

SUSTAINABILITY REPORT 2014



ACCIONA's 2014 Sustainability Report is available online. It can be accessed by scanning the above QR code using various devices.

Contents

4

CHAIRMAN'S
STATEMENT

8

ABOUT THIS
REPORT

10

COMPANY
PROFILE

18

TRIPLE
BOTTOM LINE

24

PERFORMANCE
BY REGION

36

MATERIALITY
ANALYSIS

68

ACCIONA'S
COMMITMENT

76. Corporate governance
84. People
112. Innovation
124. Environment
156. Value circle
178. Society
190. Stakeholder Engagement
198. Dissemination and
leadership
206. Accountability

212

GRI INDEX

220

INDEPENDENT
ASSURANCE
REPORT

CHAIRMAN'S STATEMENT

JOSÉ MANUEL ENTRECANALES
Chairman of ACCIONA



Dear friends,

The year 2014 will be remembered by the Company and its various stakeholders as the year of the return to growth. With the aim of alleviating the impact of the stagnation caused by the global recession in certain markets in which ACCIONA operates and the significant effects that the regulatory changes had on our business activities, in 2013 we launched an Action Plan, the objectives of which were successfully reached in 2014.

By making use of adequate strategic levers, acquiring new partners, seeking out greater internal efficiency and synergies, and carrying out occasional strategic divestments, ACCIONA was able to take advantage of important opportunities for its businesses, especially internationally.

The capacity to adapt, the talent and effort shown by our teams, and also our capacity to continue generating shared value – even during these complicated times – are some of the main pillars on which the return to growth has been based.

In this regard, and being aware of the importance that having the best capabilities has for the success of any organization, in 2014 we strengthened our strategy of identifying and capturing talent by using social media and increased this method of disseminating our job offers. In addition, with the implementation of programs such as T-MAX, the M3 and ACCIONA Futura (explained in greater detail in this document), the Company

continued to demonstrate its commitment to the development and training of its professionals.

Secondly, the generation of shared value as the second pillar of our success in 2014 is also noteworthy to mention. Management of matters related to sustainability and attentiveness to the concerns of our stakeholders form part of the nature of the Company and are included as part of our core business, making up a strategic element of the ACCIONA brand.

Excellence in management of the environmental variable also significantly defines the Company's personality. Thanks to our 100% renewable energy business, in 2014 ACCIONA avoided the emission of 16.3 million tons of CO₂ into the atmosphere, up 8% on the previous year. In 2014, the Company also concluded an ambitious project to calculate the greenhouse gas emissions of its over 28,000 suppliers, making ACCIONA one of the first companies in the world to analyze the emissions of its entire supply chain.

In 2014 we allocated 560 million euros to business activities related to the environment, which represents an 8.1% increase on the previous year. This year employees received a total of 129,039 hours of environmental training and the Company's divisions identified, analyzed and evaluated 488 environmental actions to be taken into account in carrying out its activities.


Aware of the growing importance that water resource management is acquiring, and in our commitment to remain at the forefront in the sustainable management of these matters, in 2014 ACCIONA redefined a series of principles regarding water management that have taken shape in its Water Policy. This reflects the Company's commitment to responsibly managing this resource, beyond legislation, through innovation in efficient water use and by extending its commitments throughout the entire value chain.

With regard to the social variable, and in line with our commitment to generate maximum shared value, ACCIONA continues working to implement the social impact assessment methodology that will help us to increase the quality of our commitment to the local environments in which we operate. In 2014, we implemented this methodology in more than 20 projects in 12 countries.

In addition, and in an effort to generate the greatest positive impact possible on the communities in which we have a presence, in 2014 the basic electricity services promoted by our ACCIONA Microenergy Foundation reached approximately 21,500 people with low income in the isolated rural communities of Cajamarca in Peru and Oaxaca in Mexico, thereby significantly improving their living conditions.

I would also like to highlight the corporate volunteer program as another one of the pillars in responsibly carrying out our

In 2014 ACCIONA
avoided the emission of
16.3 million tons of CO₂
into the atmosphere



activities. Throughout 2014, more than 800 ACCIONA volunteers participated in environmental education initiatives, the collection of funds through sports events, the promotion of employability of young people, donation campaigns and projects for access to energy sources.

Returning to the management of our supply chain, in 2014 we made significant efforts to broaden our knowledge and enhance the management of our suppliers. This allows us to become aware of the influence of each supplier when implementing the appropriate ethical, human rights and environmental plans in our supply chain. ACCIONA had a total of 30,869 suppliers, with approximate sales to the Company of 3.7 billion euros. The risk map of our supply chain was applied on 77% of the suppliers with which we had a commercial relationship greater than 100,000 euros in 2014.

At ACCIONA we consider innovation to be the main driving force towards sustainable development and, therefore, the basis for achieving a balance between the Company's economic, social and environmental variables. ACCIONA allocated 174.9 million euros to R&D in 2014, up 1% on the previous year.

With regard to accountability, and in line with our commitment to transparency and informing our stakeholders, the Sustainability Report was submitted and approved for the third year in a row at the General Shareholders' Meeting. The most noteworthy event with regard to reporting in 2014 is the inclusion of ACCIONA in the CDP Climate Performance Leadership Index and the CDP Supplier Climate Performance Leadership Index, which include the companies with the best performance in the fight against climate change.

In addition, for the eighth year in a row, we have been included in the Dow Jones Sustainability World Index and have been recognized with the RobecoSAM Silver Class 2015 award according to the Sustainability Yearbook 2015.

In addition, for the second year running, ACCIONA prepared its Integrated Report in accordance with the guidelines of the International Integrated Reporting Council (IIRC). The document seeks to connect ACCIONA's economic-financial, social, environmental and governance information in order to explain to our investors, in a compelling manner, the way in which our businesses are capable of creating value in the medium and long term.

The progress we have made regarding sustainability over the last year is reflected in ACCIONA's participation in important groups and initiatives such as the Trillion Tonnes Communiqué* and the Green Growth Platform group, led by the Corporate Leaders Group on Climate Change. We form part of the Executive Committee of the WBCSD and are co-leading the Scaling-up Renewables proposal. Within the framework of the United Nations, we have participated in the launch of the Decade of Sustainable Energy for All (2014-2024) in Latin America and the Caribbean, and we have been present at the highest level SE4ALL meetings at the COP20 in Lima, Peru, as members of Ban Ki-moon's Advisory Board for this initiative and, through the Global Compact LEAD, we have contributed to defining the Sustainable Development Targets for the Post-2015 architecture.

Within the framework of the Carbon Pricing Leadership Coalition, led by the World Bank, we have participated in developing the Building Leadership Criteria on Carbon Pricing as part of the UN's Caring for Climate initiative. In January 2015, as part of the World Economic Forum (WEF) in Davos, we participated in the launch of the CEO Climate Leadership Group, promoted by the WEF as the private sector's contribution in the fight against climate change. We are also active members of the We Mean Business

coalition, which focuses on driving the agenda of the Climate Change Conference (COP21) in Paris. Lastly, in September 2014 we participated in the creation of the Green Growth Group, a Spanish initiative aimed at promoting green economy and growth in Spain.

In short, 2014 has been an important year for the Company and, therefore, I invite you to read this Report to gain a better understanding of our commitment to sustainability and responsible management of the most important matters to all our stakeholders.

* The organizations and initiatives mentioned herein are detailed in "Dissemination and Leadership" on pages 199-203 of this Report.

ABOUT THIS REPORT

Transparency, comprehensiveness and clarity

The manner in which the sustainable development challenges are approached and the performance of ACCIONA's activities in 2014 are included in this Sustainability Report for the purpose of offering stakeholders complete and reliable information.

This Sustainability Report attempts to offer the reader a true and balanced overview of ACCIONA's performance in relation to the sustainable development challenges facing the Company in 2014. The content of this report supplements other reports drafted by the Company: the Annual Corporate Governance Report, the Integrated Report and the Annual Accounts (G4-17), as well as the content of its website.

In 2014 ACCIONA carried out the process of integrating its various lines of business, thereby allowing for greater synergies. The Company's Construction, Water, Services and Industrial businesses are now managed under a single line of business (ACCIONA Infrastructure). Accordingly, ACCIONA Energy includes all activities related to renewable energies.

This Sustainability Report emphasizes the advances made in 2014, based on information about the policies, actions and performance provided in the sustainability reports published in previous years. Likewise, it describes the annual progress made by the Company in implementing

the Ten Principles of the United Nations Global Compact in terms of human and labor rights, the environment and the fight against corruption.

To draft this annual report, ACCIONA followed the *G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI)*, including information required by the *Construction and Real Estate and the Electric Utilities* sector supplements. Following such guidelines ensures that the information contained in this report is reliable, complete and balanced. Hence, the Company believes that its 2014 Sustainability Report has been drafted *in accordance* with G4 at its *comprehensive* level within the *Materiality Disclosures Service* offered by the GRI.

Similarly, and with the aim of aligning the information included in the report with stakeholders' expectations and concerns, ACCIONA has followed the guidelines established in the AA1000 APS standard.

To check the reliability of the information, the correct application of the AA1000 APS standard's principles and the consistency

of the information provided in response to the general basic content of the G4 Guide, the Company has hired an independent external firm, KPMG Asesores S.L., to verify this. This year, ACCIONA has requested that the verification company review a number of relevant indicators, with a reasonable level of assurance. As a result of the verification process, an Independent Review Report will be drafted that will include the objectives and scope of the process as well as the verification procedures used and conclusions.

THE BASIC PRINCIPLE OF INCLUSIVENESS (G4-18B)

ACCIONA adopts a double approach to the stakeholder dialogue process: as part of the review process of the Sustainability Master Plan, and in consultations connected to the Company's business projects. The specific chapter on Stakeholder Engagement describes in more detail the methods of engagement and the main initiatives in 2014 with stakeholders.

THE PRINCIPLE OF MATERIALITY (G4-18B)

The 2014 Materiality Analysis drafted by ACCIONA in accordance with the *G4 Sustainability Reporting Guidelines* of the *Global Reporting Initiative* enabled the Company to identify social, ethical and environmental issues with the largest impact on ACCIONA's activity.

As a result of this study, ACCIONA believes that the information in this report is material to the Company and its stakeholders. The chapter on Materiality Analysis describes the process of development and the methodology of the ACCIONA 2014 Materiality Analysis.

THE PRINCIPLE OF RESPONSIVENESS (G4-18B)

This report is based on the structure of the Company's 2015 Sustainability Master Plan (SMP 2015), which shows ACCIONA's response to the main sustainability issues raised by its stakeholders. Similarly, the structure of the chapters attempts to focus on the internal restructuring of the divisions which was consolidated in 2014.

SMP 2015 is based on clear principles and purposes which are stated in specific commitments and objectives that can be measured and assessed. The Plan establishes the policies, objectives and work lines to be carried out until 2015 in nine work areas: Innovation, Environment, Society, People, Value Circle, Corporate Governance, Stakeholders, Dissemination and Leadership, and Accountability.

SCOPE (G4-22) (G4-23)

The information shown in ACCIONA's sustainability reports since 2005 is detailed mainly by division but, as far as possible, it has also been broken down by geographical area. The scope has been identified for each indicator. To provide a better understanding of the Company's performance, previous years' data have also been provided.

The environmental information published in the report comes from ACCIONA's environmental reporting system, including the "Metrica" tool, which is the benchmark corporate tool for the centralized monitoring and control of

the environmental performance of all activities performed by ACCIONA. The scope of quantitative environmental information reported corresponds to 100% of ACCIONA's activities, both in Spain and internationally. As a general principle for consolidating the environmental information reported, all facilities and sites where ACCIONA holds a majority stake and, consequently, responsibility for operation and control, are included.

COMPANY PROFILE

ACCIONA continues to be one of the most sustainable companies in the world. The Company is characterized by its firm commitment to development through renewable energies, infrastructures, water and services, and is recognized each year for its long-term management model.

ACCIONA, a position in sustainable development...

ACCIONA is one of the leading Spanish companies trading on the Ibex 35. With a business history spanning more than a century and extensive experience in the infrastructures, energy, water and services sectors, the Company has expanded its business to more than 30 countries.

of economic growth, environmental balance and social progress, governing the Company's strategy. With regard to its contribution to a more sustainable economy, ACCIONA has a workforce of 33,559 professionals and revenue reached 6,499 million euros in 2014.

For ACCIONA, sustainability and social well-being are the cornerstones

Our Mission

To be a leader in the creation, development and management of infrastructures, energy and water; actively contributing to social wellbeing, sustainable development and the creation of value for our stakeholder groups.

Our Vision

To meet the challenge of achieving sustainable development in all our business areas, so that the generations of today and the future will have a better life.

Our Values

- Social responsibility • Honesty
- Leadership • Long-term view
- Innovation • Financial strength
- Care for people • Customer focus
- Environmental concern

... in businesses with a future...

ENERGY

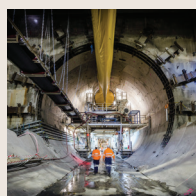


With more than 20 years of experience, ACCIONA Energy is a worldwide leader in the field of renewable energy, whose mission is to demonstrate the technical and economic viability of a new energy model based on sustainability criteria. It works with seven clean technologies and is present in the entire value chain, including development, engineering and construction, use, operation and maintenance, generation and marketing of energy, and the design, manufacturing and sale of wind turbines.

2014	
Revenue	2,200 million euros
EBITDA	788 million euros
Total capacity	8,502 MW
Total output	21,450 GWh

INFRASTRUCTURES

Construction



ACCIONA Construction, with its firm commitment to R&D, is among the leading construction companies worldwide and uses the most advanced techniques in carrying out its construction work. It is involved in the entire construction process, from the engineering to the execution of the work and subsequent maintenance, as well as the management of public works concessions, especially with regard to transportation and social infrastructures, while always operating under the philosophy of sustainability, quality, technology and experience.

2014	
Revenue	2,626 million euros *
EBITDA	118 million euros
Number of concessions	20

Water



ACCIONA Agua is in charge of managing the complete water cycle, from its capture, drinking water treatment, purification and return to the environment. The company is a leader in the water treatment sector with the ability to design, construct and operate treatment plants, wastewater purification plants, tertiary treatment plants for re-use and desalination plants. ACCIONA Agua is firmly committed to innovation and technology to provide global solutions that contribute to the sustainable development of the water sector.

2014	
Revenue	409 million euros
EBITDA	35 million euros
Water managed	648 hm ³

Services



ACCIONA Service offers a wide range of services to provide complete solutions to its customers. The company offers customers, both in the public and private sectors, a unique business model that ranges from contracting a single service to the possibility of comprehensive management of their non-core business and facility management activities. Customers therefore receive advice and services that are constantly being adapted to their needs and, as such, optimize resources and costs.

2014	
Revenue	691 million euros
EBITDA	20.5 million euros

OTHER BUSINESSES



- **Trasmediterranea**, Spain's largest shipping line and one of the largest companies in Europe engaged in the maritime transport of passengers and cargo.
- **Real Estate**, with more than 20 years of experience, it is one of the leading real estate development companies.
- **Bestinver**, provides financial services of fund management and stock brokerage.
- **Hijos de Antonio Barceló** is one of the century-old wineries of Spain, and has wine growing and preparation centers in five of the most prestigious wine producing areas of Spain, as well as other investments.

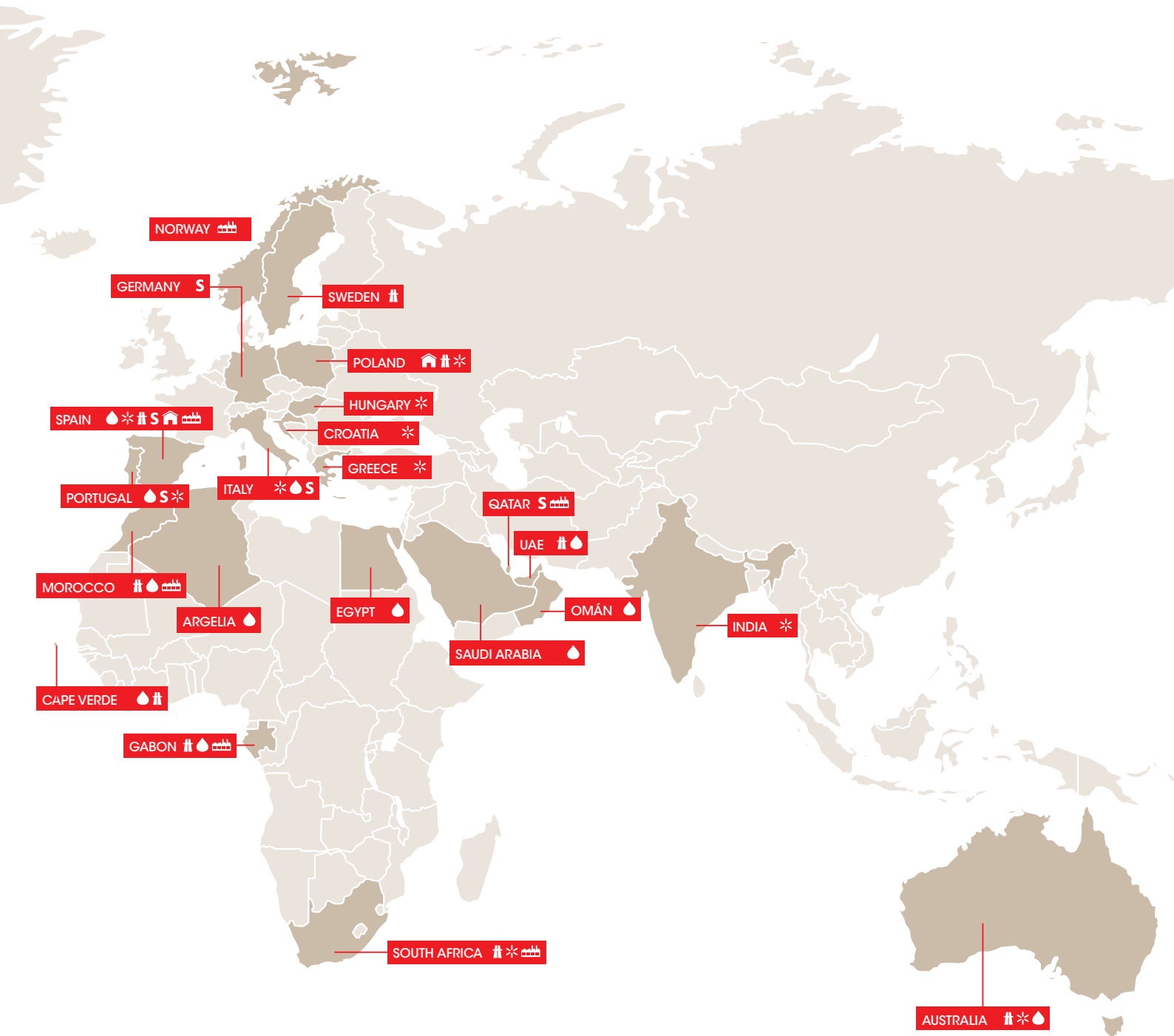
2014	
Revenue	691 million euros
• Trasmediterranea	417 million euros
• Real Estate	94 million euros
• Bestinver	135 million euros
• Vineyards	40 million euros
• Corporate and other	6 million euros
EBITDA	126 million euros
No. of vehicles	542,597
No. of passengers	2,363,924
Theoretical Housing inventory (units)	535
Bestinver assets under management	6,472 million euros

(*) Construction data includes the activity of ACCIONA Industrial.

... with a global presence...

... for ACCIONA, 2014 represents a return to growth through new partners that enable the Company to develop its business in an international environment.





The **Action Plan** launched in 2013 enabled ACCIONA to return to growth and strengthen the Company financially

... a definitive strategy...

The impact of the regulatory reform in Spain was consolidated in 2014. The Action Plan that the Company launched in 2013 was implemented throughout 2014. The disciplined decisions made enabled the Company to once again post growth in the year.

2014 was marked by the divestments which, together with the improvement in the Group's operations, strengthened the Company's financial position thanks to a significant reduction in leveraging. This therefore provided a response to one of the main concerns of the market.

In 2014 the Company divested a total of 629 million euros, most notably including the sale to the KKR global infrastructures fund of one third of AEI (ACCIONA Energy International), the sale of the renewable assets that the Company had in Germany (150MW in wind power) and the total or partial sale of some concessions.

The Company also focused its efforts on simplifying the Group's debt structure in order to reduce its dependency on banks and to diversify its sources of financing. With this purpose in mind, in 2014 the Company issued for the first

time convertible bonds with satisfactory conditions. The share price has increased by more than 32.5% since the issue.

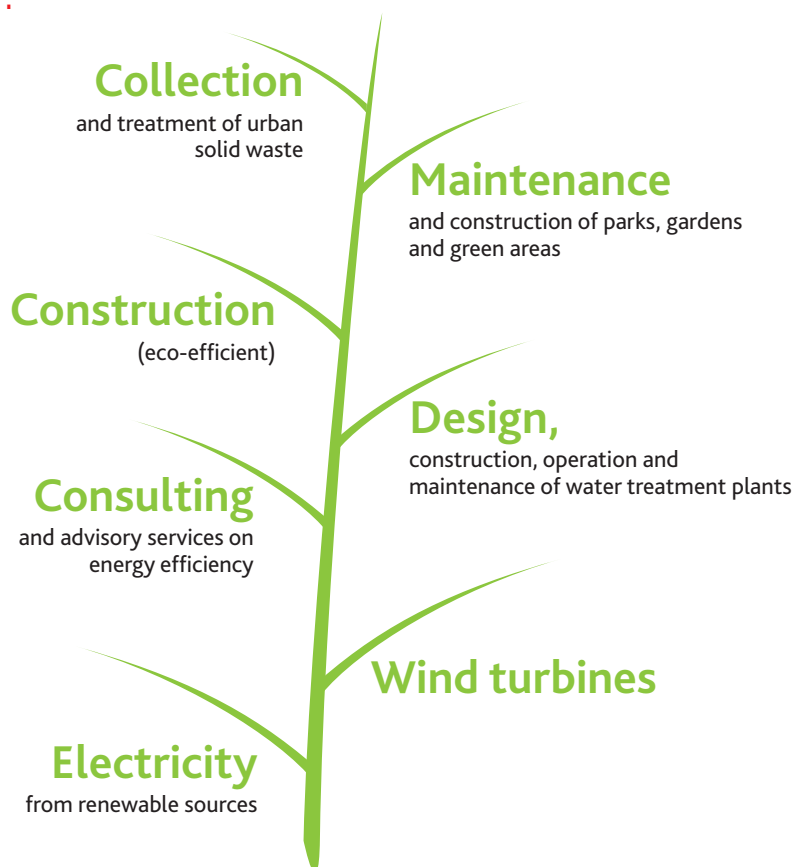
The success of the measures taken in accordance with the Action Plan once again put the Company in a favorable position and enabled it to change its strategic priorities. ACCIONA moved from a strategy focused on dealing with the negative impacts of the regulatory reform and on reducing its leveraging, to a climate of international opportunities as a result of its capacities and suitable partners.

ACCIONA offers a wide range of products and services that are beneficial to the environment

... and sustainable activity...

According to the United Nations Environment Program (UNEP), a green economy is "that which aims to improve human welfare and social equality, while significantly reducing environmental risks and ecological damage". ACCIONA focuses its efforts on offering a wide range of sustainable products and services that benefit the environment.

Specifically, in 2014, 40% of ACCIONA's global revenue (42% in 2013) and 76% of its EBITDA (85% in 2013) stemmed from activities related to renewable energies, water and the Company's other environmental activities.

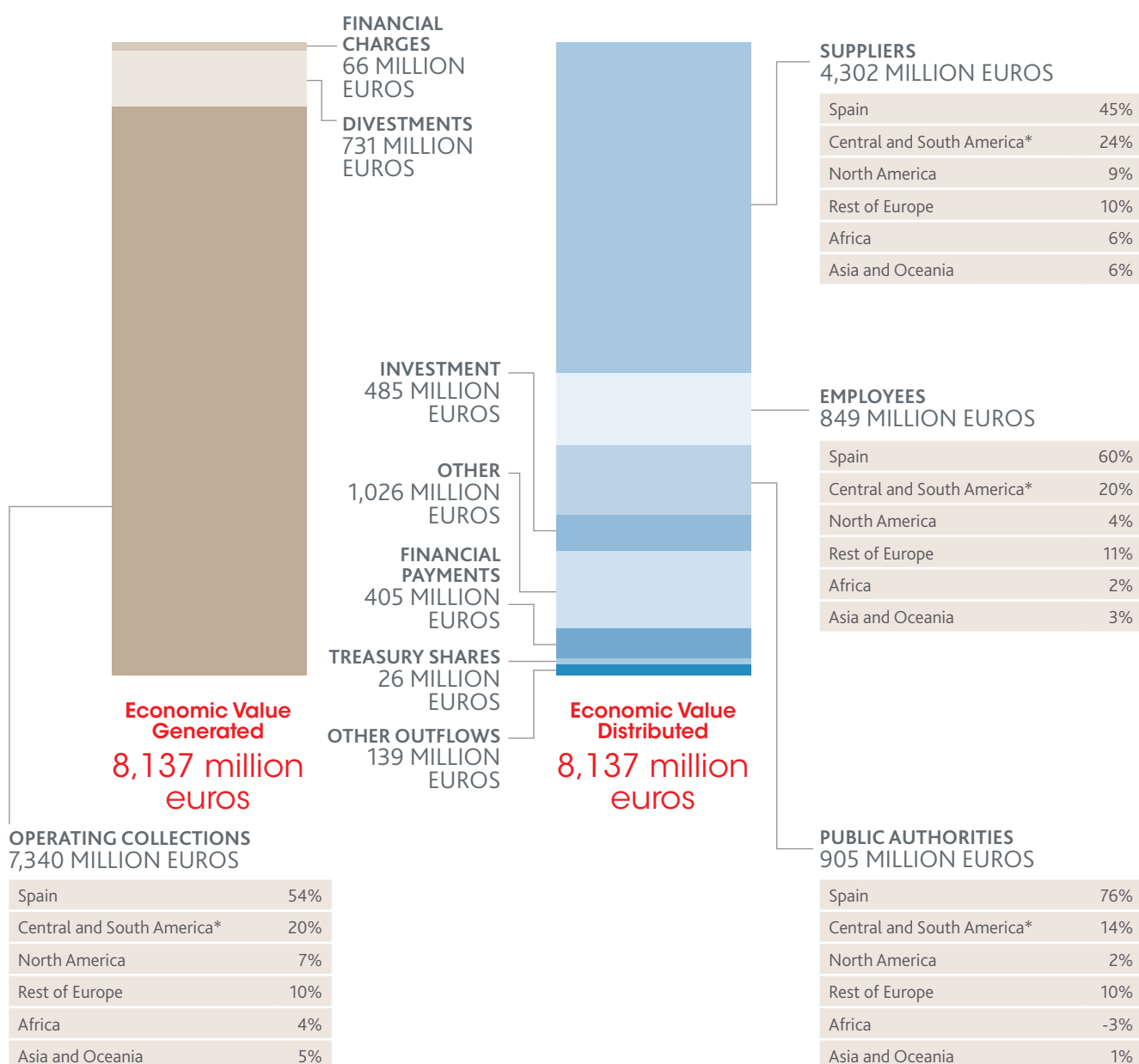


...that contribute to society

The social cash flow allows the actual contribution of value to society to be measured through the cash flows generated and distributed by the Company. Therefore, the items that represent an actual inflow and outflow of cash and have an impact on the various stakeholders are taken into account.

This contribution of value is measured by the cash flows generated by the Company – received from its customers, divestments, financial transactions, etc. – and by the cash flows distributed by means of payments to suppliers, shareholders, employees and public authorities, among others.

→ ACCIONA's social cash flow in 2014



* Including Mexico

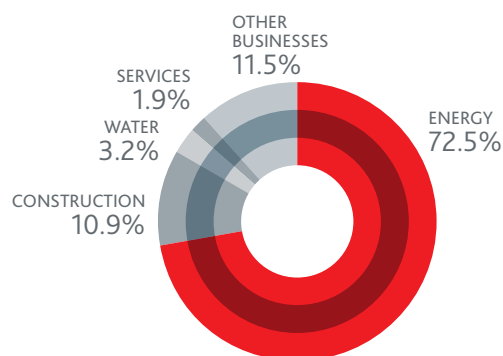
In 2014, the economic and social contribution, through the payment of taxes by ACCIONA to the tax authorities, amounted to 905 million euros, of which 443 million euros related to taxes incurred and 462 million euros related to taxes collected. Therefore, for every 100 euros of ACCIONA's revenue in 2014, 14 euros were allocated to the payment of taxes, with 6.9 euros relating to the payment of taxes incurred and 7.1 euros to the payment of taxes collected. The four main countries that received such tax income include Spain, Brazil, Poland and Mexico.

Total Tax Contribution in 2014

Country	Taxes incurred (millions of euros)	Taxes collected (millions of euros)	Total (millions of euros)	
Spain	319.1	370.0	689.1	76.1%
Brazil	47.1	9.1	56.2	6.2%
Poland	15.6	34.0	49.6	5.5%
Mexico	18.6	21.7	40.3	4.4%
Portugal	9.0	11.7	20.7	2.3%
Chile	1.4	10.3	11.7	1.3%
Australia	-1.3	12.0	10.7	1.2%
Canada	2.3	5.4	7.7	0.9%
USA	4.2	1.9	6.1	0.7%
Other countries	27.3	-14.4	12.9	1.4%
Total	443.3	461.7	905.0	

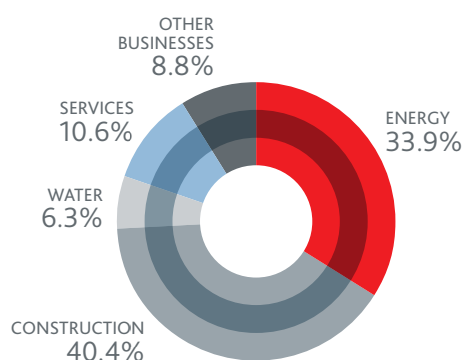
Breakdown by division of the key figures in 2014

→ Contribution to EBITDA by business line*



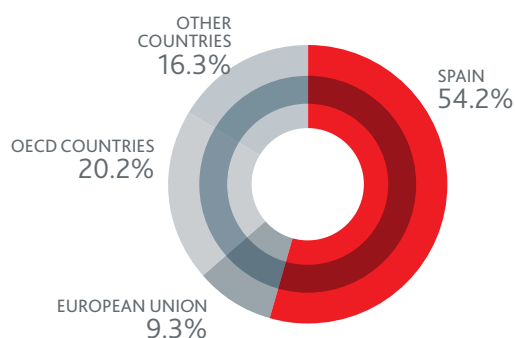
* Construction data includes the activity of ACCIONA Industrial.

→ Revenue by business line* (% of total revenue)



* Construction data includes the activity of ACCIONA Industrial.

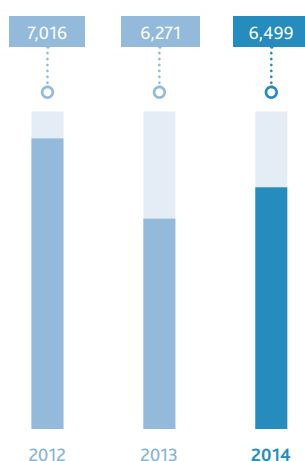
→ Income by geographic areas



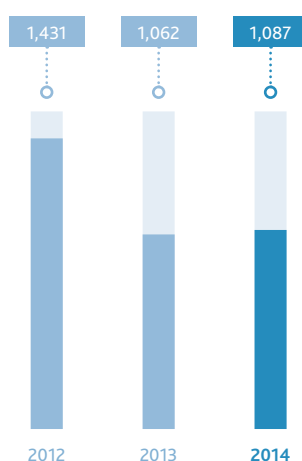
TRIPLE BOTTOM LINE

Financial Results*

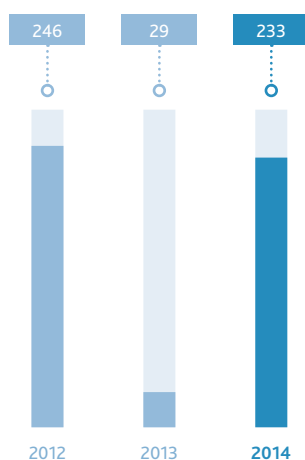
→ Revenue (millions of euros)



→ EBITDA (millions of euros)



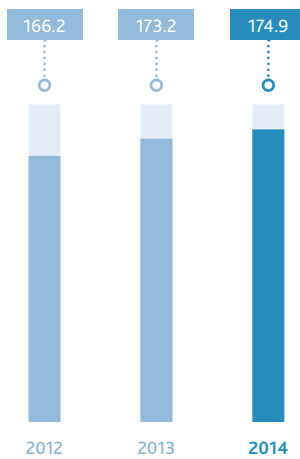
→ Profit before tax (millions of euros)



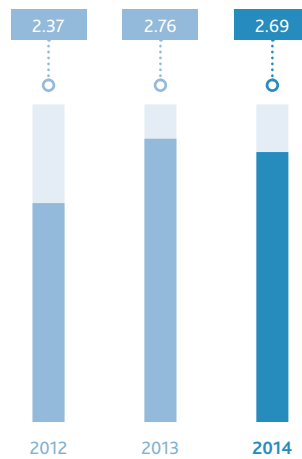
→ The rapid and successful strategic measures taken in 2014 by ACCIONA, allowed the Company to boost sales and profits, and distribute dividends to its shareholders during the year. Revenue increased by 3.6% compared to 2013, EBITDA was 2.4% higher than the previous year and, in particular, profit before tax stood at 233 million euros compared to the 29 million euros reported in 2013.

(*) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

→ **Total R&D**
(millions of euros)

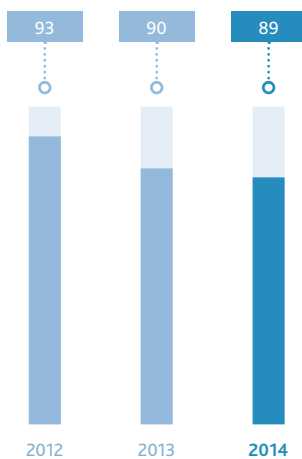


→ **Total R&D/revenue**
(%)

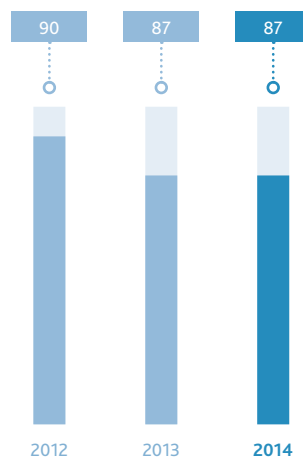


→ ACCIONA upheld its firm commitment to innovation in 2014. During the year 174.9 million euros were invested in r&D, 1% more than in the previous year. ACCIONA is ranked seventh among the european companies with the greatest investment in R&D compared to revenue, with a ratio five times greater than the average for companies in the electricity, renewable energy, gas, water and multi-utilities, and construction and materials sectors.

→ **Activity certified under ISO 9001**
(%)



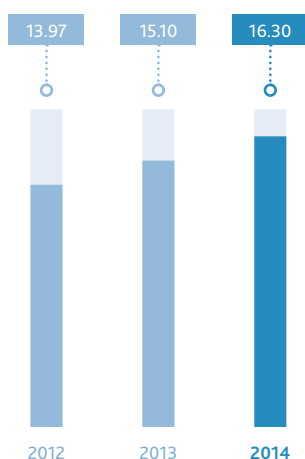
→ **Activity certified under ISO 14001**
(%)



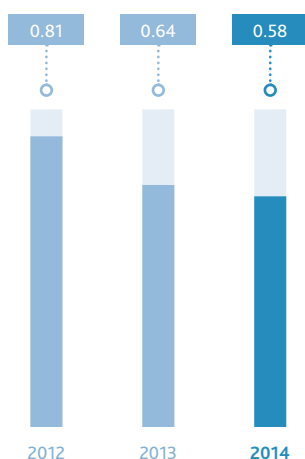
→ As in previous years, the increase in the Company's internationalization caused the percentage of certified activity to decrease due to the time necessary to implement and certify the new working methodologies.

Environmental Results

→ Emissions avoided (millions of tons of CO₂)

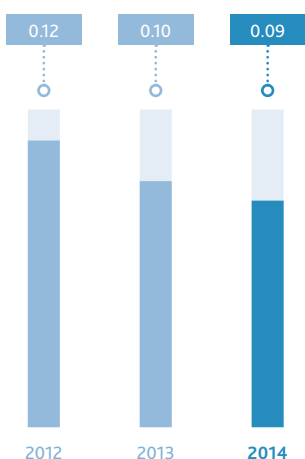


→ Emissions generated (millions of tons of CO₂) - Scopes 1 and 2

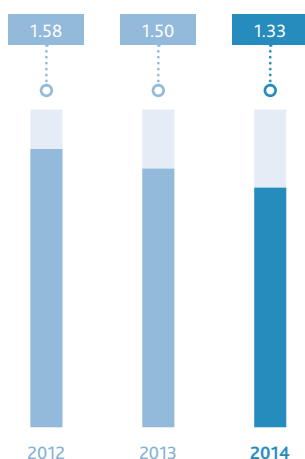


→ In 2014, ACCIONA continued to fulfill its environmental targets and commitments. The Company avoided 28 times the CO₂ its production activity generated during the year. Emissions avoided increased by 8% and 17% on 2013 and 2012, respectively. Accordingly, CO₂ emissions generated were reduced by 8.9% on the previous year and by 28.4% on 2012. In the past three years, both the energy consumption ratio and the emissions ratio have continued to decline.

→ Emissions ratio (tons of CO₂/revenue in thousands of euros)

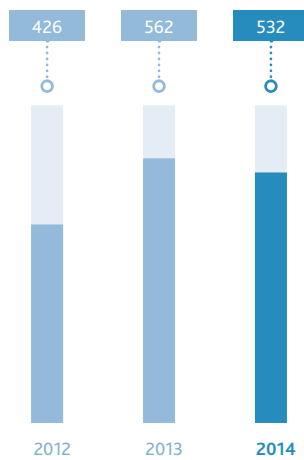


→ Energy consumption ratio (TJ/revenue in millions of euros)



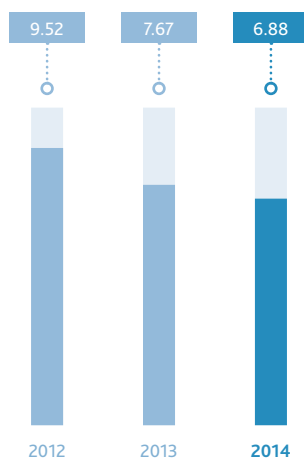
→ These data improve upon that gathered in the sector analysis carried out in 2014 by the Carbon Disclosure project, a world organization which publicly recognized ACCIONA as a leader in the fight against climate change in the utilities sector and as the company with the lowest greenhouse gas emissions, the least emissions in relation to revenue, and the greatest trend of reducing greenhouse gas emissions.

→ **Water footprint: net positive contribution**
(hm³)



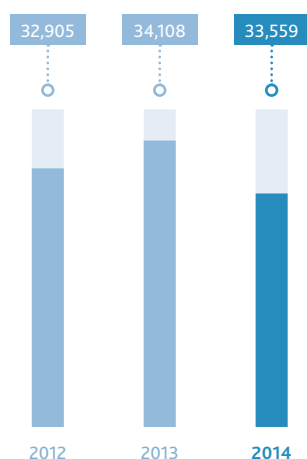
→ In 2014, trends in the water footprint continue to be positive, with a 24.82% improvement on 2012. However, this figure decreased by 5.43% with regard to 2013, mainly due to the reduction in the volume of water managed. Water consumption also continue to decrease in 2014 and was down 27.69% on 2012.

→ **Water consumption**
(hm³)

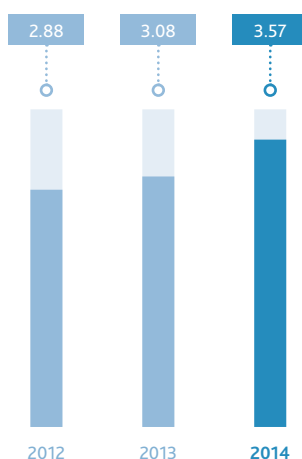


Social Results

→ Average headcount at year end



→ % of differently-abled employees in Spain

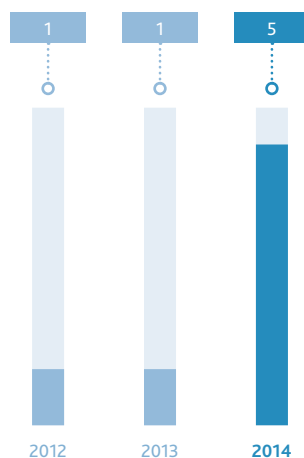


→ In 2014, ACCIONA decreased its average headcount by 1.6% on 2013, as a result of bringing the size of its workforce into line with its projects and business activities. The main adjustments were made in Mexico and Poland as a result of the decline in activity.

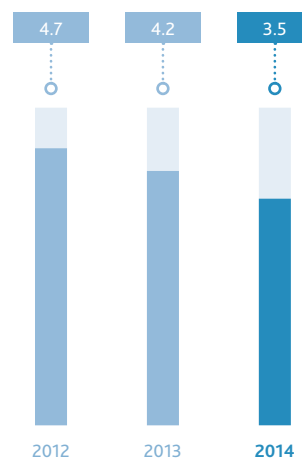
→ ACCIONA has advanced in fulfilling its commitment to reaching a 3% level of differently-abled people in the workforce in Spain. In 2014, the Company exceeded the equivalent employment target percentage, reaching 3.57%. Of this percentage, 2.77% corresponds to direct employment (compared to 2.56% in 2013).

→ ACCIONA is firmly committed to health and safety in the workplace. This is reflected both in the achievement of zero fatal accidents among its own employees in 2013 and 2014 and in a 25.3% reduction of the accident frequency rate on 2012. However, there were unfortunately five deaths among subcontracted personnel in 2014. To improve occupational risk prevention in the supply chain, ACCIONA carries out a number of training and communication initiatives.

→ Number of fatal accidents* (globally)

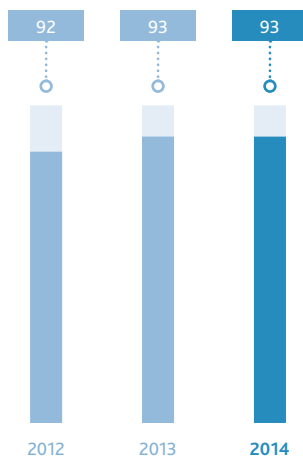


→ Accident frequency rate among own employees (globally)

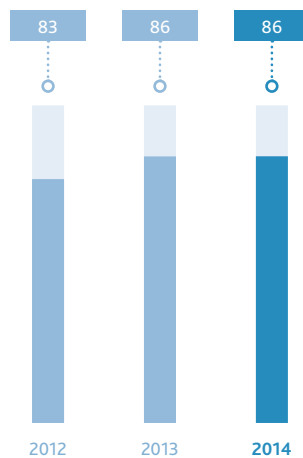


(*) Own employees and subcontracted personnel.

→ **Local suppliers out of the total number of suppliers (%)**



→ **Global customer satisfaction index (%)**

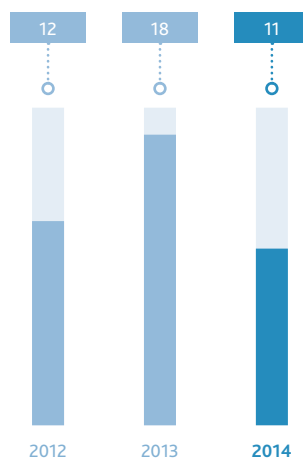


→ The Company contributes to local development by contracting products and services in the country or region in which its activities are being carried out, as shown by the Company's high percentage of local suppliers.

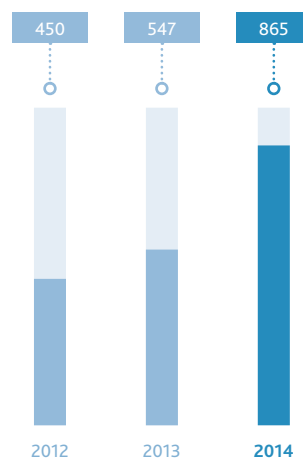
→ ACCIONA has advanced in fulfilling its customers' requirements and expectations and has maintained the global satisfaction index obtained in 2013.

→ Social investment associated with projects was reduced in 2014. However, the Company maintained other contributions such as those related to access to basic services, patronage and volunteer work. accordingly, those activities relating to the promotion of sustainability significantly increased. This resulted in a significant increase in the number of volunteers, which virtually doubled compared to 2012 and increased by 58% on 2013.

→ **Social contribution (millions of euros)**



→ **Number of volunteers**



PERFORMANCE BY REGION

The local value of sustainability

ACCIONA's commitment and know-how is also reflected in its activities in the international markets in which it operates. The Company works towards achieving an environmental balance and driving the development of the communities.

Spain



KEY PROJECTS OF ACCIONA AGUA:

- Torrevieja seawater desalination facility
- Cartagena seawater desalination facility
- Implementation of an intelligent water network in Burgos
- ATLL (Catalonia)
- Valencia water purification plant



KEY PROJECTS OF ACCIONA CONSTRUCTION:

- New BBVA headquarters in Las Tablas (Madrid)
- Construction of the structure, cover and façade of the new football stadium in San Mamés (Bilbao)
- Navarra A-15 highway. Stretch: Medinaceli A-2 – Radona (Soria)
- Duero A-11 highway. Stretch: Aranda bypass (Burgos)
- Madrid-Galicia high-speed line. Stretch: Zamora-Lubián. Sub-stretch: Pedralba de La Pradería-Padornelo tunnel
- Platform of the Madrid-Zaragoza-Barcelona-French border high-speed line. Stretch: La Sagrera-Nudo de la Trinidad. Sant Andreu, Barcelona sector
- New container terminal at the Port of Cádiz.



PRESENCE OF ACCIONA ENERGY IN THE FOLLOWING TECHNOLOGIES:

- Wind
- Hydro
- Solar thermal
- Biomass
- Photovoltaic
- Cogeneration



OTHER BUSINESSES:

- Real Estate
- Trasmediterranea
- Hijos de Antonio Barceló
- Bestinver



NOTABLE PRESENCE OF ACCIONA SERVICE IN THE FOLLOWING PROVINCES:

- Tafalla-Navarra
- Bilbao
- A Coruña
- Barcelona
- Valladolid
- Valencia



ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	4,051	3,721	3,524
Energy produced (total GWh)	13,120	15,209	14,015
Water managed (desalinated/drinking/treated) (hm ³)	326.1	418.7	394.6
Total R&D (millions of euros)	116.9	124.6	134.2
Activity certified under ISO 9001 (%) ¹	100	100	100
Emissions avoided (thousands of tons of CO ₂)	8,655	9,949	11,121
Emissions generated (thousands of tons of CO ₂)	651	452	376.4
Water footprint (hm ³)	264.9	375.6	357.0
Activity certified under ISO 14001 (%) ¹	97	97	97
Average equivalent headcount	19,855	20,256	20,957

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

KEY PROJECT

Port of Rosario (ACCIONA Construction, ACCIONA Industrial)

- Construction of composite caissons to enlarge the Port of Rosario (Fuerteventura).
- European Business Award for the Environment in the *Product and/or service for sustainable development* category.
- Caissons of 13.16 m high and 12 m in diameter.

In 2014, ACCIONA successfully launched and anchored the composite caissons which were used to enlarge the cruise ship pier at the Port of Rosario, in Fuerteventura.

For this project, the Company opted for a groundbreaking technique, which it has patented, using composite materials to construct large cylindrical caissons that were assembled at the dockside before

being launched, towed and anchored at the final site. The first of the caissons was successfully anchored on September 16, and on October 10 the second of the composite caissons was towed to the final site where it was anchored.

Composites are versatile, lightweight, durable and environmentally friendly and have meant that ACCIONA received

the European Business Awards for the Environment (Spanish section) in the *Product and/or service for sustainable development* category.

