise communication barriers for deaf people

The Spanish Confederation of Families of Deaf People (Confederación Española de Familias de Personas Sordas) and ILUNION Salud signed an agreement to ensure accessibility through teleloop and the subtitles service on various television channels. Both resources are available from ILUNION. The FIAPAS accessibility service will perform the technical validation of the teleloop and deaf hearing-aid users will be the ones who will verify the correct operation of the system, installed in areas such as cultural venues and shopping centres.



ACKNOWLEDGEMENTS 2016

RECOGNITION OF THE UNITED NATIONS

On Friday 2 December 2016, the day before the International Day of Persons with Disabilities, Alejandro Oñoro collected the Global Recognition "Good Practices for Workers with Disabilities" award at the United Nations headquarters in New York. This distinction highlights the commitment of public and private undertakings that have successfully adopted policies to integrate people with disabilities into employment.

The initiative was originally developed by the São Paulo State Government State Secretariat for the Rights of Persons with Disabilities (Brazil) and expanded internationally

in 2016 under the impetus of the United Nations, coinciding with the 10th Anniversary of the UN Convention on the Rights of Persons with Disabilities.

WORLD TOURISM ORGANIZATION ETHICS AWARD FOR ILUNION HOTELS

The World Committee on Tourism Ethics awarded the World Tourism Organization Ethics Award to ILUNION Hotels in recognition of the chain's work to achieve accessible tourism for all and its commitment to make the Hotel industry more inclusive.

This prestigious award acknowledges companies in the industry that stand

out for their commitment and work to promote and implement the principles of the World Tourism Code of Ethics, which ILUNION Hotels joined in January 2016.

GRAND CROSS OF THE CIVIL ORDER OF SOCIAL SOLIDARITY FOR ILUNION

In February, ILUNION was awarded the Grand Cross of the Civil Order of Social Solidarity by the Council of Ministers in recognition of its "extraordinary" distinction in the promotion of activities and services related to social action for the benefit of social well-being.

OTHER ACKNOWLEDGEMENTS

- Distinction to the Best Facility Management & Services Project of the National Facility Awards, presented to ILUNION Facility Services for its work in the Alcampo City Vistahermosa supermarket in Alicante.
- Recognition of ILUNION Facility Services with one of Iberdrola's Supplier Awards for 2016.
- Silver Award from the Government of Valencia for police merit to ILUNION Seguridad for its commitment and collaboration with the law enforcement authorities.
- Socially Committed Company Award to ILUNION Automoción, delivered by the Chamber of Commerce of Valencia.
- CEO Award granted by Deutsche Post DHL Group to DHL Supply Chain España, in the "Go Teach and Go Help" category, for the co-packing project on which ILUNION Servicios Industriales works in Quer, Guadalajara.
- Award and recognition to "the best professional insertion work" to ILUNION Hotels during the 21st Tourism Evening Awards.
- We Are Water Foundation Award in the Best Sustainable Hotel category to hotel ILUNION Málaga in the Roca Awards to Hotel Industry Initiatives, organised by Gran Hotel Turismo magazine.
- Innova eVIA award to the "Eliminando barreras en el transporte público" project led by Transportes Metropolitanos de Barcelona (TMB) in collaboration with ILUNION Tecnología y Accesibilidad, the ONCE Foundation and the Vodafone Foundation.

ENVIRONMENTAL



ENVIRONMENTAL MANAGEMENT

At the end of 2016, 80% of Group companies were certified under the **ISO 14001 Environmental Management standard**, compared to 77.8% at the end of 2015.

ILUNION carries out regular **environmental awareness sessions for employees**, informative talks, e-mail communication, posters, forwarding of guidelines and specific environmental instructions, etc.

