

ACCIONA

SUSTAINABILITY

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ACCIONA, pioneers in development and sustainability

ACCIONA is one of Spain's largest corporations and a leader in the development and management of projects in the infrastructure, water, services and renewable energy sectors. The company boasts a century of experience and a workforce of over 30,000 dedicated professionals. It is present in over 30 countries on five continents, and in 2013 it posted €6.61 billion in sales. ACCIONA is listed on the selective Ibex 35 stock index and is a benchmark in the market.

ACCIONA focuses its strategy on economic growth, environmental balance and social progress. These are the keystones of its sustainability policy, which is part of a long-term company model, where business is closely intertwined with the challenges and opportunities of Sustainable Development. In the framework of these challenges, the company has implemented its advanced sustainability practices, articulated through its Master Plan (PDS 2015). Its objectives aim to contribute towards boosting the organization's competitiveness and to bolstering its position as a leader in sustainable practices.

Creating business value at ACCIONA is inconceivable without innovation. In 2013, the company allocated €173.2 million to R&D, including efforts to deploy its innovation processes in its main markets.

One of its specific commitments is to steadily reduce its climate footprint and lead the transition towards a low-carbon economy. So ACCIONA's activities and business prevented the release of over 15 millions of metric tons of CO₂ emissions into the atmosphere. In recognition of this sustainability, the company has been included on such reputable sustainability indices as the Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Index, STOXX®Sustainability, Carbon Disclosure Leadership Index (CDLI) and the Carbon Performance Leadership Index (CPLI) Iberia 2013.

ACCIONA's Commitment

ACCIONA's strategy revolves around two concepts — sustainability and social welfare.

Faced with such important challenges as resource scarcity and climate change, ACCIONA's solid business model, based on sustainability principles, has the features needed to meet the challenges faced and turn them into opportunities for both the business and the communities where it operates in an economic, environmental and social balance.

Our **VISION** is to meet the challenge of achieving sustainable development throughout all areas of activity so that current and future generations can enjoy better living

Our **MISSION** is to be leaders in building, developing and managing Infrastructure, Energy, Water and Services, actively contributing to social welfare, sustainable development and value creation for our stakeholders

Our **VALUES:** Honesty, Innovation, Care for people, Social Responsibility, Excellence, Customer Focus, Financial Stability, Concern for the environment, Leadership, Long-term focus

ACCIONA Products and Services that are beneficial in terms of sustainability

Business related to renewable energy, water and other environmental activities has been in on rise. In 2013 they accounted for 42% of global sales and 85% of ACCIONA's

EBITDA, compared to 41.6% in and 82.4% respectively 2012.

The United Nations Environmental Program (UNEP) defines green economy as "that

which is in the best interests of human well-being and social equality, significantly reducing environmental risks".



2015 Sustainability Master Plan

ACCIONA centers its strategy on economic growth, environmental balance and social progress as touchstones of its Sustainability Policy. This way it consolidates its position among the most advanced companies in sustainable practices.

The company articulates its sustainability strategy through the Sustainability Master Plan

(SMP2015), a roadmap that integrates all initiatives in this field and sets objectives in various areas, including Innovation, Environment, Society, People, Value Circle, Good Governance, Dialogue with Stakeholders, Outreach and Leadership, and Accountability.