This work was carried out through collaboration with the various teams of ACCIONA Construction, ACCIONA Engineering and Corporate Innovation during the various stages of the project.

Central and South America

ACCIONA PROJECTS

Operational and under construction



ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	542	891	905
Energy produced (total GWh)	0	0	171
Water managed (desalinated/drinking/treated) (hm ³)	0.7	0.5	0.7
Total R&D (millions of euros)	1.8	15	18.3
Activity certified under ISO 9001 (%) ¹	75	67	77
Emissions avoided (thousands of tons of CO ₂)	0	30	334
Emissions generated (thousands of tons of CO ₂)	18	45	49
Water footprint (hm ³)	-0.6	-0.7	-1.0
Activity certified under ISO 14001 (%) ¹	94	67	77
Average equivalent headcount	2,568	4,608	5,210

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

KEY PROJECT

Los Tajos wastewater treatment plant, Costa Rica (ACCIONA Agua)

■ Design, construction, startup and technological transfer and assistance with the operation and maintenance of the plant.

■ The plant will provide service to more than one million inhabitants, 65% of the estimated population of the country's capital.

The wastewater treatment plant is designed to be a primary standard facility for completely treating sludge with an average daily flow of 2.81 m³/s and a maximum daily flow of 3.45 m³/s (Phase I), and will provide service to more than one million people (65% of the estimated population of the metropolitan area of San Jose, the country's capital).

The Los Tajos wastewater treatment plant is the core of the first stage of the San Jose Environmental Improvement Project, a program that also includes renovating and extending the network of collectors and secondary sewage networks by more than

360 kilometers. This project will therefore reduce the country's untreated sewage water from 20% to 0.1% of total sewage.

The facility will gradually implement its complete treatment line. A second phase will incorporate the secondary treatment of sewage. This approach allows a country to set gradual investment targets by adapting its needs to the economic resources at any given time, in addition to the environmental advantages inherent to this approach. A design with these characteristics allows very different flows to be treated, since the facility has an energy source (through the sludge

that is generated) that is adequate for self-sufficiency as well as competitive construction and operational costs.

Accordingly, ACCIONA Agua carried out initiatives in local communities to raise awareness regarding the use and protection of water resources. For example, within the framework of Environment Day, a day was organized at Jardín de Niños de San Martín in which various matters were discussed, such as water care and protection, recyclable materials, planting trees in the area and delivering recycling containers to be used at the facilities.

North America

ACCIONA PROJECTS
Operational and under construction



Countries included are those with turnover in excess of 3 million euros.

ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	995	522	901
Energy produced (total GWh)	4,807	4,532	4,967
Water managed (desalinated/drinking/treated) (hm ³)	3	6.6	5.6
Total R&D (millions of euros)	4.3	1.8	4.9
Activity certified under ISO 9001 (%) ¹	83	92	93
Emissions avoided (thousands of tons of CO ₂)	3,441	2,981	3,126
Emissions generated (thousands of tons of CO ₂)	37	32	28.6
Water footprint (hm ³)	0.4	2.1	1.3
Activity certified under ISO 14001 (%) ¹	83	92	93
Average equivalent headcount	1,946	1,442	1,376

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

In 2014 the Eurús wind farm, established by ACCIONA Energy in the state of Oaxaca, Mexico, won the 360° Infrastructures Award granted by the Inter-American Development Bank (IDB) to recognize sustainable infrastructures projects implemented in Latin America and the Caribbean. The jury especially valued the positive impact of the project on the quality of life of the community in which it was implemented, as the Company invested more than 8 million pesos (more than half a million dollars) in social initiatives that have benefited around 4,500 people since the entry into operation of the facility in 2009. The award, the most significant of its

type granted in Latin America, was delivered at the annual IDB meeting held in Busan, South Korea, in March 2015.

The project, which focuses on the social action plan implemented by ACCIONA Energy in the area of influence of the Eurús wind farm, a socially depressed region with a high indigenous population, was selected by an international jury from among more than 40 projects from 10 participating countries. The projects were evaluated using the methodology for analyzing infrastructures sustainability established by the Zofnass-Harvard Program, created by the Harvard Graduate School Design

to analyze and objectively quantify the sustainability of infrastructures projects.

The Eurús wind farm is located in La Venta, in the municipality of Juchitán de Zaragoza, Oaxaca, Mexico. The wind farm was built and is being operated by ACCIONA Energy Mexico as a self-supply project for the cement company Cemex. The project entailed an investment of 550 million dollars. It is one of the largest wind farms in Latin America with a capacity of 250.5 MW distributed over 167 wind turbines of 1,500 kW. It produces an average of 989 GWh of electricity per year, which is equal to the consumption of a population of 500,000 inhabitants, and avoids the emission of around 600,000 tons of CO₂.

Since the initial phases of the project, ACCIONA implemented a social and environmental action plan aimed at managing all impacts generated during the construction and during the operation of the wind farm.

With regard to the environmental side of the plan, actions were carried out to improve the network of roads around the farm, create a drainage system to prevent the accumulation of water in flood zones, monitor and control noise during the construction, and preserve archaeological or historical remains, among other actions.

Accordingly, with regard to social matters, the Company maintained a very close relationship with the community during the initial phases of the project. The community's needs were identified and a community investment plan was implemented to work towards the economic, social and environmental self-sufficiency of La Venta through projects in various fields such as reforestation, waste management, professional training in wind energy, self-employment or health education.

As part of these social projects, ACCIONA built, equipped, operated and maintained a Bioclimatic Community Center where classes were given to 1,500 people regarding work, environmental education or advisory services for sports projects.

KEY PROJECT

Eurús wind farm, Mexico (ACCIONA Energy)

- Award received by the Inter-American Development Bank (IDB) in recognition of its values regarding sustainability and the improvements made to the quality of life of the local community.
- ACCIONA Energy has invested more than 8 million pesos (more than half a million dollars) in social initiatives that have benefited around 4,500 people in the area.
- Its social and environmental action plan has driven the management of the impacts of the wind farm on the populations of the surrounding areas since 2009.
- The Bioclimatic Community Center built by ACCIONA is the most visible example of its ambitious program regarding training, social care and dynamic community involvement in relation to the wind farm.

Europe

(Excluding Spain)

ACCIONA PROJECTS

Operational and under construction



Countries included are those with turnover in excess of 3 million euros.

ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	1,042	703	672
Energy produced (total GWh)	1,064	1,239	1,027
Water managed (desalinated/drinking/treated) (hm ³)	167.7	162.9	130.3
Total R&D (millions of euros)	16.6	3.5	9.7
Activity certified under ISO 9001 (%) ¹	95	94	89
Emissions avoided (thousands of tons of CO ₂)	736	954	747
Emissions generated (thousands of tons of CO ₂)	39	24	24.8
Water footprint (hm ³)	165.3	160.4	118.1
Activity certified under ISO 14001 (%) ¹	86	81	75
Average equivalent headcount	8,027	7,046	5,016

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

KEY PROJECT

Energy efficiency (ACCIONA Service)

- ACCIONA contributed to the saving of 18,910 tons of CO₂ emissions by its customers in the industrial sector in Europe.
- ACCIONA collaborated with the leading automobile manufacturers worldwide.
- Projects carried out in England, Germany and Portugal, among other countries.

ACCIONA Service's energy efficiency division, has carried out its business activities for several years now, having successfully implemented several energy savings projects for its customers. The company has entered into collaboration agreements, mainly in the industrial and automotive sectors, with some of the leading automobile manufacturers worldwide and has projects that are both completed and in process in several European countries, such as England, Germany and Portugal.

ACCIONA's philosophy is to assume responsibility for identifying savings opportunities, prepare and carry out technical projects by financing the investments, and guarantee the customer's savings. The customer therefore does not assume any costs or risks, and if any energy

or economic saving is obtained, the customer shares such profit with ACCIONA until the investment is recovered.

ACCIONA's extensive experience as a service provider in these sectors has allowed it to obtain in-depth knowledge of the energy used by the processes and the critical details that can be optimized. This experience is made available to customers through common teams, which has shown to be very productive and has laid the foundations in order for this collaboration model to be extended beyond the geographical borders within which ACCIONA usually provides service to its customers.

The projects carried out in Europe in 2014 will give rise to a saving of 18,910 tons of CO₂ emissions into the atmosphere.

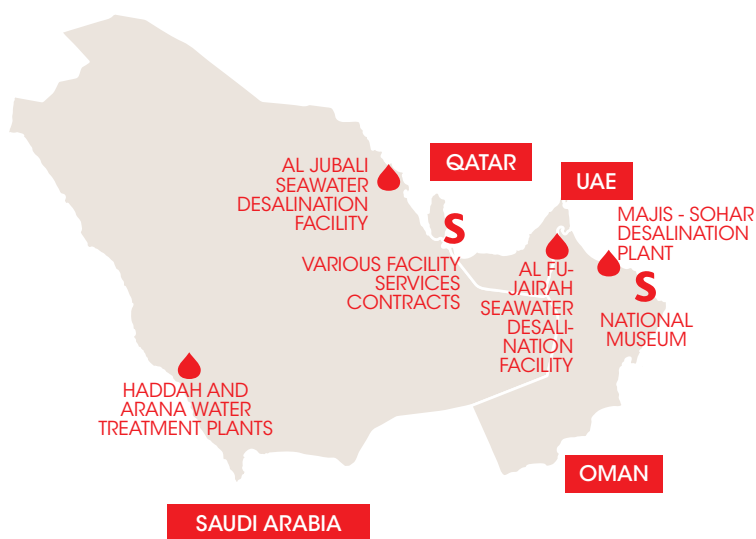
ACCIONA has simultaneously developed skills and tools that will allow it to obtain the maximum benefit from the energy management implemented in projects of this type through real-time monitoring, which will help the Company react immediately to any anomaly or unlawful consumption.

The opportunity for savings is not only found in using the most efficient equipment, by changing lighting systems or heating and cooling engines or systems, but also in correcting operating procedures, changing habits regarding the use of energy-consuming equipment, predicting consumption and preventing hidden errors that can be detected through the use of intelligent control tools.

Asia and Oceania

ACCIONA PROJECTS

Operational and under construction



ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	353	349	321
Energy produced (total GWh)	1,388	1,452	1,165
Water managed (desalinated/drinking/treated) (hm ³)	0	54.8	97
Total R&D (millions of euros)	26.6	28.2	5.1
Activity certified under ISO 9001 (%) ¹	68	92	80
Emissions avoided (thousands of tons of CO ₂)	1,142	1,177	948
Emissions generated (thousands of tons of CO ₂)	21	30	39
Water footprint (hm ³)	-0.1	29.3	63.3
Activity certified under ISO 14001 (%) ¹	68	92	80
Average equivalent headcount	309	312	260

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

KEY PROJECT

Mundaring drinking water treatment plant, Australia (ACCIONA Agua)

- Design, construction, operation and maintenance for 35 years under a concession arrangement.
- First plant built in Australia through collaboration with private capital.
- Initial capacity of 165 million liters per day, with a maximum of 240 million liters per day.
- Investment: 200 million euros.

The Mundaring drinking water treatment plant, located in Perth and inaugurated in 2014 by the Prime Minister of the state of Western Australia, Colin Barnett, is a project of AUD 300 million (200 million euros) operated through the Helena Water Consortium (composed of ACCIONA Agua, Trility, a subsidiary of the Mitsubishi Corporation and an investment fund of Lloyds Bank), which was selected to design, construct and operate the plant for 35 years under a concession arrangement.

The plant will supply the Goldfield and Agricultural Water System (G&AWS) network in the state of Western Australia, and is the first water infrastructures project with these characteristics operated under a public-private partnership (PPP). The plant will have an initial capacity of 165 million liters per day, with a maximum

capacity of 240 million liters per day and will become the main source of water for 100,000 people, although it is prepared to meet the needs of a higher population in the future.

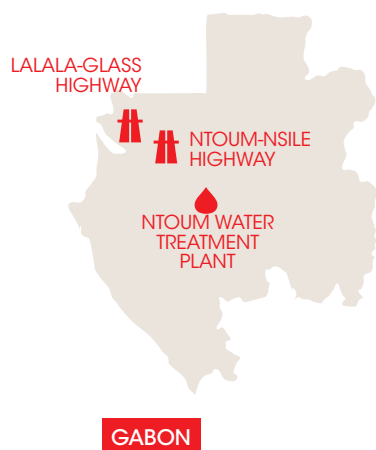
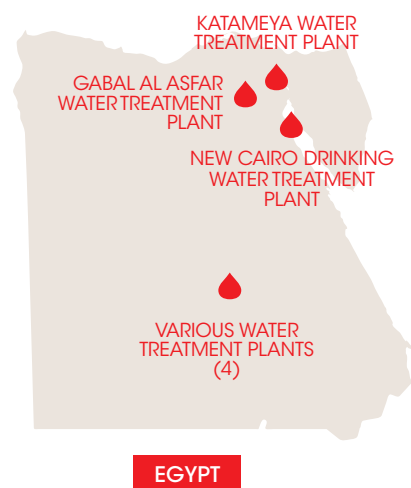
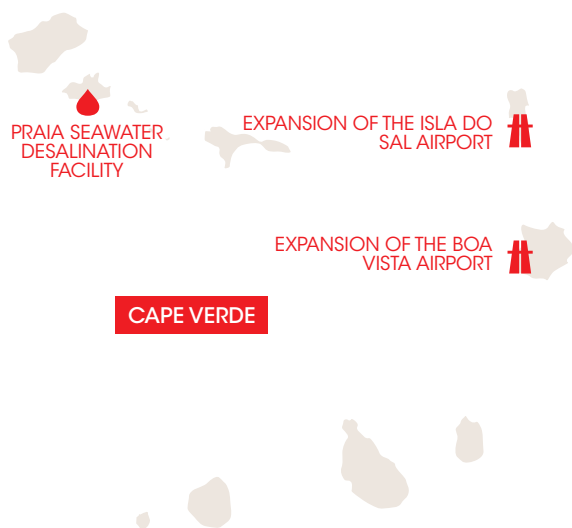
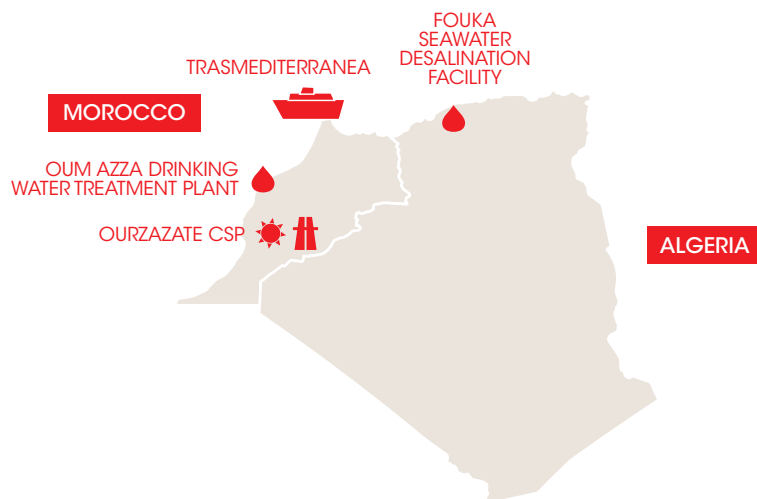
Accordingly, the water purification plant was awarded *Best Infrastructures and Building* by the *Western Australia Engineers Association* for the conception, development and implementation of a forest fire protection network (which the plant is provided with). The plant was also credited with having the best technology for regional communities as a result of having used the latest technology in the plant, winning the *Infrastructures and Building and Engineering for Regional Communities* awards. This last award is especially relevant since it recognizes the work of the engineers that participated

in the development and construction of the plant, and how they are able to make significant contributions to regional communities outside metropolitan areas. The project shows how the engineers provided benefits to either the economy, the environment, the use of resources or the lifestyle of the community.

In 2012 the plant was recognized as the *Best Contract of the Year* at the awards held by *Global Water Intelligence*, a prestigious international journal in the water market. The Mundaring water purification plant won the *Best Contract of the Year* award in recognition of its contribution to the advancement of public-private financing models (PPP) in the water sector on an international level. This is ACCIONA's first project in the state of Western Australia and marks a new milestone in consolidating its presence in the country.

Africa

ACCIONA PROJECTS
Operational and under
construction



Countries included are those with turnover in excess of 3 million euros.

ACCIONA's performance indicators in the region

	2012	2013	2014
Revenue (millions of euros) ¹	34	86	176
Energy produced (total GWh)	0	0	47
Water managed (desalinated/drinking/treated) (hm ³)	17.3	19.5	19.5
Total R&D (millions of euros)	0	0.1	2.7
Activity certified under ISO 9001 (%) ¹	0	0	0
Emissions avoided (thousands of tons of CO ₂)	0	0	63
Emissions generated (thousands of tons of CO ₂)	42	53	61.3
Water footprint (hm ³)	-3.8	-4.8	-6.9
Activity certified under ISO 14001 (%) ¹	0	0	0
Average equivalent headcount	200	444	481

(1) As a result of the entry into force in January 2014 of the new International Financial Reporting Standard (IFRS) 11, the 2013 financial statements were restated under the same conditions as those of the 2014 financial statements in order to unify the information.

KEY PROJECT

Solar photovoltaic plant in Sishen, South Africa (ACCIONA Energy)

- Construction, operation and maintenance of the solar plant in which ACCIONA Energy is a majority shareholder of the developer consortium.
- The plant is the largest solar PV power plant built by the Company (94.3 MWp).
- The largest PV plant in Africa since its entry into operation (estimated average output of 216 GWh/year).
- Renewable production equal to the consumption of 100,000 South African homes.

In November 2014, ACCIONA Energy brought the Sishen solar PV plant into operation, which, with 216 GWh of electricity generated per year, is the largest output in Africa of all plants in operation at the time of its connection to the network. This plant, in which the Company has a majority holding, was the first photovoltaic facility built by ACCIONA in South Africa, a market with high growth potential in the sector of renewable energies.

The plant has an output of 94.3 MWp (74 MW nominal) and is located in the municipality of Dibeng, in the province of Northern Cape, in the northeastern region of the country. The exceptional solar resource of the area and the configuration of the plant will allow it to produce electricity equal to the consumption of 100,000 South African homes per year.

The plant covers a surface area of approximately 250 hectares and is made up of 470 solar tracking structures, which contain a total of 319,600 photovoltaic modules. If the solar panels integrated in each structure (17 beams that are 41 meters in length) were arranged in a straight line, they would stretch out over 327 kilometers.

The power generated is supplied to the electricity network of the publicly listed company Eskom, by means of a long-term power purchase agreement (PPA).

The Sishen project was approved by the South African Energy Department in the second round of the Renewable Energy Independent Power Producer Procurement Program (REIPPPP), which was put in place to increase the participation of renewable energy in the South African energy mix, over 70% of which is coal.

The consortium that owns the Sishen plant is made up of ACCIONA Energy (51% of the share capital) and the South African infrastructures company Aveng (29%) as the main shareholders. Soul City Broad-Based Empowerment Company (SCBBEC) –a subsidiary of the Soul City Institute, an organization that aims to promote health and social change– and Local Community Trust –a community development entity– each have a 10% shareholding in the plant.

The work, which was carried out by both ACCIONA Energy and Aveng as an EPC project, began in August 2013 and was completed with the entry into operation of the facility at the end of November 2014. During the months with the greatest activity, the construction of the plant created 1,000 jobs. The staff will consist of 16 people during the operating stage.

MATERIALITY ANALYSIS

Basis of the information

In response to stakeholders' demands concerning our performance, the following Materiality Analysis identified over 120 material aspects. We have chosen 18-20 of the most relevant for each of our business lines, reflecting the importance of each of these aspects during 2014.

Focusing on what is relevant (G4-18a)

The ACCIONA 2014 Sustainability Report has been based on the *ad hoc* 2014 Materiality Analysis.

For the second consecutive year, this document is based on the criteria, principles and content of the G4 framework of the *Global Reporting Initiative* (GRI) for the preparation of sustainability reports. Among the criteria is the process for analyzing materiality that enables ACCIONA to identify aspects that are relevant to its various businesses and its stakeholders.

So as to offer an adequate and satisfactory response to the markets and our various stakeholders, this study focused on the Company's two main divisions: Energy and Infrastructure. As a clear exercise in

transparency, throughout this chapter we show the results obtained by each of the business lines comprising ACCIONA Infrastructure: Construction, Industrial, Agua and Service, as well as those obtained by ACCIONA Energy.

Also, and for the first time this year, the analysis has identified the material or significant aspects in the value chain of each of these business lines. On the one hand, it entailed obtaining key, detailed information enabling the company to better manage the critical aspects, and, on the other hand, it offers greater transparency on the efforts made by the company on the various cornerstones included in its Sustainability Master Plan (SMP).

Methodology G4-24



1. IDENTIFICATION OF MATERIAL ASPECTS (G4-24)

The 2014 Materiality Analysis cross-checks the cornerstones of the ACCIONA Sustainability Master Plan against the Company's business lines in order to identify **specific aspects** for each of the organization's activities and their impact on the value chain.

The 2014 Materiality Analysis expands on those issues identified the previous year, using new information sources which allow us to better explore how the Company manages all issues regarding sustainability. This has resulted in over 120 issues which have been prioritized as follows:

2. PRIORITIZATION OF MATERIAL ASPECTS (G4-24)

Prioritizing material aspects has been determined based on a two-pronged analysis of information sources:

- a) Relevance given by investors and prescriber:
 - Criteria and aspects assessed in the *Dow Jones Sustainability Index*.
 - Investors' expectations regarding social, environmental and corporate governance criteria.
 - Analysis of press coverage: analysis of key aspects for stakeholders identified in various media.

- b) Internal relevance, based on a study of standard bearers in the sector and benchmark bodies and entities.

- Analysis of two companies, by business line, and standard bearers in sustainability, identifying the key aspects and main actions.
- Analysis of benchmark documents from international bodies and sector institutions: Energy: WBCSD, WWF. Infrastructures and Industrial: International Project Finance and Institute for Sustainable Infrastructures. Water: United States Environmental Protection Agency and WBCSD. Services: International Solid Waste Association and ECOEMBES.

3. VALIDATION OF ASPECTS: ROLE OF SUSTAINABILITY COMMITTEES (G4-24)

In order to carry out an internal assessment and validation of the identified material aspects, a series of meetings were held with the Sustainability Committees of ACCIONA's businesses. The Committees provide an internal view of the Company and the importance to the Company of each aspect.

Results of the Materiality Analysis by business line

The results of the materiality analysis for each of the business lines are listed below and structured as follows:

- A matrix of material aspects which directly affect the business.
- The justification of those aspects which hold the greatest materiality for ACCIONA and its concerned parties: the Company considers to be material all aspects that obtained a high materiality level in the analysis.
- A description of the business' response to each aspect.
- The main aspects in each stage of the value chain.

Even though the Materiality Analysis covers ACCIONA's four main business lines, this report also describes how our other businesses manage sustainability issues.

In order to offer the most comprehensive information possible, the following legend shows which cornerstone of the Sustainability Master Plan each of the material aspects relates to, and which section of the chapter on ACCIONA's Commitment contains additional information. It also refers to which information has been included in greater detail in the ACCIONA 2014 Integrated Report.

- **Corporate governance**
- **People**
- **Innovation**
- **Environment**
- **Value circle**
- **Society**
- **Stakeholder engagement**
- **Dissemination and leadership**
- **Accountability**
- **Integrated report**

Material aspects at ACCIONA Energy

The following material aspects identified in 2014 for ACCIONA Energy resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 19 key aspects chosen from a list of over 120*:

- Attracting and retaining talent and developing human capital
- Biodiversity
- Corporate governance
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Innovation
- Life cycle of products and services
- Materials
- Risk management
- Security and quality of supply
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Waste
- Water

Of these, we would highlight the following three:

- **1. Strategy and impacts of climate change**
- **2. Impact on local communities and dialogue**
- **3. Risk management**

** The full list of material aspects is on pages 62-67.*

1. STRATEGY AND IMPACTS OF CLIMATE CHANGE

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

Boards of Directors are increasingly aware of the importance of climate change. Companies' activities are becoming ever more affected by extreme weather conditions caused by climate change. These can range from operations being interrupted to the supply chains being affected. These interruptions are costly to companies, both in terms of repairing the damage caused and lost output.

Therefore, Boards of Directors are focusing more and more on climate change strategies, while at the same time, managing CO₂ emissions is, increasingly, linked to the competitiveness of companies in the sector.

A greater number of investors are also interested in climate change and how companies incorporate these issues in their key strategies. Also, an increasing number of investors wish to be informed of how companies manage climate change issues and strive that these be incorporated in management's key strategies.

ACCIONA Energy's response to climate change

ACCIONA Energy identifies and manages the risks and opportunities associated with climate change over the medium- and long-term in the main geographical areas where it operates. The risks identified are assessed by Senior Management, integrating climate change

and its consequences in their decision-making process to ensure coherence with ACCIONA's Global Risk Policy.

In 2014, ACCIONA Energy avoided the emission of 16 million tons of CO₂, mainly as a result of its renewable energy activities. This is an 8% improvement on the previous year.

Also, operationally, the Company carries out various initiatives which range from monitoring energy consumption at its facilities and a detailed analysis of the initial energy level of its customers, to identifying personalized solutions, which include investments to guarantee energy savings.

The following initiatives demonstrate the importance given by the division to reducing its impact on climate change:

- ACCIONA Green Energy Developments sells electricity which is solely from renewable sources and accredited by the Spanish National Competition Commission (CNMC), and offers its customers products which are adapted to their needs and are flexible and transparent.
- ACCIONA Energy offers various services associated with selling clean energy, in order to ensure maximum efficiency and optimize customers' electricity bills. In 2014, ACCIONA Green sold 3,700 GWh to end customers.

2. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the energy sector?

An increasing number of energy companies have identified the need to adapt their strategy to the needs of the communities where they operate. This new focus involves establishing solid foundations which enable the company and its surroundings to develop both economically and sustainably.

Assessing the social, economic and cultural needs of the community is the starting point for analyzing risks facing communities. Following the appropriate analyses, it is important that companies carry out the measures necessary to minimize the negative impacts and strengthen the positive ones. Companies must assess all the measures to mitigate those impacts generated by their activities and engage the communities so that they can prioritize the most important areas. In line with sector best practices, once the key areas have been identified, it is essential that suitable value proposals be developed based on solid action plans and monitoring of identified objectives.

Managing social impact at ACCIONA Energy

ACCIONA Energy is aware of the increasing importance of the so-called social license to operate (the free, prior, informed and ongoing consent of local communities and stakeholders when undertaking investment projects) so as to carry out its projects in a way that is satisfactory, not only from a social and environmental view point, but also a financial view point. The main initiatives carried out by the Company to manage this matter are:

Las Oaxacas Complex, Mexico

In Mexico, ACCIONA Energy continues to carry out periodic studies on the needs of the communities located in the vicinity of its wind farms in Oaxaca. The conclusions define the types of health care, education

and environmental projects to be carried out. In 2014, more than 5,300 inhabitants from the communities in the areas surrounding the wind farm benefited from the following initiatives:

- Helping improve the sexual and reproductive health of women over the age of 25 by preventing and detecting cervical cancer.
- Farmland and Livestock Project for milk producers in the La Venta community, located in Juchitán de Zaragoza (Oaxaca), to stimulate the local economy.
- Training in sustainability topics through the Sustainability Workshop at schools in the wind farm's neighboring communities.

- Helping improve access to education through agreements and schemes with the Technology College of the Mixe Region, Mexico's Open University and the Bachillerato Integral La Blanca.
- Training workshops at the Bioclimatic Community Center.

Punta Palmeras, Chile

Punta Palmeras is the first wind farm owned by ACCIONA in Chile. The following initiatives were carried out in 2014 when the farm was brought into operation:

- Rescue and relocation of the flora and fauna in the area, and reforestation of the areas surrounding the wind farm with over 9,000 bushes.
- Volunteering program at a school in Canela.
- Improvements made to the access road to the Maitencillo fisherman's cove.
- Land donated to construct a new cove, with a view to stabilizing the economic activity of the area's fishermen.

Sishen and Gouda (South Africa)

Efforts were made in 2014 to foster local employment through the government's *Black Economic Empowerment* (BEE) racial equality program. During the project's construction phase, the contracting and local procurement objectives laid down in the agreement were exceeded.

3. RISK MANAGEMENT

[For more information, see the **corporate governance** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the energy sector?

Energy is a strategic and basic need to help communities and countries develop, and is subject to ever-changing regulations. The increasing use of renewables is also linked to the need for consistent regulatory systems which offer legal security to those companies that are developing these technologies.

Also, increasing geographic diversification means that companies are subject to different regulations, making a correct management of regulatory risks even more important. Regulatory instability in Spain over the past three years has posed important challenges to companies in the sector.

Risk management at ACCIONA Energy

Throughout the process of reforming the Spanish renewable energies regulatory framework, ACCIONA took part, in collaboration with other sector companies and associations, in the public consultation process by drafting and reporting on regulatory proposals, as well as collaborating with other companies and associations on the following:

- The increased role of renewable energies in the markets (for example, in providing adjustment services).
- The elimination of unnecessary charges that may be detrimental to their competitive position with regard to conventional and more contaminating technologies.
- The adjustment of certain aspects of the new remuneration system for renewable

energies that may entail unfavorable treatment for this type of energy with regard to other regulated activities in the electricity sector.

In the European Union, ACCIONA has participated both directly and in collaboration with Spanish and European associations in discussions on the design of the new regulatory framework for energy and climate policies in the EU for the post-2020 period, defending all regulatory proposals that favor mechanisms which, without neglecting economic sustainability, facilitate greater penetration of renewable energies and the decarbonization of the economy.

By way of example, as part of the current debate on the Energy Union (a concept that is inextricably linked to the security of supply and energy independence), ACCIONA defends incentive systems that

are economically sustainable, favor growth and competition using clean technologies and eliminate the disadvantages thereof with regard to contaminating technologies (the environmental costs of which are not internalized).

ACCIONA also actively defends the need for European Union commitments regarding the promotion of clean energy to be based on an effective governance system that guarantees compliance, through binding targets if possible.

New to the 2014 Materiality Study

In 2014, ACCIONA Energy analyzed the material aspects for each stage of its value chain*, enabling the Company to focus on and better manage those action lines concerning

sustainability and its stakeholders that needed to be developed. Of all the aspects evaluated, below are the three aspects which were rated the highest in each of the stages.

Project development	Engineering and construction	Wind turbine manufacturing	Production	Energy management and sales
1. Risk management	1. Health and safety	1. Innovation	1. Health and safety	1. Security and quality of supply
2. Impact on local communities and dialogue	2. Risk management	2. Risk management	2. Risk management	2. Risk management
3. Ethics and compliance	3. Suppliers	3. Health and safety	3. Security and quality of supply	3. Strategy and impacts of climate change

* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Energy was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Energy, see [ACCIONA 2014 Integrated Report](#)].

Material aspects of ACCIONA Infrastructure

Below are the results of the materiality analysis for ACCIONA's Infrastructure division, which includes ACCIONA Construction, Industrial, Agua and Service.

Material aspects of ACCIONA Construction

The following material aspects identified in 2014 for ACCIONA Construction resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 20 key aspects chosen from a list of over 120*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Materials
- Risk management
- Social investment
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water

Of these, we would highlight the following three:

- **1. Ethics and compliance**
- **2. Impact on local communities and dialogue**
- **3. Sustainability performance**

* The full list of material aspects is on pages 62-67.

Material aspects of ACCIONA Industrial

The following material aspects identified in 2014 for ACCIONA Industrial resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 20 key aspects chosen from a list of over 120*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Materials
- Risk management
- Social investment
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water

Of these, we would highlight the following three:

- **1. Ethics and compliance**
- **2. Impact on local communities and dialogue**
- **3. Sustainability performance**

* The full list of material aspects is on pages 62-67.

1. ETHICS AND COMPLIANCE

[For more information, see the **corporate governance** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the construction and infrastructures sector?

One of the main risks when working with public contracts is corruption. This is also an issue of great concern to society (Sociological Research Center, 2014). Over the past year there has been great controversy surrounding irregular practices in bids and tender processes, and illegal payments to public officials. Companies need to tackle these problems in their anti-corruption policies by establishing objectives, monitoring plans and incentive schemes.

Another controversial issue is the lack of transparency surrounding construction costs. Infrastructures projects can be extensive, meaning corruption and the lack of transparency are more likely to occur. Another aspect here are the unique characteristics of certain projects, which make it difficult to compare costs and the various permits demanded by public administrations, making bribery commonplace. Commercial confidentiality also outweighs public interest, making it easier to cover up inflated prices.

Tax evasion by large companies is also a matter of great concern to society. Trust and credibility are easily earned when a company reports on tax matters in a clear and transparent manner. The scope of the information reported is important, with the company required to report on tax matters at an international, national and regional level.

Ethics and compliance at ACCIONA Construction and ACCIONA Industrial

Ethical behavior and compliance with high standards (external and internal) in ethics and integrity are two values on which the business of all ACCIONA's

divisions are based. The Company Code of Conduct sets forth the values that are to guide the behavior of all ACCIONA companies. ACCIONA has a series of corporate regulations which lay down the action guidelines applicable to the various

companies. These regulations are included in ACCIONA's Policy Book which was approved by the Sustainability Committee in April 2013 and comprises four sections: Sustainability and Innovation; Economics and Corporate Governance; Society and the Environment.

In 2014, prevention of offenses and anti-corruption at all of ACCIONA's divisions were evaluated by an external company. Based on the results of this evaluation, in 2015 the Company will update its policies, procedures and key processes to adapt these to the new Spanish Penal Code.

ACCIONA Infrastructure has an advanced Risk Management System to help minimize and manage any risks which may arise from breaches to ethics and integrity. The system analyzes and identifies social, environmental and corruption risks as well as those caused by failure to adapt to local customs. During the year, 40 general risk analyses were carried out. In all, non-financial risks were analyzed, both with regard to their origin and their impact. At December 31, 2014, the scope of these analyses extended to 88.10% of the total allocated budget for international projects.

2. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the construction and infrastructures sector?

Infrastructures construction entails significant impacts, both positive and negative, on local communities. It is important to assess the impacts and risks associated with a project so as to attain optimum performance levels for projects, and, at a prior stage, to obtain the increasingly important social license. Dialogue with local communities is therefore key to ascertaining the various interests, concerns and expectations.

To illustrate how important the social license is, various mining and large hydroelectric projects in South America have been halted due to social conflicts with the local communities. Another sensitive issue, and one of the main negative impacts, is the displacement of local populations due to the construction of infrastructures.

Managing social impact at ACCIONA Construction and ACCIONA Industrial

The activity of ACCIONA Construction and ACCIONA Industrial could have both positive and negative impacts on the communities living in the areas where the Company operates. Positive impacts must be strengthened and negative ones eliminated, mitigated or reduced as much as possible. To detect these impacts, the Company carries out a social risk study

during the earliest stages of identifying business opportunities.

Both ACCIONA Construction and ACCIONA Industrial have rolled out Social Impact Management and Evaluation methodology to all those projects which meet certain conditions, and have offered staff involved a training workshop.

In the Rodoanel Project (Brazil), ACCIONA Construction is building a bypass connecting all roads leading into the capital. This project is intended to avoid traffic congestion in the city and the effects on the local community. The Company carries out various social initiatives, including:

- Distributing the Defensive Driving License to truck drivers and transport operators using Rodoanel so as to prevent accidents and reduce the number of complaints from the local community.
- Talks with community members to discuss topics such as social impacts during the construction stage, reporting on progress and socio-environmental programs, the status of complaints, etc.
- Volunteering campaign and social actions to benefit the most underprivileged members of the community.
- Implementation of the *My professional future* program, which consists of training carpenters and shipbuilders, thereby providing professional opportunities

to internal workers and to groups that require social reinsertion, with the help of various social organizations.

Community relations at ACCIONA Infrastructure

The project to upgrade the local sewer and storm water system in the Muzú neighborhood (Colombia) saw a Social Involvement Management plan put in place which was responsible for channeling the actions of the area of influence, which included: information and communication program, organization and participation program, education program, sustainability, monitoring and assessment program.

Each of the plots of land in the catchment area were photographed and filmed, then a matrix of the positive and negative social impacts of the technical activities was drawn up.

An action plan detailing each of the activities intended to mitigate the negative impacts was then prepared, with action lines for each activity, thus engaging the local community and causing less of an

impact. It also has strategies to boost the project's positive impacts on the community.

The training activities which are carried out in parallel to the consultations seek to improve the development and ties with the communities where the Company operates, and are related to ACCIONA Construction's project, as this is intended to preserve water as well as the aqueduct and drainage system.

ACCIONA Industrial carries out various community projects to ease the effects of coastal erosion. Specifically, it oversees the dredging of the port at Salaverry (Peru), to prevent the short-term effects of sedimentation caused by the port's activity, which is the local economy's main driver.

3. SUSTAINABILITY PERFORMANCE

[For more information, see the **Value Circle** and **Dissemination and Leadership** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the construction and infrastructures sector?

Sustainability has become a strategic pillar for companies. As such, a company can only become sustainable if it takes into account the needs and expectations of its stakeholders (shareholders, investors, employees, suppliers, surroundings, local society, etc.) regarding its performance, as it is these stakeholders who will be responsible for the company's lasting success.

For a company like ACCIONA, sustainability is key to its DNA and is fully present in its vision and its mission. Sustainability lends credence to our businesses: if the various activities represent "what we do", sustainability represents "how and why we do it".

Sustainability at ACCIONA Construction and ACCIONA Industrial

Sustainability is a key element in all of ACCIONA's divisions as, even though each one adapts it to their activity, sustainability is promoted by ACCIONA as a whole. This is why, at a corporate level, ACCIONA has dialogue mechanisms with its stakeholders through which it can report on its sustainability efforts, be held accountable and ask their opinion in a transparent and familiar way. The Company's Sustainability Report and Integrated Report are also

good vehicles for this purpose (for more information, see the **2014 Integrated Report**).

ACCIONA has also been included in the *Dow Jones Sustainability Index* for the eighth consecutive year and the FTSE4Good. Both indexes recognize social and environmental best practices. Once again, ACCIONA has been named by the MERCO Index as the best company to work and the one with the best reputation in Spain in the infrastructures, services and construction sector.

Sustainability is part of the yearly training. Some of the main topics offered during 2014 covered, inter alia, sustainability, the Code of Conduct, value management and raising awareness of differently-abled people.

In 2014, a Sustainability Committee was created at ACCIONA Industrial, while the Social Impact Management and Evaluation methodology was followed at ACCIONA Infrastructure.

We would note the collaboration between ACCIONA Construction, ACCIONA Industrial and the industrial supplier that specializes in manufacturing composite materials, which gave rise to a new product that can be used in port works. Composites are versatile, lightweight, durable and environmentally friendly and have meant that ACCIONA received the European Business Award for the Environment (Spanish section) in the Product and/or service for sustainable development category.

New to the 2014 Materiality Study

During restructuring of the Infrastructure Division, the Construction and Industrial activities were separated into two business lines. Despite having carried out separate materiality analyses, given the similarity of these businesses, we have opted to show the results obtained together.

In 2014, ACCIONA Construction and ACCIONA Industrial analyzed the material aspects for each stage of its value chain*, enabling the Company to focus on and better manage those action lines concerning sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.

ACCIONA Construction

Design	Financing	Construction	Operation and maintenance
1. Ethics and compliance	1. Ethics and compliance	1. Health and safety	1. Customers
2. Risk management	2. Corporate governance	2. Risk management	2. Health and safety
3. Sustainable innovation	3. Risk management	3. Human rights and labor conditions	3. Impact on local communities and dialogue

ACCIONA Industrial

Financing	Design	Purchases	Construction	Operation and maintenance
1. Ethics and compliance	1. Ethics and compliance	1. Suppliers	1. Health and safety	1. Customers
2. Corporate governance	2. Risk management	2. Risk management	2. Risk management	2. Health and safety
3. Risk management	3. Sustainable innovation	3. Human rights and labor conditions	3. Human rights and labor conditions	3. Impact on local communities and dialogue

* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Construction and Industrial was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Construction and ACCIONA Industrial, see [ACCIONA 2014 Integrated Report](#)].

Material aspects of ACCIONA Agua

The following material aspects identified in 2014 for ACCIONA Agua resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 19 key aspects chosen from a list of over 120*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Development of human capital
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Risk management
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water
- Water quality

Of these, we would highlight the following three:

- **1. Impact on local communities and dialogue**
- **2. Strategy and impacts of climate change**
- **3. Ethics and compliance**

* The full list of material aspects is on pages 62-67.

1. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the water sector?

The risks associated with the relationship and dialogue companies maintain with local communities where they operate, or plan to operate, are increasingly important and must be taken into account in the initial stages of a project so that the company can obtain the social license to be able to operate.

The key element here is ensuring dialogue is transparent and that the various stakeholders are informed in a timely manner and are provided with sufficient information.

Given the very nature of their activity, water management and water treatment companies are constantly exposed to risks concerning the impact on the societies where they operate (bad smells, polluted water, effluent, etc.). Stakeholders expect efficient and transparent management which minimizes operating and reputational risks.

Also, the social component arising from the demands of local communities is carried out through an *action plan for the social component in demand management*, the purpose of which is to strengthen the processes of reflection, understanding and action (awareness) with the communities regarding the interaction of technical and operational factors associated with consumption that influence the problems of service of the aqueduct in the municipality of Riohacha.

This is an example of the close ties between communities and projects in all areas.

Community management at ACCIONA Agua

ACCIONA Agua's activity is closely linked to the communities where it operates. Below are some of the local community management initiatives carried out in 2014:

ACCIONA Agua and ACCIONA Construction are carrying out a project for the hydraulic optimization of the distribution network and demand management program for the aqueduct in the municipality of Riohacha, in Colombia. The following initiatives in regard to this project were carried out 2014:

- Information talks about the project with various stakeholders.
- Roads around the project were upgraded and adapted.

- Employee health campaigns to promote preventative medicine and a healthy lifestyle.
- Hiring local unskilled labor.
- Talks at schools on good habits regarding the use of water.

Project for the hydraulic optimization of the distribution network and demand management program for Phase I of the aqueduct in the municipality of Riohacha in Colombia.

Key to ACCIONA's Social Impact Management is the design, implementation and evaluation of the Works Social Management Plan, aimed at preventing, mitigating and handling the impacts caused in the community, before, during and after construction.

In 2014, ACCIONA Agua embarked on various schemes in collaboration with local communities around the Atotonilco waste water treatment plant in Mexico. These include the awareness and education initiatives aimed mainly at students attending the area's schools, such as:

- World Environment Day.
- Environmental awareness talks for students at the COBAEHA school in Tlahuelilpan, regarding recycling.
- Awareness workshops on the importance of water and preserving the environment for 3-5 year olds at the Alfonso Reyes nursery schools.

2. CLIMATE CHANGE STRATEGY AND IMPACT

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the water sector?

Energy efficiency in water management is key to reducing carbon emissions in the sector. Energy is needed in important processes such as pumping, transport, distribution, irrigation, effluent treatment and desalination. In 2014, companies in the sector placed even greater importance on assessing how their activities affect climate change by establishing policies and objectives to help minimize impact. Companies are also certifying their Energy Management Systems in accordance with international standard ISO 50001.

According to the criteria of the *Dow Jones Sustainability Index*, climate change strategy and its impact is one of the elements with the greatest weight in the environmental scope of the survey, given its importance for investors.

Managing climate change effects at ACCIONA Agua

ACCIONA Agua is the second most energy intensive business in the Group, behind ACCIONA Trasmediterranea. Therefore, this division's efforts in fighting climate change are particularly noteworthy. Various initiatives were carried out in 2014 to reduce its energy intensity, such as:

- ACCIONA Agua replaced the lighting at its headquarters for low consumption and LED luminaires.

- The water division achieved a high compliance level for its energy efficiency objectives.

Climate change offers the Company huge opportunities for its purification, treatment

and desalination activities in those parts of the globe where water is in short supply. Some of the actions carried out in this area in 2014 include:

- Operation, maintenance and technical remodeling of the Sohar desalination plant in Oman.
- Operation and maintenance of the wholesale water supply for Egypt's new capital city, New Cairo.
- O&M contracts for the Hadda & Arana water treatment plants serving Mecca (Saudi Arabia) and the millions of pilgrims visiting each year.
- Contract to design, construct and commission the Al Jubail desalination plant in Saudi Arabia.

Environmental targets in 2014 and level of compliance

Increase cogenerated power to 80% of the total electricity consumed by the ABRERA WWTP.	100%
Reduce power consumption by 3% compared to 2013 at the Mungia WWTP.	100%

3. ETHICS AND COMPLIANCE

[For more information, see the **Corporate Governance** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the water sector?

At present, any company which fails to apply strict standards for ethics and integrity is exposed to risks in this area and these can negatively impact their image and competitive edge.

Society is greatly concerned about corruption, and this is closely linked to the awarding of public contracts. Therefore, any company wishing to earn the trust of the various agents with which it engages must have strict codes of conduct and ethics, and apply these to ensure it carries out its activities in a manner which is legal and ethical at all times.

With tax evasion and fiscal transparency evoking increasing controversy, companies need to tackle these issues by engaging in transparent dialogue with society and providing exhaustive, comprehensive and reliable information.

Ethics and compliance at ACCIONA Agua

Ethical behavior and compliance with high standards (external and internal) in ethics and integrity are two values on which the business of all the divisions comprising ACCIONA are based.

To adapt to existing needs, the various areas develop actions, policies and management systems, based on solid corporate standards, which help improve the efficiency of all actions related to ethical

behavior and compliance throughout the Company.

ACCIONA's Policy Book, approved in April 2013 by the Sustainability Committee, outlines the action framework.

The Water Policy was added in 2014. The main objective of this Policy is to ensure access to drinking and sanitation water, which is a basic human right as recognized by the UN General Assembly in 2010, thus

lending greater credence to ACCIONA Agua's activity.

In 2014, prevention of offenses and anti-corruption at all of ACCIONA's divisions were evaluated by an external company. A Prevention of Offenses and Anti-corruption Program was drawn up based on its conclusions.

New to the 2014 Materiality Study

in 2014, ACCIONA Agua analyzed the material aspects for each stage of its value chain*, enabling the Company to focus on and better manage those action lines concerning

sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.

Design and engineering	Construction	Operation and maintenance	Work concessions (BOT)	Water and integral services concessions
1. Risk management	1. Health and safety	1. Health and safety	1. Ethics and compliance	1. Ethics and compliance
2. Ethics and compliance	2. Human rights and labor conditions	2. Quality of supply	2. Health and safety	2. Health and safety
3. Health and safety	3. Impact on local communities and dialogue	3. Waste	3. Risk management	

* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Agua was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Agua, see [ACCIONA 2014 Integrated Report](#)].

Material aspects of ACCIONA Service

The following material aspects identified in 2014 for ACCIONA Service resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 17 key aspects chosen from a list of over 120*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Innovation
- Materials
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Waste
- Water

Of these, we would highlight the following three:

- **1. Sustainability performance**
- **2. Strategy and impacts of climate change**
- **3. Human rights and labor conditions**

** The full list of material aspects is on pages 62-67.*

1. SUSTAINABILITY PERFORMANCE

[For more information, see the **Value Circle** and **Dissemination and Leadership** sections of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the services sector?

Sustainability has become a strategic pillar for companies. As such, a company can only become sustainable if it takes into account the needs and expectations of its stakeholders (shareholders, investors, employees, suppliers, surroundings, local society, etc.) regarding its performance, as it is these stakeholders who will be responsible for the company's lasting success.

For a company like ACCIONA, sustainability is key to its DNA and is present in its vision and its mission. Sustainability lends credence to its businesses: if the various activities represent "what we do", sustainability represents "how and why we do it".

Sustainability at ACCIONA Service

As this matter affects the entire Company the Services division needs to roll out and elaborate on the various cornerstones of the SMP discussed in the previous chapter, as do the rest of ACCIONA's businesses.

ACCIONA Service has therefore been included in the variable remuneration program, linking pay to achieving sustainability objectives. All the objectives set for 2014 were met and exceeded. These include reducing emissions and water and energy consumption as well as emissions, making the Company more environmentally efficient.