The Group's companies also work to raise the **environmental awareness of their clients**. For example, ILUNION Hotels sets up "Sustainable Corners" in its hotels to explain to guests how they can collaborate with the hotel on these matters. ILUNION Lavanderías sends communications to its clients in the hospital sector on responsible use of sterile surgical materials, how to avoid the unnecessary reprocessing of clothing, and the need to replace plastic with strapping or sacking when delivering dirty clothing to laundries.

To **raise environmental awareness among suppliers and subcontractors**, in 2016, ILUNION Hotels offered its suppliers the chance to participate in internal training actions on sustainability. Other ILUNION companies send an 'environmental letter' to their suppliers to inform them of the impacts of their activity on the environment and to ask for their commitment to the application of good practices.

OTHER ILUNION COMPANY CERTIFICATION*

| Head Office and Shared Services Site | |
|--|--|
| Grupo ILUNION | Madrid Excelente |
| | EFQM +400 |
| | EFR |
| SSS Shared Services Site | SA 8000 |
| Services Division | |
| Security | SA 8000 |
| | UNE 16082 |
| Fire and Driving | SP APROSER (specific for private security) GWO (Global Wind Organization) |
| Outsourcing and Auxiliary Services to Industry | CEE specification |
| | TS 16949 |
| | SA 8000 |
| WEEE recycling | TS 16949 |
| | EFQM +400 |
| | EMAS |
| | CEE specification |
| Contact Center and BPO | EFR |
| | ISO 27001 |
| | UNE 15838 |
| Hotel and Catering Division | ISO 22320 |
| | Madrid Excelente |
| | CEE specification |
| ILUNION Lavanderías | Made in Green |
| | Made in Health |
| | EFR |
| ILUNION Hotels | UNE 170001 |
| | QSostenible Evolution |
| Social and Healthcare division | |
| Care homes and day centres | UNE 158101 |
| Remote care | UNE 158401 |
| Augmentative communication | UNE 170001 |
| | CEE specification |
| Support products | UNE 170001 |
| | CEE specification |
| Orthotics | UNE 170001 |
| | CEE specification |
| Therapeutic counselling | UNE 170001 |
| | CEE specification |
| Marketing Division | |
| Office supplies | CEE specification |
| Urban facilities | ISO 14006 |
| Vehicle adaptation services | UCA M1 and N1 |
| Christmas hampers | CEE specification |
| Managed printing services | ISO TEC 19752 |
| | ISO TEC 19798 |
| | DIN 33870 |
| | DIN 33871 |
| Consulting Division | |
| Temporary employment, responsible placement agency | SA 8000 |

* Apart from the Integrated Management System (ISO 9001, ISO 14001 and OHSAS 18001).

ECO-EFFICIENCY

Energy consumption and energy efficiency

The **ILUNION Hotels and ILUNION Lavanderías** programmes to reduce energy consumption and efficiency are the ones capable of generating the greatest impact since over 90% of the Group's energy consumption comes from these two companies. Nonetheless, the task of gradually replacing lights for more efficient ones using **LED** technology, carried out by ILUNION Retail in 2016, led to a 12% saving in electricity consumption with respect to 2015.

In 2016, ILUNION conducted Energy Audit inspections to meet Royal Decree 56/2016, of 12 February 2016.

The total consumption of Grupo ILUNION was 371,528,068 kWh for 2015, which is for the buildings and processes of the different divisions of the company and its vehicle fleet. To achieve the required 85%, 35 Group sites were audited, including industrial laundries and hotels, and the vehicle fleet. The audited consumption was 320,915,110 kWh.

ILUNION Hotels replaced certain items of equipment with more efficient ones and installed variable frequency drives. The phasing-out of older lighting systems for LEDs has continued. Special emphasis has also been given to training and awareness activities on the efficient use of resources and the recording and control of energy efficiency data in all hotels. Through these and other measures, **per-guest consumption has been reduced by 0.86%**, which has led to savings of 321,207 Kwh.