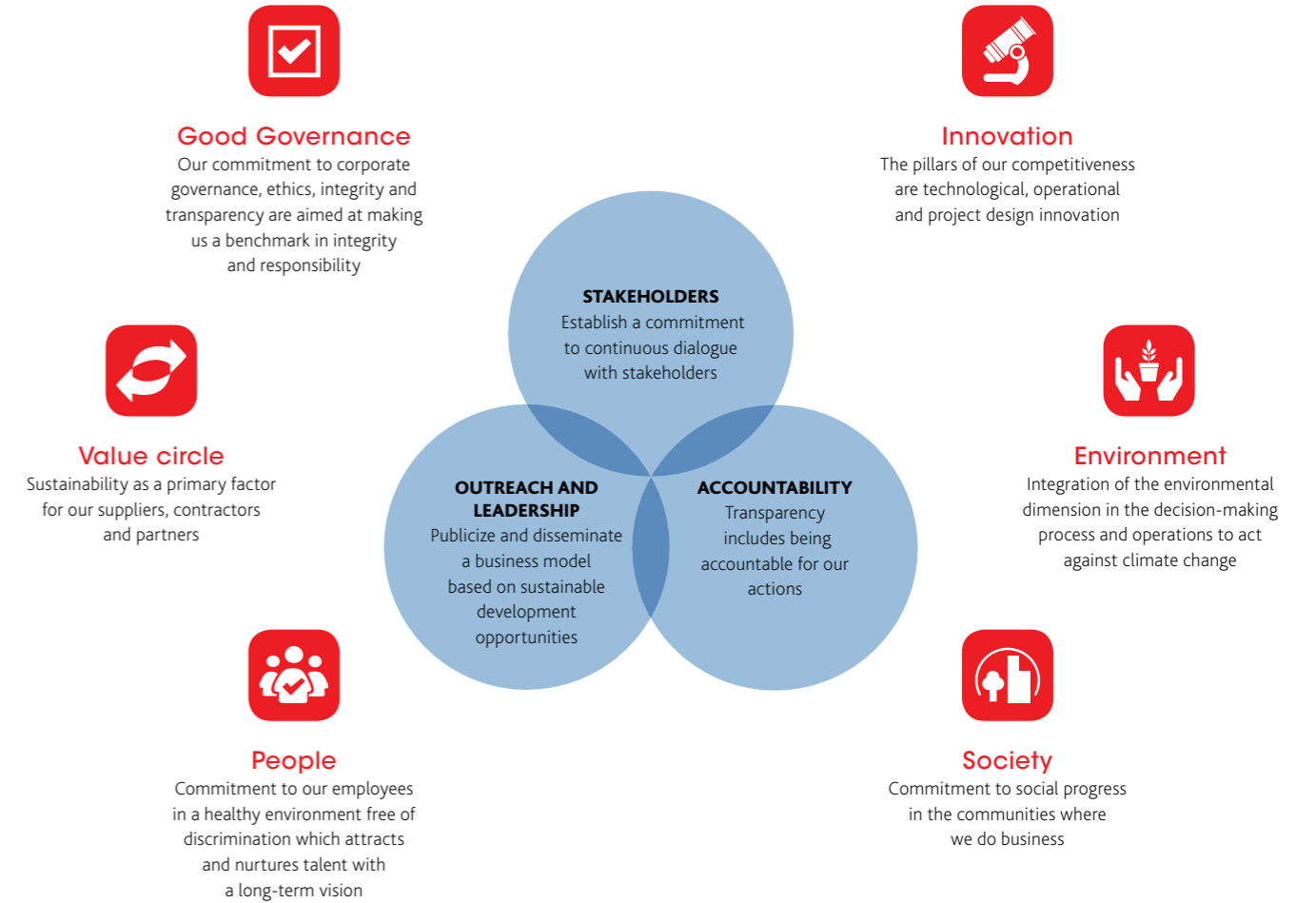
The objectives of the SMP, both in 2015 and in its annual breakdown, address the need to

competitively overcome social and environmental challenges everywhere ACCIONA operates.

With the aim of leading and coordinating sustainability actions, since 2009 ACCIONA has had a Sustainability Committee within the Board of Directors.

Board of Directors	General Management Sustainability Area	Business divisions with Sustainability Committee	Markets with sustainability representatives
SUSTAINABILITY COMMITTEE	SUSTAINABILITY MASTER PLAN	ENERGY, INFRASTRUCTURES, WATER AND SERVICE	AUSTRALIA, BRAZIL, MEXICO, SPAIN AND CHILE
→	→	→	

2015 SUSTAINABILITY MASTER PLAN



Innovation, exploiting knowledge

The Company's R&D and innovation efforts stand out for aiming to make innovation part of our business, collaborating and harnessing synergies from specific know-how and various divisions.

The efficiency of operations through improved processes have translated in €14 million in savings for ACCIONA

2015 OBJECTIVES

→ To reach €500 million invested in Innovation between 2010 and 2015

→ To develop initiatives and tools for fostering continuous business innovation

→ To improve ACCIONA's processes and thereby generate at least €36 million in savings.

ACCIONA R&D and innovation strategic lines

■ Renewable Energy

The Technological Center of Pamplona is the core of the R&D activity for ACCIONA's renewable energies.

In this center is where the majority of the Company's strategic research lines are developed: biomass, solar, wind, manufacture of wind turbine generators and integration of renewable energies.

■ Infrastructure

The goal of the Technological Center

of Madrid is to lead technological development in the areas of Infrastructure, Transport and the Environment.

More specifically, the Center is focused on eco-efficient building processes, cutting-edge materials and energy efficiency in building construction.

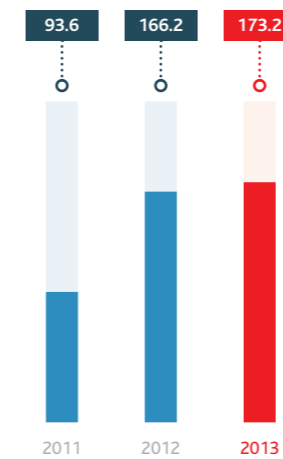
■ Water Technology

The Barcelona Technology Center develops cutting-edge solutions for the treating, desalinating and distributing water.

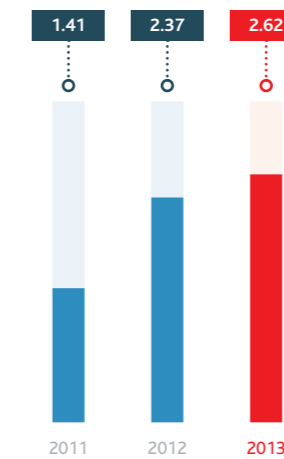
This facility is a point of technological reference, with the most highly advanced analytical and characterization techniques and resources for studying new processes and designing pilot plants.