This was achieved thanks, in part, to the over 2,100 hours of environmental training given to ACCIONA Service employees as well as neutralizing all carbon emissions associated with its activities. A total of 127 actions were analyzed to assess their environmental impact and identify what best practices could be extended to other businesses.

Turning to solutions offered to customers, we would note the efforts made in promoting energy efficiency in the various sectors, such as managing demand at the Hospital Universitario Infanta Sofía (Madrid), as well as initiatives in the

industrial sector resulting in savings of 18,910tCO₂.

Also, employees received 58,284 hours of occupational health and safety training which helped reduce the frequency and severity rates, both of which are important in the services sector.

2. CLIMATE CHANGE STRATEGY AND IMPACT

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the services sector?

In 2014, China and the United States (jointly responsible for 45% of total CO₂ emissions), signed an agreement to fight climate change, highlighting the need for companies to incorporate this aspect in their business strategy. It is important for companies to align climate change policy with their key strategic objectives.

This policy must be established based on previously-identified risks, and should be aimed at mitigating these and establishing quantitative objectives which can be monitored. It is also important to measure the economic impact of climate change on companies' business. Companies must also demonstrate the efforts made to reduce potential impacts by, for example, reporting on energy efficiency or GHG emission reductions.

According to the criteria of the *Dow Jones Sustainability Index*, climate change strategy and its impact is one of the elements with the greatest weight in the environmental scope of the survey, given its importance for investors.

Energy efficiency as a business at ACCIONA Service

ACCIONA Service's extensive services portfolio includes specific energy efficiency services which have been developed based on past experience and results at the Company.

As an energy services company, it has carried out various initiatives such as monitoring energy consumption at facilities and offering customers a detailed analysis of their initial energy level, as well as

identifying personalized solutions, including investments guaranteed to save energy.

In 2014, ACCIONA Service carried out 16 projects of this type in Europe for customers in various industries, including the automotive, textile and food sectors. The work carried out entailed improving production and ancillary processes at the centers analyzed. The results generated annual savings of nearly 5 million euros and prevented the emission of over 25,000 tCO₂.

3. HUMAN RIGHTS AND LABOR CONDITIONS

[For more information, see the **People, Corporate Governance** and **Value Circle** sections of the SMP in the chapter on ACCIONA's Commitment]

Why is it important for the services sector?

Human rights is one of the main reasons why projects are stopped, therefore obtaining the social license to operate at a global scale largely depends on correctly managing these issues.

Likewise, companies' responsibility increasingly extends beyond their operations, with the need to manage and respond to potential cases throughout the supply chain, involving all their suppliers and contractors. By the same token, responsibility crosses the borders within which companies operate to all geographical areas where human rights may constitute a risk.

Institutional investors are demanding that yet stricter measures be included in companies' codes of conduct so as to eradicate human rights infringements.

In Spain in 2014, a National Companies and Human Rights Plan draft was presented, which is pending approval by the Council of Ministers.

In 2014, ACCIONA initiated a Human Rights Risk Assessment according to the UN's Guiding Principles on Business and Human Rights.

The objective is to draw up a risk rating for ACCIONA for each business unit in those countries where the Company is present and which are vulnerable to human rights infringement. For the Service division a ranking was drawn up for those countries at greater risk of human rights infringements, namely Qatar, Oman and Mexico.

New to the 2014 Materiality Study

In 2014, ACCIONA Service analyzed the material aspects for each stage of its value chain*, enabling the Company to focus on and better manage those action lines concerning sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.

Re-engineering	Operation and maintenance
1. Customers	1. Customers
2. Strategy and impacts of climate change	2. Strategy and impacts of climate change
3. Sustainable innovation	3. Sustainable innovation

* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Service was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Service, see [ACCIONA 2014 Integrated Report](#)].

Scope of the material aspects

The representation matrices of material issues by business line identify global aspects. Each aspect for each division is defined below, specifying whether the aspect has an internal impact or affects external stakeholders and, consequently, if its impact goes beyond the Company.

G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
Water	<ul style="list-style-type: none"> ■ Objectives to reduce water consumption ■ Measurement of water footprint 	<ul style="list-style-type: none"> ■ Impacts on water resources of hydraulic power generation ■ Management policies and systems to minimize impacts ■ Measurement of water footprint of supply chain
Attraction and retention of talent	<ul style="list-style-type: none"> ■ Performance assessment ■ Remuneration linked to personal and corporate targets ■ Satisfaction surveys ■ Turnover indexes 	<ul style="list-style-type: none"> ■ Motivation ■ Qualified personnel ■ Employee performance evaluation systems ■ Remuneration linked to personal and corporate targets ■ Periodical satisfaction surveys with improvement objectives ■ Turnover index reporting
Biodiversity	<ul style="list-style-type: none"> ■ Biodiversity policy ■ Impacts on biodiversity 	<ul style="list-style-type: none"> ■ Fragmentation of habitats ■ Bioremediation ■ Biodiversity policy ■ Impact of biomass on biodiversity
Corporate governance	<ul style="list-style-type: none"> ■ Composition ■ Board remuneration ■ Executive appointment policy 	<ul style="list-style-type: none"> ■ Composition ■ Board remuneration ■ Executive appointment policy
Water quality	<ul style="list-style-type: none"> ■ Not applicable 	<ul style="list-style-type: none"> ■ Not applicable
Life cycle of products and services	<ul style="list-style-type: none"> ■ Non-material 	<ul style="list-style-type: none"> ■ Non-material
Customers	<ul style="list-style-type: none"> ■ Customer satisfaction ■ Receiving customer feedback 	<ul style="list-style-type: none"> ■ Not applicable
Human rights and labor conditions	<ul style="list-style-type: none"> ■ Demanding suppliers to uphold human rights ■ Protection of employees' human rights 	<ul style="list-style-type: none"> ■ Labor conditions ■ Freedom of association
Sustainability performance	<ul style="list-style-type: none"> ■ Linking remuneration of key employees to sustainability performance ■ Offering training on key sustainability issues 	<ul style="list-style-type: none"> ■ Non-material

Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none">■ Water capture (consumption, sea water extraction, etc.)■ Measurement of water footprint■ Objectives to reduce water consumption■ Water effluent and associated impact	<ul style="list-style-type: none">■ Sea water extraction■ Measurement of water footprint■ Objectives to reduce water consumption■ Water effluent and associated impact	<ul style="list-style-type: none">■ Water capture (consumption, sea water extraction, etc.)■ Measurement of water footprint■ Objectives to reduce water consumption■ Water effluent and associated impact	✓
<ul style="list-style-type: none">■ Employee evaluation systems■ Incentives linked to personal and corporate targets■ Grants■ Employee training investment■ Measuring employee satisfaction	<ul style="list-style-type: none">■ Employee performance evaluation systems■ Systems to improve employee expertise■ Remuneration linked to personal and corporate targets■ Periodical satisfaction surveys with improvement objectives	<ul style="list-style-type: none">■ Employee evaluation systems■ Incentives linked to personal and corporate targets■ Grants■ Employee training investment■ Measuring employee satisfaction	✗
<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Biodiversity policy■ Photo-trapping mechanisms■ Analysis of state of ecosystems affected by the Company■ Impacts on biodiversity■ Actions to protect diversity	<ul style="list-style-type: none">■ Non-material	✓
<ul style="list-style-type: none">■ Lack of transparency in bids and tenders■ Payments to government officials■ Cost overruns in works■ Reputation■ Transparency■ ESG pledge	<ul style="list-style-type: none">■ Composition■ Board remuneration■ Executive appointment policy	<ul style="list-style-type: none">■ Diversity of the Board of Directors■ Board remuneration■ Management's ESG commitment■ Executive appointment policy■ Risk identification and management	✓
<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Type of water treatment■ Quality of recycled residual water■ Managing pathogens, disruptors, chemical compounds and new emerging pollutants■ Management policies and systems to minimize risks to health, the environment and areas of hydraulic stress	<ul style="list-style-type: none">■ Not applicable	✓
<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Not applicable	✓
<ul style="list-style-type: none">■ Measuring customer satisfaction■ Mechanisms for gathering customer feedback	<ul style="list-style-type: none">■ Measuring customer/consumer satisfaction■ Mechanisms for gathering customer/consumer feedback■ Transparency in setting water prices	<ul style="list-style-type: none">■ Non-material	✓
<ul style="list-style-type: none">■ Human rights policy■ Demanding suppliers to uphold human rights■ Non-discrimination measures■ Freedom of association	<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Human rights policy■ Demanding suppliers to uphold human rights■ Non-discrimination measures■ Freedom of association	✗
<ul style="list-style-type: none">■ Linking remuneration of key employees to sustainability performance■ Offering training on key sustainability issues■ Company's ranking in sustainability indexes■ Quality of non-financial reporting	<ul style="list-style-type: none">■ Linking remuneration of key employees to the Company's sustainability performance■ Promoting training on key sustainability issues■ Organizing and receiving sustainability awards	<ul style="list-style-type: none">■ Linking remuneration of key employees to sustainability performance■ Offering training on key sustainability issues■ Company's ranking in sustainability indexes■ Quality of non-financial reporting	✗

G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
Strategy and impacts of climate change	<ul style="list-style-type: none"> ■ Climate change policy ■ Risk assessment 	<ul style="list-style-type: none"> ■ Impact of clean energies ■ Transparency in CO₂ trading ■ Climate change policy ■ GHG emission reduction and energy efficiency targets ■ Assessing risks and opportunities associated with climate change within the Company ■ Measuring financial impact of climate change on the Company
Ethics and compliance	<ul style="list-style-type: none"> ■ Anti-corruption policies ■ Codes of conduct ■ Fiscal transparency 	<ul style="list-style-type: none"> ■ Non-material
Environmental management	<ul style="list-style-type: none"> ■ Global environmental policy ■ Certified management systems 	<ul style="list-style-type: none"> ■ Environmental impact assessment at power plants ■ <i>Near misses</i> ■ Certified management systems ■ Global environmental policy ■ Short-, medium- and long-term environmental targets
Risk management	<ul style="list-style-type: none"> ■ Risk management systems 	<ul style="list-style-type: none"> ■ Risk management systems ■ Financial risks (energy price volatility, ROI, coal prices)
Equality and diversity	<ul style="list-style-type: none"> ■ Non-material 	<ul style="list-style-type: none"> ■ Non-material
Impact on local communities and dialogue	<ul style="list-style-type: none"> ■ Social action policy ■ Volunteering program ■ Collaboration with sector platforms 	<ul style="list-style-type: none"> ■ Risk to health of resettled communities ■ Resettlements ■ Energy access programs ■ Social acceptance of the Company's activity ■ Social action aligned with the Company's strategy ■ Employee volunteering in local communities ■ Job creation. Fostering local hiring

Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none">■ Identifying climate change risks■ Climate change policy■ Measuring financial impact of climate change on the Company■ Energy efficiency in buildings■ Greenhouse gas emissions	<ul style="list-style-type: none">■ ISO 50001 certification■ Climate change policy■ GHG emission reduction and energy efficiency targets■ Assessing risks of climate change on the Company's operations as well as financial impact■ Energy demand	<ul style="list-style-type: none">■ Identifying climate change risks■ Climate change policy■ Measuring financial impact of climate change on the Company■ Energy efficiency in buildings■ Greenhouse gas emissions	✓
<ul style="list-style-type: none">■ Anti-corruption policies■ Code of ethics and conduct■ Fiscal transparency■ Integrity in bids and tenders■ Transparency in costs of works■ Legal compliance	<ul style="list-style-type: none">■ Anti-corruption policies■ Codes of conduct■ Fiscal transparency■ Payments to political parties and governments■ Anti-competitive tender practices	<ul style="list-style-type: none">■ Anti-corruption policies■ Code of ethics and conduct■ Fiscal transparency■ Integrity in bids and tenders■ Transparency in costs of works■ Legal compliance	✓
<ul style="list-style-type: none">■ Environment policy■ Environment management system■ Establishing objectives■ Meeting objectives■ Certification of environmental management systems	<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Environment policy■ Environment management system■ Establishing objectives■ Meeting objectives■ Certification of environmental management systems	✓
<ul style="list-style-type: none">■ Risk management systems	<ul style="list-style-type: none">■ Risk management systems	<ul style="list-style-type: none">■ Not applicable	✗
<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Diversity and equality policy■ Multicultural training■ Labor-market entry of people at risk of social exclusion■ Objectives to incorporate persons with disabilities■ Work-life balance measures	✗
<ul style="list-style-type: none">■ Measurement of projects' impact■ Local job creation■ Displacement of populations■ Dialogue with communities■ Local suppliers	<ul style="list-style-type: none">■ Social license to operate■ Real, bi-directional and transparent dialogue■ Social action policy aligned with the Company's strategy■ Local community's access to and right to use water■ Contribute to development of communities and job creation■ Participate in sector platforms with various stakeholders concerning CSR■ National, regional and/or local collaborations■ Local community participation	<ul style="list-style-type: none">■ Social action policy aligned with the Company's strategy■ Employee volunteering program■ Local community's access to and right to use water■ Job creation■ Participate in sector platforms with various stakeholders concerning CSR■ Local community participation■ National, regional and/or local collaborations	✓

G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
Sustainable innovation	<ul style="list-style-type: none"> ■ Sustainable innovation roadmap ■ R&D investments 	<ul style="list-style-type: none"> ■ Renewable energies ■ Smart technologies ■ Public-private partnerships in R&D and Innovation ■ Sustainable innovation strategy for business ■ Innovation in processes and sustainable products ■ Measurable objectives for R&D and reporting on investment made in R&D
Social investment	<ul style="list-style-type: none"> ■ Not applicable 	<ul style="list-style-type: none"> ■ Not applicable
Materials	<ul style="list-style-type: none"> ■ There are no common issues 	<ul style="list-style-type: none"> ■ Non-material
Suppliers	<ul style="list-style-type: none"> ■ Policy of extending ESG commitments to suppliers ■ Corrective measures for non-compliance 	<ul style="list-style-type: none"> ■ Requirements in environmental actions ■ Safety practices for suppliers ■ Policy formalizing social, environmental and ethical commitments to be met by suppliers ■ Systems to measure compliance ■ Corrective measures for non-compliance
Waste	<ul style="list-style-type: none"> ■ Non-material 	<ul style="list-style-type: none"> ■ Non-material
Supply security and quality	<ul style="list-style-type: none"> ■ Not applicable 	<ul style="list-style-type: none"> ■ Internal quality processes ■ Improvements at facilities ■ Inform customers about security and efficiency ■ Important impact on reputation
Health and safety	<ul style="list-style-type: none"> ■ Risk identification ■ Awareness raising and training 	<ul style="list-style-type: none"> ■ Safety practices at power plants ■ Monitoring and reducing incidents ■ Reporting on near misses ■ Identify health and safety risks, indicators, action plans, targets to reduce accidents, etc. ■ OHS training

Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Draw up sustainable innovation roadmap■ Develop new technologies and report on R&D investment■ Have measurable R&D objectives■ Social and environmental impact of R&D projects■ <i>Smart water grid</i>■ Partnering with third parties	<ul style="list-style-type: none">■ Draw up sustainable innovation roadmap■ Have measurable R&D objectives■ R&D investments■ Smart management of services■ Strategic innovation collaborations	✓
<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Not applicable	✓
<ul style="list-style-type: none">■ Labeling and certification of construction materials used■ Use of recycled materials■ Savings in use of materials■ Managing hazardous materials	<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Non-material	✓
<ul style="list-style-type: none">■ Convey policy with social, environmental and ethical commitments to suppliers and compliance measurement systems■ Corrective measures for non-compliance■ Integration of sustainability criteria■ Local hiring■ Risk assessment for suppliers■ Suppliers' water and carbon footprints■ Sustainable products catalog	<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Non-material	✓
<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Non-material	<ul style="list-style-type: none">■ Updated waste management policy■ Innovation for waste recycling■ Research into new uses for waste	✓
<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Not applicable	<ul style="list-style-type: none">■ Not applicable	✓
<ul style="list-style-type: none">■ Identifying risks and mitigation measures■ OHS awareness and training■ Certified OHS suppliers■ Reduce occupational accidents■ Occupational accidents resulting in deaths	<ul style="list-style-type: none">■ Certified health and safety management system for employees, partners and contractors■ Reporting on near misses■ Identify risks, targets to reduce accidents, indicators, action plans, etc.■ OHS training	<ul style="list-style-type: none">■ Non-material	✓

ACCIONA'S COMMITMENT

Making our values a reality

ACCIONA is no stranger to the new challenges posed by the global framework in which companies and organizations act. Global and regional trends marked by climate change, resource scarcity and population growth require the various market players to come up with solutions. ACCIONA's response to this is the 2015 Sustainability Master Plan, the objectives and purpose of which are economic growth, environmental balance and social progress.

Challenges and opportunities posed by the reality around us

Population growth	Experts forecast that by the year 2035 population will increase exponentially to approximately 8.5 billion people. This will increase the size of the markets with growing populations and increase the demand for energy and infrastructure, where solutions must observe the limits imposed by climate change. According to the United Nations, the urban population is expected to grow to 4.9 billion people by the year 2030. This growth will offer business opportunities in basic service and transport infrastructures, and in infrastructures associated with new smart city models.
Climate change	Climate change is one of the major challenges facing humanity. According to the International Energy Agency, global CO ₂ emissions will grow by 1.5% per year until 2030. The challenge for companies is to provide solutions for the transition to a low-carbon economy. In order for this new model to be successful, a firm commitment to clean energy and sustainable construction is essential. On a global scale, the expected investments in renewable energies until 2035 are estimated at about six times Spain's GDP, which indicates a clear commitment to a model that is less intensive in CO ₂ emissions and in line with society's demand in terms of the challenges of sustainable development.

Resource scarcity

The OECD recommends that infrastructures projects take into account the lack of natural resources (water, energy, wood, soil) and projects' useful life (application of recyclable materials, use of recycled materials, measurement of the impact during useful life and placing value on ecosystems). The contribution to preserving these resources made by companies will depend on the promotion of sustainability values, efficiency in the use of raw materials and the development of products and services that meet demand within this setting of scarcity. Projections for the coming decades point to rising pressure on water resources in a large part of the world, with the subsequent impact on economic and industrial activities. Forecasts show an increase of up to double the number of people living in riverbank areas with water stress between the years 2000 and 2050, up to 3.9 billion people (approximately half of the world's population). This offers opportunities to companies that market innovative solutions for managing the water cycle and are committed to innovation in water efficiency.

ACCIONA's solid business model, based on the principles of sustainability, has the characteristics necessary to meet such challenges and convert them into opportunities both for the business and for the communities in which the company operates, within an economic, environmental and social equilibrium.

ACCIONA's response: the Sustainability Master Plan 2015

Economic growth, environmental balance and social progress are the three main cornerstones of ACCIONA's Sustainability Policy, which represents the center of the organization strategy, thus consolidating its position among the most advanced companies in sustainable practices.

ACCIONA's sustainability strategy is developed through the Sustainability Master Plan 2015 (SMP 2015). It is a road map that brings together all initiatives in this field and sets targets in the following areas: Innovation, Environment, Society, People, Value Circle, Corporate Governance, Stakeholder Engagement, Dissemination and Leadership, and Accountability.



The 2015 targets and commitments and the initiatives and degree of progress in their compliance throughout 2014 are as follows:

SMP Area	2015 Targets and Commitments	Progress in 2014
INNOVATION	■ Reach a figure of 500 million euros in R&D for the 2010-2015 period.	■ Figure of 174.9 million euros reached in 2014 (cumulative figure for 2010-2014 amounts to 696.7 million euros).
	■ Develop initiatives and tools to foster continuous innovation in business.	<ul style="list-style-type: none"> ■ Technical evaluation of the applicability of graphene in the manufacturing of wind turbine blades. ■ Participation in a pilot project for a 3D printing application (first prototypes for ACCIONA Agua and project in progress for ACCIONA Infrastructure). ■ A research agreement was signed between ACCIONA Windpower and the Spanish Higher Council for Scientific Research.
	■ Improve ACCIONA's processes and generate savings of at least 36 million euros.	■ In 2014, process improvements led to savings of 34.4 million euros, exceeding the target of 12 million euros set for this year (certified by independent third parties).
ENVIRONMENT	■ Improve the ratio of CO ₂ emissions avoided compared to CO ₂ emissions generated (15% improvement in the ratio from 2009 baseline).	■ Ratio of CO ₂ emissions avoided compared to emissions generated in 2014: 28 (2009 ratio: 7.8).
	■ Improve energy consumption ratio (reduction of energy/sales ratio by 15% from 2009 baseline).	■ 71% reduction in the energy/sales consumption ratio compared to 2009.
	■ Water footprint: Increase net positive contribution (increase x 5 over 2009 baseline).	■ Net positive contribution of 532 hm ³ in 2014, compared to 76 hm ³ in 2009.
	■ Foster environmental offset actions.	■ Installation of 40 nest boxes in the Atotonilco wastewater treatment plant (ACCIONA Agua), actions carried out to protect indigenous species of flora and fauna in Australia (ACCIONA Construction) and publication of the results of the Camera Traps project.
	■ Offer customers services with environmental offsetting (neutral events).	■ ACCIONA Producciones y Diseño organized 14 events that offset a total of 136 tons of CO ₂ .
SOCIETY	■ Contribution equal to 5% of dividends in accordance with the Social Action Plan.	<ul style="list-style-type: none"> ■ Contribution to the <i>Light at Home</i> and <i>Community Light</i> initiatives with 900 installations in Peru and 1,150 installations in Mexico. ■ Social contribution of 11.17 million euros.
	■ Implement the social impact management methodology in all projects of the Construction, Water and Energy divisions.	<ul style="list-style-type: none"> ■ Implementation of the social impact management and assessment methodology in ACCIONA Infrastructure and ACCIONA Energy. ■ Three social impact assessment workshops were given in the Construction, Water and Energy divisions (one workshop per division).
	■ Development of Corporate Volunteering.	<ul style="list-style-type: none"> ■ The third Volunteer Day was held in June 2014 (more than 300 volunteers). The third Shall We Donate? campaign was held, and volunteer actions were carried out in collaboration with FUNDAME and the Prince of Gerona Foundation. ■ More than 800 volunteers in total.

SMP Area	2015 Targets and Commitments	Progress in 2014
PEOPLE	<p>Fostering health and safety:</p> <ul style="list-style-type: none"> ■ Coverage of 90% of international activity with a single OHS model. ■ Improve the accident rate by 20% on 2011. 	<ul style="list-style-type: none"> ■ 38.7% improvement on 2011 in the frequency rate for the ACCIONA Group.
	<p>Commitment to diversity:</p> <ul style="list-style-type: none"> ■ Reach a level of 3% in equivalent employment of differently-abled people in Spain and increase the employment quota of people at risk of social exclusion by 10% (base: 2011). ■ Increase the number of women at management levels by 2%. 	<ul style="list-style-type: none"> ■ 3.57% equivalent employment was achieved. ■ Employment of people at risk of social exclusion increased by 9.15% (base: 2011). ■ Women represent 18.51% of the total at management levels in relation to their professional segment. ■ Equality actions were launched in Mexico and Chile.
	<p>Development of Human Capital:</p> <ul style="list-style-type: none"> ■ Coverage of 92% of performance evaluation processes. ■ Broaden the scope of variable remuneration linked to sustainability to 97% for directors and 90% for managers. ■ Extend the training and development programs, including sustainability contents, in Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 90% of employees with access to IT tools. 	<ul style="list-style-type: none"> ■ 90% penetration of performance evaluation was achieved. ■ The scope of variable remuneration linked to sustainability was increased to 95% for directors and 75% for managers. ■ Extension of training and development programs in the United States, Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 75% of employees with access to IT tools.
VALUE CIRCLE	<p>Improving the sustainability performance of the supply chain:</p> <ul style="list-style-type: none"> ■ 65% of suppliers in Spain will have a sustainable development rating. ■ Send a self-assessment questionnaire to suppliers with turnover >100,000 euros in all Group companies. ■ Train suppliers in sustainability. ■ Foster and measure responsible procurement through bidding processes that include sustainability criteria. 	<ul style="list-style-type: none"> ■ 400 questionnaires were filled out by suppliers. ■ A total of 2,514 questionnaires were sent out, 1,617 of which were sent to new suppliers. In particular, and as a result of ACCIONA's internationalization, 887 questionnaires were sent to international suppliers. ■ 4 notices were sent to 2,990 suppliers, 950 of which are international. ■ A course on the environment was given to suppliers. ■ 88 new sustainable products and services were added to the Catalog. At the end of the year, the catalog contained 610 sustainable products.
CORPORATE GOVERNANCE	<ul style="list-style-type: none"> ■ Progressively implement measures to improve corporate governance. 	<ul style="list-style-type: none"> ■ External diagnosis of prevention of offenses and anti-corruption carried out for all activities in Spain. ■ Prevention of Offenses and Anti-Corruption Program being drawn up. ■ Ongoing external human rights diagnosis.

SMP Area	2015 Targets and Commitments	Progress in 2014
STAKE-HOLDERS	<ul style="list-style-type: none"> Consider the expectations of the company's main stakeholders in management of sustainability practices. 	<ul style="list-style-type: none"> Development of a proposal to carry out direct consultations with the main stakeholders. Consultations were carried out with customers at ACCIONA Agua, ACCIONA Energy and ACCIONA Construction.
DISSEMINATION AND LEADERSHIP	<ul style="list-style-type: none"> Consolidate ACCIONA's position as a benchmark in sustainability in our markets. 	<ul style="list-style-type: none"> ACCIONA supports the call for the EU to drive green growth for 2030. ACCIONA joined the <i>Trillion Tonnes Communiqué</i>, an initiative led by the European platform <i>EU Corporate Leaders Group</i> and the <i>Caring 4 Climate Business Leadership Criteria on Carbon Pricing</i>. The Company also supports the "Put a Price on Carbon" statement led by the World Bank. The Chairman of ACCIONA, José Manuel Entrecanales, co-chairs the Renewable Energy Committee of the Advisory Board for the <i>Sustainable Energy for All (SE4ALL)</i> initiative organized by the UN and the World Bank. ACCIONA participated in the launch of the Decade of Sustainable Energy for All 2014-2024 (SE4ALL) initiative led by the United Nations in Latin America and the Caribbean. ACCIONA joined the launch of the <i>CEO Climate Leadership Group</i> in the <i>World Economic Forum</i> in Davos, and the <i>We Mean Business</i> coalition that focuses on driving the agenda of the Climate Change Conference (COP21) to be held in Paris.
	<ul style="list-style-type: none"> Strengthen employees' commitment to the SMP. 	<ul style="list-style-type: none"> The SMP infographics were updated.
	<ul style="list-style-type: none"> Foster external dissemination of sustainability practices. 	<ul style="list-style-type: none"> Weekly publications and launch of the website in English. Preparation of infographics, guide and video. Adaptation of the sustainability content to the corporate website of ACCIONA World.
ACCOUNTABILITY	<ul style="list-style-type: none"> Inform the Company's main stakeholders of ACCIONA's performance in sustainability practices in a transparent, rigorous manner that is based on the highest international standards. 	<ul style="list-style-type: none"> Preparation of the Sustainability Report according to GRI G4 and approval at the 2014 GSM with reasonable verification of key indicators. Publication of the Integrated Report. Presence in various indexes such as <i>DJSI World 2014/2015</i>, <i>FTSE4Good</i>, <i>Global CDP Climate Performance Leadership Index 2014</i>, <i>CDP Iberia 125 Climate Disclosure Leadership Index 2014</i> and <i>MSCI Global Climate Index</i>.

Sustainability governance

ACCIONA has a Sustainability Committee in the Board of Directors which is the highest body responsible for leading sustainability actions. At the four meetings held in 2014, the Sustainability Committee deliberated on, inter alia, the following topics:

- Follow-up, approval and analysis of the progress made in 2013 with regard to the targets set in the SMP for each business area.
- Approval of the annual targets for 2014 and follow-up of advances during the year.
- Approval of the 2013 Sustainability Report.
- Approval of the Water Policy.
- Specific follow-up of the Prevention of Offenses and Anti-Corruption Program, as well as the human rights diagnosis.
- Analysis and evaluation of Spain's CSR strategy and the European Directive on non-financial information.
- Follow-up on the implementation status of the social impact management methodology in the Company's various divisions.

All topics relating to sustainability were brought to the attention of the General Shareholders' Meeting. The content of the Sustainability Report that is annually published by ACCIONA has been submitted for review and approval by the General Shareholders' Meeting since 2012. Shareholders have the opportunity to evaluate the Company's initiatives and social, environmental and corporate governance performance described in the Sustainability Report, thus conveying their opinion on the matter to the Board of Directors. In June 2014, the ACCIONA 2013 Sustainability Report was approved at the General Shareholders' Meeting with a vote in favor of 99.95% of the share capital in attendance (in 2013, the 2012 Sustainability Report was approved by 99.97%).

In 2014, a Sustainability Committee was created for ACCIONA Industrial in addition to those already existing in the Energy, Construction, Water and Services divisions

The General Sustainability Area is the ACCIONA corporate unit responsible for coordinating and putting into practice the initiatives and commitments of the Sustainability Master Plan, the implementation of which involves a number of Company areas.

The General Sustainability Area reports directly to the Chairman and to the Sustainability Committee of the Board of Directors.

In 2014, a Sustainability Committee was created for ACCIONA Industrial in addition to those already existing in the Energy, Construction, Water and Services divisions. In collaboration with the General Sustainability Area, these committees are promoting and conducting efforts to monitor specific initiatives in these divisions, in line with the Sustainability Master Plan.

In 2014, specific sustainability meetings were also held with ACCIONA Real Estate and Bestinver.

ACCIONA's presence of sustainability representatives was consolidated in several countries, including Australia, Brazil, Chile and Mexico, in addition to Spain. This therefore makes it possible to better understand the social and environmental context in the various international markets, and makes it more feasible to implement and relevant initiatives that are appropriate for these contexts.

Functions of the Sustainability Committee

- Identify and guide the Group's policies, objectives, good practices, and programs with regard to sustainability and corporate social responsibility.
- Evaluate, monitor, and review the plans for executing these policies formulated by the Group's executives.
- Periodically review the internal control and management systems and the degree of compliance with these policies.
- Draft the annual Sustainability Report, which is submitted for approval by the Board.
- Submit the sustainability and corporate social responsibility policies, objectives and programs to the Board of Directors along with the corresponding expenditure budgets for the execution of those policies, objectives and programs.

CORPORATE GOVERNANCE

Ethical behavior and transparency as trust generators

Our integrity and corporate governance framework are contained in our Internal Code of Conduct and Policies Book, thereby guaranteeing responsible management.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Perform an external diagnosis of corporate governance (anti-corruption and human rights)	<ul style="list-style-type: none">■ External diagnosis for the Prevention of Offenses and Anti-Corruption Program carried out at all activities in Spain■ Ongoing external human rights diagnosis
<ul style="list-style-type: none">■ Draw up an anti-corruption program	<ul style="list-style-type: none">■ Program for the Prevention of Offenses and Anti-Corruption being drawn up (due to conclude at end of first half 2015)
<ul style="list-style-type: none">■ Conduct anti-corruption training workshop for executives	<ul style="list-style-type: none">■ Training material being prepared
<ul style="list-style-type: none">■ Adapt the Code of Conduct to the reformed Spanish Penal Code	<ul style="list-style-type: none">■ Adaptation in progress following approval of reform on January 21, 2015

2015

Challenges
<ul style="list-style-type: none">■ Carry out international diagnosis of the Program for the Prevention of Offenses and Anti-Corruption■ Roll out Prevention of Offenses and Anti-Corruption Program in Spain■ Offer training workshops for executives and key staff affected by the Prevention of Offenses and Anti-Corruption Program■ Roll out improvement measures following human rights diagnosis■ Extend scope of environmental responsibility training■ Adapt governance regulations to legislative and corporate governance changes



We are working on gradually introducing improvements to our corporate governance structure to add real value to the company. In 2014 we:

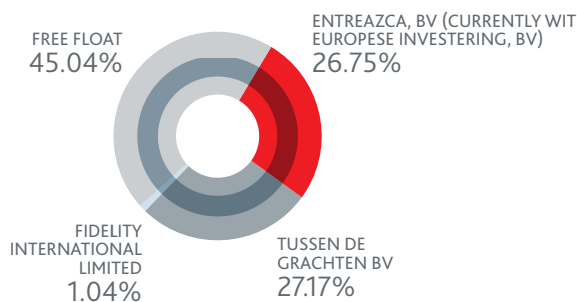
- Extended the scope of the risk identification study to 12 countries in total
- Carried out an external diagnosis of prevention of offenses and anti-corruption at all activities in Spain
- Started drawing up a human rights risk Diagnosis for the entire group

Corporate Governance

One of ACCIONA's pledges in the area of corporate governance is the ongoing improvement, enhancing transparency and efficiency and adapting its corporate governance. This is decisive to building long-term trust and commitment between ACCIONA and its stakeholders.

Within the framework of this ongoing improvement, in 2015 ACCIONA will adapt its governance regulations to incorporate and comply with the legislative changes which occurred in 2014 and the majority of the recommendations contained in the CNMV's new corporate governance code.

→ Significant shareholders (at 12/31/14)



SHAREHOLDERS

At December 31, 2014, the Parent company's share capital was composed of 57,259,550 fully subscribed and paid in ordinary shares, represented by book entries, with a par value of one euro each.

The corporate Bylaws do not place any restrictions on the exercise of voting rights by shareholders, nor a maximum limit on

the exercise of voting rights by them. Nor are there legal or statutory restrictions on the acquisition or transfer of holdings in the share capital.

The company's communication channels are available at all times so our stakeholders are always able to contact us. There is an Electronic Shareholders' Forum, where, in accordance with the requirements set forth

in Spain's Corporate Enterprise Act, prior to the Shareholders' Meeting users may post the proposals that they intend to submit as an addendum to the Agenda announced in the notice. They can also post requests for support for such proposals, initiatives on reaching the percentage required to exercise minority rights as set forth in the Corporate Enterprise Act, as well as proxy offers or requests.

The Board of Directors strives to ensure that shareholders are able to call on a group of professionals which can offer the company real value.

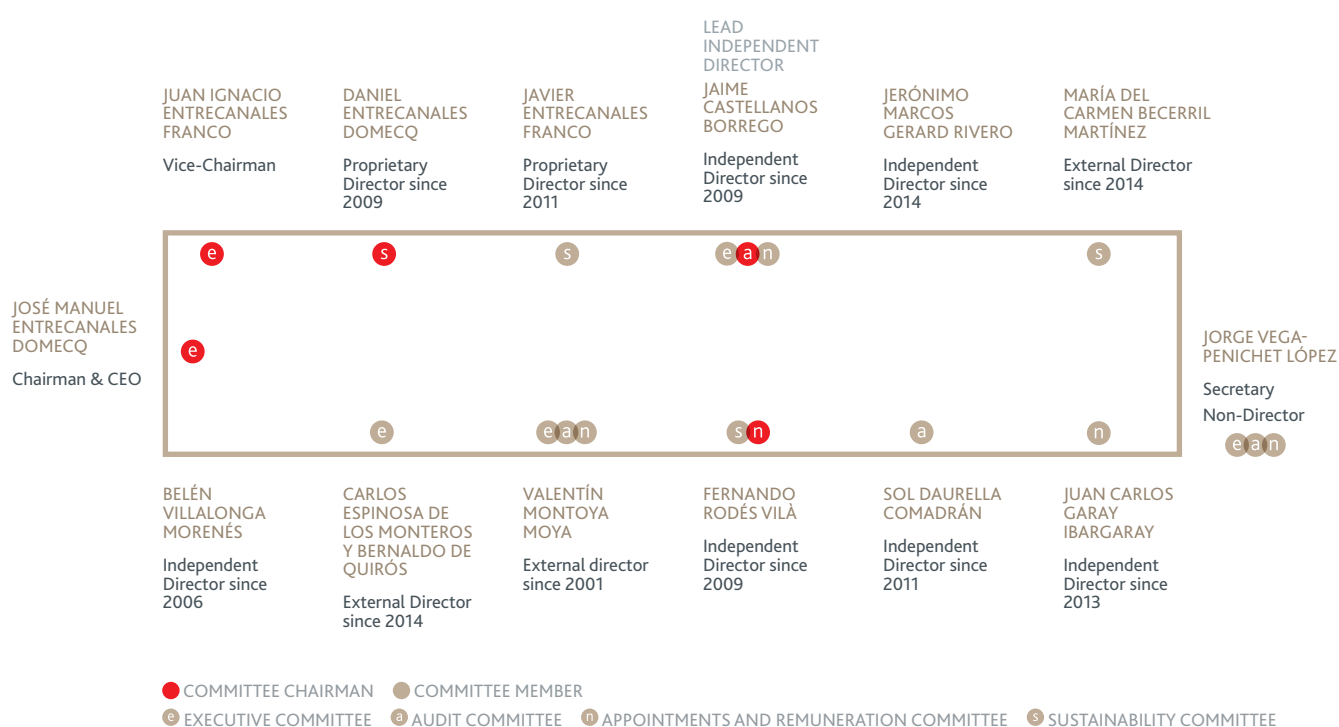
The Board of Directors' Regulations contain the Board's express commitment to "foster gender and age diversity, personal training, and other factors within the process of selecting its own members, ensuring that there is no implicit bias hindering diversity".

ACCIONA's Board comprises 13 members:

11 of these are External directors, two of whom are External Proprietary directors, six are Independent and three are Other External Directors. The remaining two are Executive Directors.

That is, 84.61% are External directors, of which 46,15% are independent. Three directors are women, representing 23.08% of the Board.

The Board of Directors conducts an annual analysis of the quality and efficiency of its operations, the performance by the Board Chairman and Vice-Chairmen of their duties and the functioning of the Executive Committee and other Committees, based on the reports submitted by such committees. The evaluation is conducted by means of individual forms that are filled out anonymously by each director. The Audit and Appointments and Remuneration Committees analyze the results and submit the pertinent reports to the Board of Directors. In 2014, the self-evaluation gave



Lead Independent Director

In accordance with good corporate governance practices and prevailing legislation, the ACCIONA Board of Directors, based on a proposal of the Appointments and Remuneration Committee, has a Lead Independent Director who will:

- Coordinate the work of External Directors appointed by the company in defense of the interests of all company shareholders, and serve as the spokesperson for the concerns of such directors.
- Request that the Chairman of the Board of Directors call a meeting of the Board and include items on the Agenda.
- Direct the evaluation by the Board of Directors of its Chairman.

rise to no significant changes in the Board organization.

The Report on the Remuneration Policy for Directors was submitted to the 2014 General Meeting for its consultative approval. The report contains an overview of the remuneration policy during the year, as well as a breakdown of the remuneration earned by each director individually. The report was approved by 88.67% of the shareholders in attendance or represented at the Shareholders' Meeting.

INTEGRITY FRAMEWORK

ACCIONA has corporate standards laying down action guidelines applicable to its subsidiaries, within a framework of ethics and integrity.

ACCIONA Policy Book

ACCIONA's Policies Book, approved by the Sustainability Committee in April 2013,

updated existing policies and added new ones. The Policy Book was updated in 2014 to add a Water Policy.

The Book comprises four sections:

- Sustainability and Innovation: the sustainability policy is applicable company-wide and establishes the framework for all other ACCIONA policies and standards.
- Economic and Corporate Governance: comprises anti-corruption, antitrust, risk management and quality policies
- Society: includes policies concerning human rights, human resources and occupational risk prevention, and social action.

- Environment: covers policies on the environment, biodiversity, the fight against climate change and water.

Internal communication regarding the Policy Book has been extensive and employees can access it on the company's website in Spanish, English, French, Polish and Brazilian Portuguese. (<http://www.acciona.com/shareholders-investors/corporate-governance/corporate-policies-book/>)

Code of Conduct

The Code of Conduct details the values which should guide the behavior of all ACCIONA companies at all times and outlines business behavior which must be accepted and adhered to by all employees and managers.

Through the Code, ACCIONA assumes a commitment to carry out its activities in

accordance with the legislation in force wherever it operates, in accordance with internationally recognized standards such as the United Nations Universal Declaration on Human Rights, the ILO Tripartite Declaration, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

In 2014, the Code of Conduct Committee received 30 complaints through the Ethics Channel which were processed in accordance with the characteristics and seriousness of each specific case.

During the year, ACCIONA continued to offer its employees training on the Code of Conduct with 6,499 workers taking part.

Anti-corruption commitment

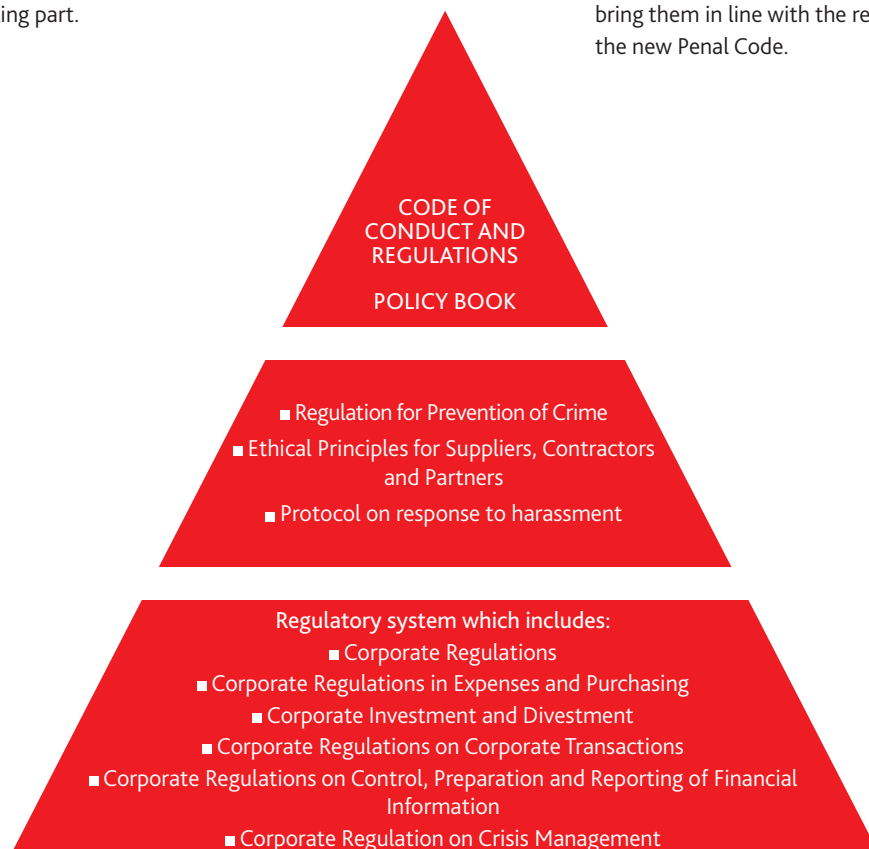
The company's commitment to fighting corruption and bribery is reflected both in the establishment of anti-bribery and anti-corruption measures in the Internal Code of Conduct, and through its Anti-corruption Policy.

In the second half of the year, an external assessment of prevention of offenses and anti-corruption began, covering Spanish operations in the first phase. Executives at all divisions and businesses (Corporate, Construction, Water, Services, Concessions, Industrial, Energy, Bestinver,

Real Estate, Trasmediterranea and Hijos de Antonio Barceló) were interviewed, and an exhaustive analysis of existing controls carried out.

Based on the results of the assessment, a risk matrix by business and process has been drawn up for each offense contained in the penal code and the existing controls to mitigate these risks. An Action Plan was also prepared which details those aspects which need to be expanded upon, improved or adapted so as to complete the Prevention of Offenses and Anti-Corruption Program.

Consequently, the Group is now upgrading its anti-corruption systems and policies to bring them in line with the requirements of the new Penal Code.



Control of and Compliance with Code of Conduct

Code of Conduct Committee	Body responsible for the study and analysis of reports of non-compliance with the Internal Code of Conduct. Also available for reporting cases that affect third parties.
Ethics Channel	Allows irregular conduct related to accounting, control, auditing or any alleged non-compliance with, or violation of, the conduct set forth in the Code of Conduct to be reported confidentially by email or regular mail. The channel can be accessed by the company's employees, suppliers, and contractors.
Protocol for situations of harassment	Through the Ethics Channel, the Committee evaluates each case and establishes the actions to be taken. Through the protocol, the company has put on record that it intends to adopt any measures needed to promote a harassment-free workplace, and that it does not acquiesce to, and will not permit, behavior of this nature.

RISK MANAGEMENT AT ACCIONA

Risk management at ACCIONA is detailed in the Corporate Governance Report published annually by the company.

The main improvements made to the Risk Management System in 2014 include:

- Identifying and assessing the main risks concerning sustainability and the environment using a risk map for each division and area.
- Extending the scope of the risk identification study from 11 to 12 countries, given the company's ongoing international expansion.
- As mentioned above, the Group is currently upgrading its crime prevention and anti-corruption systems and policies to bring them into line with the requirements of the new Penal Code which was approved on January 21, 2015.

Risk management in sustainability

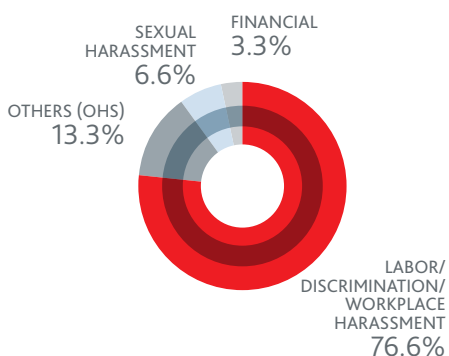
ACCIONA's managers must take into consideration the impact on the company's image and sustainability when assessing different scenarios and risk maps.

An exhaustive identification is carried out of sustainability and development related risks, as managers with responsibilities in human resources, sustainability and development, corporate resources, the environment and other directly or indirectly related areas participate in the process.

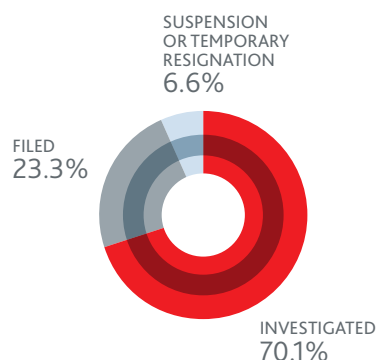
Those Directors helping draw up the Map are responsible for classifying the risk scenarios (probability, economic-financial, impact on the image, sustainability and development, company's ability to manage the risk,

Complaints received and handled

→ 30 Complaints received in 2014



→ Processing of complaints received in 2014



company's risk policy). These are then rated according to a severity scale.

In the risk evaluation, the criterion relating to a negative impact on sustainability and development is rated on a scale of 1 to 3, from lesser to greater seriousness, in accordance with the following parameters:

- **High:** Failure to meet the expectations of more than one key stakeholder group: customers, employees, media, etc. Indicates a total failure of business ethics/transparency. Has a considerably negative impact on the development of the communities in which ACCIONA operates or on the environment.
- **Medium:** Failure to meet the expectations of a key stakeholder group. Indicates a one-off failure of business ethics/transparency. Has a limited negative impact on the development of the communities in which ACCIONA operates and/or on the environment.
- **Low:** Does not affect the expectations of stakeholders. Does not indicate a lack of business ethics/transparency. Does not have a negative impact on the development of the communities in which ACCIONA operates and/or on the environment.

Any risks which breach the company's culture, policy and/or values in the area of sustainability and development are reported to the head of the area where these scenarios have been identified so they may be resolved.

In 2014, ACCIONA focused its initiatives on environmental risk management. After identifying and assessing the Company's main risks in this area, work will turn to identifying and implementing measures to mitigate the key risks.

Committed to risk management in Human Rights

Since 2013, ACCIONA's Policy Book has included a public Human Rights policy.

In 2014, the company carried out a Human Rights Risk Assessment according to the UN's Guiding Principles on Business and Human Rights to draw up a risk rating for each business unit in those countries where ACCIONA is present and which are more vulnerable to Human Rights infringements.

The risks are classified into 4 categories:

- Labor risks.
- Risks to communities.
- Risks to vulnerable groups.
- Risks to personal safety.