ILUNION Lavanderías has continued to phase out older lighting systems in favour of LEDs and to modify roofs and skylights to take better advantage of natural light. The change from steam or thermal oil machinery to autonomous machinery using direct gas has continued. Waste recovery equipment (heat exchangers) has been installed and washing systems have improved for lower water consumption. In 2016, the energy used to process a kilo of laundry (KgL) was optimised, resulting in savings of 9,380,000 Kwh over the previous year's figures.

- Electricity: -1,20% Kwhe/KgL
- Water: -2.17% l/KgL
- Gas: -2,94 KWht/KgL



Water consumption and wastewater

ILUNION Lavanderías accounted for approximately 80% of the Group's water consumption in 2016. Thanks to its systems for water reuse, **it was able to recycle 57% of the water consumed over the year (1,075,000 m³, 16.6% more than in 2015).**

ILUNION Reciclados also managed to reduce its water consumption by 5% with the installation of a timer on the refrigerator line for the separation of polyurethane powder.

Waste management

Grupo ILUNION companies have managed their waste in accordance with current legislation and work with authorised waste managers. Of the total, 89.6% is non-hazardous waste and 10.4% is hazardous. Over 66% of the total waste produced is reused, recycled or recovered. The Services division generates 87% of the total waste of the Group companies.

Emissions

ILUNION is working on calculating how much CO₂ Group companies emit into the atmosphere. One of the biggest emission sources for ILUNION is staff and freight **transport. The companies are engaging in initiatives to reduce these impacts.**

ILUNION MÁLAGA



ILUNION Málaga is the last establishment to join ILUNION Hotels, in 2016. As part of the process of inclusion in the chain's culture and style of management and service, last year ILUNION Málaga worked on reaching the company's sustainability standards.

The tourism industry is intensive in its energy use. The bulk of a hotel's energy bill comes from the use of air conditioning and HVAC units, the production of domestic hot water and lighting. All this consumption is measured not only in monetary terms, but also in environmental impact.

ILUNION Málaga started out as a building constructed with ecological criteria in mind. All that was needed to obtain the Q Sostenible certificate were some lighting improvements. All ILUNION hotels have this certification, which guarantees the use of sustainable criteria in the use and maintenance of hotels.

Additional improvements have also been made with an investment in excess of one hundred and fifty thousand Euros. This has led to a reduction in guest water consumption of 8% and guest energy consumption of 3.5%.

These savings were also made possible by the support of staff, who attended four sustainability training sessions in 2016. Their engagement and the positive reactions of guests have made it all a reality.

OTHER ACTIONS

- ILUNION Reciclados has set up parking areas for bicycles and motorcycles.
- 52.6% of the car fleet of ILUNION Sociosanitario is hybrid (batteries/petrol).
- ILUNION Sociosanitario and ILUNION Servicios Industriales have introduced guidelines for efficient driving and correct vehicle maintenance in their good environmental practice manuals.
- Colombia has implemented software technology to get full use out of printing consumables.
- Provided that it is compatible with the purchasing procedure, ILUNION Hotels buys local products to minimise freight transportation.
- ILUNION Hotels made environmentally-friendly transportation alternatives available to guests in several of its hotels during European Mobility Week.



Basic measurements

- Replacement of 70% of halogen lamps for energy efficient and LED types.
- Insulation of heat exchangers.
- Installation of four variable frequency drives.
- Replacement of a pump in the fan coil heat circuit with a more efficient one with variable drive.
- Replacement of the pump in one of the coolers with a more efficient one with variable drive.
- Modification of the lighting in the sauna and Turkish bath at 7 am.
- Restructuring of chemical warehouses.
- Installation of aerators with flow limiter in rooms and flow reducers in shower heads.

ILUNION LAVANDERÍAS

ILUNION Lavanderías has now calculated the first carbon footprint of 37 plants using the operational control approach. It has followed the GHG Protocol methodology and the calculations are included under Scope 3.