ACCIONA's commitment to innovation

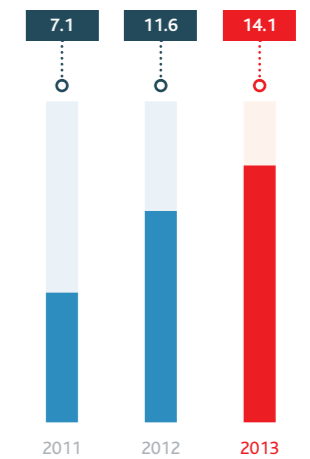
→ Total R&D and innovation (millions of euros)



→ Total R&D and innovation/ Sales (%)



→ Total R&D and innovation/ EBITDA (%)



Environment, protecting the environment

The Company continues to advance in the development of measures to reduce and offset its environmental footprint, integrating the environmental factor in decision making and business operations.

2015 OBJECTIVES

- Improving the ratio of CO₂ emissions avoided to CO₂ emissions generated (15% improvement of the ratio compared to 2009)
- Improving the ratio of consumed energy (15% decrease in the ratio of energy to sales from 2009)
- Water footprint: Increase the net positive contribution (five-fold increase compared to 2009)
- Promoting environmental compensation actions
- Offering services to customers that include environmental compensation (neutral events)

Creating value through the environmental variable

The strategic lines of ACCIONA's environmental strategy are the fight against climate change, the sustainable use of natural resources and the protection of biodiversity.

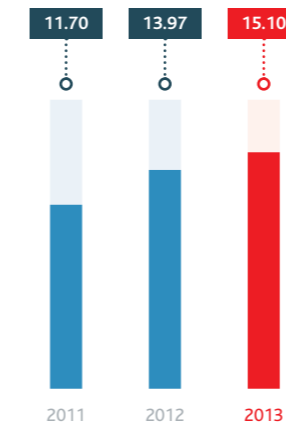
The Company has three specific policies included in the Policy Book which reflect the commitments

and principles applicable to all lines of business, in all countries where the Company operates: Environmental Policy, Policy against Climate Change and Biodiversity Policy.

In 2013, ACCIONA has allocated €518.5 million to environmental activities.

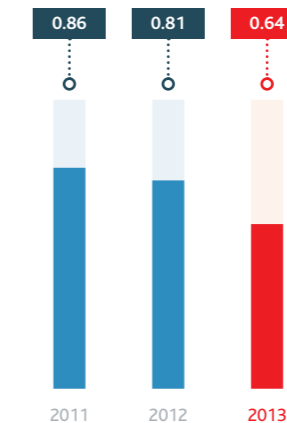
Commitment to the fight against climate change and energy savings

→ Emissions prevented (millions of tons of CO₂)



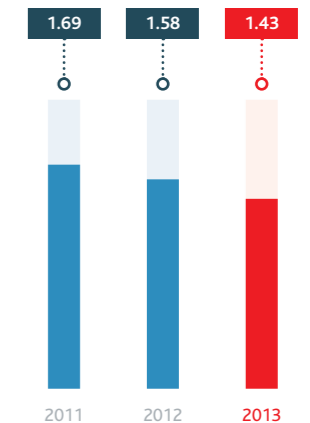
8% increase in avoided emissions relative to 2012 and 29% compared to 2011.

→ Emissions emitted-scopes 1 and 2 (millions of tons of CO₂)



21% increase in avoided emissions relative to 2012 and 26% compared to 2011.

→ Energy consumption ratio (TJ/sales in million euros)



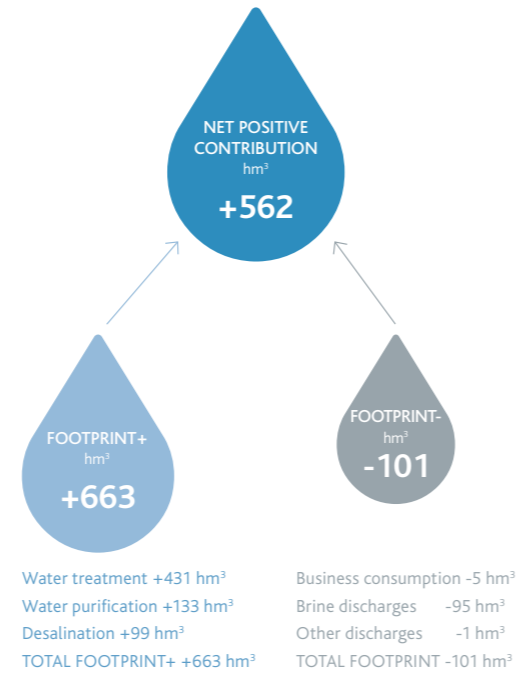
15% reduction in energy consumption 2013 relative to the previous year, and 41% compared to 2009.