The final result differentiates between those risks which are likely to occur and are caused directly by ACCIONA or those caused indirectly by a third party. In 2015, ACCIONA will continue working on its policies and drawing up commitments as well as reviewing its internal procedures to ensure potential violations are avoided and resolved should they occur.

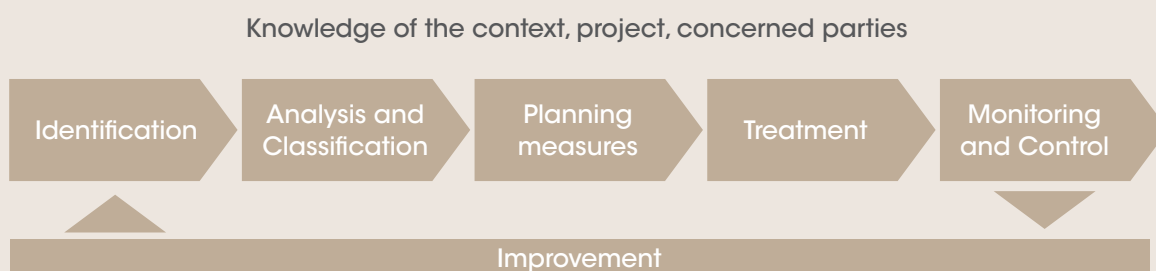
Sustainability risk management at ACCIONA Infrastructure

When analyzing each risk, the Risk Management System at ACCIONA Infrastructure identifies the social and environmental aspects as well as the likelihood of corruption adapted to local customs. The Group as a whole is making progress on assessing risks related to human rights, ethics and corporate governance. The system covers projects at the bidding stage, in the execution phase and at country level.

The objective is to manage risks and opportunities within the tolerance thresholds accepted by the company and offer reasonable security that the objectives will be met using the tools available so as to leverage the experience, knowledge and abilities of ACCIONA Infrastructure to the maximum, helping provide sustainable and efficient growth.

During the year, 40 general risk analyses were carried out. In all, non-financial risks were analyzed, both with regard to their origin and their impact. At December 31, 2014, the representative percentage with regard to the tender budget covered by these analyses in international projects was 88.10%.

The risk management structure is as follows:



For each risk event and opportunity detected, based on information concerning the project and its background, the causes and consequences are identified while taking into account the particularity of each case in so far as possible.

The consequences are classified as follows so they can be assessed later:

- Economic (impact on the cost and outcome of the project).
- Term (impact on programming, milestones and terms).
- Environmental and Community (impact on the environment and third parties).
- Reputation (impact on the image of the company or customer).
- Health and Safety (impact on employees).
- Acceptance and development of the infrastructures (impact on the workings of the infrastructures, its design, execution process, location, internal organization, performance, etc.).

PEOPLE

Talent and Leadership

ACCIONA is committed to its key asset, its employees. To this end it designs initiatives to improve training, hiring, equality and occupational health and safety.

2014

Challenges	Advances
<ul style="list-style-type: none"> ■ Obtain and/or maintain OHSAS 18001 certifications in all operations with more than 200 direct employees. 	<ul style="list-style-type: none"> • CORPORATE: OHSAS 18001 certification was maintained, with better results than previous years. • ACCIONA Agua: OHSAS 18001 certification was maintained. • ACCIONA Energy: ISO 9001, ISO14001 and OHSAS 18001 certification obtained. • ACCIONA Infrastructure: OHSAS certification obtained in 97.31% of the Construction and Industrial business. • ACCIONA Service certified all its Services activity (OHSAS 18001:2007), except for ACCIONA Airport Services due to business requirements. • Other Businesses: OHSAS certification was maintained at maritime stations for ACCIONA Logistics and Transport Services, Bestinver and ACCIONA Real Estate.
<ul style="list-style-type: none"> ■ 5% improvement on 2011 Frequency Rate (FR). 	<ul style="list-style-type: none"> • ACCIONA Group: 38.7% reduction. • Corporate: 49.3% reduction. • ACCIONA Agua: 62.7% reduction. • ACCIONA Energy: FR higher than 2011 although declining since 2012 (12% reduction). • ACCIONA Infrastructure: 3.7% reduction. • ACCIONA Logistics and Transport Services: 53.1% reduction.
<ul style="list-style-type: none"> ■ Strengthen the performance culture by implementing a performance improvement program. 	<ul style="list-style-type: none"> ■ We have designed the <i>My Career</i> tool which encourages performance improvement through objective setting, applying individual action plans and shared acknowledgment of achievements obtained.
<ul style="list-style-type: none"> ■ Consolidate the new ACCIONA TAP selection methodology. 	<ul style="list-style-type: none"> ■ We have designed and rolled out training and certification programs for recruiters, and included new psychometric tests.
<ul style="list-style-type: none"> ■ Continue extending the ACCIONA Bonus to new groups and countries. 	<ul style="list-style-type: none"> ■ Over 2,600 employees benefited from the ACCIONA Bonus compared to 1,800 in 2013. Of those, 95% of executives, 75% of managers and a large number of the technical and support staff were included. The following countries are now included: Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Croatia, Ecuador, France, Gabon, India, Italy, Mexico, Morocco, Panama, Peru, Poland, Portugal, South Africa, South Korea, Sweden, Turkey, UAE, USA and Venezuela.
<ul style="list-style-type: none"> ■ Train 80% of executives and 50% of managers in people management at ACCIONA. 	<ul style="list-style-type: none"> ■ 100% of our managers have been trained under the M3 program: People Management module.
<ul style="list-style-type: none"> ■ Extend training and development programs in Australia, Brazil, Canada, Chile, the United States, Italy and Mexico, reaching 75% of employees with access to IT tools. 	<ul style="list-style-type: none"> ■ All our employees with internet access in these countries signed up for training and development programs.

* OHSAS - Occupational Health and Safety Assessment Series.



We are developing initiatives to ensure a safe working environment for our employees and are committed to constantly improving their health and safety:

- 28 April National Award and Accesit Award from ICASEL for Occupational Health and Safety
- Specific OHS objectives established at each work center
- Over 400,000 training hours offered to employees in 2014

Challenges	Advances
<ul style="list-style-type: none"> ■ Scale the workforce and cost control as part of the restructuring of operations to make the Company more efficient. 	<ul style="list-style-type: none"> ■ The main actions took place in Brazil and Poland due to decreased activity and, to a lesser extent, in Spain.
<ul style="list-style-type: none"> ■ Improve effectiveness and efficiency in geographic mobility, with a complete support program for transferred people. 	<ul style="list-style-type: none"> ■ The mobility policies offer better development, performance and career opportunities for a greater number of employees.
<ul style="list-style-type: none"> ■ Design and implement gender equality plans in countries with more than 500 direct employees. 	<ul style="list-style-type: none"> ■ Equal opportunity actions launched in Mexico and Chile, pending in Brazil.

2015

Challenges

- Obtain and/or maintain OHSAS 18001 certifications in all operations with more than 150 direct employees.
- 20% improvement on 2011 Frequency Rate.
- Obtain 3% equivalent employment.
- Increase employment of people at risk of social exclusion by 7.5% (base: 2011) (125 new hires).
- 0.25% increase in women at managerial level at 12/31/14 (which was 18.5% at 12/31/14).
- Design and roll out Gender Equality Plan for Australia and Brazil.
- 92% penetration of performance evaluation.
- Broaden the scope of variable remuneration linked to sustainability to 97% for directors and 90% for managers.
- Extend training and development programs in the United States, Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 90% of employees with access to IT tools.
- Launch employee Sustainability course.

People - our priority

In order to continue building up our culture based on values such as high performance, equal opportunities, social responsibility and personal satisfaction, ACCIONA has continued working on policies and programs aimed at developing teams that are able to bring value to the business and to adapt to ever-changing scenarios and diversity.

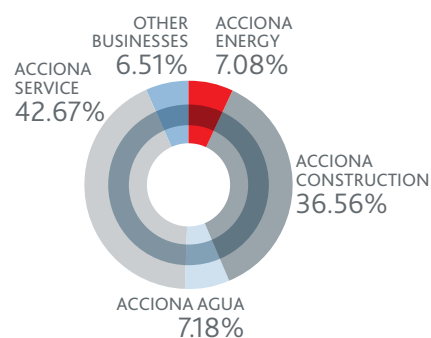
Our Human Resources strategy is aimed at contributing more effectively towards attaining the Company's three basic principles: cost-effectiveness of operations, an overall strengthening of the ACCIONA brand and efficiency of organization and business processes.

The three cornerstones of this strategy are: having the best talent, having the best leaders and impacting positively on the Company's results.

OUR PEOPLE IN FIGURES

At the end of 2014, ACCIONA had a total workforce of 33,559 employees (1.61% less than the previous year). In countries where labor adjustments were necessary, a satisfactory climate of dialogue was maintained with workers' legal representatives and measures of a pronounced social responsibility orientation with people were implemented. ACCIONA's vocation as a global company is reflected in the geographic breakdown of the workforce: 38% work outside of Spain. Similarly, the number of people who perform their duties outside their countries of origin has increased. ACCIONA employs 114 different nationalities. In 2014, the average age of the workforce was 42.16.

→ Breakdown of total 2014 workforce by line of business



Geographic breakdown of workforce

(no. employees)

	2013			2014		
	Men	Women	Total	Men	Women	Total
Spain	13,223	7,033	20,256	14,027	6,930	20,957
Germany	745	126	871	749	120	869
Australia	175	64	238	172	52	224
Brazil	2,100	458	2,558	2,162	465	2,627
Canada	194	177	371	246	178	424
Chile	1,077	147	1,224	1,491	122	1,613
Colombia	281	192	472	360	261	621
USA	131	27	158	138	23	161
Gabon	293	29	322	274	31	305
Italy	256	25	281	306	23	329
Mexico	704	208	912	509	282	791
Poland	3,458	1,468	4,925	1,790	899	2,689
Portugal	368	557	925	510	586	1,096
Holland	-	-	-	24	9	33
Ecuador	20	6	26	23	8	31
Algeria	26	3	29	31	3	34
UAE	12	2	14	34	2	36
South Africa	19	6	25	25	13	38
Dominican Republic	27	9	36	35	12	47
Peru	49	23	72	71	13	84
Morocco	49	10	59	88	16	104
Venezuela	81	29	110	153	34	187
Rest of the world	158	63	221	197	62	259
Total employees	23,446	10,662	34,108	23,412	10,147	33,559

Breakdown of workforce by contract type and gender

(no. employees)

	2013						2014					
	Temporary			Permanent			Temporary			Permanent		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
ACCIONA Energy	137	34	171	1,649	547	2,196	279	66	345	1,544	486	2,030
ACCIONA Agua	333	40	373	1,833	509	2,343	248	32	280	1,695	435	2,130
ACCIONA Construction	1,927	161	2,088	9,587	3,414	13,001	1,018	97	1,115	8,903	2,250	11,153
ACCIONA Service	1,466	1,187	2,654	5,385	3,772	9,157	2,010	1,455	3,465	6,386	4,470	10,856
Other Businesses	55	29	85	1,073	968	2,041	232	136	368	1,267	550	1,817
Total	3,920	1,451	5,371	19,527	9,211	28,738	3,787	1,786	5,573	19,796	8,190	27,986

New hires by line of business

	2013			2014		
	Men	Women	Total	Men	Women	Total
ACCIONA Agua	590	129	719	385	55	440
ACCIONA Energy	224	47	271	625	131	756
ACCIONA Construction	4,392	495	4,887	4,804	440	5,244
ACCIONA Service	2,149	1,361	3,510	3,061	1,373	4,434
Other Businesses	414	140	554	265	172	437
Total new hires	7,769	2,172	9,941	9,140	2,171	11,311

Employees eligible for maternity/paternity leave

	2014		
	Men	Women	Total
No. of employees eligible for maternity/paternity leave	442	287	729
No. of employees who took maternity/paternity leave	442	287	729
No. of employees who returned to work at the end of their paternity/maternity leave	416	280	696
No. of employees who returned to work at the end of their paternity/ maternity leave and who continued on the job for 12 months after returning to work	389	275	664
Retention ratio ⁽¹⁾	0.935	0.982	0.954

(1) GRI does not provide a specific definition for the ratio. To calculate it, the Company reports the number of people who remain in their positions at December 31, 2014 after taking paternity/maternity leave in 2014, out of the total paternity/maternity leaves taken in that year (2014).

Management indicators

		2012	2013	2014
Revenue	Sales (€ million)	7,016	6,607	6,499
	Workforce/CN cost (%)	19%	20%	20%
	CN/workforce (€)	213,218	193,707	193,659
EBITDA	Sales (€ million)	1,431	1,228	1,087
	EBITDA/workforce cost	1.08	0.92	0.85
	EBITDA/workforce	43,476	36,011	32,391
Costs	Sales (€ million)	1,325	1,334	1,275

Human capital development

For ACCIONA, its employees' talent is its key asset and competitive advantage. This is why it is vital to attract the best professionals and provide them with new learning experiences to continuously boost their professional development.

TALENT ATTRACTION AND RETENTION

To strengthen this basic cornerstone, in 2014 the Company shored up its strategy for attracting and retaining talent by using social media, thereby reaching a wider audience.

In 2014, under the guidelines of the employer branding strategy, and, more specifically, the ACCIONA TAP (*Talent Acquisition Process*) methodology, the Company rolled out initiatives aimed at ensuring it had qualified employees.

ACCIONA TAP is the Company's integral and global solution for attracting and retaining talent. Its purpose is to meet new needs such as finding the right professional and personal profiles anywhere in the world, with new and complex requirements given the diversification and specialization of the businesses.

This methodology offers new searching and selection methods adapted to the environment and current situation, focusing on growth and international expansion. The TAP methodology, which has been successfully introduced in Australia, Brazil, Canada, Chile, Spain and Mexico, is structured around a series of tools which cover the various subprocesses for attracting and retaining talent: TAP *employer branding*; TAP *recruitment* and TAP *assessment*.

'Your talent for a sustainable future'

The "Your talent for a sustainable future" employer brand has been rolled out throughout the Company, both internally and externally. The ACCIONA employer brand has enabled us to disseminate the four key attributes in attracting talent: people, excellence, innovation and sustainability.

"Your talent for a sustainable future" is our employer brand, and People, Sustainability, Innovation and Excellence are key to our company. ACCIONA works to better understand what the essence of the Company is, what moves us and what allows us to continue growing. The answers given by employees in surveys, interviews and other channels have been carefully evaluated to ascertain what our strong points and qualities are.

ACCIONA Employment Channel

ACCIONA has actively promoted its training center, not only the resources available but also by complementing these with new sections with specific content on interview techniques, tests, key skills, digital identity, etc., created by the Company's HR experts. Candidates rate its social and dynamic focus highly and believe it is a good showcase of the Company's values.

The Company has also increased its social media presence, with pages on Google+, Pinterest, Twitter, Facebook, YouTube and LinkedIn, and in portals aimed at specific groups, such as Gonway, which is mainly used by students. Our sector groups in LinkedIn (infrastructures, water and energy) have been recognized by HR professionals and experts for its best practices. These groups comprise a pipeline of highly-valued talent and help identify and attract key profiles.

ACCIONA has chosen to implement highly innovative solutions and tools to become even closer to candidates. A good example is the ACCIONA JOBS app which offers information on job vacancies in all our divisions and countries and expands the Company's values and culture.

Also worth mentioning is the Employment Advice blog which has increased engagement with candidates, thanks to the valuable job hunting tips offered by experts in the field.

In 2014, the number of international assignments **increased by 2.1% on 2013**, reaching a total of 460 people

MOBILITY

Mobility of people and knowledge in 2014 enabled ACCIONA to meet its objectives to develop human capital. Its mobility policies offer better opportunities for development, performance and a professional career for a larger number of employees, and meet the growth expectations of those with the greatest potential.

In 2014, the number of international assignments increased by 2.1% on 2013, reaching a total of 460 people. Should the opportunity arise, an increasing number of employees are choosing to remain in their destination once their assignment has concluded to work as local employees.

This reflects the success of our various mobility policies, for both people and knowledge. During 2014, ACCIONA provided the business with the necessary resources to achieve its objectives swiftly and precisely.

The Company has also established virtual and transnational teams, practice communities and international experience networks that help transfer and share information, ideas, experiences and good practices among different business units.

To support the localization process outlined in its International Transfer Policies, the following work was carried out in 2014 in the recipient countries:

- **Localization procedures:** these include an analysis of the impact of localization on these countries, and particularly the impact on retirement and social security for each employee. This was carried out in Australia, Canada, Mexico, United States and Poland.
- **Wage bands:** wage bands were defined according to the Group's standard methodology in order to guarantee the external competition and internal equality of the localized and local employees.

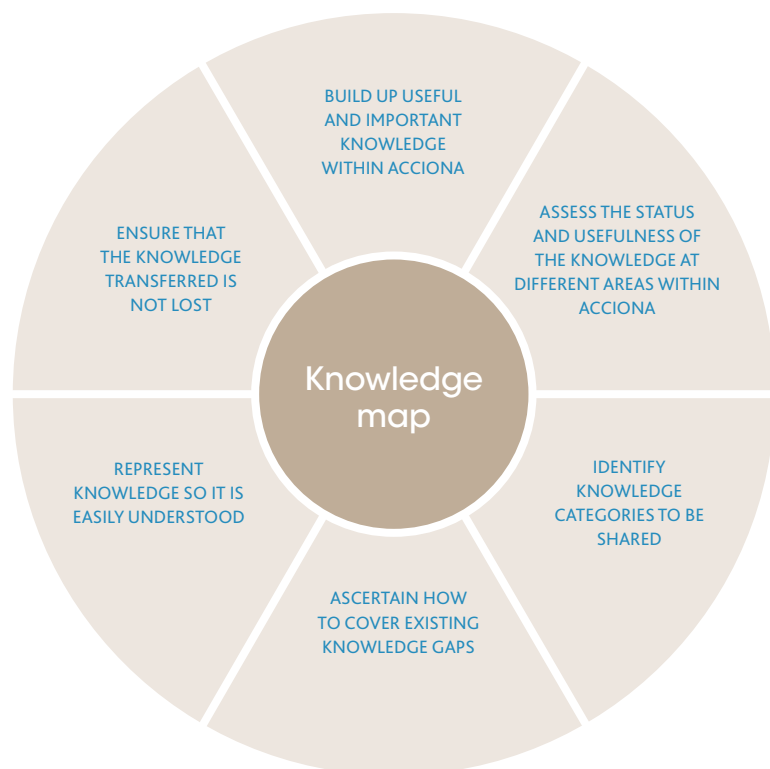
SKILL MAPPING

All of ACCIONA's employees know their role within a basic organizational unit containing jobs sharing a mission, responsibilities and required knowledge and skills in each step of the career. To this end, exhaustive identification of these roles and people is carried out.

The Company also uses skill mapping to identify knowledge categories that support the development of business strategies and the achievement of the goals of the organization's different areas. Mapping can identify where key sources of information are found and select relevant and useful information for different areas.

STRATEGIC TRAINING: ACCIONA CORPORATE UNIVERSITY

For ACCIONA training is an integral part of its human resources policy and a tool to support both the business and its employees' development. The training provided by the Company is organized through the ACCIONA Corporate University, which was created in 2008 with the mission of ensuring the permanent development of employees throughout the world, thus aligning training with



the necessities generated by business strategies. The Company has a corporate training center with a number of classrooms and hi-tech rooms, and a virtual campus (*Learn in ACCIONA*), with more than 2,000 items of learning material available in a number of languages and formats.

The ACCIONA University is a basic cornerstone to ensure that qualified professionals are available, and it is designed to improve productivity, technical excellence, specialization and international expansion. In this regard, the specializations and curricula have been consolidated and new content developed, improved and digitalized. This has reduced the time to market of the training content and helped create an innovative and sustainable culture within the organization through the model's image and content.

In 2014, the Company earmarked 7,756,712 euros for training programs, which amounts to 231.13 euros per employee. Throughout the year, 396,432.42 classroom hours were given, and 49,660 people took part in 11,328 training actions.

Programs such as MBA ACCIONA, the executive skills training programs and the M3 Program for managers were developed in the Business School.

2014 saw the conclusion of the 6th edition of the Executive MBA in Sustainable Global Business, in which the Company included an integral approach to sustainable business management, in addition to specific

modules on the Sustainability Master Plan. At least 150 students successfully completed the course, with the 7th edition being launched in December. This will be offered internationally, with 25 professionals from different businesses and countries taking part.

Specific training concerning the Internal Code of Conduct was also given to ensure that the actions of the Company and its employees are predicated on values such as honesty, integrity, transparency and safety. In 2014, 6,449 employees were invited to attend.

Other sustainability training topics

Activity	Method	Online hrs.	Total invited
CODE OF CONDUCT	ELEARNING	10	6,329
		10	120
PEOPLE: SUSTAINABLE VALUES	ELEARNING	5	111
PERSONAS: VALORES SOSTENIBLES	ELEARNING	5	7,348
SUSTAINABILITY	ELEARNING	5	1,483
Disability awareness	ELEARNING	5	6,295

The University has a process to assess the effectiveness of the training given throughout the year. This model helps evaluate the transfer of knowledge at the end of programs, determines the contribution of training to specific improvements in job performance, assesses the impact of training on business results and measures the return on investment in training.

Evaluation levels

Level 5 ROI	Return on investment.	Analysis of impact of training on selected business indicators.
Level 4 Results	Business results achieved through training.	Training Effectiveness Questionnaire.
Level 3 Performance	Changes occurring in the job of the person who received training.	Training Effectiveness Questionnaire.
Level 2 Learning	Determine if a transfer of knowledge, i.e., learning, has occurred.	Knowledge evaluation test at end of training.
Level 1 Reaction	Equivalent to measuring participants' satisfaction.	Evaluation questionnaire completed by student at end of course.

BUILDING THE FUTURE THROUGH LEADERSHIP

It is vital to have a team of executives and managers who can manage people through leadership, help professionals advance and achieve their objectives.

To achieve this, ACCIONA has a Talent Review process which increased its scope by 21.6% in 2014 and now encompasses 1,934 people. This process can identify professionals who are capable of advancing quicker, thus making it compatible with the needs of business growth.

The Talent Review process allows the manager to identify the key or strategic groups where action is required. The information gathered in this process is used to identify potential participants in corporate development programs, or to promote candidates.

Training by professional category and gender

		2014					
		Executives	Managers	Technical staff	Support	Workers/ Operators	Total
Total no. hours received	Men	10,098.15	43,865.27	100,528.45	4,725.10	122,819.60	282,037
	Women	1,495.97	13,380.12	54,082.67	15,934.75	29,502.59	114,396
	Total	11,594.12	57,245.39	154,611.12	20,659.85	152,322.19	396,433
Employees	Men	319	2,670	8,674	642	28,021	40,326
	Women	34	796	4,559	1,715	2,230	9,334
	Total	353	3,466	13,233	2,357	30,251	49,660
Hours of training employee/year	Men	38.40	33.11	31.84	6.67	7.86	12.05
	Women	48.26	44.45	37.93	13.21	4.28	11.27
	Total	39.44	35.21	33.74	10.79	6.76	11.81

ACCIONA Talent Plan

Programs	Recipients
ACCIONA PDP (professional development program)	Managers and Top 300
ACCIONA Futura	Technical staff
ACCIONA International Emerging Talent Pool	Young graduates
ACCIONA M3	Managers and experts

ACCIONA's employees are the Company's best assets, so we have talent review and retention processes to improve their skills

Those people identified in the Talent Review process will take part in the various programs designed by the Company to enable them to take on greater responsibilities in the future. We would note the following:

■ T-MAX Program: maximize your skills

The T-MAX Program, designed in conjunction with the Industrial Organization School of Madrid (EOI), is a new Skills Training Program aimed at building on those technical skills which have been identified as in need of development during the performance evaluation process. A total of 922 technical staff spent 13,830 hours on this program in 2014.

■ ACCIONA Futura

This program is aimed at developing young professionals at ACCIONA. Some 17 people from all over the world took part, giving it an overall evaluation of 77%. Of these, 78% of the participants would recommend it and 89% consider it useful for their professional development.

M3 Program

ACCIONA's M3 Program concluded in 2014. The course comprised three modules: people management, project management and financial and commercial management. Given jointly with the IE Business School, the program combines high-quality training content in both classroom and online format, with the practical approach given by ACCIONA training staff.

Over three years the M3 Program has offered training and managerial development initiatives, while focusing on the three key aspects of management at ACCIONA. More than 700 managers finished the course, investing over 15,000 hours. Participants rated the course very highly, particularly the conferences at the IE Business School and the ACCIONA case studies.

The program had a direct positive impact on the business objectives of international expansion, cost optimization and technical and management excellence, and on specific engagement and diversity indicators.

No. participants graduated	In-person training hours	Online training hours	Total hours
778	12,448	3,112	15,560

Retaining talent

ACCIONA's people management model is completed by policies and initiatives related to attaining high performance levels among all employees, the importance of ensuring their engagement and compensating them accordingly for the results obtained.

PERFORMANCE EVALUATION

ACCIONA strives to get the best out of its people and evaluates their progress so as to improve our employees' professional skills and define how they can help the Company achieve its objectives, aligning individual expectations with the Company's strategic objectives. To achieve this, the Company has tools integrated into a single technology environment, enabling calendars and result measurements to be standardized in more than 10 countries.

Over the years, more and more employees have been included, 84% in 2011, 86% in 2012, 88% in 2013, while in 2014, 90% of all staff were subject to this process. The Company also monitors the progress of the staff promoted.

COMPENSATION

The Company's compensation policies are designed and implemented based on the criteria of objectivity and external and internal competitiveness. The ACCIONA Bonus is an important part of variable remuneration.

In 2014, ACCIONA maintained the Long-Term Incentives Plan based on the delivery of shares to executives and managers. Under this program, beneficiaries can

elect to have part of their variable salary paid in Company shares and thus benefit from a reward (also paid in shares). To be eligible they are required to remain with the Company and keep the shares for three years. The reward percentage is established each year by the Board of Directors. In 2014, 263 people took part in the Plan.

In Spain, membership in the Flexible Remuneration Plan increased on the previous year to 1,778 workers, compared to 1,347 in 2013. This amounts to more than 32% of potential beneficiaries. As in 2013, the most popular product in the year was medical insurance, ahead of day care, computer equipment, shares, travel card, training, meal vouchers, etc.

My Career

My Career is a tool which diagnoses and develops areas for improvement identified by the employee and their line manager, and is part of the Performance Evaluation.

The tool has an area where employees can improve their skills and each one can work on these areas of improvement, design action plans associated with each skill and request feedback and provide internal proof of improvement. The tool also enables the employee to actively take part in ad hoc training programs, using a large number of resources intended to work on each skill.

SATISFACTION AND ENGAGEMENT

In February 2015, ACCIONA launched its climate and engagement survey. The results will be released in the first half of the year.

In the 9th edition of the Merco Personas ranking: *Empresas con Talento*, ACCIONA was once again listed among the top 25 best companies to work for in the Infrastructures, Services and Construction sector. Merco Personas is the most prestigious reputation monitoring body in Spain, and evaluates the best companies to work for and those which best manage corporate talent.

Employees subject to performance evaluation by gender and professional category

		2013			2014		
		Men	Women	Total	Men	Women	Total
Number of employees subject to performance evaluation	Executives	224	27	251	264	30	294
	Managers	1,088	255	1,343	1,471	304	1,775
	Technical staff	2,572	1,191	3,763	3,405	1,793	5,198
	Support staff	267	552	819	151	319	470
	Workers/Operators	1,111	113	1,224	1,238	157	1,395
	Total	5,262	2,138	7,400	6,529	2,603	9,132
% of total workforce subject to performance evaluation*	Executives	88%	93%	89%	100%	100%	100%
	Managers	83%	88%	84%	77%	90%	80%
	Technical staff	81%	64%	74%	83%	76%	81%
	Support staff	172%	174%	173%	179%	199%	193%
	Workers/Operators	135%	80%	127%	103%	84%	100%
	Total	92%	81%	88%	89%	94%	90%

* The total workforce subject to performance evaluation does not include lower qualified operators or admin personnel (roles corresponding to levels below 4 for operators and below 2 for admin support staff).

Note: Some groups have percentages required to undergo performance evaluation above 100% as lower-level operators or support personnel are sometimes included in the process.

ACCIONA Bonus

The ACCIONA Bonus, introduced in 2012, is a new variable remuneration program for ACCIONA employees which takes into account the Company's financial results and individual targets based on objective, pre-established metrics. The Bonus has been introduced across all divisions and in ACCIONA's key countries.

Over 2,600 employees benefited from the ACCIONA Bonus compared to 1,800 in 2013. Of the total, 95% were executives, 75% were managers and was extended to part of the technical and support staff. The Bonus was applied in Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Croatia, Ecuador, France, Gabon, India, Italy, Mexico, Morocco, Panama,

Peru, Poland, Portugal, South Africa, South Korea, Sweden, Turkey, UAE, USA and Venezuela.

The objectives are structured as follows:

- The Company's overall targets, which have a weighting of at least 10% for all employees and 15% in the case of executives. The weighting of the overall targets for executives was reduced in 2014 while the targets of those units with their own income statement and where the executive's performance may affect this, was increased wherever possible.
- Objectives of the division, company, country, or unit that has its own income statement.

■ Individual objectives, the attainment of which is measured through performance evaluation.

In addition, 3.5% of the Bonus depends on targets linked to sustainability and identified for each division as defined in the Sustainability Master Plan. Included is the Internal Code of Conduct, innovation programs, CO₂ emission reduction targets, reporting of social and environmental performance indicators and more hirings of differently-abled people or those at risk of exclusion from the workplace, among others.

Social responsibility with people

In 2014, the Company continued the process begun in 2013 of adjusting the scale of its workforce to the reality of projects and businesses in countries where it operates.

At all times, for both individual and group processes, this is carried out with dialogue and agreement between employees and their legal representatives, trade unions and Company committees. It is worth noting that all group adjustment processes were carried out with the full agreement of the employees and their legal representatives. At no time were strikes called or working hours lost due to conflict.

The main actions took place in Brazil and Poland due to decreased activity and, to a lesser extent, in Spain. At no time were working hours lost from strikes due to these adjustment processes.

ACCIONA has continued to seek alternative ways of adjusting its workforce to adapt its size to the current reality. Measures carried out in the year include:

- 18 employment adjustment processes in Spain, in which the working day of 2,500 workers was adjusted to real needs.
- Modification of working conditions and geographic and functional mobility (both national and international, with more than 350 transfers).
- Renegotiation of collective conditions to ensure competitiveness of conditions and maintenance of employment.

All of these measures made a significant contribution to reducing the social impact of contract terminations and ensured two key elements:

- Retention of Company talent and return on investment in professionals.
- ACCIONA's reputation as a socially responsible employer.

Thanks to these measures, the number of employees was kept at similar levels to 2013 while the Company strengthened its presence in those countries less affected by the economic crisis or where recovery is beginning.

Given the different situations, the Company has created solutions based on flexibility and security by recycling talent and specific internal relocation programs.

ACCIONA's efforts to improve gender equality are borne out by the increased percentage of women in nearly all its graduate positions

EQUALITY AND DIVERSITY

ACCIONA's Code of Conduct outlines the Company's values such as integrity, safety and equal opportunities. The Company works within this framework to ensure real equal opportunities for all its employees and upholds diversity as a strategic element in managing them.

As a result, in 2014, ACCIONA strengthened its commitment to equality by implementing an Equality Management System on an international scale. The system consists of a web-based application making it possible to analyze and monitor more than 20 equality indicators for ACCIONA companies.

ACCIONA's commitment to effective gender equality is evidenced in the advances made towards the goals set in this area. In 2014, more women held executive and managerial positions within the Company. The Company's HR policy of promoting female graduate managers was

also successful, with 18.51% of women in managerial and pre-executive positions, thus fulfilling the target set for the year in the Sustainability Master Plan, of a 0.25% increase on the 2013 figures of 18.03%.

Following the adherence of ACCIONA Agua, all of the Company's divisions now have their own gender equality plans, ensuring both men and women have the same access, development and working opportunities at all levels and areas within the organization.

To this end, in 2014 ACCIONA renewed its equality seals at ACCIONA Energy, ACCIONA Facility Services and ACCIONA Engineering. This is granted annually to companies that show excellence in the field of equality. The seal takes into account facets such as the commitment to fostering a gender discrimination-free environment, balanced participation between men and women in decision making, access to job positions with greater responsibility and a

commitment to remuneration criteria and systems that prevent the wage gap.

ACCIONA's commitment to these policies and pledges can also be seen in its adherence to initiatives which raise society's awareness of their importance and need. To this end, ACCIONA takes part in the following initiatives: since 2013, the *Hay Salida* campaign promoted by the Ministry of Health, Social Services and Equality; since 2010, the UN's International Women's Day; since 2013, the CEOE's *Promociona* Project, promoted by the Ministry of Health, Social Services and Equality, ESADE Business School and EEA Grants; and, since the beginning of 2015, ACCIONA collaborates with the EC's European Equal Pay Day.

We would also note that ACCIONA participates in the following activities:

- The Ministry of Health, Social Services and Equality's "Equality in the

Workplace" seminars. Participants at these technical seminars can exchange information and experiences and discuss equality best practices.

■ **Ministerial agreement to increase the number of female executives.**

Under this agreement the Company will introduce specific people management policies to increase the presence of women in external and internal selection processes, encourage greater participation in managerial training programs and promote access to development opportunities by taking part in various challenging projects.

■ **E-room for companies holding the Equality Seal.** As a member of the Red DIE (the network of companies holding the equality seal) of the Ministry of Health, Social Services and Equality, and as part of the group of positive or equality actions, ACCIONA has played an active role in this forum's online tool, publishing best practices in this field and raising the visibility of various schemes such as the International Day for the Elimination of Violence Against Women.

Breakdown of workforce by professional category and gender

(% employees)

	2012			2013			2014		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	259	29	288	253	30	283	263	31	294
Managers	1,413	252	1,665	1,291	284	1,575	1,325	301	1,626
Technical staff	3,277	1,329	4,606	3,498	1,608	5,106	3,182	1,401	4,583
Support staff	635	883	1,519	1,137	1,945	3,082	714	1,185	1,898
Workers/ Operators	12,048	5,741	18,149	15,322	6,213	21,535	15,758	6,774	22,532
Other*	4,147	2,531	6,678	1,946	582	2,528	2,341	285	2,626
Total employees	22,140	10,765	32,905	23,446	10,662	34,108	23,583	9,976	33,559

(*) Others include personnel with no identified role. The majority are employees at Mostostal Warszawa, and a temporary joint venture where the model is not applied.

Turnover by gender, age and workplace

(%)

	2012	2013	2014
Turnover of men	1.97	2.82	2.37
Turnover of women	1.99	2.23	3.12
Turnover of people below the age of 30	1.98	2.60	2.62
Turnover of people between the age of 30 and 50	3.96	5.21	5.24
Turnover of people above the age of 50	1.99	2.23	3.12
Turnover of people who work in Spain	1.44	2.59	1.46
Turnover of people who work outside Spain	3.4	2.65	5.11
Total turnover	2.56	3.65	3.78
Voluntary turnover	1.8	1.93	2.85

Breakdown of workforce by gender

(% employees)

	2012	2013	2014
Men	67	69	70
Women	33	31	30

Breakdown of workforce by professional category and age (% employees)

	2012				2013				2014			
	< 31	From 31 to 50	> 50	Total	< 31	From 31 to 50	> 50	Total	< 31	From 31 to 50	> 50	Total
Directors	-	164	124	288	-	156	127	283	-	172	122	294
Managers	17	1,224	424	1,665	14	1,099	462	1,575	11	1,200	415	1,626
Technical staff	718	3,263	625	4,606	680	3,535	891	5,106	632	3,243	708	4,583
Support staff	289	916	314	1,519	329	1,734	1,019	3,082	301	1,109	488	1,898
Workers/ Operators	2,533	10,444	5,172	18,149	3,009	12,312	6,214	21,535	2,837	12,945	6,749	22,532
Other*	1,099	3,782	1,797	6,678	405	1,506	617	2,528	624	1,558	444	2,626
Total employees	4,656	19,793	8,456	32,905	4,437	20,342	9,329	34,108	4,405	20,227	8,927	33,559

(*) Others include personnel with no identified role. The majority are employees at Mostostal Warszawa, and a temporary joint venture where the model is not applied.

Wage gap

Group	2013		2013 gross wage gap	2014		2014 gross wage gap	Percent- age point diff.
	Men	Women		Men	Women		
Directors	100.3	97.6	2.70%	101.5	87.0	14.36%	11.7
Managers	102.7	87.6	14.71%	103.2	86.0	16.68%	2.0
Technical staff	103.0	93.6	9.13%	102.8	93.7	8.86%	-0.3
Support staff	99.2	100.4	-1.20%	90.3	105.7	-17.09%	-15.9
Workers/ Operators	109.9	75.5	31.34%	98.6	103.1	-4.57%	-35.9
Other*	110.3	65.4	40.69%	101.6	86.9	14.45%	-26.2
Total	110.9	76.1	31.42%	101.9	95.6	6.22%	-25.2

(*) Others include personnel with no identified role. The majority are employees at Mostostal Warszawa, and a temporary joint venture where the model is not applied.

ACCIONA's Code of Conduct contains guidelines for all Group companies on preventing discrimination against differently-abled people or those at risk of exclusion in society or the workplace. The Code encourages effective equality which entails promoting gender equality and the professional and personal development of employees, to ensure equal

opportunities. ACCIONA does not accept any discrimination in the workplace on the basis of age, race, color, sex, religion, political opinion, national extraction, sexual orientation, social class or disability.

In 2014, ACCIONA achieved and surpassed the percentage of equivalent employment of differently-abled people in Spain that

was set as a target of 3% in the 2015 SMP, achieving 3.57% and exceeding the figure for 2013. Of this percentage, 2.77% of people are employed directly, up 0.21% on 2013, which reflects the Company's commitment to direct labor integration.

The remaining 0.80% are employed indirectly. This figure was achieved

through purchases amounting to 2,073,000 euros from Special Employment Centers and over 480,000 euros in donations to foundations and entities in the third sector.

The Company has therefore surpassed the objective set in its Sustainability Plan for equivalent employment of differently-abled persons for the second consecutive year.

In 2013, ACCIONA was awarded the Bequal Plus disability seal which certifies that not only does the Group adhere to the law but that it is also committed to respecting disabilities and social responsibility. ACCIONA is one of the first companies to be awarded this certificate which, following exhaustive audits, encompasses 16 of its companies.

In 2014, ACCIONA hired 231 people at risk of social exclusion thanks to agreements with leading third sector organizations such as the Integra Foundation and the Spanish Red Cross Foundation. New integration agreements were also signed.

The number of people hired from this group was up 12% on the previous year and was applied throughout the world.

A total of 27 women, victims of domestic violence, were hired in the year as part of ACCIONA's undertaking with the Ministry of Health, Social Services and Equality. As such, the Company regularly reports on new hires and other initiatives carried out in this area.

In 2014, ACCIONA participated in the following activities in this area:

■ **International Day of Persons with Disabilities.** The Company uses its internal and external channels to publish information and awareness campaigns regarding disabilities, and highlights its achievements and challenges in the area of employment, workplace integration and agreements with various organizations and institutions.

■ **Disability awareness course for ACCIONA employees and suppliers.** In order to promote the workplace integration of disabled people, and in collaboration with the ONCE Foundation, ACCIONA launched an e-learning course through its Corporate University to raise awareness of disabilities among its internal and external (collaborators and suppliers) personnel. A total of 1,637 students finished the course and over 300 proposals were received on how to improve this aspect within the Company.

■ **Expansion of ACCIONA's Special Employment Centers.** The activity of the group's two Special Employment Centers in Madrid and Barcelona has grown sharply. They now train nearly 70 people with disabilities to prepare them to enter the ordinary job market.

■ **ACCIONA, finalist in two categories of the 3rd edition of the Telefónica Ability Awards 2014.** These awards are given to those companies and institutions which develop sustainable business models to include people with disabilities.

■ **ACCIONA supports the ONCE Foundation's *No te rindas nunca* Plan.** This program is designed to integrate young people with disabilities in the work

place and includes an awareness video portraying the best prepared generation ever, something which these young people are eager to prove.

■ **Braille business cards at ACCIONA Brazil.**

■ **Accessible mapping for people with disabilities at ACCIONA Producciones y Diseño.** The Magic City event in Cordoba, which was designed and staged by ACCIONA Producciones y Diseño, was made accessible for people with reduced mobility and impaired hearing. The front row was reserved for them so that they too could enjoy the show.

■ In 2014, ACCIONA, through ACCIONA Facility Services, S.A. and the Norte Joven Association have signed a collaboration agreement to help youngsters at risk of social exclusion join the workplace.

■ ACCIONA renewed its commitment to a society free from domestic violence by supporting the *Hay Salida* campaign and also took part in the 1st *Hay Salida* race: *A society free from domestic violence*.

■ ACCIONA supports the International Day for the Elimination of Violence Against Women.

■ **Collaboration with the Accenture Foundation.** In 2014, ACCIONA formed part of the roundtable events organized by the Accenture Foundation as part of the project to work together to provide employment for the most vulnerable.

Health & safety at ACCIONA

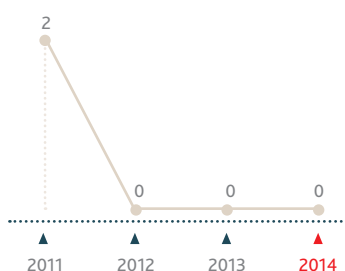
Work continued in 2014 on expanding the policies of various divisions to an international level. The common minimum prevention criteria have been standardized and can be rolled out across all divisions. Emphasis was also placed on achieving greater integration of the chain of command in matters relating to prevention.

To ensure the engagement of all affected parties, ACCIONA uses its nationwide Health and Safety Committees, the *Prevención Madrid* email service, its suggestions mailboxes and ensures that people take part in, inter alia, risk assessments, safety visits and accident investigations.

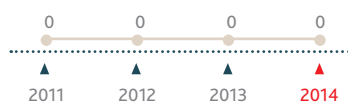
MAIN ACCIDENT RATES

The Company's accident rates are a reflection of ACCIONA's staunch commitment to occupational health and safety prevention. It is particularly important to note that there were zero

→ Fatal accidents in Spain (own employees)



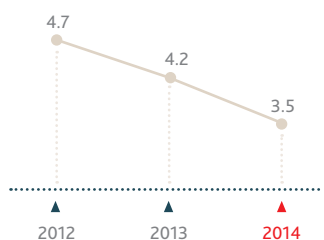
→ Fatal accidents around the world (own employees)



fatal accidents among the Company's own employees for the third consecutive year.

Further, as shown in the chart below, the Frequency Rate has continued to fall. The target set in the 2015 Sustainability Master Plan, of a 5% improvement of the Frequency Rate in 2014 on 2011 levels, was achieved, standing at 38.7%.

→ Frequency Rate among all employees (globally)

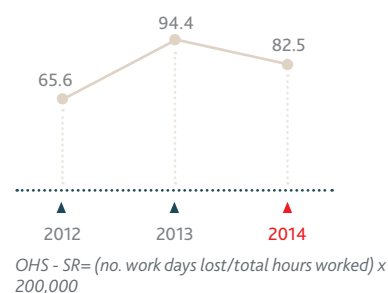


$OHS - FR = (no. of accidents resulting in work lost / total hours worked) \times 200,000$

Frequency Rate (Global)

Business line	Contractors	Employees
Agua	1.01	2.62
Corporación	0.96	0.48
Energy	1.81	1.32
Infraestructures	3.08	3.05
Other Businesses	2.20	4.04
Service	4.25	4.10
Total	2.52	3.51

→ Severity Rate among employees (globally)



Accident rates for ACCIONA employees

Business line	2013		2014	
	Severity Rate*	Frequency Rate**	Severity Rate*	Frequency Rate**
Corporación	60.3	0.4	0.5	0.5
ACCIONA Infrastructure	59.4	2.2	74.4	3.1
ACCIONA Agua	88.4	2.8	75.4	2.6
ACCIONA Energy	19.2	1.2	17.6	1.3
ACCIONA Service	143.7	7.7	91.8	4.1
Other Businesses	176.2	4.0	134.7	4.0

(*) OHS-Severity Rate: (no. work days lost/total hours worked) x 200,000.

(**) OHS-Frequency Rate: (no. accidents resulting in work days lost/total hours worked) x 200,000.

Absenteeism Rate by Business line* (own employees)

	2013	2014
ACCIONA Corporación ⁽¹⁾	584.0	524.1
ACCIONA Agua	806.0	795.3
ACCIONA Energy	58.0	26.7
ACCIONA Infrastructure	273.0	267.0
ACCIONA Service	1,199.0	1,052.3
Other Businesses ⁽²⁾	304.0	776.6
ACCIONA	621.0	722.5

(1) Acciona Corporación includes ACCIONA, S.A.

(2) Other Business includes ACCIONA Real Estate, Bestinver, Bodegas, and Logistics and Transport.

(*) OHS - AR= (no. work days lost due to absenteeism/ total hours worked) x 200,000.

In terms of figures by country, the Frequency, Incidence and Severity rates in Spain decreased.

With regard to the absentee rate, to the left there is a breakdown by division and business line for 2014 that is carried out in a standard manner across all countries in which the Company operates, in accordance with the indicator of the international standard.

Absentee Rate*

	2013	2014
Spain	828	900
International		
Algeria	0	0
Australia	2	141
Belgium	-	1,897
Bolivia	0	0
Brazil	141	126
Canada	849	588
Chile	114	169
China	0	0
Colombia	44	336
Costa Rica	0	0
Croatia	0	0
Dominican Republic	14	0
Ecuador	0	0
Egypt	0	0
El Salvador	244	153
Gabon	245	219
Germany	0	-
Greece	0	37
India	0	0
Italy	440	435
Mexico	50	74
Morocco	-	0
Netherlands	-	2,944
Nicaragua	0	356
Other countries or territories	140	83
Peru	41	297
Poland	43	12
Portugal	1,305	1,453
Puerto Rico	0	0
Qatar	-	0
Romania	0	0
Saudi Arabia	59	46
South Africa	-	0
South Korea	0	0
Sweden	0	0
Tunisia	-	0
Turkey	0	0
UAE	0	0
USA	8	6
Venezuela	42	187

(*) OHS - AR= (no. work days lost due to absenteeism/ total hours worked) x 200,000.

Our training programs, combined with our communication and awareness campaigns, are key to preventing accidents and ensuring the health and safety of our employees

OHS training 2014 (Corporate University)

	Nº of hours	(no. employees)	No. of OHS hours per employee/year
Infrastructures	138,471.79	28,999.00	4.78
Energy	9,836.00	2,375.00	4.14
Other	95	248	0.38
TOTAL	148,402.79	31,622.00	4.69

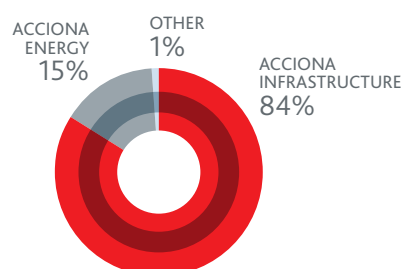
Infrastructure includes: ACCIONA Construction, ACCIONA Engineering, ACCIONA Service and ACCIONA Agua.

Other business includes: ACCIONA S.A. (does not include: Real Estate, Bestinver, H.A.B. or Trasmediterranea).

TRAINING AND AWARENESS-RAISING

Given the importance of this matter, and ACCIONA's commitment, all divisions have implemented training and awareness-raising programs and designed an annual training plan that includes occupational health and safety training requirements. Along with training, ACCIONA has internal communication mechanisms that are key for preventing accidents and ensuring employees' health and safety. The communication tools used include the Interacciona intranet, bulletins, e-mail, suggestions mailbox, posters or notes on payslips, and specific actions in the workplace.