Around 85% of these emissions come from the consumption of fossil fuels in workplaces and the company vehicle fleet. In 2016, the company managed to reduce its consumption of fuel per transported tonne by 15% from the previous year's figure.

Kg CO₂e / tn DIRTY LAUNDRY **483.15**

| Sources of emission | | Tonnes CO ₂ | |
|---------------------|--|------------------------|----------|
| | | 2016 | |
| Scope 1 | Fossil fuels | 74,709 | 84.72 % |
| Scope 2 | Electricity | 12,588 | 14.28 % |
| Scope 3 | Water, business travel and employee taxi rides | 885 | 1.00 % |
| Total | | 88,181 | 100.00 % |

ILUNION HOTELS

ILUNION Hotels has calculated the carbon footprint of its hotels using the GHG Protocol methodology and the emission factors used have been modified.

The chain has increased the number of establishments included in the measurement to all of its hotels, from 21 in 2015 to 26 in 2016. This last measurement has also included Scope 3 emissions, which requires including the emissions occurring indirectly in the value chain. This scope has included the emissions of hotels for which operational control is not exercised.

Taking into account the scope of 2015 and new emission factors applied,

| Emission sources | | Tonnes CO ₂ e | |
|------------------|---|--------------------------|--------|
| | | 2016 | 2015 |
| Scope 1 | Fossil fuels and leakage of refrigerant gases | 3,844 | 3,972 |
| Scope 2 | Electricity | 5,290 | 6,550 |
| Total | | 9,134 | 10,523 |
| Scope 3 | Fossil fuels, electricity, natural gas, business travel and employee taxi rides | 833 | - |
| Total | | 9,967 | - |

there has been a 0.79% increase in emissions due to a slight increase in the consumption of fuel, natural gas

and electricity, along with a decrease in refrigerant gas leaks.

Kg CO₂e / ROOM **10.23**

CRITERIA FOR DRAFTING THE REPORT

In the drafting of this **report** the criteria of the *Global Reporting Initiative (GRI)* version G4 have been taken into account as well as the criteria of the International Integrated Reporting Council Framework (IIRC). Neither has been applied extensively. In 2013, an analysis of materiality was conducted at both corporate and sector level, which was updated in 2014 and 2015.

Another aim taken into consideration was that of providing a response to the disability indicators in the **“Disability in Sustainability Reports”** guide drawn up by the ONCE Foundation and GRI.

Grupo ILUNION is committed to the United Nations **Sustainable Development Goals (SDG)**. Through the IVC 2016, ILUNION expresses the

contribution it makes with its business to the 17 goals.

Lastly, the drafting of this report has taken into account guidelines for the use of **non-sexist language**.

SCOPE AND LIMITS OF THE INFORMATION

The contents of the report refer to the year 2016, the first full year for Grupo ILUNION after the merger of the business groups of the ONCE and its Foundation. The **scope** of the report only considers Spanish subsidiaries and those in which the Group’s participation is not minority.

The scope of quantitative information is limited to the key milestones of 2016. For qualitative information, the

time horizon was extended to the first quarter of 2017 when deemed necessary.

The key variables of economic and financial performance and people management are provided in consolidated format for the whole business group. The quantitative information broken down by divisions has been prepared **based on the organisational and management control structure** of the companies.

These divisions do not correspond to the commercial divisions of the offer of the Group’s diverse business lines.

With regard to the **environmental information** provided in the report, it was possible in 2016 to improve the information recording process of previous years.

MATERIAL MATTERS FOR STAKEHOLDERS*

- Corporate Governance
- Transparency and policies for the prevention of corruption and bribery
- Relations with General Government
- Diversity and equal opportunities
- Working conditions of the workforce
- Efficiency and professionalism in management
- Talent attraction and career development
- Employee health and safety
- Supply chain
- Efficient energy consumption
- Universal accessibility

* Issues common to the whole of Grupo ILUNION, not specific to a particular division.