Water management and treatment

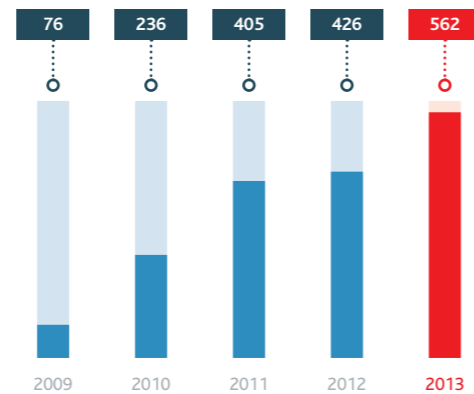
In terms of water management and treatment, ACCIONA's strategy is based on the promotion of innovative processes and solutions to meet the growing social demand for products and services that optimize the use and management of water.

ACCIONA makes drinkable, purifies and desalinates water for over 70 million people worldwide.

In 2013 the result of ACCIONA's water footprint was positive, improving by 32% over 2012.



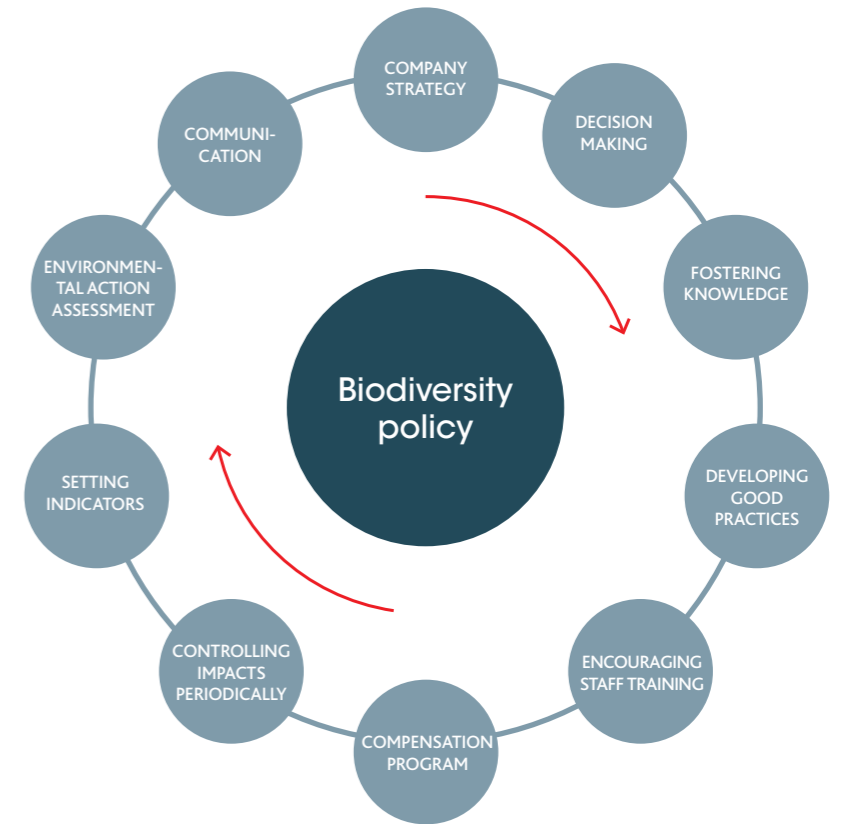
→ ACCIONA's net positive contribution (hm³)



Protection of the natural environment and biodiversity

Since 2011 ACCIONA has had a special business unit called Environment and Biodiversity along with a renowned Panel of Experts on the subject.

In each of the phases of design, construction, operation and maintenance of its activities, the Company identifies and evaluates possible effects on biodiversity, to carry out proper management.



Sustainable use of resources and resource management

ACCIONA builds into its business all those methodologies, processes, technologies and best practices geared to minimize waste

generation and use of natural resources.

Similarly, it advocates for the use of tools to assess its

impacts throughout the value chain and for the selection of products and processes which are more respectful for the natural environment.

Society, commitment with social progress

ACCIONA contributes to the sustainable development of communities where it is present through the evaluation and management of the social impact of Company projects and an extensive social initiative program.

Managing the social impact of ACCIONA projects

ACCIONA projects must be consistent with the Company's sustainable business model. We have therefore developed a methodology for identifying, evaluating and managing social impacts stemming from our projects, applicable to our various projects and geographical contexts.

In each project, the implementation of methodology begins with the analysis of social risks, followed by a study of the region and stakeholders. In addition, we hold meetings with stakeholders to see their views, suggestions and needs first hand.

In 2013, the Company has advanced its commitment by applying impact management methodologies to several projects in various ACCIONA Infrastructures projects in different countries. These include Brazil (bypass and seaport), Chile (construction of a desalination plant), Morocco (building a thermosolar plant) and Mexico (equipment to produce electricity in a dam). Meanwhile, ACCIONA Energy implemented this process in a PV plant and a wind farm in South Africa and a wind farm in Costa Rica.