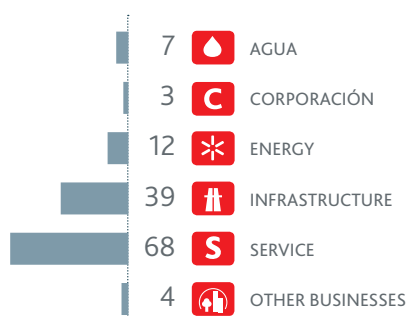
→ Training by business line



ROAD SAFETY

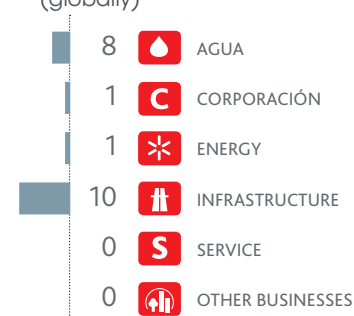
In 2014, all ACCIONA divisions developed initiatives to promote road safety and reduce accidents. The common denominator to all these actions is the use of training as the key tool and the launch of awareness-raising campaigns.

→ Incidents on route (own employees) (globally)



Incidents on route	2013	2014
ACCIONA Agua	16	7
ACCIONA Corporación	2	3
ACCIONA Energy	17	12
ACCIONA Infraestructure	41	39
ACCIONA Service	67	68
Other Businesses	1	4
ACCIONA	144	133

→ Incidents on mission (own employees) (globally)



Accidents on mission	2013	2014
ACCIONA Agua	4	8
ACCIONA Corporación	0	1
ACCIONA Energy	2	1
ACCIONA Infraestructure	5	10
ACCIONA Service	0	0
Other Businesses	0	0
ACCIONA	11	20

ACCIONA Service

ACCIONA Service: In January 2014, EROM was certified by the Mapfre Foundation as being committed to road safety after training all its employees.

An internal campaign was launched in November 2014 to all employees.

ACCIONA ENERGY

ACCIONA Energy is a member of the Global Wind Organization (GWO), a coalition formed by some of the world's leading wind power companies, such as VESTAS, EON, SIEMENS and GAMESA, which has developed a basic safety training standard covering the following modules: first aid, handling loads, fire extinction, working at height and survival at sea.

It is also a member of the European Wind Energy Association's Safety Committee.

ACCIONA not only carries out an active health promotion campaign through regular medical check-ups, **prevention and detection campaigns**, it also offers its expat workers various health benefits

HEALTH AND WELL-BEING

The Company carries out an active health promotion campaign through regular medical check-ups, prevention and early detection campaigns of diseases and psycho-social evaluations of working conditions. It also offers its expat workers various health benefits, manages vaccinations required and helps arrange health insurance.

In 2014, there were:

- 17,179 medical check-ups.
- 4,950 appointments with the medical and nursing staff.
- 421 vaccinations given to workers at various ACCIONA divisions.
- 211 employees trained in biological risks and Ebola.

Occupational Illness Rate

(own employees)

	2013 Total	2014 Total
ACCIONA Corporación	0	0
ACCIONA Agua	0.11	0
ACCIONA Energy	0.15	0
ACCIONA Infrastructure	0.03	0.09
ACCIONA Service	0.03	0.03
Other Businesses	0	0
ACCIONA	0.04	0.06

OHS - OI = (no. of cases of occupational illnesses/total hours worked) x 200,000

Within the group there are certain workers who are at risk of contracting an occupational disease given their exposure to biological risks, noise, etc. In all cases, they are evaluated and necessary actions in preventive medicine are taken.

Occupational diseases in the construction sector such as silicosis, asbestosis or hypoacusia do not affect a large portion of employees' professional activities. In activities at risk of occupational illnesses, preventive measures such as hearing protection, protection of the respiratory tract, etc., are taken.

As part of ACCIONA's commitment to the overall health of its employees, in recent years it has entered into agreements with

The Company implements strategies that encourage workers to **adopt healthy habits and thus eliminate or, at least, mitigate** diseases associated with present-day life and work, such as a sedentary lifestyle

private health care companies which offer very competitive conditions. Employee interest in this service has risen over the years and 2014 saw a 66% increase on the original number of policy holders.

HEALTH AND WELLBEING PLAN

The Company implements company-level strategies that encourage workers to adopt healthy habits and thus eliminate or, at least, mitigate diseases associated with present-day life and work, such as a sedentary lifestyle. The following are some of the initiatives launched over the years, with information made available on off-line and on-line channels.

- Collaboration with epidemiologists from Pro CNIC to analyze and study the biochemical and anthropometric data necessary to monitor the Health and Well-being Plan.
- Recognition from the INSHT, based on EU standards, whereby ACCIONA joined the Luxembourg Declaration on Workplace Health Promotion as a healthy company.
- ACCIONA's Health and Well-being Plan was showcased at the "Cuidado del Corazón" technical seminar organized by Fremap at the Jimenez Diaz Foundation.
- Participation in "La Salud como elemento estratégico. Visión de los directivos" talk as part of the FORO SICUR 2014 – Mapfre Foundation program.

Another objective of this program is to form part of the employee's value proposal, which is related to Corporate Social Responsibility and included as ACCIONA's employer brand.

The plan has attracted great media attention, particularly among print and online financial press, which have praised our activities.

IMPROVEMENTS IN OCCUPATIONAL HEALTH AND SAFETY PREVENTION MANAGEMENT IN ACCIONA AND PROGRESS IN SYSTEM INTEGRATION

ACCIONA continues to make headway in adopting integrated management systems. Work has continued since 2013 on the partial integration which took place of the OHS management system with the Quality and Environment area. At present, the integrated management system is 100% implemented at ACCIONA Agua, ACCIONA Energy and ACCIONA Infrastructure, and 90% at ACCIONA Service.

In addition, ACCIONA's health and safety management system is being expanded abroad, thus consolidating the Company's systems and maximizing the use of tools handled in different places throughout the world.

Thanks to this global expansion, OHS management can be systematically implemented across the group and its tools used worldwide. This strategy will yield cost savings in certifications with regard to the unification of basic methodologies in processes under the OHSAS 18001 standard, while maintaining a flexible balance with local demands and customer demands.

ACCIONA Service has installed GPS in all vehicles which has helped reduce speeds and improve the safety of its drivers, as well as saving on consumption.

OHSAS 18001 certifications by country and business line

Key countries	Corpor.	Infras.	Energy	Agua	Service	Log. and Transp. Serv.	Other
Spain							
Australia							
Brazil							
Canada							
Chile							
Italy							
Mexico							
Poland							
USA							
Portugal							
Other countries							
Abu Dhabi							
Colombia							
Croatia							
Greece							
India							

The Energy Division had sold its assets in Germany and Korea which had been certified in previous years.

■ CERTIFIED SYSTEM
■ CERTIFIED IN 2014

RISK ASSESSMENT

ACCIONA constantly strives to evaluate the specific risks of each activity. The Risk Assessment of each work center is revised and updated, in line with the Company's commitment to continuous improvement.

In 2014, 11 risk assessment reviews were carried out concerning safety, hygiene, ergonomics, psycho-social and road

safety for companies covered by the Joint Prevention Service. The Company follows the methodology of the National Institute for Health and Hygiene at Work.

Inspections are carried out at least twice a year, either by OHS technical staff or employees appointed as spokespeople who have basic OHS training. In 2014, 58 controls of safety conditions were carried out.

OHS OBJECTIVES IN EMPLOYEE PERFORMANCE EVALUATION

In general, meeting OHS objectives set in the Sustainability Master Plan is directly related to a percentage of employees' variable remuneration. In addition, some divisions have set their own targets in this regard:

At Corporate level, the following are included as performance objectives:

- Maintaining OHSAS certification.
- Health and Well-being Plan monitoring.

ACCIONA Agua has the following objectives:

- Zero accidents is included in the employees' variable remuneration.
- Specific OHS objectives at each work center.

ACCIONA Energy includes OHS objectives for all its employees at three levels:

- Company level
- Department level
- Personal level

These objectives are established at the beginning of each year and revised monthly, and have a direct impact on employee bonuses.

ACCIONA Infrastructure defines its OHS objectives each year and these are taken into account in the performance assessment. These are replicated in the department, region and country OHS objectives.

EMPLOYEE PARTICIPATION

The Health and Safety Committees of the various divisions channel all queries and participation from employees with regard to OHS.

Participation by employees in the Prevention Management System of ACCIONA Infrastructure takes place during the production process at the work centers, particularly through the Health and Safety Committees, using tools or participation channels such as the suggestions mailbox.

The Prevention Delegates meet on a quarterly basis as part of the Health and Safety Committee. The Delegates take part in visits to work centers, are informed of accidents, safety inspections, employees' complaints, risk assessments and activities carried out by the Prevention Department.

Contractor personnel participate through Activities Coordination Committees set up at each work center where there is a business overlap. The people in charge of health and safety at each represented company participate.

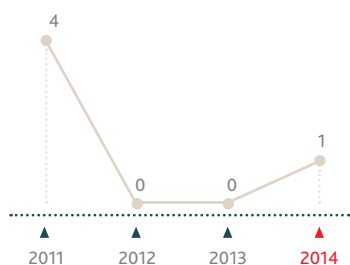
Employees take part in the Prevention Management System through **Health and Safety Committees**

Prevention commitment in the supply chain

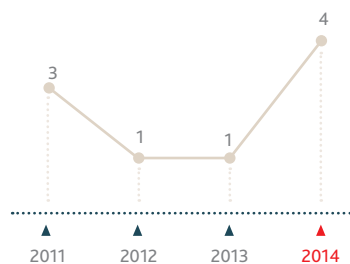
The Company is working to extend its best OHS practices to all its supply chain. In this regard, ACCIONA monitors the accident rate in the supply chain of its divisions. In 2014, both the Frequency Rate and the Severity Rate of subcontracted personnel rose slightly compared to 2013 levels.

In 2014, there were 5 fatal accidents among subcontracted personnel: 1 in Spain and 4 outside Spain (Dominican Republic, Mexico and 2 in Canada).

→ Fatal accidents in Spain (contractors)



→ Fatal accidents around the world (contractors)



Accident rates for ACCIONA contractors (globally)

Group	2013		2014	
	Severity Rate*	Frequency Rate**	Severity Rate*	Frequency Rate**
Corporación	2.18	0.87	5.26	0.96
ACCIONA Infrastructure	48.35	2.63	65.52	3.08
ACCIONA Agua	14.79	0.83	11.81	1.01
ACCIONA Energy	55.60	3.03	30.58	1.81
ACCIONA Service	0	0	65.79	4.25
Other Businesses	0	0	125.38	2.20
ACCIONA	43.95	2.40	50.42	2.52

OHS - SR: (no. work days lost due to workplace accidents/total hours worked) x 200,000

OHS - FR: (no. accidents resulting in work days lost/no. hours worked) x 200,000

ACCIONA promotes a number of training and communication activities to improve occupational health and safety prevention in the supply chain. The following initiatives were launched in 2014:

ACCIONA Engineering and ACCIONA Industrial:

The global extension of preventative management can be seen at ACCIONA Engineering with the implementation of the *International Safety Standard* in Bolivia and Romania and the continuation of those actions introduced in 2013 in El Salvador and Brazil. In terms of legal compliance, the objective sets minimum OHS management and reporting bases for each country with an OHS department at Corporate level.

Roll out will continue in 2015, and currently stands at 65%. Globalization of preventative management at ACCIONA Industrial is evident in the roll out of the Management System in Mexico, in addition to the work being carried out in the industrial activity.

ACCIONA Energy South Africa

ACCIONA Energy South Africa has brought its health and safety policies in line with the country's requirements. The following actions were carried out:

- OHSAS 18001, ISO 14001, ISO 9001, SABS, SANS Standards, OHS Act 85 of 1993 and Construction Regulations 2003 as well as the 2014 modification and EU guidelines were used as a benchmark to establish prevention management systems during construction of the Sishen solar plant and the Gouda wind farm.
- During construction of these facilities, contractors were supervised on a daily and weekly basis to ensure they were complying with OHS guidelines. A monthly audit was also carried out.

These initiatives also helped reduce workplace accident costs. This, combined with the work of the Safety Officers, helped encourage and foster OHS best practices and allowed construction to continue unhindered by legal breaches or non-conformities.

These kinds of actions have also been introduced in a number of countries where the Company is present, such as ACCIONA Energy Italy, where resources and tools were optimized, helping reduce fixed costs with contractors by 17%.

ACCIONA Construction: prevention objectives

The Company's annual objectives are reviewed regularly, annually and biannually. The following was carried out in 2014:

- Security improvements in construction works via the OHS program during the first stage of construction at critical units: the Critical Activities Planning document was written, detailing four types of work and including technical instructions. Also, a group of 25 OHS technical staff received a course in *Prevention through Design*.
- Improving the impact of Health and Safety and a preventative culture by promoting Visible Leadership. This annual course is run by the Prevention Department and involved 375 participants in 2014. It was aimed at heads of department, site managers and project managers, work center heads and managers.

INNOVATION

A challenging future

At ACCIONA, innovation is the tool which allows us to be more efficient, create new business opportunities and lead the market.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Exceed the innovation figure of 70 million euros, in line with the SMP 2015.	<ul style="list-style-type: none">■ Documented figure of 174.9 million euros in 2014.
<ul style="list-style-type: none">■ Boost innovation capacity of suppliers.	<ul style="list-style-type: none">■ The first prototype of caissons made of composite materials was used in the expansion project of the cruise ship pier at Puerto del Rosario.
<ul style="list-style-type: none">■ Foster Spanish and European initiatives related to innovative public procurement.	<ul style="list-style-type: none">■ Various proposals for innovative projects were drawn up and meetings held to ascertain the needs of this mechanism's potential customers, both internal and external, and the roadmap to be followed. Potential customers include the Ministry of Economy and Competition (MINECO) and Local Governments.
<ul style="list-style-type: none">■ Consolidate the IMAGINNE platform by implementing contributions received via social media and feedback from participants.	<ul style="list-style-type: none">■ Over 2,300 users and 1,400 ideas. Specific CHALLENGES proposed in collaboration with the businesses.
<ul style="list-style-type: none">■ Encourage implementation of improvements to key Company processes to generate savings of at least 12 million euros.	<ul style="list-style-type: none">■ Savings from process improvements amounting to 34.4 million euros. Amount verified by an independent company.
<ul style="list-style-type: none">■ Implement "Managing Innovation" corporate regulations, and adapt monitoring tools.	<ul style="list-style-type: none">■ Corporate regulations implemented and successful audit of the R&D and Innovation management system carried out in November. The management system now adheres to the new UNE 166002:2014 standard approved in May 2014.
<ul style="list-style-type: none">■ Complete review and redefinition of business innovation Master Plans.	<ul style="list-style-type: none">■ Master Plans for Energy, Water, Construction and Industrial defined, in collaboration with business heads, R&D and Innovation and senior management.



ACCIONA ranks seventh in Europe for innovation intensity thanks to the certified 174.9 million euros invested in R&D and innovation activity resulting in:

- 25% reduction in the cost of energy of its AW3000 wind turbine
- New assembly processes for wind turbines and wind turbine towers
- European Business Award for the Environment in the 'Product and/or service for sustainable development' category for the use of composites

2015

Challenges

- Commitment to invest over 70 million euros in innovation in 2015 in line with the SMP 2010-2015, previous years' results and the plan submitted to the European Investment Bank.
- Design first large-scale additive manufacturing prototype to be applied across the business.
- Conclude technical validation of our new wind turbine assembly systems and processes.
- Encourage implementation of improvements to key Company processes to generate savings of at least 12 million euros.
- Carry out pilot projects to reduce energy costs at water treatment plants.

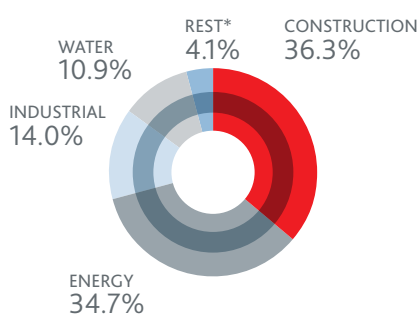
Innovation in order to progress

At ACCIONA, innovation is the main driver of development and key to our growth. That is why our innovation projects are designed to bolster our competitive advantage in all our divisions and offer our customers advanced solutions. Innovation at ACCIONA focuses on improving efficiency, reducing costs and offering added value to projects, thereby putting us ahead of our peers. In short, we assume Innovation challenges and turn them into business opportunities.

ACCIONA is also committed to disruptive technologies and has entered into strategic alliances with various globally-renowned universities and technology centers. A good example of this is, *inter alia*, the addition of modern visualization techniques in our different businesses, the use of nanomaterials, and large-scale additive manufacturing.

In 2014, ACCIONA earmarked 174.9 million euros for R&D and Innovation which is above the figure for 2013. This was allocated as follows:

→ Distribution of R&D and innovation by line of business



* Includes ACCIONA S.A. and other businesses (EROM and Trasmediterranea).

We worked on 225 projects, 105 of which were developed at technology centers while the remainder were innovation projects for works, plants and facilities.

Regarding financing, innovation coverage in the year totaled 240 million euros, up on 2013. This was largely thanks to European programs and ACCIONA's new Innovation program for 2013-2016. Half of these projects were financed through a

120 million euro loan from the European Investment Bank (EIB) which was signed in February 2014.

Against this backdrop, in 2014 the Company continued to justify the investments for 2013-2014, reaching an amount certified by external entities of 148.4 million euros, well in excess of the 50% it needs to justify every two years.

In 2014, the Company began the projects awarded in 2013 under the EU's H2020 Program and was awarded others. ACCIONA was awarded 23 projects in collaboration with some 400 partners, with a budget of 15.3 million euros for the coming years.

R&D AND INNOVATION MANAGEMENT

ACCIONA continued improving its R&D and Innovation management system, adding to the updates made in previous years and remaining alert to other potential improvements to help optimize the system. This enabled the Company to swiftly adapt its system to the updated UNE 166.002 standard which was published in May 2014.

During the year the strategic plans for all Businesses (Energy, Water, Construction and Industrial) were defined and approved.

The respective business heads, R&D and Innovation and Senior Management were involved in this process, underscoring the Company's commitment and that of senior management for Innovation focused on its Businesses, as a lever for future growth.

ACCIONA's ceaseless efforts were rewarded in the first audit carried out by AENOR in November, which concluded that the Company's R&D and Innovation management system is correct and meets the new standard's requirements. This was duly noted in the external audit report.

174.9
MILLION EUROS
IN 2014

ACCIONA's position in the main innovation rankings remains solid.

ACCIONA is the fifth ranking Spanish company and the 139th European company in *The 2014 EU Industrial R&D Investment Scoreboard* report carried out by the EC's Economics of Industrial Research and Innovation according to R&D and Innovation investment, an improvement on the previous year.

The world innovation ranking of global consulting firm Strategy&, which selects 1,000 stock market-listed companies with the highest R&D and Innovation figure, ranks ACCIONA at 447, up 14 positions on the previous year.

		2008	2009	2010	2011	2012	2013	2014
R&D and Innovation in 2014:		71.3	92.2	88.1	93.6	166.2	173.2	174.9
RANKING	EU	305	213	184	212	212	143	139
	ESP	9	6	6	8	9	5	5
	Strategy&			541	626	620	461	447

Analysis unit: Technology and Competitiveness Observatory

In 2014, the Technology and Competitiveness Observatory worked on the following:

- **Support in decision making.** Using a push & pull approach, issues of interest are explored, such as new technology trends, new competitors or the opening of new market niches which are aligned with ACCIONA's strategy.
- **Consolidation of the external knowledge network.** This is the result of collaboration agreements entered into with international companies, bodies and universities, whereby all ACCIONA divisions have been apprised of disruptive technologies or have looked at how these can be applied within the business area.
- **Research and analysis.** Continuous improvement of analytical processes, conclusion drawing and dissemination of the results.

2014 milestones

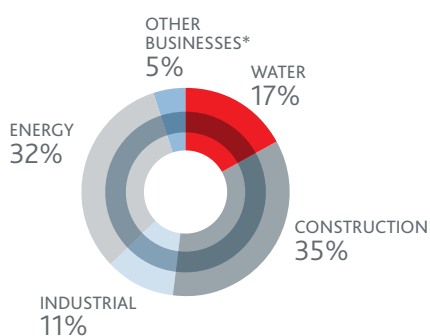
- The Technology and Competitiveness Observatory (T&CO) participated in drawing up Innovation strategic plans by carrying out a study of state-of-the-art and consistency analysis in the various business lines.
- The Observatory is well established as a support tool in the decision-making process. Nearly 66% of all requests come from senior management.
- Internal dissemination: In addition to the reports and periodical publications issued, the T&CO organized three workshops and two seminars on various issues of interest to ACCIONA to assess the possibilities of applying disruptive technologies across the Company.
- Over 8,000 employees receive a weekly newsletter which is a key means for raising awareness of technology and innovation.
- *Signals of Change*: This quarterly document is sent to 3,000 executives and managers to alert them to groundbreaking technology which could affect the businesses in the short term.

BUSINESS INNOVATION AND INTERNATIONAL EXPANSION

Innovation is present in the majority of the countries where ACCIONA is present, resulting in a pipeline with 15 international projects amounting to 40.7 million euros. Thanks to ACCIONA's efforts, innovation outside Spain accounts for 23% of the Group's total today.

In 2014, projects were undertaken in numerous countries including Australia, Brazil, USA, Mexico, Colombia, Morocco and Turkey. This allowed the Group to assess the results of these activities with a view to generating new opportunities and incorporating these results in other projects and businesses.

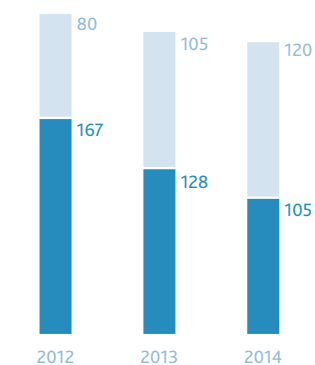
→ **Business innovation by business line in 2014 (%)**



*ACCIONA SA, Trasmediterranea and EROM are considered Other Businesses.

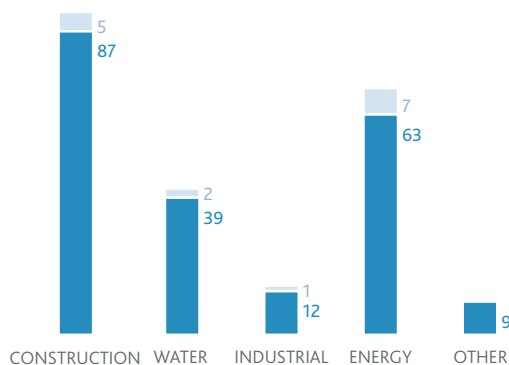
Thanks to ACCIONA's efforts, innovation outside of Spain accounts for **23% of the Group's total today.**

→ **Pipeline (no. projects)**



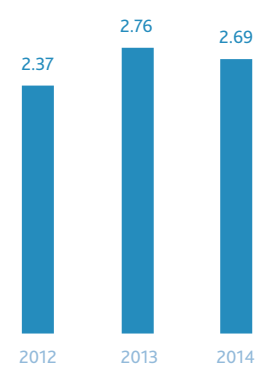
■ RESEARCH PROJECTS
■ BUSINESS INNOVATION

→ **Geographical breakdown of innovation projects 2014**



■ SPAIN
■ INTERNATIONAL

→ **Innovation intensity (%)**



■ INNOVATION/SALES

EFFICIENCY IN OPERATIONS, ENHANCING PROCESSES

Improving efficiency in operations is one of ACCIONA's long-term goals, as set out in its 2015 Sustainability Master Plan.

286% above the 2014 target of 12 million euros.

In 2014, ACCIONA invested 34.4 million euros on improving certain processes, 20.3 million euros more than in 2013. This is

Cumulative savings for the 2012-2014 period totaled 60 million euros, well in excess of the 36 million euros target set for 2012-2015.

The most noteworthy process improvements in 2014 were:

ACCIONA Agua:
Improvement of the pre-treatment phase at desalination plants

Thanks to the introduction of an in-house optimized Dissolved Air Flotation system (DAF) in the pre-treatment phase which removes floating particulates and seaweed, economic savings amounting to 1.6 million euros were obtained.

ACCIONA Service:
Heat recovered in a combined cycle plant can be used in the manufacturing process for an important customer in the automotive sector

A project to improve energy efficiency at the combined cycle plant was developed which saw a by-pass fitted to the exhaust smoke stack.
The recovered heat is used to supply the factory's process heating.
Energy saving: 25,723 MWh/year

ACCIONA Construcción Chile:
Construction of ventilation tunnels at the Chuquicamata mine

Strengthening work: using synthetic fiber the work cycles were streamlined and the execution period reduced without affecting the bearing capacity.
This meant savings of 5% of the cost per cubic meter of shotcrete (sprayed concrete) as the amount used was optimized, giving greater early resistance.

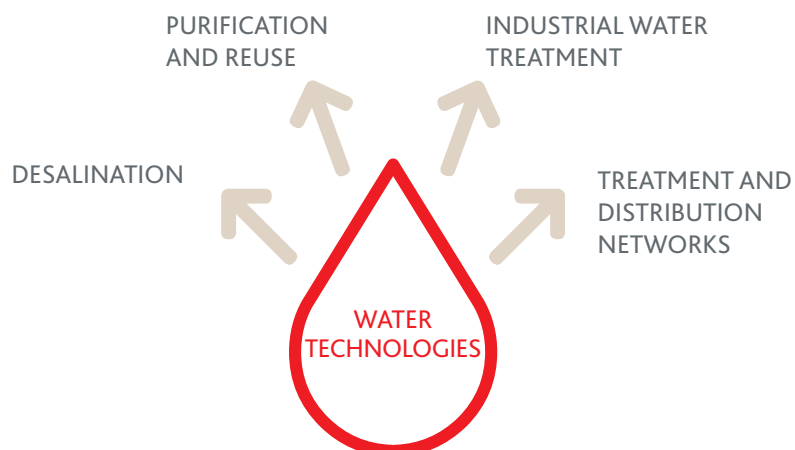
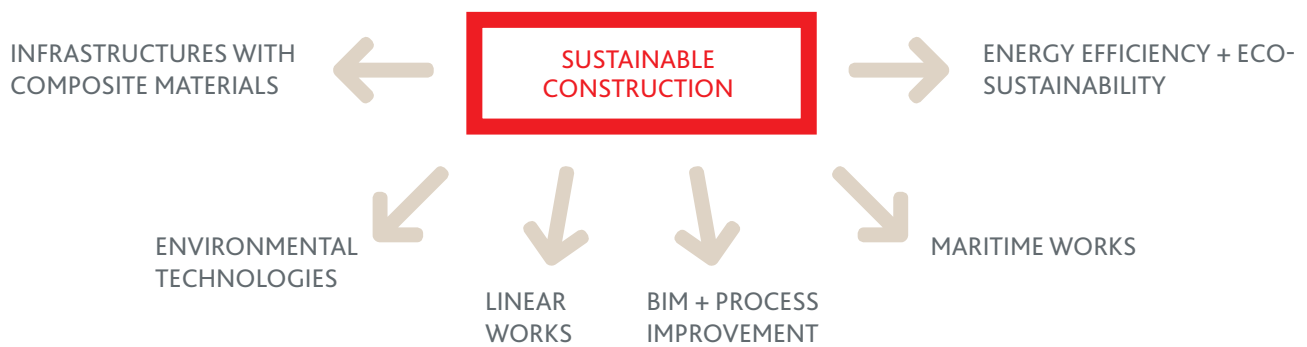
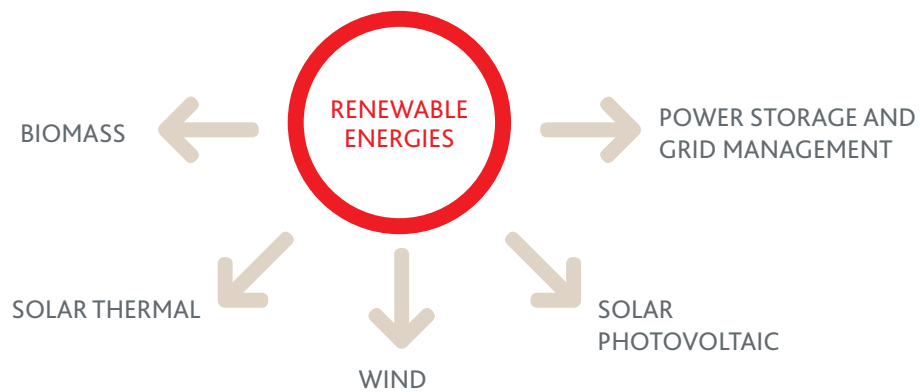
ACCIONA Energy:
COE optimization

ACCIONA Windpower obtained savings equivalent to 18.7 million euros through COE (cost of energy) optimization.
Savings were made in the design, manufacturing and assembly costs (investment costs for the customer) and the operation and maintenance of the AW3000 wind turbines, resulting in increased output thanks to improvements made to the process of extracting the kinetic power from the wind as well as improving the reliability and availability of the power.

Other businesses:
Automation of business support processes

Automated expenses management at Hijos de Antonio Barceló: using a photo sent from a smartphone of each expenditure the main variables of the document are identified via an interface, and then automatically included in the Company's enterprise resource planning (ERP).
ACCIONA Trasmediterranea automated its invoicing process, resulting in less time spent on this process and freeing up time for other tasks thereby eliminating non-value generating activities. As all movements can now be easily tracked, it is possible to identify bottlenecks in the process as well as tasks in progress.

KEY R&D AND INNOVATION LINES AT ACCIONA



ACCIONA, through its company EROM, has designed a new set of wind turbine maintenance tools that result in longer operating lifetime, increased efficiency and employee security

Key projects carried out during the year include:

- In order to reduce the cost of energy (COE) of its AW3000 wind turbine by 20% by the end of 2014, in November 2012 ACCIONA Windpower launched the COE 20/14 project, seeking to become one of the market's most competitive products.

By 2014, it had cut the COE by 25%, amply exceeding its target.

- In 2014, the Company launched the CSP-Efficiency project to improve efficiency and increase daily output. In conjunction with GE, the turbine manufacturer, the first stage of this project has seen daily start-up times at CSPs cut by 10 minutes, resulting in a huge impact on efficiency and output at the Majadas and Palma del Río 1 and 2 CSPs, all of which have 50 MW nameplate capacity.
- The SMARTWATER 4 EUROPE project, *Demonstration of integrated smart water supply solutions at 4 sites across Europe*, aims to develop a network platform (hardware and software) to monitor

the control and automated operation of infrastructures in the core water grid supplying urban areas, to allow for predictive maintenance in order to reduce consumption and optimize the efficiency of infrastructures.

- ACCIONA Agua's R&D and Innovation Center has constructed and operated the pilot plant of the ULTRADAF® system which will operate the pre-treatment system at the Al Jubail desalination plant in Saudi Arabia. This pilot plant will showcase the process to the customer and help specify the plant's final operating parameters.
- The Technology Center has developed the integration of a standalone hybrid system for power output, storage and use at ACCIONA's Facility Services building in Barcelona as part of the EU's ARROWHEAD project.
- ACCIONA, through its company EROM (operation and maintenance of renewable energies) has designed a new set of wind turbine maintenance tools. These tools will help increase the wind turbine's life and improve the efficiency and safety of

the operative carrying out operation and maintenance tasks.

- An automated thermographic inspection of the photovoltaic panels at the Sishen PV plant in South Africa is being carried out. The aerial images are then processed and any faults classified.
- Big-data – SHARP Project: This system builds on decision-making experiences, to maximize output and minimize manufacturing and operating costs. It also analyzes the performance of wind turbines to detect any deviations from the norm and can predict future faults based on trends and optimizes O&M operations etc. In the first phase of the pilot, 100 wind turbines with 100 variables were added.
- The initial results of the APSE Project were released. These show that it is possible to incorporate waste materials from construction, demolition and recycled materials from road milling to be used as support materials to construct layers as per regulatory requirements. Work was also carried out to ascertain the optimum measurement of SBS and NFU-modified bitumen to give a high modulus bitumen

RENEWAT: Optimized renewable mix to save energy at WWTPs

This project intends to reduce energy consumption by 30% at the waste water treatment plants

The Technology Transfer area and ACCIONA Agua were awarded the LIFE "RENEWAT" project which intends to reduce energy consumption at a waste water treatment plant by using renewable energy sources.

The Archena plant in Murcia produces 7,500 m³ of treated water a day, with annual energy consumption of 1,322 MWh. This consumption generates a high level of CO₂ emissions and a high distribution cost of the treated water. Therefore an innovative hybrid renewable generation system will be developed, combining photovoltaic and small-scale wind sources along with a power storage system, intended to cut consumption from the grid by 10%.

In the water treatment system efficiency in the ventilation phase will be improved, representing 80% of total energy consumption. This process aims to provide the optimum energy mix for the biological treatment by working on processes and equipment, cutting energy consumption from the grid by 20%. The innovation aspect of this process involves designing a control system to regulate and prioritize the hybrid renewable energy generation system so that the plant can manage its energy input.

mix (around 11,000 MPa) whose price and mechanical properties are competitive.

- ACCIONA has developed a construction solution using composite materials which allows lighthouses to be built quicker and in an environmentally friendly manner. As a result, building time has been cut by 40% and pollution reduced by a fifth. ACCIONA first used this system to construct the new lighthouse in Valencia which was installed in February 2015.
- The VETRA® Project (Treating desalination waste using reverse osmosis) entails developing a process to treat washed pre-treatment waste at sea water desalination plants using membrane technology. The clean water obtained from treating the waste can be reused in the main process while the dry sludge is treated as end waste.
- The LIFE+ "BRAINMEM" Project will apply advanced control systems to water treatment plants to reduce energy consumption and slash greenhouse gas emissions. ACCIONA Agua's waste water treatment plant in Almuñécar (Granada) has been chosen for the pilot.

IMAGINNE, AN INNOVATION SPACE

This internal platform has been improved and is used to support the Business when it needs to compile ideas from other areas within the whole ACCIONA Group.

Various promising ideas and challenges were introduced in 2014, including:

- COE 25/14
Capturing ideas for AWP to save on the cost of energy of its wind turbines. This challenge was launched in June and July.
- Additive manufacturing for ACCIONA Agua.
Ideas for the additive manufacturing of certain items were chosen based on their originality, level of development and applicability.
- Advanced visualization techniques for applications at ACCIONA
The ideas challenge was launched in June for advanced visualization techniques for applications at ACCIONA. The "Assistance in workshop production" idea was chosen as the winner based on the criteria of applicability, originality and level of development.

■ "1 idea = 1 tree"

This challenge entailed planting one tree for every idea received in 2014. A total of 380 trees were planted thanks to the ideas received from Imagine users.

TECHNOLOGY TRANSFER

During 2014, the Technology Transfer area particularly focused on identifying synergies between the various business units to leverage the Company's know how and its suppliers so as to set itself apart from the competition. Two technology transfer sessions were therefore set up covering "Intellectual property" and "Composite materials for constructing maritime works" and aimed at stakeholder groups which were defined in conjunction with the businesses. Two seminars were also offered with an external additive manufacturing agent.

In order to offer its customers a fully innovative and unique service, ACCIONA encouraged collaboration agreements between Group companies for common interest issues which may have a favorable impact.

EXTERNAL PARTICIPATION AND COLLABORATIONS IN 2014

ACCIONA belongs to the Universidad Carlos III de Madrid Business Forum, which comprises senior representatives from nine private companies. The forum promotes research projects, practices at companies, new university Chairs and supports the university's EMPRENDE program.

The Company also collaborates with the following technology centers: Spain's Higher Council for Scientific Research (CSIC), Energy, Environmental and Technological Research Center (CIEMAT), National Renewable Energy Institute (CENER), Renewable Energies Advanced Technological Center of Andalusia (CTAER), Institute of Nanoscience and Nanotechnology (CIN2), Advisory Board of the Universidad Carlos III de Madrid Business Forum, TECNALIA, Technological Center of Navarre of the Cetena Foundation (CEMITEC), Massachusetts Institute of Technology (MIT), Polytechnic University of Cantabria, Eduardo Torroja Construction Science Institute (IETcc), and the Polytechnic University of Catalonia.

ACCIONA belongs to the **Alianza por la Investigación y la Innovación Energéticas (ALINNE)** to tackle challenges faced by the energy sector

ACCIONA, European Business Award for the Environment

In the summer of 2014, ACCIONA successfully launched and anchored the caissons made of composite materials designed to extend the cruise ship pier at Puerto del Rosario, in Fuerteventura. For this project ACCIONA opted for a groundbreaking technique using composite materials to construct large cylindrical caissons which were assembled at the dockside before being launched, towed and anchored at the final site.

Thanks to the collaboration between ACCIONA Construcción, ACCIONA Industrial and the industrial supplier which specializes in manufacturing composite materials, this new product is now available that can be used for port works. Composites are versatile, lightweight, durable and environmentally friendly and have resulted in ACCIONA receiving the *European Business Award for the Environment* (Spanish section) in the *Product and/or service for sustainable development* category. In November, one of the world's largest cruise ships, Mein Schiff 3, was the first to dock at the new Puerto del Rosario pier (Fuerteventura).

ENVIRONMENT

Our raison d'être

The environment is ever-present in the decisions ACCIONA takes, and as such is an integral part of its operations, designing also measures to reduce its footprint.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Improve the ratio of CO₂ emissions avoided to 12.5% of emissions generated (2009 baseline).	<ul style="list-style-type: none">■ Ratio of CO₂ emissions avoided compared to emissions generated in 2014: 28 (2009 ratio: 7.8).
<ul style="list-style-type: none">■ Reduce the energy consumption ratio (energy/sales) by 12.5% (2009 baseline).	<ul style="list-style-type: none">■ 47% reduction in the energy/sales consumption ratio compared to 2009.
<ul style="list-style-type: none">■ Increase the positive net contribution of ACCIONA's water footprint by 4.5 times compared to the 2009 baseline.	<ul style="list-style-type: none">■ The positive net contribution was increased by 7 times, compared to the 2009 baseline.
<ul style="list-style-type: none">■ Increase the reporting of ACCIONA's Scope 3 carbon footprint, until 1,500 suppliers are included.	<ul style="list-style-type: none">■ The calculation of GHG emissions associated with the activity of over 28,000 suppliers was concluded.
<ul style="list-style-type: none">■ Offset the CO₂ emissions generated by the Company's most representative events.	<ul style="list-style-type: none">■ 305 t of CO₂ emissions generated by the Company's most representative events were offset.
<ul style="list-style-type: none">■ Launch new offers of services for customers with regard to offsetting emissions.	<ul style="list-style-type: none">■ New actions were undertaken to reduce and offset CO₂ emissions.
<ul style="list-style-type: none">■ Consolidate ACCIONA's system for preventing and mitigating the main environmental risks associated with the business activities of its divisions.	<ul style="list-style-type: none">■ Work was carried out on identifying and implementing the most relevant mitigation measures.
<ul style="list-style-type: none">■ Carry out new unique initiatives within the framework of ACCIONA's Biodiversity Compensation and Enhancement Program, and monitor and control the actions executed.	<ul style="list-style-type: none">■ New action lines in ACCIONA's Biodiversity Compensation and Enhancement Program were carried out, such as the nesting boxes for protected species in Mexico, the creation of a new ecosystem (wetland) using renewable energies and breeding European mink in captivity and observing its behavior.



We strive to secure our position as a leading company in the fight against climate change. We are committed to renewable solutions, offsetting emissions and seeking innovative solutions to ensure we are at the forefront of the most advanced environmental standards:

- Avoiding the emission of 16.3 million tons of CO₂
- Generating a positive net contribution of 532 hm³ to the water footprint
- Earmarking 560 million euros to environmental efforts

2015

Challenges

- Improve the ratio of CO₂ emissions avoided to 15% of emissions generated (2009 baseline).
- Reduce the energy consumption ratio (energy/sales) by 15% (2009 baseline).
- Increase the positive net contribution of ACCIONA's water footprint by 5 times compared to the 2009 baseline.
- Report on Scope 3 of ACCIONA's carbon footprint at all its suppliers and draw up measures to agree on emissions reductions with its most intensive suppliers.
- Offset the emissions generated by the Company's most representative events.
- Launch new offers of services for customers to offset emissions.
- Improve environmental risk management at the Company.
- Consolidate ACCIONA's Biodiversity Compensation and Enhancement Program. Monitor and control initiatives launched.
- Disseminate the Advanced Environment Course for all ACCIONA employees and suppliers.
- Publish ACCIONA's key biodiversity protection and conservation initiatives.

The environmental variable as our distinguishing feature

ACCIONA considers the environmental variable when making decisions and in its business operations for the main purpose of reducing the environmental effect of its activities. This is reflected in its commitment to low-carbon business models, in the accountability of its environmental performance and in the objectives established regarding continuous improvement in terms of the environment within the framework of its 2015 Sustainability Master Plan (SMP 2015).

SPECIFIC ENVIRONMENTAL POLICIES

In 2014, the Sustainability Committee approved the Water Policy, which is in addition to ACCIONA's other 3 policies in this area: Climate Change Policy, Environmental Policy and Biodiversity Policy. These outline the Company's main environmental principles which apply to all its business lines and all the countries where it operates (available on the Company's website: <http://www.acciona.com/sustainability/environment/>).

ENVIRONMENTAL EFFORT IN FIGURES

The environmental effort encompasses costs and investment relating to our business activities concerning the

environment, such as water purification and renewable energy production. In 2014, the Company invested 560 million euros in its environmental activity, an 8.1% increase on 2013. Environmental costs totaled 95 million euros while investment amounted to 298 million euros.

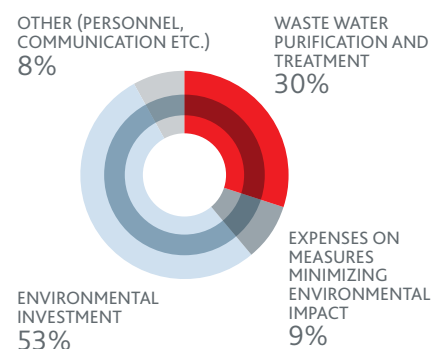
A further 167 million euros was earmarked for the design, construction, operation and maintenance of wastewater purification and treatment plants. Investment also included 287 million euros spent on environmental prevention measures, such as new renewable facilities.

The Company's environmental protection efforts and initiatives have brought various tax benefits:

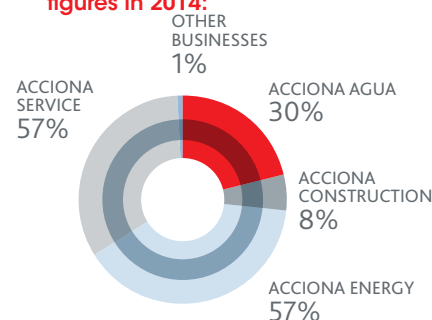
- The Port Authorities have granted ACCIONA Trasmediterranea a 5% reduction on the "T1" tax (the tax paid by shipping companies using port installations and waters) owing to the environmental best practices applied by its ships holding ISO 14001 certification.

The Barcelona and Valencia maritime stations have each benefited from a 15% reduction in the Activity Tax.

→ Breakdown, by category, of ACCIONA's environmental figures in 2014 (total 560 million euros)



→ Breakdown, by business line, of ACCIONA's environmental figures in 2014:



The Company is committed to low carbon business models and establishes environmental improvement objectives within the framework of its Sustainability Master Plan

- ACCIONA Agua obtained grants from Ente Vasco de la Energy (EVE) for its Amorebieta waste water treatment plant, for the improvements made at the plant pursuant to the Energy Report which was drawn up to obtain ISO 50.001 certification for energy management systems.

STRATEGIC NATURE OF THE ENVIRONMENTAL VARIABLE

It is vital to have the suitable qualified personnel at all functional, hierarchical and geographical levels within the Company so that they can, at all times, offer the best quality and experience when carrying out the business' activities whilst adhering to the most stringent environmental standards.

Within the framework of the SMP 2015, the Sustainability Committee of the Board of Directors focuses on carrying out the initiatives and complying with its environmental objectives.

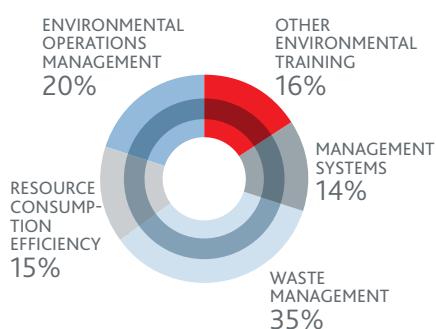
Qualified personnel

General Management of the Innovation, Environment and Quality Area	This area, which reports directly to the Chairman, defines environmental policies and establishes strategic priorities with regard to the environment, thereby promoting and leading the Company's various initiatives focused on reducing and offsetting its environmental footprint.
Environment and Quality Manager	This person transmits corporate policies and strategies, and integrates and coordinates the business' network of supervisors and technicians that implement the environmental actions and objectives for each activity, center, area and/or technology.
Environment, Quality and Processes Committee	Comprises the environmental, quality and process management team for the Company and for the business divisions. The Committee's objectives include ensuring that the Company's environmental and quality strategy is in line with the growth of its businesses. It also monitors the strategic objectives, and environmental impacts, mitigation measures and risks on a monthly basis, and oversees the Company's Environment and Quality Communication Plan.
Employees with environmental responsibilities	180 people at ACCIONA have environmental responsibilities.

ENVIRONMENTAL TRAINING

In 2014, ACCIONA's employees received 129,039 hours of environmental training, up 125% on the previous year, largely due to training on waste treatment at works and centers in Spain for ACCIONA Infrastructure.

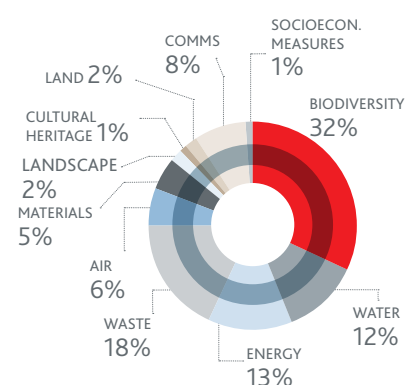
→ Breakdown of hours of training by subject in 2014



GOOD PRACTICES AND UNIQUE ENVIRONMENTAL ACTIONS

The environmental actions carried out by ACCIONA's various businesses must first be identified, analyzed and assessed so as to ascertain and disseminate the most relevant ones within the Company and replicate them as need be. In collaboration with the Expert Panel on Environment and Biodiversity, ACCIONA assesses all actions and selects the unique ones, in other words, those that stand out for their net positive impact on the environment, their innovative nature or scientific and/or social interest. In 2014, 488 environmental actions were identified, analyzed and assessed, of which 27% relate to ACCIONA Energy, 26% to ACCIONA Service, 21% to ACCIONA Agua and 19% to ACCIONA Construction.

→ Main fields of environmental actions analyzed



Total hours of environmental training by business line in 2014

	2014
ACCIONA Energy	5,711
ACCIONA Construction	108,696
ACCIONA Agua	10,227
ACCIONA Service	2,181
Other businesses	2,223
Total	129,039

ACCIONA Advanced Environmental Course for employees and suppliers

Four-hour long online course for all employees and suppliers. In conjunction with the University of Alcalá.

This course is divided into 5 blocks: introduction to the environment, climate change, water, energy and biodiversity; and participants learn about the key environmental variables and future international trends.

Participants receive a certificate from the university once they have successfully completed the course.

All employees and 16,000 suppliers are eligible to take part.

Comprehensive environmental management

GUIDING PRINCIPLES FOR A SUCCESSFUL ENVIRONMENTAL MANAGEMENT SYSTEM

The model establishes a common action framework which coordinates the various environmental management systems at each of the divisions and is based on continuous improvement.

ACCIONA's environmental management systems are verified and certified by accredited independent entities in accordance with the UNE-EN ISO 14001:2004 standard. In 2014, 87% of revenue was certified.

ACCIONA also identifies environmental *near misses* in its incident registration and classification and adopts appropriate corrective and preventative measures. In 2014, the Company recorded 123 *near misses* relating to small wastewater spills, slight HTF leaks, confined spills of chemical substances, etc. An analysis of these types of events enables the Company to establish corrective measures that will allow accidents to be avoided and improvement opportunities to be detected.