2015 OBJECTIVES

→ Contribution of the equivalent of 5% of dividends to the Social Action Plan

→ Social Impact Evaluation Methodology for 100% of qualified projects of strategic divisions

→ Development of Corporate volunteerism

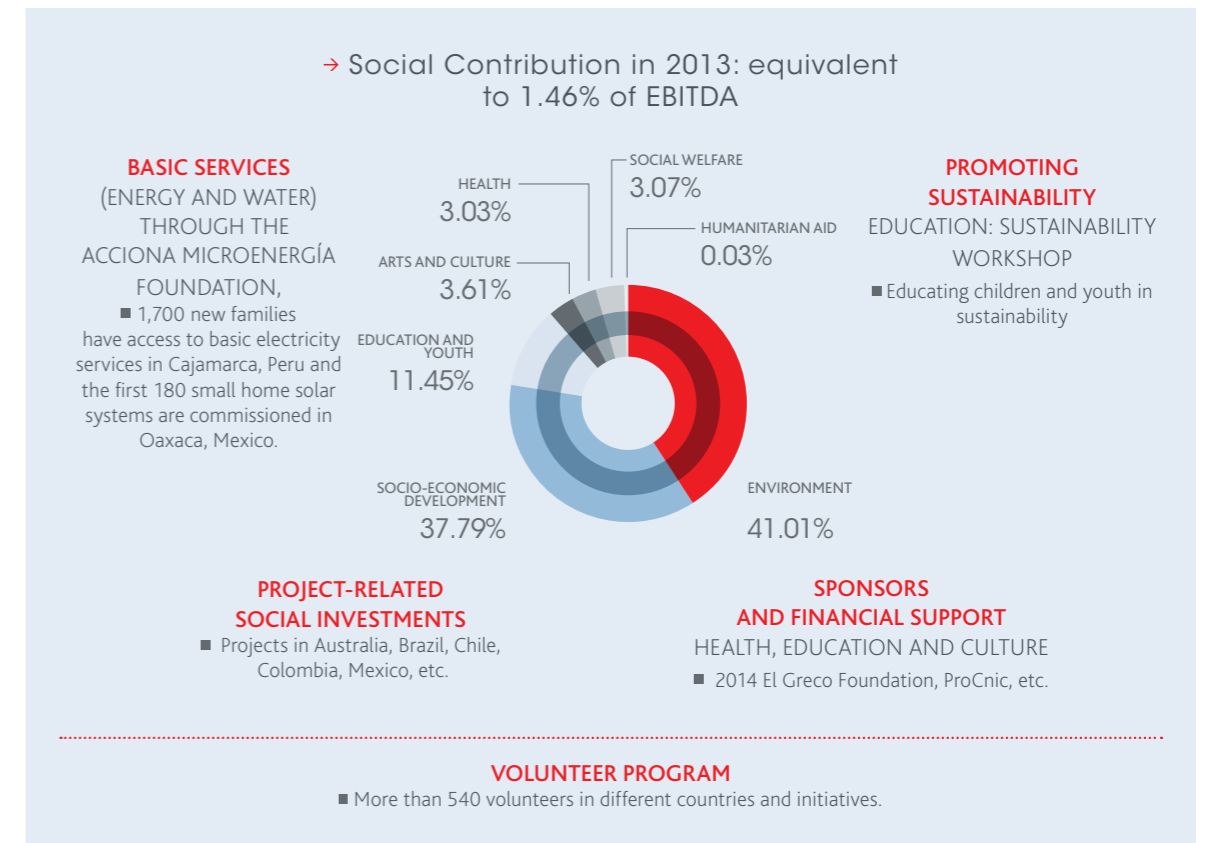
ACCIONA's social commitment

ACCIONA understands it needs to be a key player in contributing to sustainable development in the societies where it operates.

Under the Sustainability Master Plan, the Company aims to align 100% of its social contribution pursuant to its Social Action Plan, establishing strategic performance lines

through sustainable projects in the medium and long term where ACCIONA operates.

2013 Social Action Plan



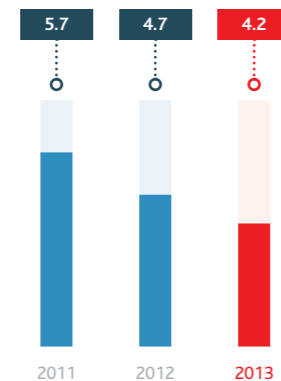
People, talent attraction and retention

ACCIONA develops initiatives that promote improvements in training, recruitment, equal opportunities and prevention and health, geared toward Company professionals.

ACCIONA strives for business ethics aimed at health and safety in the workplace, focusing its activity in the following areas:

- Development in the major accident rates.
- Health and well-being.
- Improvements in the management and prevention of occupational risks and progress in systems integration.
- Risk prevention in the value circle.

→ Employee Frequency Index (global scope)



OHS - IF = (No. accidents with loss of work / hours worked) x 200,000

Improvement in globalization of operations.

By the end of 2013 we had implemented OHSAS in most countries with more than 250 direct employees.

Corporate	100%
ACCIONA Water	90%
ACCIONA Energy	90%
ACCIONA Service	80%
ACCIONA Infrastructure	93%
Other businesses:	70%

Occupational risk prevention Training is everyone's responsibility.

Since 2009 we have dedicated more than 570,000 hours of ORP training to ACCIONA's various divisions.

For the second year in a row, ACCIONA has recorded zero fatalities in its own employees.

Our HR strategy is based on three fundamental pillars that determine our policy:

- Having the best talent.
- Having the best leaders.
- Making a positive impact on the bottom line.

■ **Equality and diversity:** In 2013, ACCIONA reached a percentage of 18.03% women managers and junior managers. Likewise, 89.56% of the workforce in Spain is covered by Equality Plans.

2.56% of which is from direct employment.

■ **People at risk of social exclusion:** 206 people at risk of social exclusion were hired, up 43% from 2012. Of these, 49 people were victims of gender violence.

■ **People with different abilities:** ACCIONA reached 3.08% employment of people with disabilities in Spain,

SUSTAINABILITY TRAINING

Training is vital and sustainability is part of it. Skills training includes sustainability as a transversal element. In 2013 we have offered the 6th edition of the MBA in Sustainable Global Business with a holistic approach to sustainable business management.

COMPENSATION VARIABLE LINKED TO SUSTAINABILITY

A minimum of 5% of objectives linked to sustainability included in the bonuses of managers and other Company employees.

2015 OBJECTIVES

→ Commitment to diversity:

• Achieve a workforce in Spain where 3% of employees are persons with disabilities and increase the employment rate of people at risk of social exclusion by 10% (over 2011)

• Increase the representation of women in management positions by 2%

→ Development of human capital:

• 92% coverage in performance evaluation processes

Extend scope of bonuses linked to sustainability

• Extension of training and development programs, including Sustainability contents, in Mexico, Chile, Brazil, Canada, Australia and Italy

2015 OBJECTIVES

→ Fostering Health & Safety

• 90% of all international operations covered by a single ORP model

• 20% improvement of frequency rates compared to 2011

Value circle, sustainable management

ACCIONA continues its commitment to extending sustainability to its suppliers, contractors and partners, as well as to processes, products and services. The satisfaction of our customers is a priority.

2015 OBJECTIVES

→ Improve the supply chain's performance in terms of sustainability

- 65% of Spanish suppliers will have a sustainable development rating
- A self-evaluation questionnaire will be sent to suppliers who invoice all Group companies combined >€100,000
- Sustainability training for suppliers

→ Foster and promote responsible purchasing through tenders that include sustainability criteria

ACCIONA's commitment to its supply chain

ACCIONA incorporates corporate responsibility and sustainability criteria into its purchasing processes, as part of its commitment to implement responsible management that favors the acquisition of products and services that are respectful of the environment and that have been manufactured or generated under socially just conditions. The following actions were implemented with this in mind:

- Identification of Risks and development of Hazard Map in the Supply Chain.
- Self-evaluation questionnaire on corporate responsibility and sustainability for the supply chain and supplier ratings.
- Massive dissemination of Ethical Principles for suppliers,

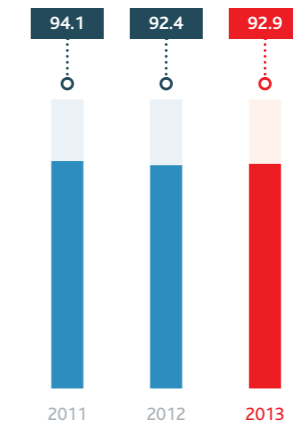
with the completion of more than 130,000 messages to suppliers via orders, contracts, bidding documents and newsletters.

- Approval of the new Supplier Approval and Evaluation Procedure.
- 2013 audit and questionnaires verification plan. Preparation of a Sustainable Product and Service Catalogue. So far, it includes 522 products and services.
- Sustainability outreach and training available to suppliers, contractors and collaborators.

→ Supplier Training in 2013

Course	Suppliers enrolled	People enrolled
CR and Supply Chain Sustainability	193	254
Equal Opportunities and Discrimination Prevention	178	229
Occupational Risk Prevention in the Supply Chain	150	179
International ORP	51	82
Disability	201	255
Code of Conduct	209	272
Total	982	1,271

→ Local suppliers vs. all suppliers (%)



Beyond excellent management

All ACCIONA divisions have management systems in place as required by corresponding international standards. In 2013, 90% of all activity was ISO 9001 certified and 87% was ISO 14001 certified.

ACCIONA has also continued its commitment to excellent management and customer satisfaction.

In 2013, we have seen an increase in levels of customer

satisfaction, achieving an overall satisfaction rate of 86.4% (83.4% in 2012).