Implementation of continuous improvement tools



2014 environmental objectives set with a focus on continuous improvement

(%)

Environmental objectives	Degree of compliance
ACCIONA Agua	
Increase cogenerated power to 80% of the total of electricity consumed by the ABRERA waste water treatment plant (WWTP).	100
Reduce power consumption by 3% compared to 2013 at the Mungia WWTP.	100
Reduce irrigation water consumption by 5% in Caceres.	95
Reduce visual impact of the Martos WPP perimeter by 50%.	100
Reduce by 5% consumption of reactants in drinking water treatment process with the same water quality.	100
Improve the dryness of the sludge by 0.1% compared to 2013 at the Galdar and Agaete WWTPs.	75
ACCIONA Construction	
Implement environmental measures to obtain the energy efficiency and environmental footprint objectives set in the 2015 SMP.	83
Install and bring into operation the document management system at 80% of the works lasting over 6 months.	21
ACCIONA Service	
Reduce customers' water consumption by 5% with regard to the 2013 baseline.	> 100
Reduce energy consumption by 5% for activities carried out by ACCIONA Urban Services compared to 2013 baseline.	> 100
Reduce by 5% hazardous waste generated at customer facilities operated by ACCIONA Facility Services compared to 2013 baseline.	> 100
ACCIONA Energy	
Reduce water consumption by 8,000 m ³ with regard to 2013 baseline.	100
Reduce environmental incidents < 18.	100
ACCIONA Trasmediterranea	
Environmental risk assessment at Valencia maritime station to provide a financial guarantee.	100
Roll out energy management system in Valencia.	60 ¹
Implement water consumption reduction plans: Water saving campaign. Review current systems and replace/build facility accordingly.	70 ²

(1) Initial diagnosis, documentation preparation and management's commitment, energy efficiency measures pending implementation.

(2) Water saving campaign and upgrade of faucets at Barcelona Maritime Station.

ENVIRONMENTAL IMPACT MANAGEMENT AND ASSESSMENT

The environmental impact assessments carried out by the Company on its projects demonstrate its preventative approach. In 2014, there were 4 projects in progress subject to an Environmental Impact Study (EIS). All of these projects were being processed by the competent public authorities in Spain and Chile. The EISs for these projects were published in the corresponding official bulletins and on public administration platforms to encourage public participation and gather any objections.

ACCIONA also carried out Environmental Supervision Plans (ESP) at 236 centers and facilities under construction, in operation or maintenance. The Company also carried out environmental follow-up actions at 100 facilities, with more than 234 studies relating to: populations of certain species of fauna; forestry and fire prevention treatments; noise reduction; and control and follow-up of other possible impacts on the ecosystems.

Under PLAN 10+, ACCIONA has developed a tool for managing, for the purpose of continuous improvement, the main environmental problems affecting its business divisions. In 2014, it rolled out 129 different solutions to the problems detected and defined a further 56 corrective measures to be followed.

Initiatives carried out as part of PLAN 10+ ACCIONA in 2014

Analysis of effects of wind generation on the Chiroptera population in Croatia.	One of the problems identified under the PLAN 10+ is how the Company's wind farms in Croatia affect the Chiroptera population. Various monitoring indicators have therefore been established. In parallel, certain measures have been drawn up, along with a budget to implement them.
Environmental responsibility training: personal and corporate responsibility.	In 2014, ACCIONA offered both personal and corporate environmental responsibility training (under Spanish legislation). The purpose was to inform employees of their legal responsibilities concerning environmental issues arising from the Company's business activities. Training was given by the prestigious law firm, Uría Menéndez.
Strengthening global management of environmental legal requirements	Since 2010, ACCIONA has had an online Regulations and Legal Requirements tool, aimed at improving management of its environmental obligations. This tool enables the Company to manage compliance with administrative obligations and other legal commitments at its centers and facilities in Spain and Portugal. It has helped reduce the time and effort spent on identifying and updating legal requirements, speeding up and improving efficiency in verifying compliance with the Company's obligations and avoiding possible breaches. In 2014, 600 centers were registered.

ENVIRONMENTAL RISK MANAGEMENT AT ACCIONA

ACCIONA has a Corporate Environmental Crisis Management System which lays down the actions to be taken in the event of an environmental crisis: the Corporate Crisis Management Regulations allow the Company to systematically identify the risks that cause an environmental incident and determine the processes, guidelines and responsibilities in the case of a crisis situation. In these situations, the Corporate Crisis Assessment Committee is assisted by the Environmental Assessment Team.

In 2014, work focused on building on the environmental risk management initiatives, focusing on identifying and implementing mitigation measures for the most relevant issues which were identified in the 2013 risk assessment. A total of 35 interviews were carried out with the heads of those centers deemed to represent a very high level of risk, with both existing and potential mitigation measures analyzed. The tolerance level of these measures was also assessed and the first steps were taken to implement the measures to reduce any non-assumable risks.

One of ACCIONA's strategic priorities is **fighting climate change**: in 2014, the Company cut CO₂ emissions by 9%

Fighting climate change as a priority

For ACCIONA, the fight against climate change is a strategic priority and, therefore, its activities are carried out based on a low-carbon business portfolio which enables it to:

- Reduce or mitigate the adverse effects of climate change.
- Decrease greenhouse gas (GHG) emissions into the atmosphere mainly through renewable generation.
- Promote energy savings.
- Respond to global demands regarding renewable energy, sustainable infrastructures, water and services.

ACCIONA also extends its commitment to fighting climate change to the entire value chain through:

- Collaboration and cooperation with other companies, public institutions, social organizations, suppliers and other stakeholders.

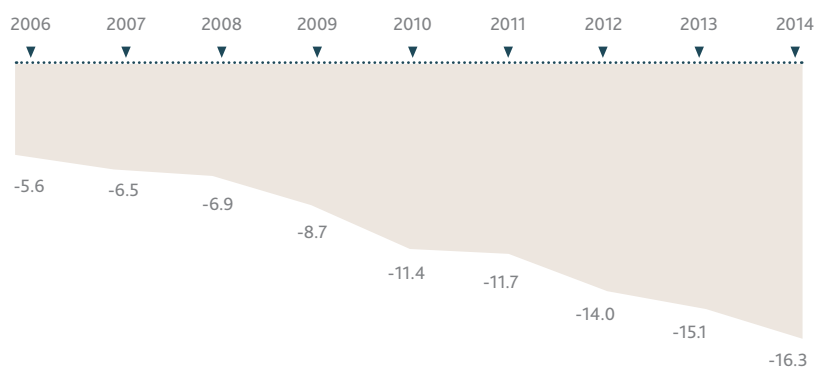
- Sensitivity, awareness and training.

- Transparent and comprehensive information on this subject.

MAIN CLIMATE CHANGE RISKS AND OPPORTUNITIES

A multidisciplinary team is responsible for identifying and managing environmental risks, including those risks related to climate change, so as to ensure these are in line with ACCIONA's Global Risks Policy. It also determines the acceptable tolerance level while providing information on the exposure level assumed. Once the risk has been defined, the parameters used for assessing it are the probability of occurrence, the economic-financial consequences, the impact on the Company's image, the negative impacts on sustainability, the Company's ability to assume the risk and the established risk management systems.

→ CO₂ emissions avoided (millions of tons)



Emissions avoided by country in 2014

Country	Installed capacity (MW)	Output (GWh)	Emissions avoided (tCO ₂)
Australia	305	939	753,370
Canada	181	515	338,006
Chile	45	28	20,507
Costa Rica	50	144	104,234
Croatia	30	79	51,886
USA	628	2,278	1,580,985
Spain	5,980	14,014	11,113,095
Greece	48	119	90,535
Hungary	24	47	29,112
India	86	226	194,866
Italy	156	239	136,360
Mexico	557	2,174	1,193,307
Poland	71	148	132,830
Portugal	166	394	271,685
South Africa	75	47	43,553
Total	8,400	21,391	16,054,329

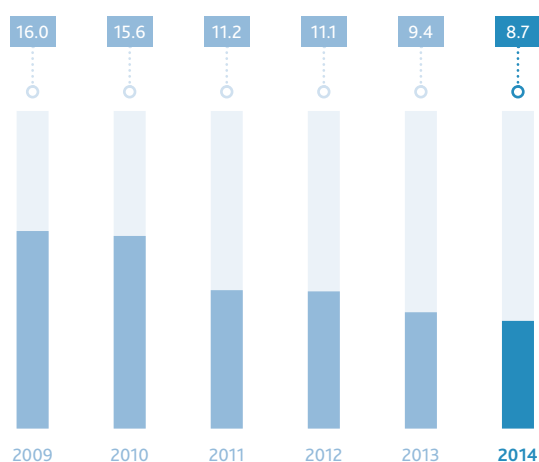
Weekly trends in emissions avoided by ACCIONA as a result of renewable production are indicated by an emissions meter on the Company's website: www.acciona.com/emissions-meter.

HELPING MITIGATE CLIMATE CHANGE THROUGH THE BUSINESS

In 2014, the Company produced 579,106 tons of CO₂ emissions, which is a 9% decline on the 2013 figure, and 67% less than in 2007. It also avoided the emission of 16.3 tons of CO₂, in other words 28 times the CO₂ generated by its production activity.

Included in the emissions avoided are those from other businesses, such as the construction of wind turbines for third parties, biofuel production, eco-efficient building and employee travel. A total of 283 thousand tons of CO₂ emissions were avoided in 2014 through these activities.

→ Energy consumption (1PJ = 277.7GWh)



ENERGY CONSUMPTION REDUCTION

ACCIONA reduced energy consumption by 8% in 2014 compared to the previous year, and by 64% compared to 2007, with a total consumption of 8,671 TJ in 2014.

This decline is due to the introduction of energy efficiency measures, the decline in activity at ACCIONA Trasmediterranea and a lower use of natural gas for solar thermal production following regulatory changes introduced in 2013. ACCIONA Trasmediterranea is still the Company's highest consumer of energy, followed by ACCIONA Agua.

For the tenth consecutive year, ACCIONA's energy intensity level has fallen, and is 7% lower than the previous year.

PURCHASE OF GREEN ENERGY IN THE INTERNATIONAL SPHERE

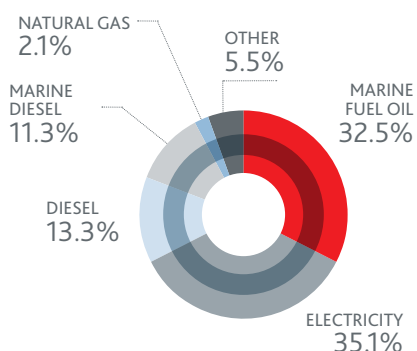
In 2014, 74% of the electricity acquired by the Company in Spain was from renewable energy sources, a 14% increase on the previous year. In order to extend the acquisition of this type of electricity to the international sphere, a working group was created, with the following objectives:

- Identify those countries in which ACCIONA carries out its activities with

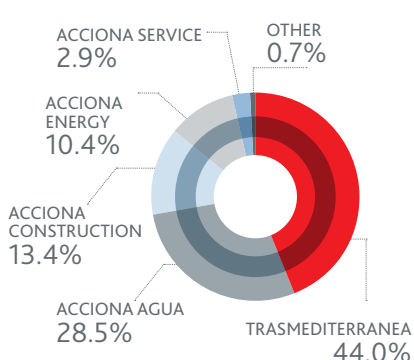
significant electricity consumption and, in particular, in which ACCIONA produces renewable energy.

- Analyze the regulatory framework of the renewable energies in these countries.
- Select the countries with the most favorable conditions in order to implement the acquisition system.

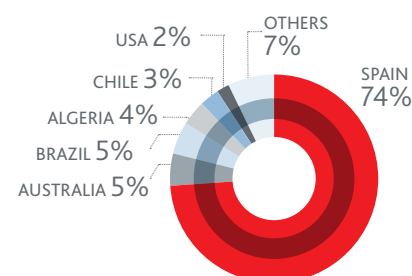
→ Energy consumption by source



→ Energy consumption by line of business

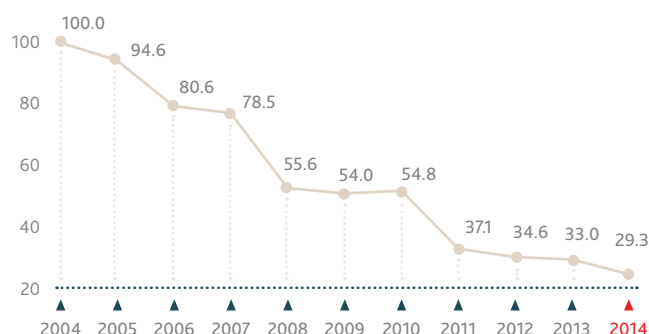


→ Energy consumption by country



→ Energy intensity index

(TJ/sales. Baseline = 100, at 2004)



THIRD PARTY ENERGY CONSUMPTION

The most significant energy consumption outside of the organization is at the following activities, calculated in accordance with the Company's Scope 3 categories:

External energy consumption (GJ)

Assets leased to the organization		3,098,024
Assets leased by the organization		8,337
Employee commutes to work		448,162
Business trips		227,058
Company waste		380,344
Waste arising from products sold by the Company		2,444
Suppliers: 100% of goods and services are bought from 28,000 suppliers comprising the supply chain	Coal	3,407,828
	Oil	20,284,487
	Natural gas	5,206,782
	Electricity (renewable)	913,848
	Electricity (nuclear)	660,496
Total		34,637,811

Promoting energy efficiency among customers

ACCIONA Service offers its customers a specific energy services line. Its energy efficiency initiatives help reduce consumption, costs and CO₂ emissions while extending the useful life of facilities. In 2014, the following two projects are noteworthy:

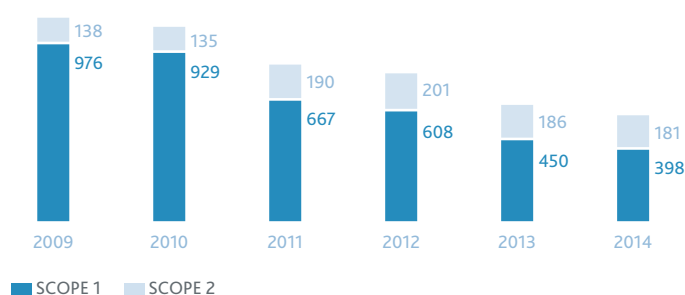
1.- Demand management at Hospital Universitario Infanta Sofía (Madrid)

ACCIONA Service monitored and advised on energy consumption at the hospital to help actively manage demand without entailing investment. The following actions were carried out: wiring was streamlined, consumption anomalies detected in real time and the final energy supply managed according to energy efficiency criteria to ensure certain comfort parameters. These initiatives generated energy savings of 36,450 MWh in 2014.

2.- Demand management at a car manufacturing plant (Zaragoza)

ACCIONA Service carried out an energy study at the plant and identified solutions to minimize maintenance and energy consumption. Alternative lighting was recommended, such as induction lamps – which can be converted to fluorescent electrodeless lamps –, instead of sodium vapor lamps. This initiative brought significant energy savings (approximately 50%) and maintenance savings, putting the payback period at under 3 years. Energy savings from these initiatives in 2014 amounted to 3,544 MWh.

→ Emissions generated (thousand tCO₂)



REDUCING EMISSIONS GENERATED

In 2014, total CO₂ emissions in Scope 1 and 2* declined 9% on the previous year. This is 33% of the total emissions for 2007, with an overall reduction in emissions since then of 67%. Total CO₂ emissions generated by the Company amounted to 579,106 tons. One of the main reasons for this decline is the Company's ongoing commitment to buying electricity from certified renewable sources. Consumption of this energy has risen to 74% in Spain.

CALCULATING EMISSIONS GENERATED

Emissions generated are calculated according to the criteria of the GHG Protocol. The conversion factors used are those indicated by:

- The Intergovernmental Panel on Climate Change (IPCC), in the 2006 IPCC Directives for greenhouse gas inventories.

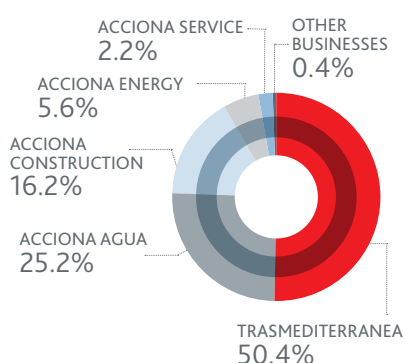
- The International Energy Agency and Red Eléctrica de España.

- The Department for Environment, Food & Rural Affairs, United Kingdom.

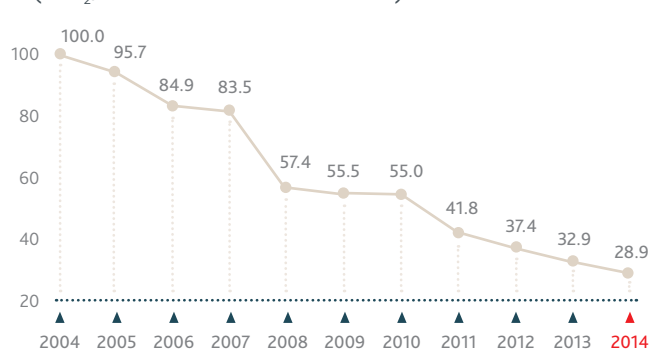
- The European Environment Agency.

For the tenth consecutive year, ACCIONA's energy intensity level has fallen, and is 7% lower than the previous year.

→ CO₂ emissions by line of business



→ CO₂ intensity index (tCO₂/sales. Baseline = 100 at 2004)



* Scope 1 - Direct emissions - Emissions from all sources owned or controlled by the reporting organization.

Scope 2 - Indirect emissions - Emissions that result from the activities of the reporting organization but are generated at sources owned or controlled by another organization.

Scope 3 - Other indirect emissions - Does not include GHG emissions from the generation of electricity, heat or steam that is imported and consumed by the reporting organization.

Scope 3 emissions

(tCO₂)

Category	2012	2013	2014
Assets leased to the Company	148,222	192,609	226,499
Assets leased by the Company	597	463	534
Employee commutes to work	27,950	29,417	32,651
Business trips	14,408	13,959	16,352
Company waste	14,028	16,948	28,183
Waste arising from products sold by the Company	131	150	181
Suppliers: 100% of goods and services are bought from 28,000 suppliers comprising the supply chain	Products, Services and Raw Materials	178,462	515,013
	Capital goods		144,911
	Fuel consumption	81,994	
	Electricity consumption	10,828	163,885
	Transport	66,981	288,632
Total (tCO₂)³	383,799	928,363	1,813,864

(3) Data from suppliers has been extrapolated based on the analysis of 100% of the supply chain in 2013, taking into account the difference in purchases made in 2014, at the date this Report was written.

SCOPE 3 EMISSIONS

Scope 3 emissions analyzed by ACCIONA cover the following categories: assets leased to the Company and by the Company, employee commutes to work, business trips, Company waste, waste from the products sold by the organization and suppliers of goods and services.

In 2014, the Company concluded an ambitious project to calculate the greenhouse gas emissions of its over 28,000 suppliers, making ACCIONA one of the first companies in the world to analyze the emissions of its entire supply chain. The methodology used enabled ACCIONA to quantify emissions from its direct relationship with its suppliers as well as its entire supply chain.

This exercise allowed the Company to ascertain the distribution of emissions in its purchasing activity, business units and countries. It also helped identify those 500 suppliers responsible for up to 70% of total emissions, thereby allowing ACCIONA to propose joint measures to help reduce their carbon footprint.

CO₂ EMISSIONS SUBJECT TO THE EUROPEAN UNION'S GHG EMISSION ALLOWANCE TRADING SCHEME

ACCIONA has five solar thermal facilities subject to the community emission allowance trading scheme that use natural gas as an auxiliary energy source. These facilities have the best techniques available to minimize CO₂ emissions.

Facilities subject to the EU's Emissions Trading System

Facility	Technology	Emissions verified in 2014 (t CO ₂)
Palma del Rio I	Solar thermal	400
Palma del Rio II	Solar thermal	411
Majadas	Solar thermal	2,078
Alvarado	Solar thermal	1,408
Orellana	Solar thermal	1,058
Total		5,355

OTHER EMISSIONS

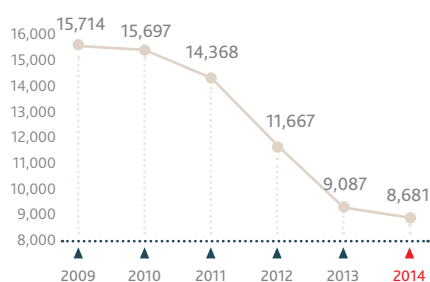
In addition to lowering CO₂ emissions, in recent years we have also seen a decline in NO_x and SO_x emissions associated with fuel consumption due to improvements in energy consumption.

In 2014, total NO_x and SO_x emissions were 8,681 tons and 1,935 tons, down 4% and 5% respectively on the previous year's figure.

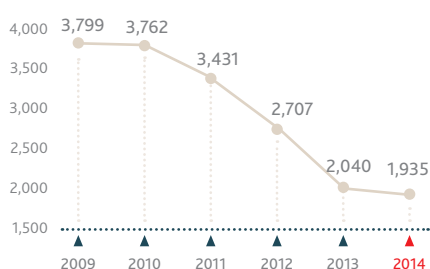
Similarly, the amount of sulfur hexafluoride (SF₆) emitted into the atmosphere was estimated based on the inventory of the Company's equipment that contain this type of compound. In 2014, these emissions were estimated at 0.42 tons.

Lastly, ACCIONA's biogenic emissions in 2014 amounted to 422,292 tons of CO₂.

→ NO_x emissions † NO_x



→ SO_x emissions † SO_x



PLANS TO REDUCE ENERGY CONSUMPTION AND EMISSIONS IN ALL BUSINESS LINES

Within the framework of its Fight Against Climate Change Policy, the Company prepares plans and programs for reducing energy consumption and emissions which include two phases:

PHASE 1: Initial studies and analysis of measures to be implemented

Analysis of energy efficiency measures in ships

ACCIONA Trasmediterranea's main research area is energy efficiency. The Company participated in 4 energy efficiency projects, the most interesting of which were projects aimed at adapting fleets to new operating conditions shaped by rising fuel prices.

Using computational fluid dynamics, these projects seek to optimize consumption by redesigning the ships' hulls and propellers and studying how these interact using specific devices. These solutions could entail savings of up to 10% in fuel, with the return period on investment being less than a year in certain cases.

PHASE 2: Implementation and follow-up of measures

Over 6,500 tons of CO₂ avoided in construction activity

In 2014, ACCIONA Construction set itself the target of implementing at least one measure aligned with the Company's Sustainability Master Plan at all its large works and fixed centers, including energy saving initiatives.

Certain actions were therefore carried out at business centers, such as optimizing material supply and waste discharge routes, using alternative resources whose life cycle is less CO₂ intensive and optimizing facilities at hospital concessions. Over 30 measures were carried out, entailing CO₂ emission reductions of over 6,500 tons.

With these measures, savings of over 2.5 million euros were made.

SUSTAINABLE MOBILITY

In 2014, the Company's sustainable mobility endeavors focused on promoting electric mobility. Collaboration agreements were signed with two leading car manufacturers whereby ACCIONA employees are able to use these types of vehicles for business travel.

Efforts were also made to optimize mobility at the Company's centers and works, with up to 19 different initiatives carried out in 2014 to reduce truck traffic by nearly 1.5 million kilometers.

Turning to employee travel, ACCIONA saved over 3 million kilometers of car journeys by introducing regular shuttle bus services for its employees.

USE OF FLEXIBLE MECHANISMS IN THE CARBON MARKETS

ACCIONA actively participates in the development of projects associated with the fight against climate change in developing countries, and supports the transfer of clean technologies through the use of flexible mechanisms, such as the Clean Development Mechanism (CDM). In 2014, ACCIONA had 8 CDM projects in Mexico, India, Chile and Costa Rica, with nearly 750 MW of renewable installed capacity.

ACCIONA 100% EcoPowered: making a mark in Dakar, but not on nature

For the first time in its 37-year history, the Dakar Rally admitted a zero-emissions car. The ACCIONA 100% EcoPowered is the first electric car capable of participating in the world's toughest motoring event.

After two years of research, development and investigation, this vehicle is yet another example of ACCIONA's commitment to renewable energies and their resilience in the toughest of conditions.

This car is the third in a line of 100% EcoPowered vehicles ACCIONA has developed since 2011 when its kite-powered sled covered over 3,500 km to reach the South Pole. This was followed in 2012 by ACCIONA's sailing boat which took part in the *Vendée Globe* - 45,000 km, non-stop solo round the world race without consuming a single drop of fossil fuel.

The purpose of this initiative was so that ACCIONA could confirm the reliability of renewable energies as a real alternative to fossil fuels and demonstrate that innovation is the only way to find sustainable solutions to society's problems and needs.

Similarly, ACCIONA continues to take part in the voluntary carbon market through the Verified Carbon Standard (VCS) program, with 2 wind power projects in the US with a joint capacity of 255 MW.

These projects avoided over 2.2 million tons of CO₂ emissions.

VOLUNTARILY OFFSETTING OF CO₂ EMISSIONS

ACCIONA has been developing specific CO₂ emission reduction and offsetting

initiatives for its most representative events since 2011. In 2012, it began to offer its customers these services through its ACCIONA Producciones y Diseño business line. Since then, a total of 4,067 tCO₂ have been offset by using carbon credits which mostly incentivize the generation of renewable energy and sustainable development in depressed areas.

In 2014, emissions relating to 3 own events and 14 customer events were offset (305 tCO₂ offset).

Managing and treating water resources

ACCIONA, throughout its history, has been responsible for producing drinkable, purified and desalinated water for more than 70 million inhabitants worldwide. Its water management and treatment strategy is based on promoting innovative processes and solutions to anticipate and respond to the growing social demands for products and services that optimize water use and management.

WATER FOOTPRINT

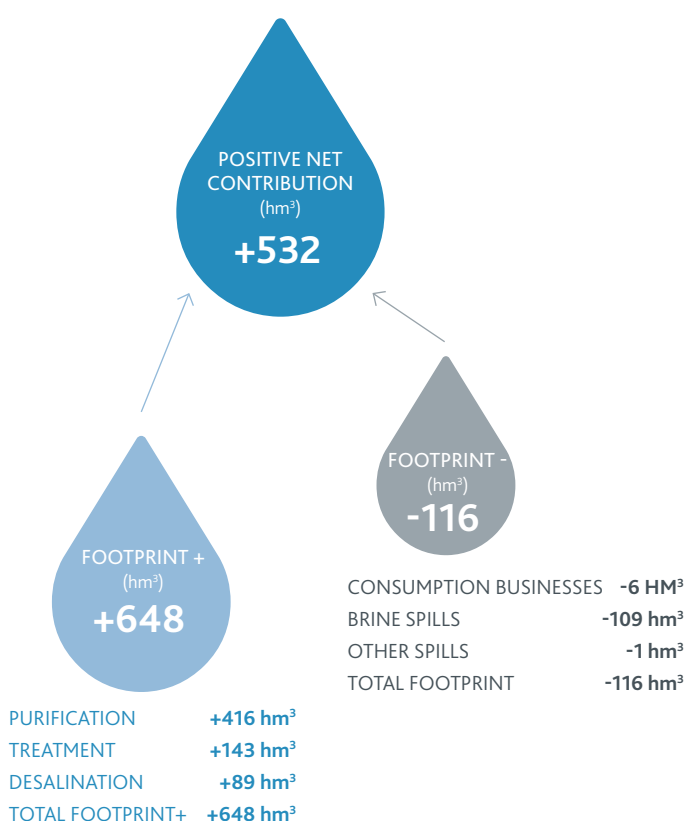
The Company calculates its water footprint based on two international methodologies: *Water Footprint and Global Water Tool* from the *World Business Council for Sustainable Development*, which consider both the impact on reserves of water resources and the change in water quality.

In 2014, ACCIONA's water footprint generated a positive impact on the planet of 532 hm³ which is equivalent to the annual consumption of a town of over 6.5 million inhabitants.

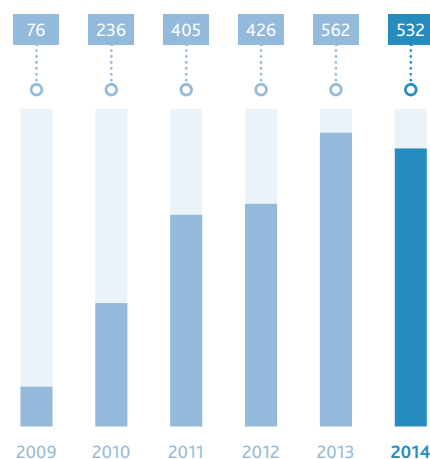
ACCIONA Agua contributes considerably to the Company's water footprint, given that water purification and treatment activities represent an improvement in the quality of the water without significantly impacting water reserves.

Over the course of the year, a total of 648 hm³ of water was desalinated, made drinkable and purified at treatment plants managed by ACCIONA.

Water consumption declined by 10.3%. ACCIONA also remains firmly committed to using recycled and reused water from tertiary networks and rainwater. This



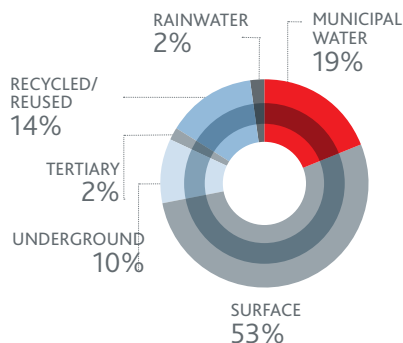
→ Positive net contribution (hm³)



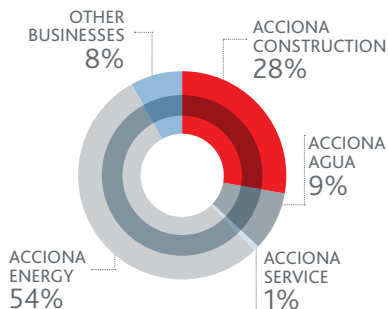
represents 17% of the Company's total consumption.

Finally, certain facilities use water but do not consume it as it is returned to its source in the same state as it was captured without significantly impacting the surrounding ecosystems. This is considered to be water transferred.

→ Water consumption by source



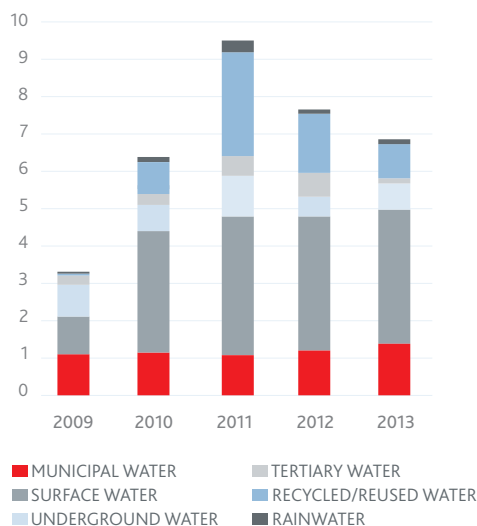
→ Distribution of water consumption by line of business



Volume of water managed by ACCIONA (hm³)

Item	2011	2012	2013	2014
Desalinated water	98	121	99	89
Drinking water	35	51	133	143
Treated waste water	376	396	431	416
Total	509	568	663	648

→ Water consumption hm³



Water transferred by ACCIONA (hm³)

	2014
Surface water for refrigeration returned to source	24.9
Turbined in hydroelectric plants	33,786.3
Tertiary for refrigeration returned to headwaters in waste water treatment plants	6.1
Ground water and run-off at works	4.9
Total	33,822.2

The following actions for reducing water consumption in 2014 are noteworthy:

■ **Using recycled water in tunnel construction for the high-speed rail line in Galicia:**

ACCIONA Infrastructure, which is involved in building the section of the high-speed rail line between Vilariño and Campobeceros, was able to save over 170,000 m³ of surface water when building a rail tunnel. The use of tunnel boring machines in the excavation and laying of underground infrastructures has proven to be an efficient and safe technique. However this type of machinery uses a lot of water in the excavation and refrigeration process at the cutting head. Conscious of this fact, the Company introduced systems to store and recycle the water generated in the actual excavation process at those works where boring machines were used. This way the water is conveyed back to the *ad-hoc* storage pools where solid material is extracted and the water stored until it is needed again in a closed-loop cycle.

■ **Water saving measures in the wine business:**

Hijos de Antonio Barceló, a leading wine producer which belongs to the ACCIONA Group, consumes water to irrigate over 350 hectares of land used to grow its vines. In keeping with the Group's policy, this activity also implements measures intended to optimize water consumption such as grafting plant vines which consume less water with existing ones and using fertilizers

which help increase water retention capacity.

■ **Promoting water reuse and recycling:**

ACCIONA Agua participates in and sponsors workshops and forums aimed at disseminating and improving knowledge regarding efficient water management. Throughout the year, ACCIONA participated in the Technical Seminar on reusing water organized by specialist journal *iAgua magazine*. ACCIONA's presentation focused on the performance and improvements of reutilization treatments and explained the best techniques applied to water regeneration which ensure significant savings of resources and the availability of secure water both in terms of quantity and quality.

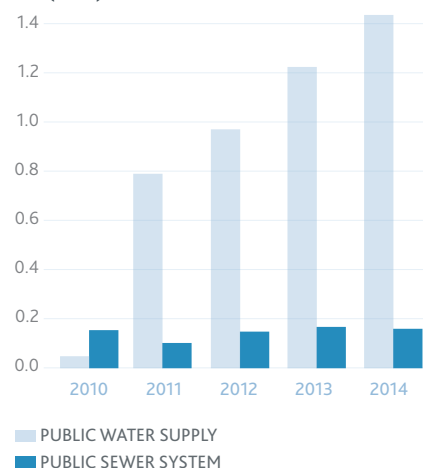
The capturing and pouring of water by the approximately 800 centers managed and/or operated by ACCIONA is carried out in accordance with the requirements contained in the corresponding administrative capture and pouring authorizations, ensuring that neither the quantity nor the quality of the water nor the associated ecosystems are affected.

DISCHARGES

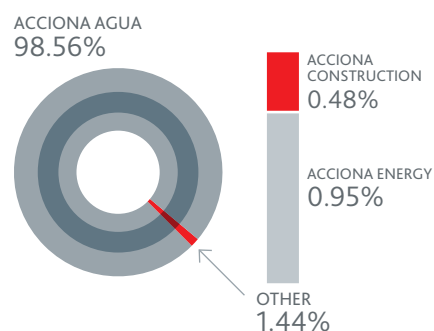
Nearly 99% of ACCIONA's discharge volume corresponds to brine from its desalination plants, with 108.6 hm³ of brine poured into the sea each year.

The discharges into the public water supply and the sewer system remained relatively constant during the year and strictly complied with the corresponding authorizations.

→ **Water discharges evolution**
(hm³)



→ **Distribution of discharges by line of business**



RISKS AND OPPORTUNITIES IN THE WATER SECTOR

In its analysis of current and future risks and opportunities, ACCIONA includes risks associated with water, both at its activities and its suppliers, customers and other stakeholders. For this it uses various approximation strategies for the challenges set, and assesses aspects such as the availability and quality of the water, catastrophic meteorological events or regulatory and/or tariff changes.

It studies water consumption and the availability of water resources in countries where it is present, taking into account the scarcity of water there. The Water

Tool of the World Business Council for Sustainable Development (WBCSD), which incorporates FAO and UNESCO databases, makes it possible to determine this availability.

In those countries affected by water stress in which ACCIONA Agua operates, various lines of action have been developed aimed at minimizing water consumption, preventing operating risks arising therefrom, and promoting businesses that improve the quality and availability of water resources.

Consumption of municipal, surface and ground water in 2014

Country	Water consumption (m ³)
Spain	5,116,759
Brazil	403,470
USA	399,718
Australia	268,871
Mexico	200,341
Italy	109,258
Chile	97,598
Morocco*	55,890
Canada	42,602
Gabon	32,537
Peru	30,370
Saudi Arabia*	27,980
Poland*	23,161
Algeria*	18,550
Venezuela	12,500
Ecuador	12,389
South Africa*	11,751
Costa Rica	10,632
Sweden	3,922
Panama	2,469
India*	1,538
Colombia	827
Dominican Republic	600
Portugal	519
Andorra	270
Romania	230
Croatia	100
Greece	18

(*) Countries with water stress (<1700m³/person*year)

BRAINYMEN Project: eliminating emerging pollutants in purified water

The BRAINYMEN (Advanced-control MBR for wastewater reclamation) research project, led by ACCIONA Agua and financed by the EU's LIFE program (www.life-brainymen.com), focuses on research into eliminating emerging pollutants, i.e. traces of composites such as pesticides, medicines or chemical waste, which are not fully or effectively eliminated during conventional purification processes.

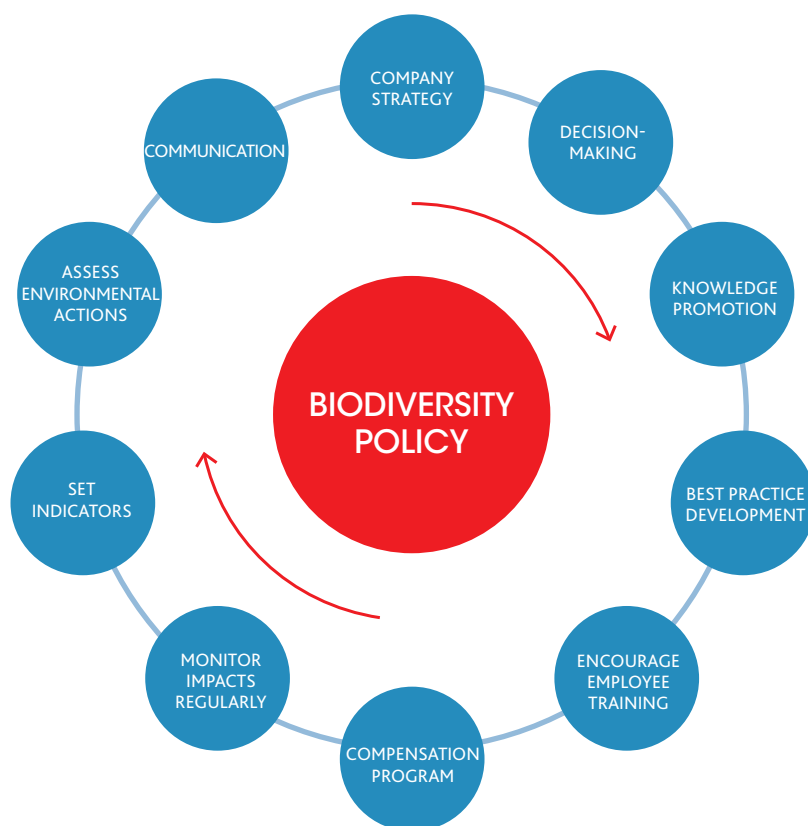
This project builds on the research carried out in this area by ACCIONA in other projects such as HYDRA, Sísifo and NANOBAC. The BRAINYMEN project will look into reducing energy consumption at waste water treatment plants by applying advanced control systems, leading to consumption reductions of up to 25%.

Environmental protection and biodiversity

ACCIONA identifies and evaluates possible effects on biodiversity during the design, construction, operation and maintenance phases of its activities so as to correctly manage them. In this regard, ACCIONA has a specific Biodiversity Policy, the principles of which are continuously being developed.

During the year, its Panel of Experts continued to promote its Environmental Compensation Program with new actions within the framework of the Biodiversity Compensation and Enhancement Program, as well as monitoring and analyzing the results obtained from the initiatives begun in previous years.

It also continued to assess and advise on environmental issues specific to the various businesses and unlock the value of the unique actions carried out by ACCIONA.



Main lines of action carried out in 2014

- ACCIONA's Biodiversity Compensation and Enhancement Program.
- Identification, analysis, assessment and enhancement of environmental actions carried out by the Company's various businesses.
- Promotion of environmental communication plan by unlocking the value of the best practices carried out.
- Participation in the 2014 Best Corporate Practices in Biodiversity Management developed by the Sustainability Excellence Club.
- Collaboration with stakeholders in drawing up initiatives with public administrations, foundations, educational centers, local communities, social organizations and employees to develop conservation, awareness and research actions in the area of biodiversity.

As preventative measures, **ACCIONA works to identify the biodiversity risks arising from its activities while at the same time improving its capacity to mitigate these risks**

TREATING THE MAIN RISKS AND OPPORTUNITIES ASSOCIATED WITH BIODIVERSITY

ACCIONA is aware that biodiversity itself is a key and valuable natural resource.

ACCIONA's activities depend on products and services from local, regional and/or global ecosystems and, therefore, their degradation entails an economic risk for the Company, as well as new business opportunities.

As preventative measures, ACCIONA works to identify the biodiversity risks arising from its activities while at the same time improving its capacity to mitigate these risks. The risk analyses serve as a tool to anticipate possible impacts on biodiversity by determining and implementing prevention, control and mitigation measures, which may be incorporated into the management of the projects.

The main risks associated with biodiversity are managed by selecting the sites of the facilities, controlling the construction procedures and adopting preventative and correction measures in order to reduce the impact of these risks. A control and oversight plan is in place in the majority of the projects and facilities in operation which allows the Company to carry out adequate environmental follow-ups, establishing an action protocol for cases in which any complications may arise.

ACCIONA Service is involved in restoring and **improving the habitat of high mountain wetlands** which are degraded, fragile or at risk of disappearing

UNIQUE BIODIVERSITY ACTIONS BY BUSINESS LINE

ACCIONA analyzes the environment before choosing the final location of its activities or projects so the environment is affected as little as possible.

The Company works with experts in the various areas and a complete environmental surveillance plan is established which controls the implementation of preventative and corrective measures assigned to the project.

The main actions carried out in 2014 to preserve the biodiversity include the following:

Environmental awareness campaigns: Controlling pests and invasive species. ACCIONA Construction. Australia.

The **BEST** (*Building Environmental Sustainability Together*) environmental awareness program was drawn up. These actions were launched under the "BEST

commitment of all" slogan and are based around the need for all employees and subcontracted personnel to be trained in the most important environmental aspects of all the projects carried out in the country.

One of the most important aspects of projects in Australia is the control of pests and invasive species. Therefore a fully comprehensive action protocol has been drawn up for invasive species as part of the Environmental Management Plans for all works ACCIONA Construction carries out there.

Recovery and restoration of high mountain wetlands in the Fuentes Carrionas y Fuente Cobre Natural Park – Palencia. ACCIONA Service. Spain.

ACCIONA Service is involved in restoring and improving the habitat of high mountain wetlands which are degraded, fragile or at risk of disappearing.

All of the actions are being carried out in the Fuentes Carrionas y Fuente Cobre Natural Park in Palencia, apart from actions in the forests of Ligüerzana. The whole Natural Park is a designated site of community importance (SCI) in the Natura 2000 Network while Fuentes Carrionas y Fuente Cobre – Palencia is a special protection area for birds (SPAB).

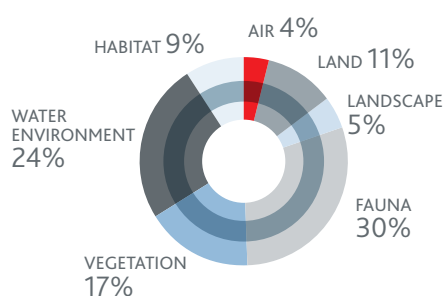
The bodies of water where work is being carried out are very deteriorated and are commonly used for landfill or as watering holes. This seriously affects the availability of water for the final reproduction stages of the resident amphibian population. Various natural pools with high iron content have been created which are also subject to recovery efforts.

Various endangered amphibian species, which are included in the IUCN Red List of Threatened Species, also inhabit the area and are included in the conservation work.

FACILITIES IN AREAS WITH HIGH BIODIVERSITY VALUE

In 2014, ACCIONA identified and assessed the most significant impacts at each of its facilities located adjacent to or within protected areas and unprotected areas with high biodiversity value. The evaluation took into account the species affected, the surface area of the facility within the protected area, the duration of the impacts, and whether they were reversible or irreversible.

→ Nature of the impacts



Surface area of facilities with high impact on biodiversity

Surface area of facility within protected area (ha)	No. facilities affected
970.98	19

Facilities in areas with high biodiversity value

Lines of business	No. of facilities in protected areas and unprotected areas with high biodiversity value	Surface area of facilities in protected areas and unprotected areas with high biodiversity value (Ha)	No. of facilities adjacent to protected areas and unprotected areas with high biodiversity value
ACCIONA Energy	142	563.15	1
ACCIONA Agua	29	42.16	25
ACCIONA Construction	29	1,189.96	22
ACCIONA Service	12	6,734.02	0
OTHER	11	25.61	0
Total	223	8,559.90	48

Number of protected species affected by ACCIONA's facilities in 2014

Protection category. IUCN Red List	No. of species
CR Critically endangered	1
EN Endangered	8
VU Vulnerable	15
NT Near threatened	22
LC Least concern	96
Total	142



RESTORATION AND PROTECTION OF HABITATS

In 2014, ACCIONA protected and restored around 10,000 hectares in the areas surrounding its projects and, in virtually all cases, the success of the measures carried out was verified by external professionals (environmental administration, environmental consultants, environmental agents, etc.).

The plantings carried out by ACCIONA in 2014 absorbed more than 2,500 tons of CO₂/year⁴, equivalent to the CO₂ emissions produced by the use of 1,100 cars.

BIODIVERSITY COMPENSATION AND ENHANCEMENT PROGRAM

Within the framework of ACCIONA's 4 specific environmental policies, in 2014 work continued on the Biodiversity Compensation and Enhancement Program. This program involves designing and carrying out volunteering initiatives which go beyond administrative environmental obligations, aimed at promoting the protection and conservation of fauna, flora and ecosystems as a means of increasing the population of species directly or indirectly affected by the Company's activities. These actions encouraging biodiversity and social progress can bring about a real difference and highlight ACCIONA's commitment to sustainability.

■ Creating a new ecosystem (wetland) using renewable energies:

ACCIONA, in collaboration with the Foundation for Research in Ethology and Biodiversity (FREB), has regenerated a

river ecosystem by creating a wetland and repopulating neighboring woods. This has brought about the recovery of an environmentally degraded area in the province of Toledo, creating a refuge for birds, reptiles and amphibians and a new resting place for migratory birds crossing the Peninsula.

Over 10,000m² of degraded land was recovered, 500m² of which is a lagoon while the rest is a wood which has been repopulated with 350 indigenous trees such as ash and poplars.

■ Construction and placement of nesting boxes for protected species at the Atotonilco waste water treatment plant, Mexico:

Based on previous experience in Spain, nesting boxes for local protected species were placed around the Atotonilco wastewater treatment plant in the State of Hidalgo, Mexico, which is one of Mexico City's main water purification plants.

The Peque Jesús Integrated Center for Special Education in San Atotonilco de Tula, which is managed by the civil association *Buscando Sonrisas* was responsible for constructing these nesting boxes. This association provides young people with disabilities with work and training.

Given the large area occupied by the wastewater treatment plant, a total of 40 nesting boxes will be installed. Around a quarter of these have already been installed on top of existing supports and posts around the facility.

(4) Source: "Carbon Sinks" Climate Change Office of the Ministry of Environment. Considering the maritime pine (*Pinus pinaster*) as the typical tree, and based on the assumption that bushes absorb one-tenth as much as a tree.

Sustainable resource use and waste management

So as to minimize the generation of waste and use of natural resources, in its activities ACCIONA incorporates methodologies, processes, technologies and benchmark best practices in the field of waste management, reuse and recycling.

Similarly, the Company advocates the use of tools to assess its impacts on the entire value chain and to select those products and processes that most respect the environment.