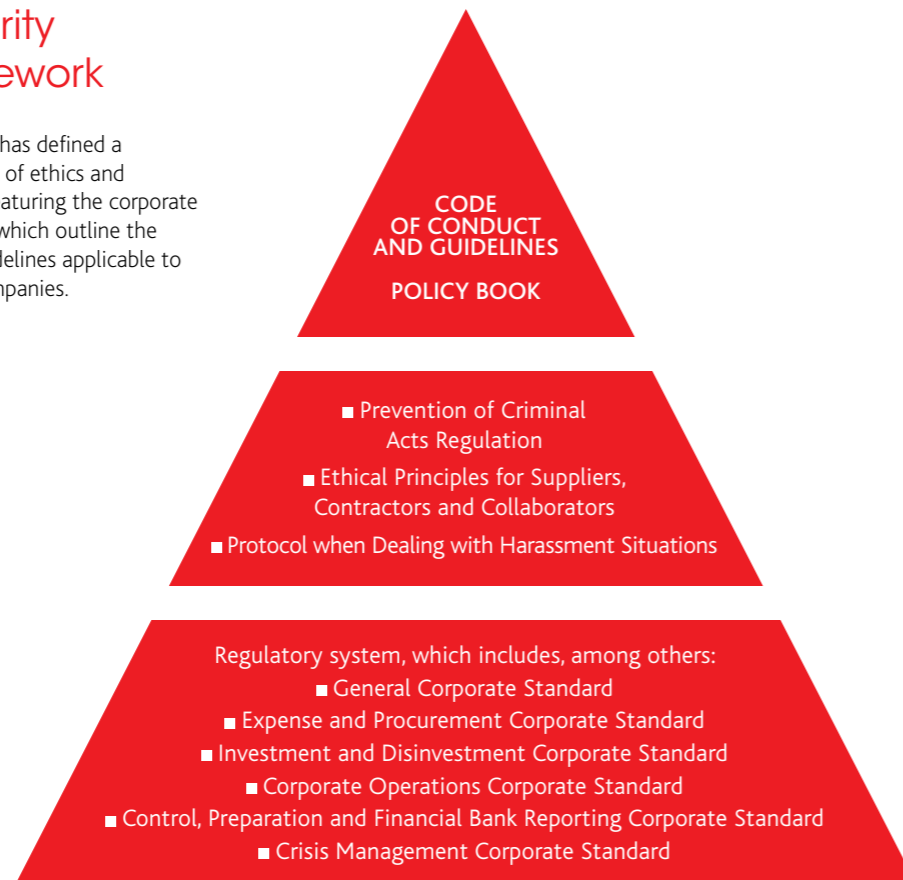
In 2013, ACCIONA launched an Audit Plan —incorporating sustainability criteria— with which it audited and verified over 300 suppliers

Good governance, trust and commitment

The code of conduct and the policy guide establish our business principles and provide a framework of integrity and good governance as a guarantee of our accountable management.

Integrity framework

ACCIONA has defined a framework of ethics and integrity featuring the corporate standards which outline the action guidelines applicable to Group companies.



2015 OBJECTIVES

→ Progressive implementation of measures for good governance improvement

Policy Book

The ACCIONA Policy Book was approved by the Sustainability Committee in April 2013. The book reflects the commitment and action principles applicable to Group companies on economic, social and environmental issues. It consists of four sections:

■ **Sustainability and Innovation**, highlighting the Sustainability Policy which acts as a global policy that establishes the framework principles for the rest of ACCIONA's policies.

■ **Economic Affairs and Good Governance**: Includes Anti-Corruption, Antitrust, Risk Management and Quality Policies.

■ **Social Affairs**: Includes policies on Human Rights, Human Resources, Occupational Risk Prevention and Social Action.

■ **The Environment**: Includes Environmental and Biodiversity Policies and the Fight against Climate Change.

Code of Conduct

Through the Code of Conduct, ACCIONA establishes the values that must guide the actions of all Group companies.

The aim of this Code is to consolidate the type of business conduct that is accepted and respected by all employees and management and to encourage suppliers and collaborators to

adapt their behavior to adhere to the guidelines defined in the Code. The Code is available in seven languages: Spanish, English, French, Polish, German, Italian and Brazilian Portuguese.

ACCIONA has set up an Ethical Hotline that allows employees to confidentially report any irregular conduct related to

accounting, control, auditing or any other alleged breach of the contents of the Code of Conduct. It is available to Company employees as well as suppliers and contractors.

Stakeholders

We engage in direct dialogue with customers, the communities we serve as well as the investors and authorities involved in decision making. This enables us to take a constructive approach to their different expectations and interests, enabling a strategy that offers practical and sustainable responses.

Relations with stakeholders

ACCIONA identifies its stakeholders and makes a commitment to ongoing dialogue with them, and to consider their expectations in managing the Company's sustainability practices.

ACCIONA takes a dual approach to its dialogue process:

- Periodic consultation of stakeholders to discuss, review and update relevant parts of the SMP.
- Stakeholder groups are consulted as part of the process of evaluating the social and environmental impact of our projects.



2015 COMMITMENT

→ Consideration of the expectations of the Company's main stakeholders in the management of sustainability practices

Outreach and leadership

The Company stands as a leader in sustainability as it complements its commitment to responsible management with a business model based on sustainable development and good management practices.

Dissemination of ACCIONA principles

One of the objectives of the 2015 Sustainability Master Plan is to consolidate ACCIONA's position as sustainability leader above all among its stakeholders.

The recognition of the Company as a leader in sustainability has to be complemented by the publication and dissemination of a business model based on

sustainable development opportunities. To do this, ACCIONA carries out different activities through its various communication channels.

2015 COMMITMENTS

→ Consolidate ACCIONA's position as a company of reference in sustainability in the markets where we operate

→ Strengthen our employee' commitment to the Sustainability Master Plan

→ Foster the dissemination of sustainability practices to the outside world

ACCIONA, the only Spanish company among the 100 most sustainable companies in the world, according to the annual 'Global 100 Most Sustainable Corporations in the World 2014'

ACCIONA, a leader among the world's most sustainable Utilities, according to the 'Top 10 Most Sustainable Utilities in the World' ranking

Active presence in international organizations and initiatives



United Nations World Compact Mundial

ACCIONA has been an active member of the United Nations Global Compact, an organization with more than 7,000 member companies, since 2005.

In addition, ACCIONA is one of 54 leading companies in sustainability worldwide which make up the *Global Compact LEAD*. Its goal is to achieve a new level of environmental, social and corporate governance actions and to establish a new reference for corporate sustainability.

Since early 2014, ACCIONA is a member of the Steering Committee of the *Global Compact LEAD*.



"Sustainable Energy for All" initiative

ACCIONA's chairman is the only Spanish representative on the Advisory Council of this initiative, driven by the United Nations Secretary General.

This initiative seeks to unite the efforts of governments, the private sector and civilian society to achieve three objectives by 2030: universal access to modern energy services; 40% improvement in energy efficiency; and production of 30% of the world's energy using renewable resources.



World Business Council for Sustainable Development

The global objective of the coalition is to promote sustainable practices in the business world and to advocate for better conditions that will enable businesses to do so.

ACCIONA was the first Spanish member company of the Ibx 35 to be part of this worldwide network. Since then, it has become an active member, participating in outreach, training and research activities in diverse fields and sitting on the Executive Committee.



Corporate Leaders Group on Climate Change

ACCIONA joined *The Prince of Wales's EU Corporate Leaders Group on Climate Change* (EUCLG) in 2009.

The common denominator of this group of European business leaders is its conviction that there is an urgent need to develop new policies that take a long-term approach to fighting climate change. Its goal is to work with European Commission leaders to take the most effective measures against climate changes and to create a low-carbon economy.

Accountability

ACCIONA provides detailed information on its activities, strategies and sustainability practices, according to the most advanced international reporting standards.

Commitment to transparency

Management transparency includes accountability for monitoring and development of the initiatives set out in the Sustainability Master

Plan. This is one of the Company's main focus areas because it communicates to its stakeholders its degree of fulfillment of

commitments with them. ACCIONA is accountable to its stakeholders through various ways, including:

■ SUSTAINABILITY REPORT



■ INTEGRATED REPORT



■ QUARTERLY RESULTS REPORT



■ COP (Communication on Progress)



ACCIONA receives Advanced Level rating by the Global Compact

2015 COMMITMENT

→ To inform the Company's stakeholders, transparently, rigorously and in keeping with the highest international standards, on ACCIONA's performance in terms of sustainability practices

Presence in 2013 sustainability indexes



The results of the 2013 review confirm that, for the seventh consecutive year, ACCIONA is present in the Dow Jones Sustainability Index (DJSI World), which includes companies with best social, environmental and corporate governance practices. ACCIONA has been evaluated in the *Electric Utilities industry*.



FTSE4Good

After the six-month evaluation by FTSE4Good in March 2014 ACCIONA has renewed its presence in this sustainability index as well. FTSE4Good companies meet stringent social and environmental criteria, and stand out for their good sustainability practice.



ACCIONA is part of MSCI World ESG¹ Index and the MSCI Europe Index which includes companies that are ranked high in environmental, social and corporate governance issues, compared to other companies in the sector.




ACCIONA has been selected to be included in various additional indices including STOXX Global ESG Leaders, STOXX Global ESG Environmental Leaders, STOXX Global ESG Governance Leaders and STOXX Global ESG Social Leaders.



ACCIONA is also listed in the Climate Performance Leadership Index (CPLI) and the Climate Disclosure Leadership Index (CDLI), according to the Iberia 125 Climate Change 2013 report prepared by CDP. It also appears in the Supplier Climate Performance Leadership Index.

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