Consumption and efficiency

		2010		2011		2012		2013		2014	
		Consump- tion	Efficiency	Consump- tion	Efficiency	Consump- tion	Efficiency	Consump- tion	Efficiency	Consump- tion	Efficiency
ACCIONA Construction											
Wood	t	10,744	0.00	9,268	0.00	2,263	0.00	120,576	0.04	75,563	0.03
Land reused from another project	m³	1,551,146	0.50	535,811	0.15	1,607,840	0.48	934,014	0.34	858,448	0.33
Concrete and mortar	m³	1,988,732	0.64	2,467,067	0.70	2,046,521	0.62	1,807,898	0.66	1,483,011	0.56
Cement	t	122,910	0.04	268,522	0.08	213,455	0.06	232,867	0.09	253,786	0.10
Aggregates and breakwaters (natural)	t	9,027,617	2.89	18,400,079	5.22	10,710,985	3.00	6,337,446	2.32	7,031,239	2.67
Aggregates from recycled material	t	271,830	0.09	571,770	0.16	253,391	0.08	469,752	0.17	394,783	0.15
Steel	t	808,122	0.26	713,598	0.20	443,879	0.13	291,406	0.11	188,610	0.07
ACCIONA Energy											
Biomass (biomass)	t	196,224	0.13	374,690	0.23	376,346	0.18	389,752	0.18	334,362	0.15
Sodium hydroxide	l	81,026	0.05	152,329	0.09	199,158	0.09	43,663	0.02	25,109	0.01
Sodium hypochlorite	l	70,997	0.05	229,704	0.14	252,150	0.12	80,203	0.04	51,375	0.02
Hydrochloric acid	l	1,370,329	0.92	576,801	0.35	235,716	0.11	79,609	0.04	56,858	0.03
HTF (Solar thermal)	kg	-	-	49,640	0.03	131,302	0.06	53,080	0.03	49,008	0.02
ACCIONA Agua											
Sulphuric acid	l	1,047,132	1.43	729,311	1.05	597,042	1.18	140,844	0.24	306,546	0.75
Sodium hydroxide	l	99,144	0.14	167,849	0.24	274,718	0.54	372,671	0.64	854,495	2.09
Sodium hypochlorite	kg	1,412,974	1.93	1,132,750	1.63	1,395,669	2.76	1,440,012	2.46	3,877,666	9.47
Polyelectrolyte	kg	185,893	0.25	292,558	0.42	379,487	0.75	366,699	0.63	530,277	1.30
Calcium hydroxide	kg	787,962	1.08	937,780	1.35	963,025	1.90	872,752	1.49	1,428,961	3.49
Carbon dioxide	kg	875,389	1.20	871,627	1.25	796,242	1.57	566,271	0.97	3,430,505	8.38
Alumina sulphate	kg	240,721	0.33	511,839	0.73	1,208,309	2.39	1,463,370	2.50	1,718,673	4.20
ACCIONA Service											
Oils	l	-	-	-	-	-	-	37,123	0.06	44,189	0.06
Non-chemical cleaning consumables	kg	-	-	-	-	-	-	34,700	0.05	107,053	0.15
Chemical cleaning consumables	kg	-	-	-	-	-	-	26,489	0.04	262,334	0.38

MINIMIZING WASTE GENERATION THROUGH REUSE AND RECYCLING

As part of its Environmental Policy, ACCIONA carries out the necessary management and actions to prevent waste being generated. The Company carries out actions to prevent, reuse, recycle and/or recover its waste as priority actions prior to its elimination. In this regard, some of the measures carried out include:

- Reusing the 250,000 m³ of blasting material from the A-33 highway. By doing so, not only were natural resources better used but no debris had to be sent to landfill, meaning significant savings in both energy and atmospheric emissions.
- Recovery of all waste (slag and ash) generated at biomass plants during electricity generation. In 2014, one of ACCIONA's plants managed to reclassify the ash generated from waste to a byproduct. In total, 26,945 tons of waste which would have been sent to landfill were used.
- Optimizing the mechanical-biological treatment process to recover 7.5% of recoverable materials and 40% of organic matter used in generating over 9,000 MWh of biogas at the Botarell plant in Tarragona.

Waste generation

(t)

	2010	2011	2012	2013	2014
ACCIONA Energy					
Non-hazardous waste	9,177	30,997	26,018	35,059	28,619
Hazardous waste	733	2,581	1,450	1,015	1,739
ACCIONA Agua					
Non-hazardous waste	144,679	190,115	251,761	183,179	362,903
Hazardous waste	33	35	39	46	51
ACCIONA Construction					
Non-hazardous waste: Earth and debris	14,944,551	9,487,644	7,914,619	6,767,742	15,766,795
Non-hazardous waste: Other	7,035	9,007	7,938	6,516	10,471
Hazardous waste	269	195	185	170	329
ACCIONA Service					
Non-hazardous waste	N/A	N/A	N/A	13,617	16,846
Hazardous waste	N/A	N/A	N/A	15,403	5,494
Other businesses					
Non-hazardous waste	10,051	7,574	7,141	6,602	6,856
Hazardous waste	8,489	8,232	7,669	6,116	4,926

LIFE-CYCLE ANALYSIS

The Company has undertaken various life-cycle analysis projects, including:

- LCA of its own bioremediation technology for soils using micro-organisms.
- LCA of an extrusion process and a new material to manufacture tiles.
- LCA of an insulation panel with *Phase Change Materials* (PCMs).
- LCA of a floating dock.

PREVENTION AND CONTROL OF SIGNIFICANT ACCIDENTAL SPILLS

ACCIONA adopts the measures necessary to prevent, control and minimize accidental spills through incident information systems and plans to minimize the risk of discharges.

In 2014, the Company recorded 7 incidents that entailed significant spills⁵ with a total volume of 117 m³. All cases were satisfactorily resolved by adopting the corrective and compensatory measures necessary to rectify the situation.

26,945

TONS OF WASTE
RECOVERED BY ACCIONA
INSTEAD OF GOING TO
LANDFILL

Management of non-hazardous waste

(%)

	2012			2013			2014		
	Landfill	Recycling	Reuse	Landfill	Recycling	Reuse	Landfill	Recycling	Reuse
Debris	51	44	5	82	13	6	62	15	23
Wood	16	72	12	28	63	9	16	29	54
Metals	6	90	4	4	95	1	1	95	4
Plastics	42	56	2	27	67	6	37	63	0
Land	50	-	50	52	-	48	60	-	40

(5) A "significant spill" is defined as that which causes damage to the environment outside the facility or represents a significant risk that must be reported to the Administration.

Sustainable construction and efficient building management

ACCIONA places great emphasis on minimizing the environmental impact during the life cycle of its sustainable construction and efficient management projects for buildings.

SUSTAINABLE OFFICE MANAGEMENT PLAN

In 2014, the plan focused on specific actions at buildings to comply with the targets set to reduce energy consumption and CO₂ emissions by 15% and water consumption by 7%. Some of the measures carried out by the Company include:

- Replacing lighting at ACCIONA Agua's head office with low consumption and LED luminaires.
- Optimizing the HVAC control system at ACCIONA Service's head office.
- Improving thermal insulation at ACCIONA Construction's R&D and Innovation center.

LEED GOLD certification for ACCIONA Agua's offices in Caceres

ACCIONA Agua's offices in Caceres received *LEED Gold certification for green buildings*, as they were specially designed and constructed to meet this standard's strict criteria.

The latest techniques are applied to these buildings, in an effort to achieve more sustainable, environmentally-friendly designs. Materials and techniques are chosen for their low environmental impact in terms of pollution and consumption of non-renewable energy sources.

An efficient use of water and energy are two of the most important factors when defining whether or not a building is sustainable. Therefore, very low consumption faucets and cisterns were used, which can help save up to 40% of water. The building was also constructed to take advantage of natural light and to ensure an adequate insulation. These measures helped cut energy consumption by up to 25% compared to a traditional office building.

- Energy audit at the Madrid offices of ACCIONA Construction.

These initiatives resulted in energy savings of 6% and water savings of 1.5%, all thanks to awareness campaigns and

ACCIONA's Sustainable Office Management Plan stresses importance of meeting energy consumption and CO₂ reduction targets

improved maintenance at the Company's installations. On average, in 2014 the energy consumption, CO₂ emissions and water consumption per square meter of the offices amounted to 197 kWh/m², 21 kg CO₂/m², 0.5 m³/m², respectively.

ECO-EFFICIENT CONSTRUCTION

ACCIONA takes part in sustainability certification projects in construction, such as LEED and BREEAM. These programs allow the buildings' managers to obtain a quantifiable accreditation of their commitment to sustainability, acquire precise knowledge of how a building performs and configure a framework or guidelines for future initiatives. The advantages of implementing these are studied on a case by case basis.

ACCIONA participated in 11 projects of this type and continues working on another 3 to certify their sustainability.

Innovation in construction – self-repairing materials

ACCIONA actively participates in the SHINE research project to obtain self-repairing materials. These materials must have the same structural properties as conventional materials and are able to heal themselves without human intervention.

This project which began in 2013 and is due to conclude in 2017, investigates the use of self-repairing elastomers for dynamic seals and vibration and noise abatement systems used in machinery, bridges, railroads and roads. The project aims to increase the useful life of products and reduce maintenance and refurbishment work.

Breaches and environmental penalties

The following environmental incidents resulting in fines and sanctions occurred in 2014:

Number and amount of environmental sanctions handled in 2014

	No. sanctions handled	No. sanctions opened	No. sanctions closed	Amount total sanctions (€)
ACCIONA Agua	8	1	7	4,479
ACCIONA Energy	14	9	5	9,638
ACCIONA Construction	53	29	24	33,364
ACCIONA Service	1	0	1	0
ACCIONA Trasmediterranea	3	1	2	365
Hijos de Antonio Barceló	0	0	0	0
Total	79	40	39	47,845

Of the total amount of sanctions closed in 2014, there were 3 in excess of 5,000 euros, namely: 8,638 euros (ACCIONA Energy) and 12,039 euros and 7,200 euros (ACCIONA Construction).

In 2014, ACCIONA had 21 facilities in protected and non-protected areas **with high biodiversity value** in Spain and 11 in the rest of the world

Facilities in protected areas and unprotected areas with high biodiversity value in 2014

Facility	Protected Area (PA) affected by the facilities	Geographical location
Lineal infrastructures (roads) (3)	Park	Australia
Seawater desalination facility (1)	SAC	USA
Water purification plant (1)	NP	Australia
Wastewater treatment plants (1)	NP	Italy
Lineal infrastructures (roads) (3)	PPA, Estadual da Cantareira Park, Paraíba do Sul Hydrographic River Basin - PPA	Brazil
Port (1)	Protected marine areas	Brazil
Lineal infrastructures (roads) (1)	NP	Gabon
Infrastructures buildings (3) and lineal (roads) (1)	Area of protected flora and fauna, NP, NR	Mexico
Improvement actions on roads (2)	SCI, HCI	Spain
Photovoltaic (1)	SPA, SCI	Spain
Lineal infrastructures (tunnel) (1)	PL, SCI	Spain
Dam (1)	SCI	Spain
Lineal infrastructures (roads) (18)	SAC, SPA, SCI, HCI, PL, NP, NR, SEPP, SPEPP, ACI	Spain
Electricity line (6)	SCI, SPEEP, SPA	Spain
Building infrastructures (1)	SCI	Spain
Maintenance (3)	SPA, SCI, NP	Spain
Wind farm (45)	SCI, SPA, ACI, NM, SPEEP, NP	Spain
Habitat improvement (6)	Ramsar, NP, SPA, MN	Spain
Forestry treatment (4)	SPA, SCI, NP	Spain
Waste water treatment plants (22)	SPA, SCI, PL, NP, NR, Ramsar, ACI	Spain
Batch III WWTPs	SCI	Spain
Batch V WWTPs	SPA, SCI	Spain
Media Pirineos WWTP	SPA, SCI	Spain
Priorat WWTP	SPA, SCI	Spain
Cañón del Río Lobos WWTP	NP	Spain
Pumping station (15)	NP	Spain
Seawater desalination facility (4)	SPA, SCI, PL, NP, NR, Ramsar	Spain
Comprehensive service (3)	SPA, SCI	Spain
Water purification plant (2)	SCI	Spain
Wind farm (2)	GR2320007	Greece
Wind farm (3)	Ramsar	Canada
Wind farm (1)	Native Grasslands	USA

SAC: Special Area of Conservation; SPA: Special Protection Area for birds; SCI: Site of Community Importance; BR: Biosphere Reserve; IBA: Important Bird Area; HCI: Natural Habitat of Community Interest; NR: Natural Reserve; NP: Natural Park; PL: Protected Landscape; NM: Natural Monument; SEPP: Special Environmental Protection Plan; NRMP: Natural Resource Management Plan; SPEPP: Special Physical Environment Protection Plan; PPA: Permanent Protection Area; ACI: Asset of Cultural Interest.

VALUE CIRCLE

Quality management

ACCIONA extends sustainability to its suppliers, contractors and collaborators, as well as to its processes, products and services. Customer satisfaction is a top priority for the Company.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Unify the quality and environmental management systems of ACCIONA Service companies into a single integrated system.	<ul style="list-style-type: none">■ Unification of the five management systems into a single quality and environmental system. The companies are:<ul style="list-style-type: none">■ ACCIONA Facility Services Spain■ ACCIONA Facility Services Portugal■ ACCIONA Environment■ ACCIONA Urban Services■ ACCIONA Security Systems
<ul style="list-style-type: none">■ Broaden the scope of the energy management system in ACCIONA Agua.	<ul style="list-style-type: none">■ Expansion by ACCIONA Agua of the ISO 50001 certificate for the Southeast desalination plant in Las Palmas de Gran Canaria.
<ul style="list-style-type: none">■ Assign a rating to suppliers who complete the questionnaire in 2014.	<ul style="list-style-type: none">■ Self-assessment questionnaire was completed and the risk index was calculated for 404 suppliers in accordance with the defined objective.
<ul style="list-style-type: none">■ Broaden the scope of the questionnaire verifications in all divisions within the framework of the Audit Plan under environmental, social and good governance criteria.	<ul style="list-style-type: none">■ 171 audits were performed on the supply chain in accordance with sustainability criteria and 225 corporate responsibility questionnaires were verified. Within the framework of the 2014 Audit Plan, 396 suppliers were audited under these criteria.
<ul style="list-style-type: none">■ Broaden the international scope of the courses available in the Supplier Campus, adding a new environment course to the training package.	<ul style="list-style-type: none">■ Increase the international call for courses for suppliers by 40%.■ Development by General Area Management, in collaboration with the University of Alcalá, of ACCIONA's advanced environment course for suppliers and employees of the ACCIONA Group, which is incorporated in the Supplier Campus.
<ul style="list-style-type: none">■ Include new products and services in the catalog to reach a total of at least 600 sustainable products and services.	<ul style="list-style-type: none">■ 88 new products/services included in the Sustainable Products and Services Catalog. At the end of the year the catalog contained 610 sustainable products.



We responsibly manage our supply chain, providing greater transparency to procurement processes and promoting local contracting:

- 93% of purchases made come from local suppliers
- The global customer satisfaction index is 86%

2015

Challenges

- Make progress towards unifying the management systems in the Infrastructures business division (Construction, Industrial, Water, Service).
- Make progress towards optimizing the ACCIONA Group's certifications.
- Obtain the ISO 50001 certificate for a center of ACCIONA Service.
- Expand the coverage of ACCIONA's Regulation System.
- Train groups of employees and suppliers in environmental matters. An advanced environmental course will be provided which will allow them to become more informed about the main environmental variables on a global level, as well as provide the possibility of obtaining a certificate from a prestigious university.
- Design an updated quality and environmental management and reporting tool.
- Develop a training program regarding processes and continuous improvement for all employees of ACCIONA's business divisions.
- 65% of suppliers in Spain will have a rating (an estimated 211 suppliers).
- Send a self-assessment questionnaire to suppliers with a sales volume greater than 100,000 euros in all Group companies (an estimated 3,400).
- Four sessions for training suppliers in the environment, human and labor rights, and occupational health and safety (OHS).
- Foster and measure responsible procurement through bidding processes that include sustainability criteria.
- PROCUR-e project. Implementation throughout the ACCIONA Group of the new Supplier Portal and the bidding tool. Redesign the supplier approval and evaluation process as a result of this project.
- Increase the transparency and traceability of each of ACCIONA's relationships with its suppliers, generating records of all communication and incorporating the bidding tool in procurement processes.
- Improve supplier risk management by developing mechanisms to identify risks, and expand this identification to other variables in addition to corruption, human rights, environmental legislation, etc.

Throughout 2014, ACCIONA has continued to give priority to the management of risks **in the supply chain and the search for transparency** in procurement processes

Responsible management of the supply chain

ACCIONA's objective is to extend its commitment to suppliers, contractors and collaborators to establish stable and long-lasting business relationships of cooperation, based on honesty, transparency and trust, which allow the risk of violating human and social rights to be minimized, ensure regulatory compliance –in particular, regarding matters related to ethics and integrity–, and reduce the Company's environmental footprint.

By improving its management systems and its risk analysis, the Company ensures transparency in its contracting processes, evaluates the capacities and practices of its suppliers and safeguards their compliance with minimum principles to ensure a responsible supply chain.

ACCIONA'S SUPPLIERS, CONTRACTORS AND COLLABORATORS

Throughout 2014, ACCIONA has continued to give priority to the management of risks in the supply chain –continuing with the supplier self-assessment questionnaires, calculating the CR scores and the risk map for suppliers of the different business lines– and the ongoing search for transparency in procurement processes.

ACCIONA's international expansion means contracting more international suppliers and requires us improving on the way the risk map is calculated, with more up-to-date data, and expanding its scope to suppliers whose commercial volume with ACCIONA is less than 100,000 euros.

In 2014, ACCIONA had a total of 30,869 suppliers, with approximate sales to the Company of 3.7 billion euros.

12% of suppliers had a volume of business greater than 100,000 euros in 2014.

The level of criticality of ACCIONA's suppliers and contractors is mainly determined by risk criteria such as the following:

- **Economic risk:** suppliers with a total sales volume above 300,000 euros.
- **Country risk:** suppliers or sources of supply not belonging to the OECD.
- **Activity risk:** nature of the critical supply or service for the Company.
- **Risk level classification:** suppliers with low classification levels as a result of supply or service assessments carried out.
- **CR and Sustainability risk:** suppliers with a high level of risk as a result of the risk map obtained.

Supplier breakdown by business line in 2014

DIVISION	TOTAL	Spain	International	% of Total
ACCIONA S.A.	456	427	29	1%
A. CONSTRUCTION	13,344	12,699	645	43%
A. ENERGY	3,959	3,468	491	13%
A. AGUA	2,808	2,431	377	9%
A. SERVICE	4,527	4,173	354	15%
OTHER BUSINESSES	5,775	5,549	226	19%
TOTAL	30,869	28,747	2,122	100%

Note: the number of suppliers indicated does not differentiate between suppliers of more than one business division.

In addition, each business division may classify a supplier as critical if it represents a risk to correctly carrying out the company's business, either as a result of its degree of technological or economic dependence; if the supplier is irreplaceable; if it is a subcontractor; for reasons of quality associated with the final product; or if it supplies a product or provides a service that may delay or prevent the execution of another project/works, among other reasons.

Critical suppliers broken down by business line in 2014

DIVISION	TOTAL	Critical	% of Total
ACCIONA S.A.	456	60	13%
A. CONSTRUCTION	13,344	1,969	15%
A. ENERGY	3,959	718	18%
A. AGUA	2,808	58	2%
A. SERVICE	4,527	712	16%
OTHER BUSINESSES	5,775	362	6%
TOTAL	30,869	3,879	13%

Collaboration with local suppliers is a differential factor that positively affects the supply chain, optimizing the suppliers' capacity to become integrated in an increasingly competitive and global market. The expansion of ACCIONA's business outside of Spain also entails the internationalization of a significant portion of its Spanish suppliers, and indirectly promotes contracting local personnel where the work is being carried out.

At year-end 2014, 93% of the suppliers with which ACCIONA had a business relationship were local suppliers.

The internationalization of ACCIONA's business also entails the internationalization of its supply chain. In such a setting, and to be able to convey its values and positioning to suppliers in the communities where it operates, both

the Code of Conduct and the ethical principles for Company Suppliers, Contractors and Collaborators are available in seven languages: German, Brazilian Portuguese, Spanish, French, English, Italian and Polish.

Local suppliers broken down by business line in 2014

BUSINESS LINE	% of Total
ACCIONA S.A.	94%
A. CONSTRUCTION	95%
A. ENERGY	88%
A. AGUA	87%
A. SERVICE	92%
OTHER BUSINESSES	96%
TOTAL	93%

Moreover, ACCIONA positively values in bids and tender processes the contracting of suppliers that have quality, environmental and health and safety certifications. The Company also audits suppliers and verifies that all their certificates are valid.

Although not all Group companies have the tools to obtain these certificates, and in some cases controls are only in place for the main suppliers, the companies' data is included in the table below:

COMPANY	2014		
	ISO 9001	ISO 14001	OHSAS
ACCIONA AGUA	51.78%	17.50%	7.68%
ACCIONA CONSTRUCTION Own projects in Spain + temporary joint ventures	8.50%	4.61%	2.11%
ACCIONA ENERGY	67.18%	50.50%	47.71%
ACCIONA SERVICE	7.52%	4.75%	1.01%
ACCIONA WINDPOWER	66.17%	12.50%	12.50%
ACCIONA S.A.	55.95%	34.52%	35.71%

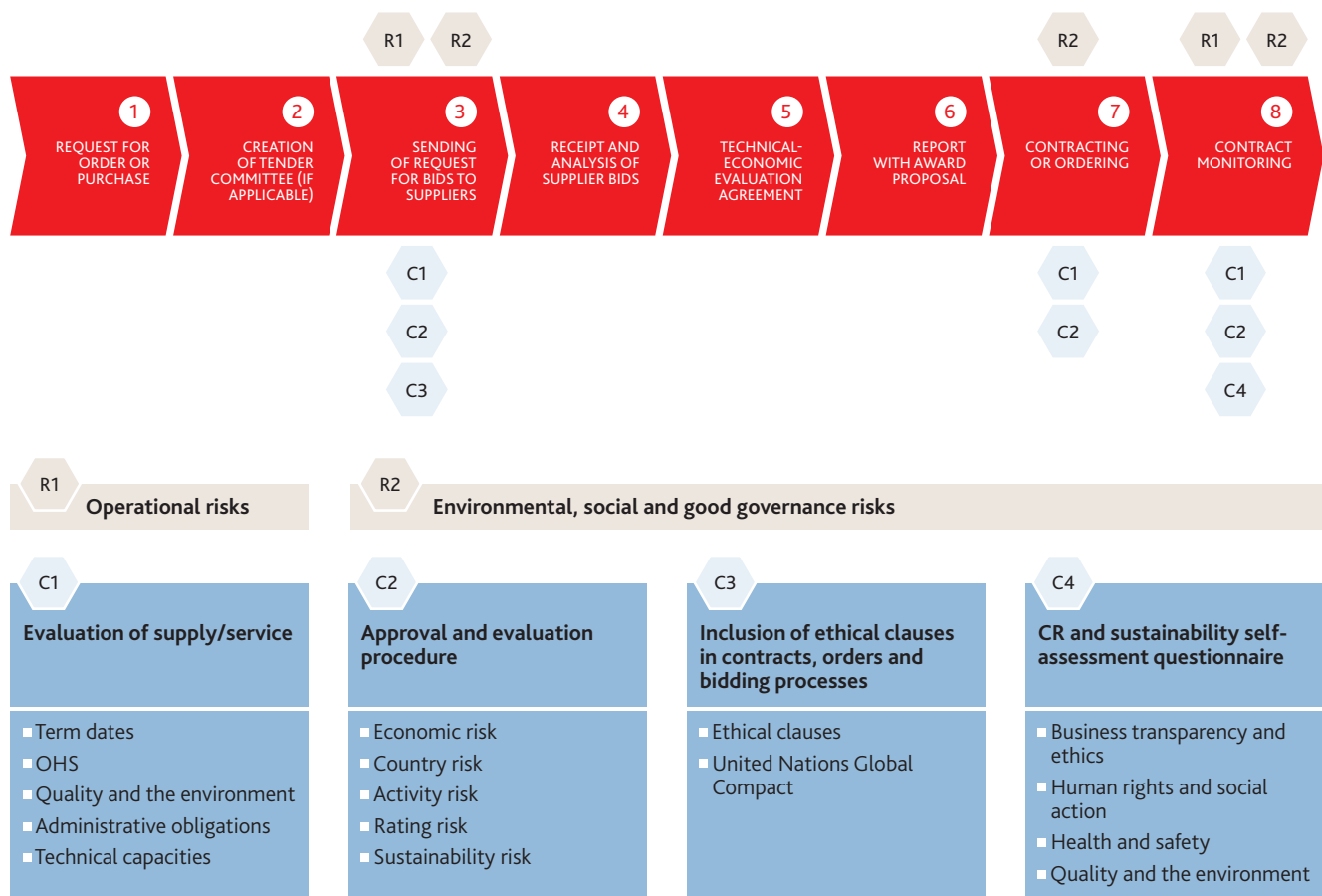
Note: % of main suppliers, critical suppliers and/or contractors, the certificates of which are controlled and monitored.

RISK IDENTIFICATION AND RESPONSIBLE MANAGEMENT ACTIONS IN THE SUPPLY CHAIN

ACCIONA identifies two types of risks in procurement processes:

- **Operational:** related to business results. This refers to the supplier-customer relationship during the procurement process: missing deadlines, disruption of supply and service, quality of supply or service, dependence or economic risks.
- **Social:** related to corporate responsibility and sustainability, such as the reduction of environmental impacts, respect for internationally-recognized human and labor rights, and transparency and ethics in procurement processes.

→ ACCIONA procurement process: R Risks and C Controls



SUPPLY CHAIN RISK MAP

Knowledge of risks in the supply chain provides ACCIONA with the ability to transmit its CR and sustainability values and, in particular, enables the General Procurement Area to define its criteria and policies.

ACCIONA's risk map is a classification of its suppliers based on a series of variables that ACCIONA considers to be essential when assessing its supply chain.

The following factors and parameters are taken into account when creating the risk map:

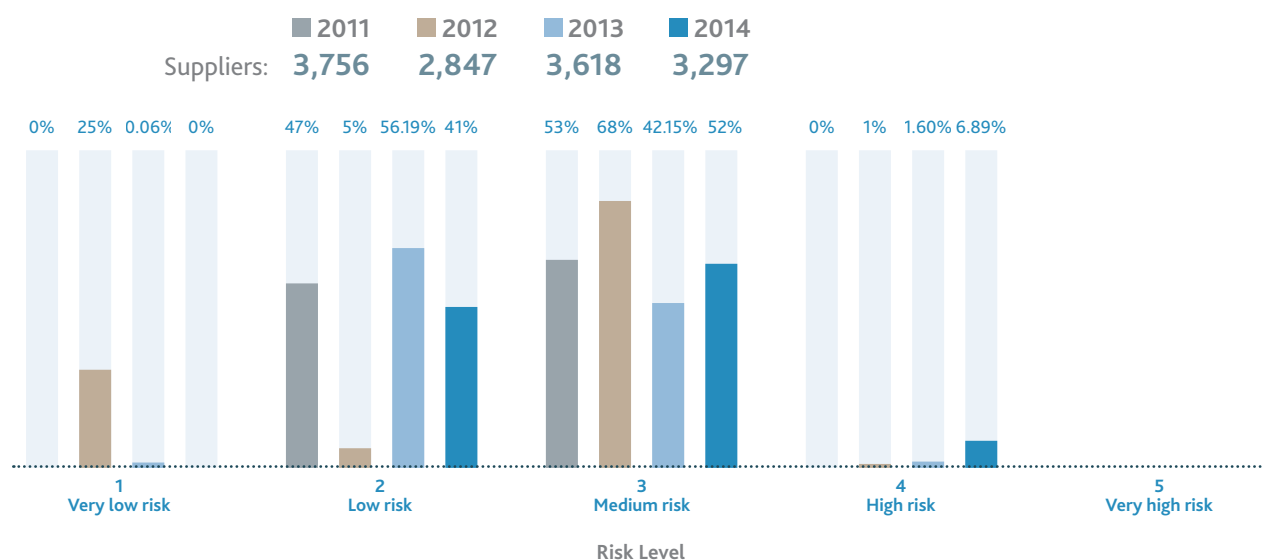
- Economic risk (i.e., sales volume with the ACCIONA Group).
- Activity risk (i.e., suppliers' business activities regarding OHS and the environment).
- Country risk (i.e., global, corruption, human rights and environmental legislation)
- Supplier type risk (i.e., supplier or contractor in the field of OHS)

These parameters are rated on a scale of 1 to 5, with 1 being the lowest level of risk and 5 the highest level of risk.

Risk map for suppliers with a turnover of more than 100,000 euros

In 2014, 3,297 suppliers with a sales volume greater than 100,000 euros were analyzed, which corresponds to 90.65% of this group's total and over 12% of total suppliers, representing more than 85.7% of ACCIONA Group's total sales.

In 2013, 3,618 suppliers with a sales volume greater than 100,000 euros were analyzed, representing 98.88% of this group's total, which is over 13% of total suppliers and reflects 92% of total sales.



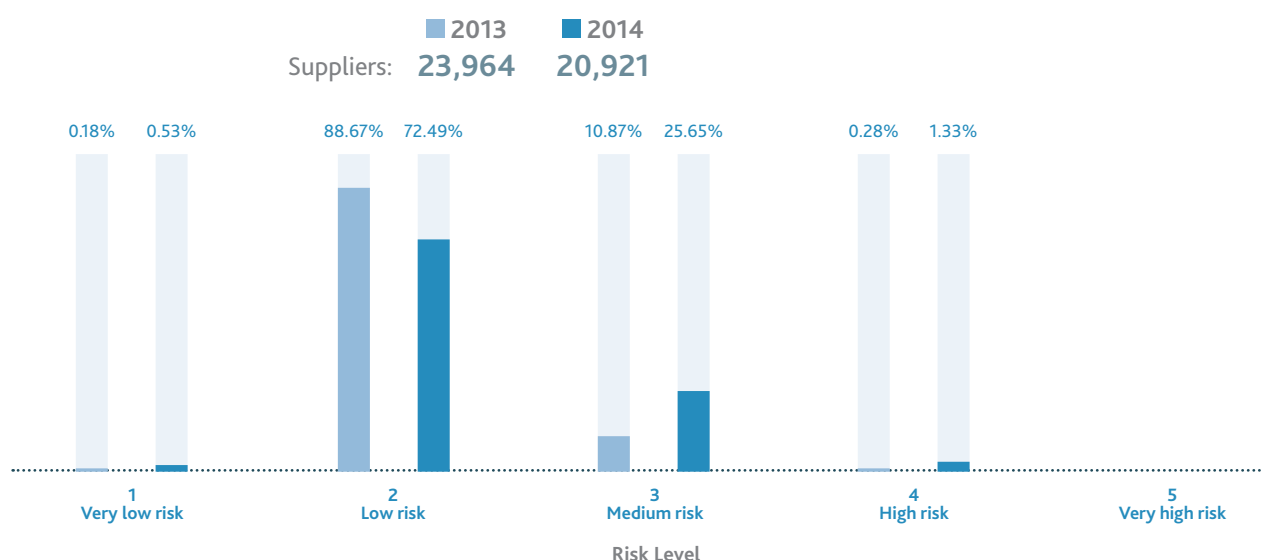
Global risk map for 2013 and 2014

To ensure a more detailed analysis, ACCIONA expanded the scope of its risk map analysis and drew up a global risk map for 2013 and 2014 that included suppliers with volumes of business with ACCIONA less than 100,000 euros.

In the global risk map for 2014, 20,921 suppliers were analyzed, 77.43% of the total, with approximate sales with

the Company of 3,438 million euros, representing 92.60% of total sales.

In the global risk map for 2013, 23,964 suppliers⁽¹⁾ were analyzed, approximately 86% of the total, with approximate sales with the Company of 3,700 million euros, representing 99.42% of the Group's total sales for the year.



In both risk maps (>100,000 and global), internationalization was identified to be the main cause of the increase in risk, especially with regard to the human rights variable in countries such as Mexico, Russia, China and Colombia. Also, in 2013 and 2014, the first cases were identified where the corruption variable, with regard to country risk, was high in countries such as Bolivia, Venezuela and Russia.

In view of this data, it can be concluded that more than 98% of the global risk of

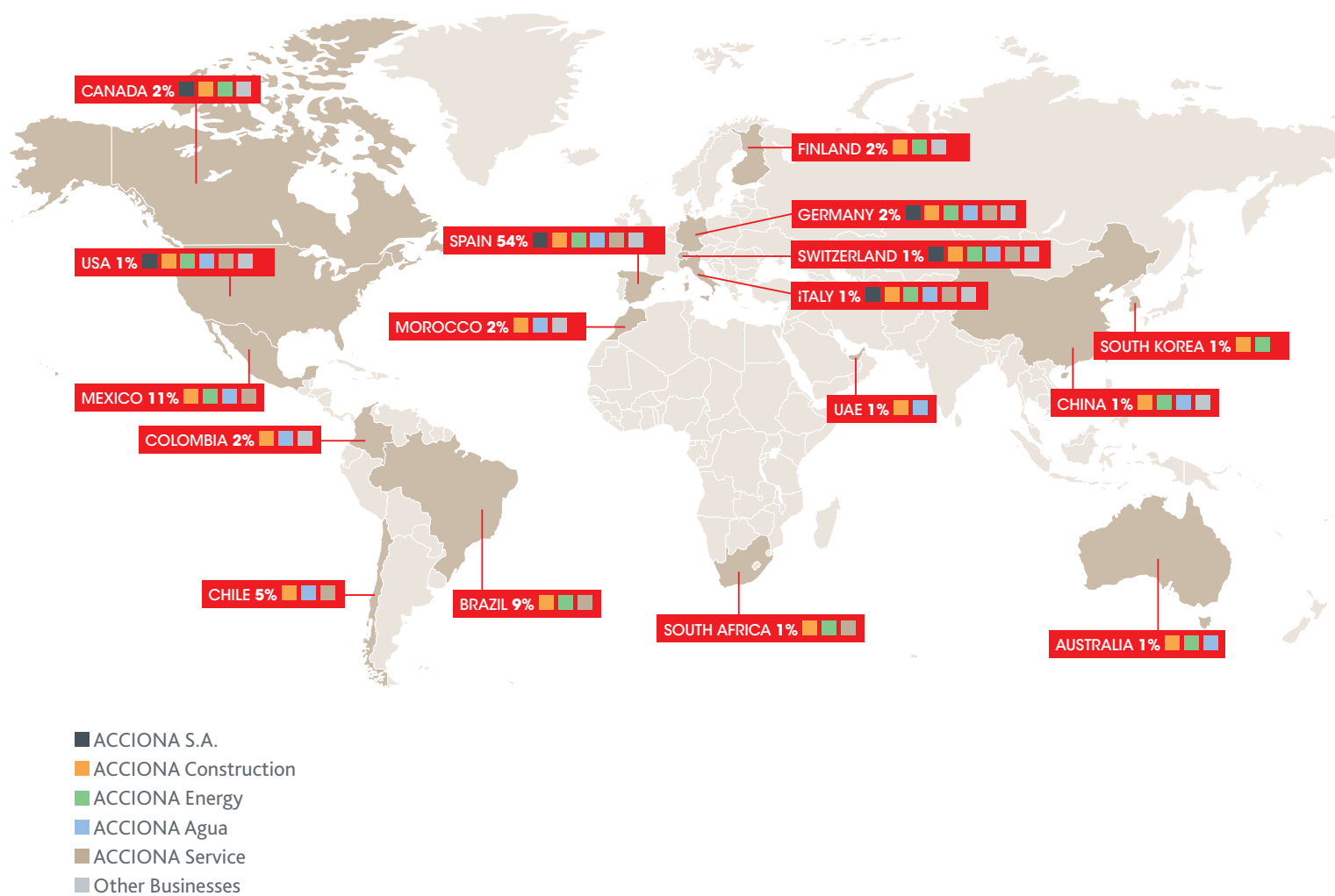
ACCIONA's supply chain is at a very low/low and medium risk level. There are very few suppliers with high risk levels and their risk is due mainly to the country variable.

ACCIONA is aware that the progressive increase in its risk level is mainly a result of its internationalization. Although it is only a slight increase, the Company must be aware of, prevent, mitigate and manage these risks in order for its supply chain to continue being responsible and comply with its criteria and policies.

(1) The number of suppliers in the risk map was recalculated by consolidating those suppliers that work for several of the Group's business divisions.

Main supplier countries

Origin of the supplies



Percentages relate to the volume of expenses in 2014 billed to ACCIONA by its suppliers, and Group companies are grouped according to their countries (only those with a procurement percentage greater than or equal to 1%).

CR and sustainability self-assessment questionnaire in the supply chain and supplier ratings

The self-assessment questionnaire analyzes four key areas: Transparency and Business Ethics; Human Rights and Social Action; Health and Safety; Quality and the Environment.

In 2014, the questionnaire was sent to a total of 2,514 new suppliers, 1,024 of which are international suppliers, which is a 93% increase on 2013. A total of 404 suppliers responded, of which 100 were international.

Business line	International	Spain	Total sent
AGUA	90	67	157
ACCIONA S.A.	5	50	55
ENERGY	71	229	300
CONSTRUCTION	782	896	1678
OTHER BUSINESSES	15	105	120
SERVICES	61	143	204
Total	1,024	1,490	2,514

During the four years in which this questionnaire has been used, it has been filled out by a total of 2,501 suppliers, which represents an average participation of 35% of the total between 2010 and 2014.

Suppliers are assigned a corporate responsibility and sustainability rating based on the results of the self-assessment. 2,501 suppliers have an assigned rating, with an average score of A-.

Rating	2010-2014
B-	209
B	879
A-	784
A	454
A+	175
Total	2,501

In addition, ACCIONA's suppliers registered in the external certification system also received a CSR rating in the scoring process. 708 suppliers of ACCIONA Energy and 282 of ACCIONA Agua registered currently have this rating.

Ethical principles for suppliers, contractors and collaborators

ACCIONA considers the dissemination of the Company's ethical principles to its supply chain to be a priority for ensuring that its suppliers adhere to these principles to ensure the sustainability of its business in the various sectors in which it carries out its activity. In 2014, the Company issued more than 261,000 communications to suppliers through orders, contracts, bidding rules and newsletters.

In April 2014, ACCIONA reviewed its ethical clauses in order to bring them into line with the internationalization of the Company. With the inclusion of these clauses, the Company aims to terminate those contracts with suppliers that do not incorporate corporate responsibility and sustainability criteria in their activities, in accordance with ACCIONA's standards. More than 132,000 orders and contracts incorporated these clauses in 2014.

These ethical clauses include ACCIONA's commitment to the Global Compact and the recommendation to its suppliers, contractors and collaborators that they adhere to the Global Compact and report the progress made.

Business line	No. of Orders	No. of Orders Global Compact	% of total
ACCIONA S.A.	2,471	2,471	100%
CONSTRUCTION (NAT.)	15,513	15,277	98.48%
ENERGY	29,095	29,095	100%
AGUA	4,121	4,121	100%
SERVICES	58,148	58,148	100%
OTHER BUSINESSES	23,004	23,001	100%
Total	132,352	132,113	99.82%

Supplier approval and evaluation procedure

In 2014, the main business lines brought their respective procedures into line with the Supplier Approval and Evaluation Procedure. The procedure defines the supplier types that must be certified (according to five risk factors set forth therein), the forms of certification and the process for evaluating a supply or service.

The SAP tool sets the parameters and automates the state of certification and its controls, as well as the evaluation system. In 2014, in the ERP Vendor Master Record (Integrated Management System) in force for ACCIONA S.A., ACCIONA Energy, ACCIONA Service and ACCIONA Real Estate, 1,553 registered suppliers are certified and 37 are in the process of being certified.

2,655 suppliers are certified at ACCIONA Construction Spain, ACCIONA Construction Australia, Chile, Colombia and Mexico, and 27 suppliers are in the process of being certified.

There are 314 certified suppliers at ACCIONA Agua and 26 are in the process of being certified.

There are a total of 1,508 certified suppliers at the other most significant businesses, such as ACCIONA Trasmediterranea, ACCIONA Windpower, ACCIONA Engineering, ACCIONA Installations, ACCIONA Concessions and H.A.B, and 172 suppliers are in the process of being certified.

This procedure also includes external supplier certification and classification systems authorized by ACCIONA and carried out by independent companies or bodies.

The evaluation is conducted according to criteria based on timeliness, occupational health and safety, quality, the environment, compliance with administrative requirements, and technical capacities. More than 9,000 order evaluations were sent to more than 4,800 suppliers throughout 2014, and over 93% of these evaluations received an A or B rating.

2014 Audit Plan, questionnaire verifications and monitoring of major non-conformities

The Audit Plan launched in 2013 continued into 2014. Within the framework of this plan, 396 suppliers were audited based on ESG (Environmental, Social and Governance) criteria, representing an increase of more than 12% on 2013.

External audits: 171 suppliers were audited by external auditors. In addition, 171 audits were carried out on the supply chain as a result of ACCIONA's policy and commitments regarding corporate social responsibility. The average score was 6.94 (out of 10). A total of more than 1,000 positive elements were found in these audits. The number of major non-

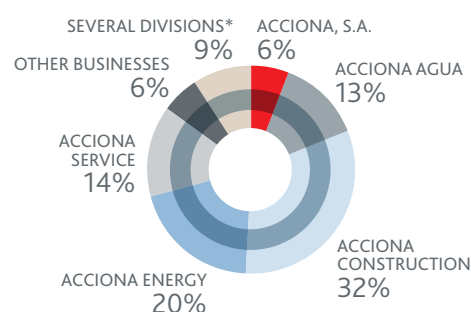
conformities was not very high, and when they were detected, affected suppliers were given three months to resolve them.

Questionnaire verifications: In addition to the audits performed on the 404 suppliers that responded to the CR and sustainability self-assessment questionnaire, the responses of 225 suppliers were verified.

Number of supplier audits and verifications in 2014

Business line	Audits performed	Verifications performed
ACCIONA, S.A.	17	5
ACCIONA AGUA	11	39
ACCIONA CONSTRUCTION	27	100
ACCIONA ENERGY	38	42
ACCIONA SERVICE	24	32
OTHER BUSINESSES	18	7
SEVERAL DIVISIONS*	36	-
Total	171	225

*Several Divisions: Various services spanning the entire organization.



In 2014, 329 suppliers were audited by personnel of the divisions' Quality or Inspection and Control Departments for the purpose of ensuring that they comply with the environmental and quality requirements established by ACCIONA with regard to the product, its manufacturing process or the service rendered.

Follow-up activities were carried out throughout 2014 on most of the major non-conformities detected in the suppliers audited in 2013, and which continue to be critical for ACCIONA, either as a result of the amount contracted or if the supplier is irreplaceable, and an attempt was made to resolve these irregularities.

In the external audits, ACCIONA verified the degree of compliance with the law on the social integration of disabled people (LISMI). We have audited 49 suppliers in this regard, 89% of which have evidenced compliance or have an exemption certificate.

2013 Audits of major non-conformities	No. of suppliers	Major non-conformities
Resolved	10	18
In process, within the resolution period	2	6
Outstanding, past the resolution period	5	19
Total	17	43

The Company began to manage and resolve the major non-conformities in the 2014 Audit Plan. A procedure was implemented to follow up on and resolve major non-conformities detected in the audits as an additional piece in the risk management process and the search for mechanisms to mitigate these risks.

The areas in which our suppliers could make improvements related mainly to OHS and the environment, both of which account for more than 70% of the major non-conformities detected.

Supplier communication and training

Since its launch in 2011, the Suppliers Campus of the ACCIONA Corporate University has enhanced its knowledge of and disseminated good practices in social responsibility and sustainability to suppliers and contractors through online courses.

ACCIONA offers these courses to its suppliers free of charge, as an incentive. In 2014, four training courses were given. There was a significant increase, up almost 40%, in international courses.

Supplier training and communication in 2014

Division	Total suppliers	Spain	International
ACCIONA, S.A.	82	59	23
WATER	166	104	62
CONSTRUCTION	1,869	1,260	609
ENERGY	479	340	139
SERVICES	240	169	71
OTHER BUSINESSES	154	102	52
Total	2,990	2,034	956

Courses taken	Suppliers	People
Code of Conduct	69	141
Basic concepts, management and international OHS regulations	72	154
Equality and Discrimination Prevention	61	133
Corporate Social Responsibility in the Supply Chain	71	143
Sensitivity regarding the disabled	61	127
Total	334	698

The Company continued the dissemination of good practices by sending out four issues of the bilingual (Spanish and English) quarterly OHS Bulletin to suppliers of all divisions. This Bulletin was sent to more than 17,000 supplier employee e-mail addresses (14,600 suppliers), 3,000 of which are international, in addition to more than 3,000 employees.

Throughout 2014 communications intensified with suppliers through the channels already established by ACCIONA:

compraresponsable@acciona.com and provedores@acciona.es. Suppliers were also provided with an ethics channel in order to notify the Company of any irregular practice that would then be studied by ACCIONA.

More than 21,700 suppliers, among which more than 4,800 were international, were notified through provedores@acciona.es. In 2014, ACCIONA calculated the greenhouse gas emissions of its suppliers according to their sales volume in 2013, totaling an equivalent of 1.5 million tons of CO₂.

ACCIONA fosters the purchase of products and contracting of **services based on sustainability criteria** through the Sustainable Products and Services Catalog

Applying sustainability criteria in procurement processes

ACCIONA voluntarily assumes the commitment of implementing sustainability criteria in its procurement processes. There is no current legislation that requires its inclusion in companies' procurement processes. The Company fosters the purchase of products and contracting of services based on sustainability criteria through tools like the Sustainable Products and Services Catalog.

With the support of the guidelines on which its Sustainable Products and Services Catalog is based (Green Procurement, Social Procurement and Ethical Procurement), the Company was able to increase the number of references to products and services, by including 88 new items to reach a total of 610 products and services in the catalog.

Some examples of how the sustainability criteria set out in the catalog were incorporated into the management of procurement and contracting, and the various actions carried out by the main divisions in this regard are as follows:

Renewable energy:

ACCIONA's commitment is shown by the fact that in 2014 in Spain, of the 577

GWh purchased, 74% came from green sources, which represents an increase of 13 percentage points on 2013.

The clause requiring all energy supplied by the bidder to bear a Certificate of Guarantee of Renewable Origin issued by Spain's National Markets and Competition Commission (CNMC) was once again included in the tender process for the renewal of all ATLL electricity supply.

In 2014, 6 of H.A.B's 7 centers (Laguna de Duero, Quintanilla de Onésimo, Medina I and II, Toro, Bodegas Palacio) used green energy. In 2013 only one of the centers used green energy.

Eco-efficient vehicle fleet:

In 2014 the Company's active executive fleet was made up of 318 vehicles, 98 of which are low-emission vehicles, i.e., less than 120g CO₂/km, which also means less fuel consumption. 99.7% of the executive fleet have EURO5 and EURO6 engines, and 2.2% are hybrid vehicles with EURO5 and EURO6 engines (a total of 7 vehicles), which means less CO₂ emissions and a reduction in NOx and particle emissions.

Sustainable wood:

In 2014, 231 tons of wood consumed by ACCIONA Construction was certified.

ACCIONA S.A., ACCIONA Energy and ACCIONA Service include in their enterprise resource planning (ERP) a clause applicable to all wood-derivative orders and contracts:

"The Customer shall request from the Supplier the certificate of the forestry product custody chain (FSC, PEFC, or similar organization) for all wood-based elements included in this order".

ACCIONA Service purchased 6,213 tons of certified wood, which is 100% of that used by this division in 2014.

Contracting of special employment centers:

Throughout 2014 the Company worked and collaborated with 26 special employment centers (SECs), the main purpose of which is to facilitate the incorporation of the disabled into the labor world. The ACCIONA Group counts on the centers to supply products and services throughout the Group mainly for the following: supply of work clothing (a framework agreement is currently in force with several SECs), laundry services, safety materials, travel agencies, printing, vending machines, among others. Contracting in 2014 totaled slightly more than 2 million euros.

When excellent management is only the first step

In 2014, ACCIONA continued to work on developing ever more efficient processes and on providing sustainable products and services.

The Company is increasingly more focused on managing processes from beginning to end, covering several functions within a single process. Excellence is maintained by making the processes more efficient, applying the Lean Six Sigma methodology: eliminating waste, generating value and providing products and services that satisfy our customers within a sustainable framework.

The Innovation, Environment and Quality General Areas, which report directly to the Chairman, determine the Group's strategic priorities with regard to quality and processes. The Company's Quality Policy is a strategic document that includes its principles and commitments in this regard.

In 2014, ACCIONA provided 43,046 hours of training and awareness-raising regarding processes and quality (double the training hours provided in 2013), with the aim of ensuring that employees have the technical knowledge required to carry out their activities and are aware of ACCIONA's commitments and policy.

Improvement objectives set for 2014

Make progress in the certification of our management systems	
ACCIONA Construction: Implement and certify the ISO 9001 and ISO 14001 management systems in Ecuador, Panama, Peru, Sweden and Gabon (only implementation in the latter two countries).	95% compliance (achieved: Ecuador and Peru)
ACCIONA Energy: Achieve ISO 9001 and ISO 14001 certification in Croatia.	100% compliance
ACCIONA Concessions: Implement and certify the energy management system in accordance with ISO 50001.	100% compliance
Improve the quality of our products and services	
ACCIONA Agua Services: Reduce the concentration of boron in water produced by 10% compared to 2013 at the Southeast seawater desalination facility (Las Palmas de Gran Canaria).	100% compliance
ACCIONA Service: Reduce the number of pieces with defects by 0.2% for an important customer in the automotive sector of ACCIONA Facility Services.	100% compliance
Reduce our environmental footprint	
ACCIONA Energy: Reduce water consumption by 8,000 m ³ with regard to that consumed in 2013.	100% compliance
ACCIONA Agua: Reduce greenhouse gas emissions by using electric transportation (Arroyo Culebro wastewater purification plant in Madrid).	100% compliance
ACCIONA Service: Increase the net positive contribution of the water footprint. Reduce water consumption by 5% with regard to that consumed in 2013 by the Calpe service.	301.6%

In order to continue improving efficiency, ACCIONA considers recognition for collaboration and the commitment of the work teams with excellence in management essential.

ACCIONA Infrastructure delivered the 2014 Project Management Awards, now in their 14th year, which for the first time included

the Construction, Water and Services areas. Their Company roots show to what extent ACCIONA Infrastructure has been a pioneer with regard to its focus on quality and sustainability. They also constitute an incentive to motivate and encourage employees. In 2014, one of the awards for Best Management went to the ACCIONA Airport Services team in the Services area for the Palma de Mallorca airport.

CERTIFIED MANAGEMENT SYSTEMS

All of ACCIONA's divisions, both in Spain and abroad, have management systems that are implemented and certified in accordance with international standards (ISO 9001, ISO 14001, ISO 50001, ISO 22000, SA8000). ACCIONA's objective is to ensure the organization's commitment to continuously improving processes and activities, to guarantee the competence of its personnel to carry out the work entrusted and the organization's economic and technical capacity to carry out such work in each of the countries in which it operates.

89% of the Group's sales are certified under ISO 9001 and 87% of the sales are certified under ISO 14001.

Certified activities by business line

DIVISION	ISO 9001 AND ISO 14001 CERTIFICATIONS
CONSTRUCTION	<ul style="list-style-type: none"> ■ 100% of construction activity in Spain, Chile, Brazil, Mexico, Colombia, Canada, Poland, Australia, Abu Dhabi, Ecuador and Peru (the certification process in Panama has begun) ■ 100% of concessions ■ 100% of engineering projects in Spain and Brazil
WATER	<ul style="list-style-type: none"> ■ 100% of water treatment activities in Spain, Italy and Australia ■ 100% of integrated water management services
SERVICES	<ul style="list-style-type: none"> ■ 100% of park and garden maintenance, waste management, cleaning and maintenance activities in Spain (100% of cleaning and maintenance activities in Portugal) ■ 100% of handling activities and services for people with reduced mobility in Spain (100% in Germany under ISO 9001) ■ 100% of transport and international logistics activities under ISO 9001 ■ 100% of railway services ■ 100% of waste biocomposting plants under ISO 9001 ■ 100% of event organization, and setup of exhibitions and museums
ENERGY	<ul style="list-style-type: none"> ■ 100% of installed MW ■ 100% of wind turbines and blades manufactured in Spain and Brazil ■ 100% of green energy sales
OTHER BUSINESSES	<ul style="list-style-type: none"> ■ 100% of wines produced in Peñascal, Viña Mayor, Caserío de Dueñas and Palacio wineries (also under ISO 9001: 100% of the vineyards of Viña Mayor, Caserío de Dueñas and Finca Anzil) ■ 100% of maritime passenger and cargo transport activities ■ 100% of real estate development and real estate asset management in Spain (100% in Poland under ISO 9001)

Quality and Environmental Management Systems in Ecuador and Peru

ACCIONA Construction implemented and certified for the first time quality and environmental management systems under ISO 9001 and ISO 14001 in Ecuador and Peru, with the following scopes:

- ACCIONA Construction Ecuador: "Design and construction of all types of land clearance and drilling work, building construction and railways".
- ACCIONA Construction Peru: "Design and construction of building works".

In addition, the scope of ACCIONA Construction Colombia's certification was expanded to include the following activities:

- Construction, refurbishment and improvement of road infrastructures works; construction of buildings, aqueduct and sewer networks, bridges and urban planning work; construction and assembly of facilities for production, transportation and oil and gas exploration projects.
- Consulting services in studies and designs for aqueduct networks.

In addition to internal audits of customers and processes, **ACCIONA** set up specific improvement groups which translate into Lessons Learned and Good Practices

Other certifications obtained in 2014:

- ACCIONA Energy in Croatia and Poland
- ACCIONA Windpower in Brazil
- ACCIONA Railway Services in Spain
- The quality management system of Secomsa Gestión, an investee of ACCIONA Service, was certified under ISO 9001.
- ACCIONA Construction obtained the Environmental Product Declaration (EPD) for the UTE Desdoblamiento CN-340 project (Elche, Alicante).

■ Hijos de Antonio Barceló was certified under FSSC 22000 (*Food Safety System Certification*) for Bodegas Peñascal, Viña Mayor and Caserío de Dueñas. This certificate represents a new approach to food safety risk management for the entire supply chain.

■ ACCIONA Environment voluntarily adhered to the European Eco-Management and Audit Scheme, obtaining a certificate from the EMAS for the maintenance and cleaning services provided for the gardens and green areas of Leon and the central offices of ACCIONA Service.

Process monitoring and measurement

Processes, products and services	Customer satisfaction
<ul style="list-style-type: none"> ■ Environmental impact assessment ■ Social impact assessment ■ Internal audits ■ External audits: certification ■ Stakeholder audits: customers, public authorities ■ Quality inspections, PPIs 	<ul style="list-style-type: none"> ■ Satisfaction evaluation ■ Complaints and claims

In 2014, 594 internal audits were performed as an instrument to identify opportunities for improvement and a requirement for all management systems that are certified. The Company also received information from 110 audits of customers and other institutions that evidenced their transparency with third parties and their willingness to meet their needs. This figure rose by 27% compared to the previous year.

TOOLS FOR CONTINUOUS IMPROVEMENT

In addition to more traditional tools, such as performing internal and customer audits and certification processes, ACCIONA set up specific improvement groups, the results of which translate into Lessons Learned and Good Practices that are disseminated throughout the organization.

In 2014, ACCIONA implemented more than 50 improvement groups made up of multidisciplinary teams in all its lines of business, and whose strategic mission is to identify, analyze and

propose innovative ideas and solutions to situations in its own activities that need to be improved.

2014 improvement groups	
ACCIONA Agua	5
ACCIONA Energy	28 ^{(*)1}
ACCIONA Construction	6 ^{(*)2}
ACCIONA Service	6 ^{(*)3}
OTHER BUSINESSES	7 ^{(*)4}

(*)1 Includes ACCIONA Energy, A. Blades, A. Windpower.

(*)2 Includes ACCIONA Construction and ACCIONA Concessions.

(*)3 Includes ACCIONA Facility Services and ACCIONA Environment.

(*)4 Other Businesses: Real Estate, Hijos de Antonio Barceló and Trasmediterranea.

In the case of ACCIONA Construction, the identification of lessons learned and good practices is a global objective for the company, which has a specific procedure in place that systematically identifies and disseminates them. In 2014, 71 proposals were drafted regarding the lessons learned from various countries and business units. After analyzing all proposals, the Technical Committee approved a total of 11 Lessons Learned in 22 Good Practices.

ACCIONA'S COMMITMENT TO ITS CUSTOMERS

ACCIONA's customers are mainly large companies in both the public and private sectors (Governments, public administrations and other public bodies; private companies and financial investors, among others). In addition, the Company has domestic customers in several of its companies, such as Hijos de Antonio

Barceló, Trasmediterranea and ACCIONA Real Estate.

In addition to direct customers, the general public are the main users of some of ACCIONA's services:

ACCIONA Energy

In 2014, ACCIONA Green had 10 large customers in Spain (4 private and 6 public entities).

100% of the energy sold by ACCIONA Green to its customers comes from renewable energy sources.

ACCIONA Green Energy Developments is collaborating with the General Sustainability Area to promote meetings with significant customers to present the actions taken regarding sustainability. In addition, the new website was launched to provide customer service in the sale of green energy.

ACCIONA Service

- Collection and treatment of urban solid waste: 257,097 users in Spain.
- Cleaning and maintenance services: 11,135 customers in Spain⁽¹⁾.
- Park and garden maintenance services: 699 contracts that benefit a large number of visitors in Spain (for example, historic parks and gardens in Madrid).
- Handling services: 11,581,713 passengers served (incoming + outgoing).
- Services for people of reduced mobility 11,699 passengers (incoming + outgoing).

In 2014, 71 proposals were drafted regarding the lessons learned from various countries and business units

(1) No. of absolute customers, regardless of the fact that ACCIONA renders various services to each one.

ACCIONA Facility Services involves its customers in its sustainability commitments, and specifically carried out the following in 2014 for an important customer in the automotive industry:

- daily monitoring and control of its water consumption. If the established parameters are exceeded, the center will be reviewed to find the cause of such increase and the necessary measures will be taken.
- monthly control of and reporting on its electricity consumption. Figures are compared to the previous year and, if there is an increase, the necessary measures are taken to reduce such consumption.

ACCIONA Agua

The company has 7,290,204 users in Spain of its water supply, sanitation, water purification and meter reading services.

In 2014, the company extended its online service offered to the subscribers of its specific service websites, where users can consult their consumption and evaluate the services: for the first time the satisfaction survey was made available to 140,000 subscribers.

Today, 70 million people worldwide benefit from the actions carried out by ACCIONA Agua throughout its history.

ACCIONA has developed specific applications

ACCIONA Service:

- SENDA Program: this program was introduced to control production. Customers have the option of accessing the program to be able to monitor online the tasks being carried out.
- DOCUMENTUM: for each center, customers are given access to this document management system, in which ACCIONA Facility Services stores all information relating to the Comprehensive Hygiene Program (CHP).

ACCIONA Trasmediterranea:

- The shipping company has an online application that allows customers to purchase their tickets and carry out billing transactions online.

ACCIONA Windpower:

- The team of Project Managers and the Sales Department was strengthened in order to provide higher quality service and have a greater presence among customers.

AWARENESS OF CUSTOMERS' DEGREE OF SATISFACTION

For ACCIONA, being aware of the degree of satisfaction of its customers and their experience with regard to the products, services and projects provided, is one of the main tools for measuring its performance and establishing measures to improve its processes.

In this regard, all of ACCIONA's businesses have documented procedures that established a system for measuring the satisfaction of its customers.

In 2014, ACCIONA used the following methods:

Surveys

Surveys are the method most frequently used by ACCIONA's divisions. They allow the Company to become aware of those aspects with which the customer is less satisfied and take the necessary measures to resolve the situation, continuously making improvements. In 2014, ACCIONA made its satisfaction surveys available to more than 146,000 customers and carried out 6,370 surveys directly with customers.

Meetings

Each year, for its energy sale business, ACCIONA Green selects the most representative customers through the head of customer management and plans an individual meeting with them to discuss the perceived quality.

The customer's satisfaction may also be assessed by analyzing the company's internal information on the services provided on a daily basis, which is obtained from the company's various areas that may be in contact with the customers at any given time:

- After-sales service. This department receives any claims filed by customers that are unsatisfied with the product or services.
- Quality department. Any non-conformities detected that may cause problems for the customer are evaluated.
- Business development department. This department analyzes whether the claims received from customers are in relation to offers presented, the development of products or the provision of additional services.
- Operations/technical department. Project managers are in continuous contact with customers to resolve any incident that may arise, or carry out any proposals for improvement that are identified.

ACCIONA Windpower

ACCIONA Windpower used both direct and indirect measures to obtain more detailed information on the level of satisfaction of its customers: carrying out surveys and interviewing the company's most important customers throughout its history, as well as potential customers. The Company's indirect measures include gathering a large variety of data from its various departments.

The results of the analysis concluded that ACCIONA Windpower's customers are highly satisfied with their start-up and final inspection teams. The following were also highly valued: the availability of the wind turbines, the after-sales service received, the treatment received by the business development department and the relationship with the project and wind farm managers during the period for supplying, assembling and starting up the wind turbines. This result is validated on a daily basis by the new orders placed in various markets.

Opportunities for improvement were also detected in the analysis, such as improvements in identifying specific legal and labor requirements of the destination countries, improvements in the supply of components and improvements in technical supervision when carrying out the construction work.

ACCIONA Construction

The contributions made by customers are incorporated by improving the construction processes. When the score received in a customer satisfaction survey is low or if it can be deduced from the comments included therein that the customer has a medium or low degree of satisfaction, those responsible for the relationship with the customer will hold one or several meetings to obtain additional information as to why the customer is unsatisfied.

In addition, computer tools are used in several ongoing projects to manage and share with the customer the technical documentation related to the project in process.

- In the Canal de Navarra concession, ACCIONA used the K3 customer service indicator which takes measurements each month through various inputs (complaints, suggestions, phone calls or e-mails from customers).
- Feedback was gathered regarding the Infanta Sofía University Hospital concession through, among other channels, interviews and advisory committees with the public company.

In 2014, ACCIONA's business divisions established measurable quality targets that are consistent with ACCIONA's Quality Policy, in line with Management's strategy and supervised thereby in order to increase customer satisfaction. These targets, by way of example, are as follows:

Targets to increase customer satisfaction in 2014

ACCIONA ENERGY. ENERGY SALES	Degree of compliance
Obtain a rating greater than 8.5 points in the overall evaluation of energy customers.	> 100%
ACCIONA SERVICE	
Improve customer satisfaction: the customers' degree of satisfaction in the surveys will be above 3 (VALROMANES Center).	> 100%
ACCIONA FACILITY SERVICES	
Improve customer satisfaction: the customers' degree of satisfaction in the surveys will be above 3 (Hold at least four meetings with the customer regarding continuous improvement).	100%
ACCIONA URBAN SERVICES	
Improve the quality of the services provided to the customer (Improve the quality level of the street cleaning service to a rating of 6.5 in level 3 areas).	> 100%

The following targets were set to increase customer satisfaction in 2015:

Targets to increase customer satisfaction in 2015

ACCIONA 'GREEN'
Obtain a customer satisfaction score of 8.5 out of 10.
Boost customer loyalty: 80% renewal (measured in energy) of customers in 2014.
ACCIONA BLADES
Obtain no more than 4 customer non-conformities throughout the year.
Obtain a customer satisfaction score in the surveys that is more than or equal to 4 points.

In 2014, ACCIONA obtained an overall customer satisfaction score of 86%, maintaining the same score achieved in 2013.

The breakdown of the customer satisfaction index for the various products and services is detailed as follows:

Satisfaction index (%)

ACCIONA Construction	82.5%
ACCIONA Industrial	ND
ACCIONA Energy	92.0%
ACCIONA Agua	96.8%
ACCIONA Service	78.5%
Other Businesses*	78.3%

(*) Other businesses include: Real Estate, Trasmediterranea and Bodegas Hijos de Antonio Barceló.

Customer complaints and claims

All of ACCIONA's divisions have procedures in place, as part of their management systems, for receiving and processing complaints and claims received from customers. The end purpose is for the complaints to be resolved as soon as possible and for the causes giving rise thereto to disappear, which will allow customer satisfaction to be improved.

In a scenario similar to that of last year, the number of claims decreased by 11% on 2013⁽¹⁾ and 93% of these claims were resolved, a 15% increase on the previous year.

The time needed to resolve such claims cannot be compared between ACCIONA's businesses, since the claims have significant differences inherent in the nature of each activity depending on the technical complexity, the different distribution of causes and the influence of conditioning factors, among others. For example, most of the claims filed with regard to the wineries are due to errors in managing the orders, and therefore are resolved "immediately", whereas a technical analysis needs to be carried out on claims filed regarding the Construction area, and there are other conditioning factors that influence the repair period (atmospheric conditions, the project's execution phase, etc.).

(1) The claims from Trasmediterranea are not taken into consideration.

In a scenario similar to that of 2013, the number of claims **decreased by 11% on the previous year** and 93% were resolved, a 15% increase

ACCIONA has no record of having received any claims for ACCIONA Engineering, EROM, ACCIONA Facility Services, ACCIONA Safety Services, ACCIONA Green Sales, or for any international construction work in Australia, Canada, Ecuador, Panama, Peru and Sweden.

CUSTOMER HEALTH AND SAFETY

The health and safety of its customers is a top priority for the Company. In order to successfully manage customer health and safety, ACCIONA carries out a number of actions related to its products and services:

- Regulatory inspections and compliance with applicable requirements
- Incorporation of components to strengthen the safety of the products and services
- Analysis of product critical points and quality controls
- Continuous monitoring of the facilities
- Safety management system
- Information to customers for safe use of their products and services

ACCIONA has no record, through the information collection systems established by the Company, of the occurrence in 2014 of any incidents related to compliance with regulations or voluntary codes relating to customer privacy or data loss.

The safety management systems implemented by the Company ensure that activities are carried out in accordance with the international standards of each sector.

ACCIONA Trasmediterranea	The Safety Management System (SMS) includes procedures that have been approved by the Directorate-General of the Merchant Navy (DGMN) and includes all practices required regarding safety and contamination prevention. This system is audited each year by the DGMN.
ACCIONA Airport Services	The company has a Safety Audit of Ground Operations certificate (ISAGO) for its Palma de Mallorca base, ensuring the development and implementation of the safety system in accordance with the standards of the International Air Transport Association (IATA).
Hijos de Antonio Barceló	The Peñascal, Viña Mayor and Caserío de Dueñas wineries were certified under FSSC 22000 (Food Safety System Certification), which represents a new approach in food safety risk management for the entire supply chain.

SOCIETY

Shared value commitment

ACCIONA seeks to generate positive impacts on those communities in which it operates by assessing and managing the social impact of its projects, and through an extensive program of social initiatives.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Make progress in carrying out the initiatives of the ACCIONA Microenergy Foundation, with the installation of 500 home photovoltaic systems in Peru and 1,500 small home photovoltaic systems in Mexico.	<ul style="list-style-type: none">■ Installation of 900 home photovoltaic systems through the <i>Cajamarca Light at Home</i> project in Peru and 1,150 small home photovoltaic systems through the <i>Oaxaca Light at Home</i> project in Mexico.
<ul style="list-style-type: none">■ Achieve an annual social contribution equal to 5% of dividends.	<ul style="list-style-type: none">■ Annual social contribution of 11.17 million euros.
<ul style="list-style-type: none">■ Implement the social impact management methodology in new projects: 65% of Infrastructures, 75% of Water and 75% of Energy projects.	<ul style="list-style-type: none">■ Implementation of the methodology in Infrastructures and Energy, through 20 projects in 12 countries.
<ul style="list-style-type: none">■ Give training workshops on social impact management in Construction, Water and Energy.	<ul style="list-style-type: none">■ Training meetings were held.
<ul style="list-style-type: none">■ Launch the EDUpack educational package, comprising the Sustainability Workshop, competitions and scholarships, and a course in road education in at least two countries.	<ul style="list-style-type: none">■ Launch of the EDUpack in 5 countries: Colombia, Brazil, Mexico, Chile and Gabon.
<ul style="list-style-type: none">■ Update and launch initiatives included in the Annual Volunteering Program.	<ul style="list-style-type: none">■ Five volunteering initiatives carried out: Volunteer Day, ACCIONA Microenergy Foundation, Prince of Geron Foundation, <i>También</i> Foundation and <i>Shall We Donate?</i> Campaign.



Our Social Action Plan identifies the actual needs of the communities in which we operate, in order to design and plan actions within the scope of social development.

- Installation by the ACCIONA Microenergy Foundation of 900 and 1,150 photovoltaic systems in Peru and Mexico, respectively
- The social impact management methodology has been implemented in 20 projects in more than 12 countries
- 860 volunteers in more than 10 countries and 11.17 million euros in social contributions

2015

Challenges

- Continue the initiatives in Peru (*Light at Home* and *Community Light*) and Mexico (*Light at Home*).
- Continue to implement the EDUpack educational package.
- Design and implement economic donations from employees for social projects linked to flexible remuneration and the Company.
- Implement the social impact management methodology in all projects of the Construction, Water and Energy divisions.
- Carry out periodic volunteer initiatives for employees, including Volunteer Day and the *Shall We Donate?* campaign.

Social impact management of ACCIONA's projects

The social impact management methodology, which has been implemented by ACCIONA since 2012, consists of integrating the management of social impacts throughout the process of identifying opportunities, contracting and executing ACCIONA's projects, with a proactive approach towards commitment to the communities in which it operates.

Throughout 2014 the Company continued consolidating its social impact management methodology, placing special emphasis on its approach of implementing it throughout the life of the project, including the study of social risks during the initial phases of identifying business

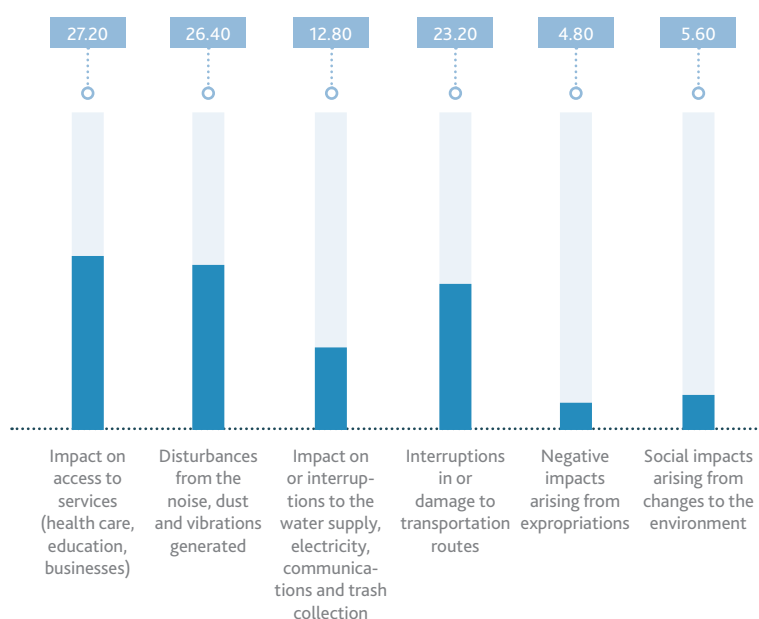
opportunities. The main risks detected by the Company are as follows:

- Impact on basic services of the communities: electricity, water, education, health, communications or housing.
- Change in the continuity of economic activities of the local communities.
- Impact on the rights of vulnerable groups such as indigenous people, people with low income, children, the elderly, among other groups.
- Impact on the rights of direct and indirect employees.

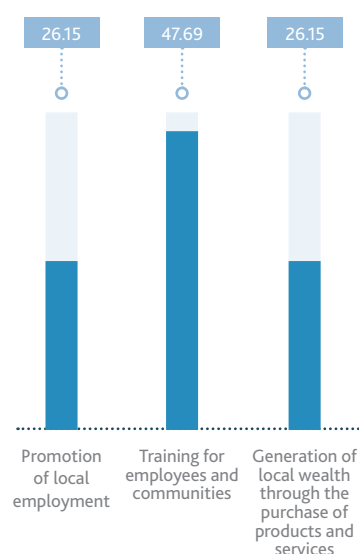
In 2014, ACCIONA increased the number of projects in which the social impact thereof was managed. In 2014 this methodology began to be implemented in more than 20 projects in 12 countries (Brazil, Cape Verde, Chile, Colombia, Costa Rica, Ecuador, Egypt, Gabon, Mexico, Panama, Peru and Trinidad and Tobago). The methodology is applied to various types of projects such as the construction of subway lines and sewer systems; construction and operation of water treatment plants and wind farms; road construction; hospital reconstruction or park maintenance, among other projects.

Based on the frequency of occurrence, the main negative and positive social impacts caused by the 15 projects analyzed during the social impact assessment phase are as follows:

→ Frequency of negative impacts (%)



→ Frequency of positive impacts (%)



ACCIONA's social commitment

The main types of measures taken to mitigate negative impacts or strengthen positive ones, are as follows:

- Project related informational campaigns.
- Infrastructures improvements.
- Improvement in the social well-being of vulnerable groups.
- Educational campaigns for the community.
- Health care campaigns for the community.
- Protection/restoration of sites of cultural or religious interest.
- Protection/restoration of sites of natural interest for the community.
- Compensation for and restoration of living conditions due to expropriations.
- Local contracting of goods and services to promote local businesses.
- Contracting local personnel.
- Improvement in the well-being of the employees.

Dissemination tools have also been developed with a dual purpose: internal dissemination, to strengthen the business culture regarding social impact management, and external dissemination, to notify partners, customers and public authorities of this methodology.

Within the framework of the Sustainability Master Plan, the Company aims to achieve a 100% alignment of the social contribution in accordance with its Social Action Plan, setting out strategic action lines through medium and long-term sustainable projects wherever ACCIONA is present.

With the implementation of the Social Action Plan and the management of the social impact of the projects, ACCIONA has established action lines, monitored contributions and measured the impact thereof. In 2014, the Company's social contribution reached more than 11 million euros.

In 2010, ACCIONA adopted the international methodology of the London Benchmarking Group (LBG) to measure and evaluate its social action and to achieve an overall view and compare its results with those of other companies that also apply this recognized methodology.

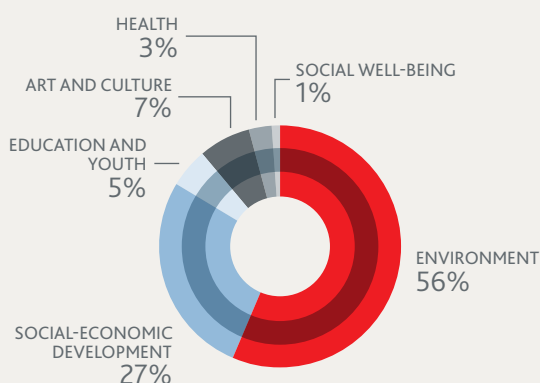
In 2014, ACCIONA increased the number of projects in which the social impact thereof was managed: More than 20 projects in 12 countries were carried out

2014 Social Action Plan

→ Contribution by activity area in 2014
(LBG Methodology)

BASIC SERVICES (ENERGY AND WATER)

- 900 more families with access to electricity in Cajamarca (Peru) and 1,150 in Oaxaca (Mexico) by means of home photovoltaic systems, reaching a total of 21,500 people since the beginning of the project.



FOSTERING SUSTAINABILITY

- Education of children and young people in sustainability issues

SOCIAL INVESTMENT ASSOCIATED WITH PROJECTS

- Projects in 16 countries.

SPONSORSHIP AND PATRONAGE

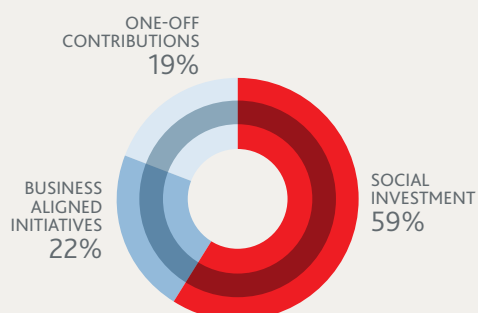
HEALTH, EDUCATION AND CULTURE

- ProCnic, Prince of Gerona, Prince of Asturias...

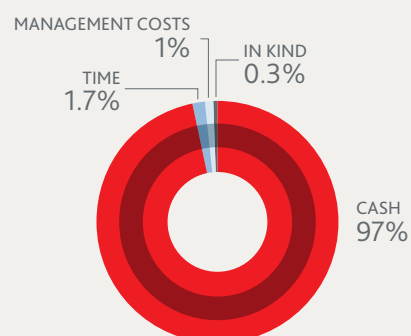
VOLUNTEERING PROGRAM

- More than 860 volunteers in over 10 countries.

Motivation for 2014 initiatives (LBG Methodology)



Type of Contribution in 2014 (LBG Methodology)



ACCESS TO BASIC SERVICES: ACCIONA MICROENERGY FOUNDATION

At the end of 2014, the basic electricity services promoted by the ACCIONA Microenergy Foundation reached approximately 21,500 people with low income that live in isolated rural communities of Cajamarca (Peru) and Oaxaca (Mexico), thus significantly improving their living conditions.

ACCIONA Microenergy Peru installed 900 home photovoltaic systems (HPS) in 2014 through the *Light at Home* program, once again working intensely with the communities to provide information, raise awareness and train local users and technicians. In training the local technicians, for the first time the Company was able to avail itself of two women that subsequently formed part of the work teams that installed the HPS.

In 2014, ACCIONA Microenergy Mexico continued to implement the *Oaxaca Light at Home* program, providing 1,150 small home photovoltaic systems (SHPS) to the same number of homes under the 2013 *Oaxaca Light at Home* project. This project began by monitoring the 180 small home photovoltaic systems (SHPS) supplied in 2013 under the pilot project. A service satisfaction study was carried out on the 159 families using the systems, all of which declared themselves to be very satisfied with their SHPS, which had improved their quality of life as a result of solving their lighting problems. Similarly, ACCIONA Microenergy Mexico opened the doors to the first *Light at Home* User Service Center,

which provides repair services, sells lamps and radios, and provides advisory services to these users.

Lastly, the 2014 *Oaxaca Light at Home* project began and, as was the case with the 2013 project, was carried out through a Public-Private Development Partnership between ACCIONA Microenergy Mexico, the Government of the State of Oaxaca and the Spanish and Mexican Agencies for International Development (AECID and AMEXCID).

In December 2014, as an event within the framework of the United Nations Conference of the Parties (COP20) in Lima, ACCIONA Microenergy carried out the *Universal Access to Energy and Climate Change* seminar, in which the results of the *Light at Home* program were presented, and well-known figures and experts took the floor and set forth their thoughts and work towards achieving universal access to energy. This activity represented, along with the launch of the *Decade of Sustainable Energy for All in the Americas (SE4All Americas)*, the two main milestones in the dissemination task carried out by the Foundation.

In addition, the ACCIONA Microenergy Foundation worked together with other organizations to analyze the energy needs of the Shire refugee camps in Ethiopia. A group of eight ACCIONA volunteers collaborated in these projects by analyzing the viability of the use of biogas to supply the camp with electricity.

At the end of 2014, the *Rural Electrification with Service and Supply Centers* project was submitted to the call for grants for the 2014 *Development Cooperation Actions* of the Spanish Agency for International Development (AECID). The project obtained a grant for a total of 200,000 euros. The end purpose of this project is to implement the *Light at Home* Service and Supply Centers in Cajamarca (Peru) as micro-franchises run by the users of the program to offer nearby technical assistance and sell lamps and electric devices (radio, TV, chargers, among other devices).

FOSTERING SUSTAINABILITY Sustainability Workshop

The Sustainability Workshop program aims to train young people between the ages of 10 and 16, and covers subjects such as water conservation and quality, energy saving and efficiency, or urban planning, mobility and sustainable building.

In 2014, ACCIONA participated in the training of teaching personnel of the Autonomous Community of Madrid through the Sustainability Workshop, participating in seminars organized by the Regional Innovation and Training Center (CRIF), for the dual purpose of improving the use of these online resources and advising the teachers on how to introduce the topic of sustainability in the classrooms.

ACCIONA also launched the Sustainability Workshop at schools of several locations in Extremadura and Castilla y León, such as Toro, Villarrubia de los Ojos, Moraleja, Villafranca de los Barros and Sierra de Fuentes, where the Company manages the water services.

EDUPack

EDUPack was developed and launched in 2014 in the ongoing search to offer a solution adapted to the needs of the communities in which ACCIONA operates. This package consists of three initiatives linked to education. These initiatives can be implemented, individually or together, directly, at schools, educational centers or in local communities, provided that they are located within the areas of influence of a project being carried out by ACCIONA.

 Sustainability Workshop	 Competition and Scholarship	 Road Education
<p>The Sustainability Workshop focuses on promoting education regarding sustainability. The workshop is aimed at teachers and children between the ages of 10 and 16, thus contributing to new generations having a better understanding of the problems of the future.</p>	<p>Our aim is to familiarize students and teachers with the values of sustainability and to encourage those students that best interpret the sustainability principles, as well as to award the best students that are in their last year of high school, so that they will be able to continue with their studies at a university or higher education centers.</p>	<p>We consider it essential for everyone to be able to move safely and easily on public roads in any situation, not only as a driver, but also as a pedestrian; learning to value individual and group life, strengthen the guidelines for living together and promote attitudes of respect and solidarity.</p>

SOCIAL INVESTMENT ASSOCIATED WITH PROJECTS

ACCIONA's commitment to the communities in which it operates is to search for solutions that improve the lives of the people in the areas where ACCIONA carries out its activities.

These types of contributions and initiatives, as well as economic donations, depend on the nature of each project and its impact on the community.

ACCIONA Energy**Las Oaxacas Complex, Mexico**

In Mexico, ACCIONA Energy continued to carry out periodic studies on the needs of the populations located in the vicinity of the wind farms in Oaxaca. The types of projects to be carried out within the fields of health, education and the environment are determined together with the affected community, based on the conclusions drawn from the periodic studies.

In 2014, more than 5,300 inhabitants of the communities in the areas surrounding the wind farm benefited from the following initiatives carried out:

- Contribution to the improvement of sexual and reproductive health in women, enabling them to develop self-care skills to prevent and detect cervical cancer, in the marginalized municipality of Santo Domingo Ingenio, in Oaxaca.

- Farmland and Livestock Project aimed at milk producers in the community of La Venta, located in Juchitán de Zaragoza (Oaxaca), for the purpose of stimulating the local economy.
- Promotion of sports in the communities.
- Training in sustainability topics through the Sustainability Workshop at schools belonging to the wind farms' neighboring communities.
- Contribution to access to higher education through agreements and initiatives launched with several academic institutions.
- Training workshops at the Bioclimatic Community Center.

Punta Palmeras Wind Farm, Chile

Punta Palmeras is the first wind farm owned by ACCIONA in Chile, and is located in the community of Canela in the Coquimbo region. With the entry into operation of the wind farm, several initiatives with significant social impact were carried out in 2014, the most noteworthy of which are as follows:

- Rescue and relocation of the flora and fauna in the area, and reforestation of the areas surrounding the wind farm.
- Volunteer initiative carried out in a school of the community of Canela.
- Improvements to the Maitencillo fisherman's cove access route, and a donation of land for the construction of a new cove to stabilize the economic activity of the fishermen in the area.

Wind farms in Australia, Canada, United States and Poland

With the construction and operation of the wind farms, ACCIONA seeks to create added value at a local level, establishing various channels that allow for communication with the communities near the wind farms.

The most noteworthy initiatives carried out include aid for education through scholarships; training aimed at school children regarding sustainability, wind energy and the environment; and support to local organizations, among other initiatives.

ACCIONA Industrial

Bokpoort Solar Thermal Plant, South Africa

The Bokpoort solar thermal plant is located on a farm in the Siyanda district of the Northern Cape, where 90% of the population lives below the poverty line and the main activity is small-scale agriculture. ACCIONA has launched the following initiatives in 2014:

- Talks on the prevention of AIDS, in association with the country's Health Department, the South African social security agency and NGOs.
- Launch of the Bokpoort Wood Project, where ACCIONA donated the wood from containers and pallets to the local community, which manufactures products made out of wood such as chairs, tables and other products, which ACCIONA then purchases and uses in its work. The wood donated is also used for the construction of houses.

ACCIONA's commitment is to search for solutions that improve the lives of the people living in those areas where the Company operates.

- Informative talks at schools.
- Improvements to local police facilities.
- Contracting of local personnel for the work.

San Rafael Hydroelectric Plant, Mexico

The project consists of providing equipment to generate electricity at the current dam changing over to the San Rafael plant. The initial objective is to regulate the water that the Solidarity Aguamilpa hydroelectric plant takes from the Santiago river, thus preserving the environmental conditions of the region and supplying water for irrigation.

The most noteworthy initiatives carried out in 2014 are as follows:

- Contracting of local personnel for the project from neighboring communities in accordance with the needs and special features of the work, in order to support their economy and improve the quality of life in the community.
- Donation of material to fill in and repair the road for accessing Ejido San Rafael.

ACCIONA Construction

Sewer and storm water systems in the neighborhood of Muzú, Bogotá D.C., Colombia

ACCIONA Construction is constructing the sewer and storm water system for the neighborhood of Muzú in Bogotá (Colombia) with the participation of the community, which, together with ACCIONA, is carrying out institutional work through programs and projects that benefit the community in general. The following initiatives carried out in 2014 are noteworthy of mention:

- MUZU BUILDING STORIES Project: a joint project between workers, contractors and suppliers to put together a storybook for children: *Muzú, Building Stories*. The money raised was donated to two NGOs dedicated to helping disadvantaged and socially excluded children, in regard to education, food and medical expenses, among other needs.
- Training children from the schools surrounding the worksite in sustainability, sewer systems and the adequate use of water resources.
- Training support for personnel of the worksite through the EDUpack program.

Project for the hydraulic optimization of the distribution network and demand management program for Phase I of the aqueduct in the municipality of Riohacha, in Colombia.

The following initiatives carried out in 2014 are noteworthy of mention:

- Talks about the project with various stakeholders of the community. Reforestation with fruit trees.
- Improvement and/or adaptation of roads to improve the conditions and access roads to the communities.
- Health campaign. Talks at schools on good habits regarding the use of water.

Dr. Rafael Hernandez Specialized Hospital Center, Panama

In 2014, contact was established with the non-profit association FANLYC (*Friends of Children with Leukemia and Cancer Foundation*), an organization that mainly helps sick children whose families have no resources to pay the costs of the treatments, trips, etc., related to the medical treatments that the children need. ACCIONA made a donation that consists of taking care of the land owned by this

ACCIONA Infrastructure carries out important projects such as the sewer and storm water system in the neighborhood of Muzú, in Bogotá (Colombia)

organization (cleaning and removal of all manner of debris and waste), where they intend to build their offices, housing facilities, cafeteria, among other facilities.

Phase II of the Cumbres de Santa Fe Residence, Tower F, Mexico

During the execution and development of the Cumbres de Santa Fe Residence in Mexico, the following initiatives aimed at the community were carried out in 2014:

- Food donations for people with economic difficulties.
- Donations of PET or waste generated by the construction work to non-profit organizations, through the *Recycle your world program*.
- Promotion of employment opportunity practices in vulnerable sectors and for differently-abled people.

Route 160, Chile

In addition to the initiatives implemented in previous years, the following were carried out in 2014:

- Improvements to roads for the purpose of improving road and pedestrian safety.
- Talks to the population of Coronel as well as the residents of Laraquete to make them aware of the project's progress.

- Delivery of material and safety equipment to the Valle Colcura F-687 Primary School in the community of Lota, for the purpose of improving road safety management and evacuation procedures in the event of a possible emergency.

- Removal of debris for the purpose of improving the sanitation conditions of certain areas of the worksite.

- For the fifth year in a row, ACCIONA financed the projects of entrepreneurs and micro-entrepreneurs in the area, through the *Capital Semilla* program in the community of Arauco.

- Campaign for education in sustainability among school children in the area.

- Backing for a number of social initiatives in support of the most underprivileged members of the community.

- Informational campaigns on road education for motorcyclists in the vicinity of the worksite regarding the speed limit when passing through the communities.

Rodoanel, Brazil

The following initiatives are the most noteworthy of mention among the social actions carried out in the area by ACCIONA:

- Volunteer campaign and social actions to benefit the most underprivileged members of the community.

- Talks with transport operators and users regarding road safety.

- Basic gardening courses.

- Implementation of the *My professional future* program, which consists of training carpenters and shipbuilders, thereby providing professional opportunities to our own workers and to groups that require social reinsertion, with the help of various social organizations. In 2014, the first course was given to 64 people.

- Animal vaccination campaigns.

- Talks with members of the community regarding social, environmental and other topics.

ACCIONA Agua

Atotonilco Wastewater Treatment Plant, Mexico

Various improvements were proposed at the beginning of the project. The aim of these improvements, known as "Value Engineering", was to obtain social benefits for the nearby population and minimize the disturbances that the plant may cause to the neighboring communities. The activities carried out in 2014 are as follows:

- Construction of gardens and donation of flora to the Mexican Red Cross.

ACCIONA's
commitment
to society also
takes the form of
**sponsorships and
patronage, which
benefit initiatives in
health, education
and culture**

- Donations of PET, cardboard, paint and wooden spools to schools in the area surrounding the water treatment plant.
- Donations of flora for the reforestation of communities near the worksite.
- Aid for higher education.
- Talks to the community regarding the water treatment plant, making them aware of all the benefits and environmental actions carried out.
- Donations of steel and wood waste to two local communities in order to renovate the main town squares.
- Talks at schools regarding topics such as the environment or recycling.

Benefits associated with social investment projects

Benefits for the Community		Benefits for the Company
<ul style="list-style-type: none">■ Better living conditions for communities.■ Improvement of community economy.■ Creation of local employment and fostering of local self-employment through micro-enterprises.■ Labor-market entry of people at risk of social exclusion.■ Access to electrical lighting.■ Improvement in health of communities.■ Access to education.	<ul style="list-style-type: none">■ Improvement of public infrastructures.■ Increase in awareness raising on the environment and the mitigation of impacts.■ Fostering of sports.■ Smooth communication between the community and ACCIONA to resolve any complaints and questions.■ Community involvement in project initiatives.■ Preservation of local identity.	<ul style="list-style-type: none">■ Establishment of alliances and links with local institutions and bodies.■ Dissemination of the project in local media.■ Collaboration with international and national institutions.■ Increase in employees' pride in being a part of the Company.■ Improved image and corporate reputation.

SPONSORSHIP AND PATRONAGE

ACCIONA's commitment also takes the form of extensive work in sponsorships, patronage and collaborations that are channeled through agreements with key institutional representatives of society. The purpose of these activities is to benefit those initiatives that affect the largest number of people and that are considered a priority in the fields of health, education and culture.

In the health field, ACCIONA entered into a collaboration agreement in 2014 with the SEUR Foundation, to promote the *Lids for a new life* solidarity campaign for the purpose of helping children that have no resources.

Accordingly, and along with 14 other companies, ACCIONA participated in the Pro CNIC Foundation, created to channel private contributions to the Spanish Cardiovascular Research Center (CNIC), where companies work together and channel their commitment to scientific research and patronage.

With regard to culture, in 2014 the ACCIONA CHAIR was created through a collaboration agreement with SUR, School for Professional Artists, which includes a series of conferences open to the public.

It should also be noted that the Company's various divisions collaborate with other associations, providing them with both economic and operational support. The most noteworthy examples of this collaboration are between ACCIONA Agua and UNICEF, where a series of children's

workshops were sponsored for the purpose of educating the participants on children's rights; and between ACCIONA Trasmediterranea and the Adaptive Sailing Cup of Spain to promote sailing among the disabled.

Corporate volunteering

The purpose of the ACCIONA Volunteering Program, aligned within the Social Action Plan, is to channel the Company's employees' volunteering concerns and to generate a culture of collaboration and solidarity that raises awareness among employees of the needs of other social groups.

In 2014, more than 800 ACCIONA volunteers participated in the various initiatives, the most noteworthy of which are as follows:

■ ACCIONA Volunteer Day:

For the third year in a row, ACCIONA held its Volunteer Day, within the framework of World Environment Day and as part of its commitment to education. A total of 322 Company employees in Spain, Mexico, Chile, Canada, the United States, Brazil, Australia, Poland, Croatia, Portugal and Gabon held sustainability workshops at schools, teaching around 6,500 school children.

■ Shall we Donate? Campaign:

The *Shall We Donate?* campaign was held for the third year in a row for the purpose of collecting food, toys and school materials for the Food Bank and the Spanish Red Cross. ACCIONA employees

managed to send 3,500 kilos of food to the Food Bank and almost 70 boxes of toys and other products to the Spanish Red Cross. ACCIONA made a donation that matched the amount contributed by employees.

■ Volunteers of the ACCIONA Microenergy Foundation:

Five ACCIONA volunteers joined ACCIONA Microenergy Peru and traveled to Cajamarca, using at least two weeks of their vacation time, to participate in the tasks of distributing and supervising the facilities of the 900 home photovoltaic systems.

■ Prince of Gerona Foundation: *Mentoring Talent*

For the second year in a row, 38 ACCIONA volunteer mentors participated in the *Mentoring Talent* project led by the Prince of Gerona Foundation. The objective is to increase the employability of young people with higher education qualifications who come from difficult social surroundings, in order to ensure equality of opportunities in access to the labor market through mentoring sessions.

■ Madrid También Solidario Race:

ACCIONA volunteers participated in the third edition of the *Madrid También Solidario* race organized by the También Foundation.

STAKEHOLDER ENGAGEMENT

Listen to take action

In order to offer practical and sustainable responses, ACCIONA's strategy must be based on the various expectations and interests of its stakeholders through direct dialogue with customers, communities, investors and the authorities involved in the decision-making process.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Direct consultations with the main stakeholders in key markets for reviewing and updating the SMP.	<ul style="list-style-type: none">■ Consultations with the main stakeholders.
<ul style="list-style-type: none">■ Consultations with Company customers.	<ul style="list-style-type: none">■ Meetings with, among others, Acuamed, the Costarican Institute of Aqueducts and Sewers, Danone and Sedapal.

2015

Challenges
<ul style="list-style-type: none">■ 2020 Consultations: Consider stakeholder expectations in drafting the 2020 Master Plan.
<ul style="list-style-type: none">■ Continue the consultations with customers.



By participating in various forums, conventions and dialogues, ACCIONA aligned and transmitted its business vision and ambition, related to sustainability, to its stakeholders.

- Participation, in collaboration with other companies and associations in the sector, in the process of reforming the regulatory energy framework in Spain and in the EU
- Ongoing and smooth communication with analysts and investors (284 in total)
- Meetings on the topic of sustainability with customers of the main business lines

STAKEHOLDER ENGAGEMENT (G4-24, G4-25, G4-26 and G4-27)

ACCIONA considers it of vital importance to be aware of its stakeholders' expectations in relation to its performance regarding sustainability. Dialogue with stakeholders must therefore be ongoing, fluid and transparent.

ACCIONA approaches the dialogue process with a two-fold focus:

- Periodic consultations with stakeholders to discuss, review and update important topics in the SMP.
- Stakeholder consultations integrated into the systematics for evaluating the social and environmental impact of its projects.

Some of the main initiatives with the various stakeholders are highlighted below. In addition, the remaining chapters of this report include further examples of the actions conducted in 2014.



ACCIONA encourages taking the legislative measures necessary to carry out the **plan for Growth, Competition and Efficiency**

GOVERNMENTS AND REGULATORY BODIES (G4-26 and G4-27)

ACCIONA considers dialogue between companies and the authorities involved in the decision-making to be a fundamental component for moving forward and adopting beneficial solutions that go beyond these two groups since they affect all market players and society.

To actively take part in this dialogue, ACCIONA is present in, and collaborates with, various associations in the sectors in which it works, always with a view to assuming positions that are in line with ACCIONA's vision, which necessarily implies a stance in favor of sustainability.

As one of the vehicles that drives this dialogue, ACCIONA supports, both individually and in partnership with other players, the preparation of studies and the dissemination of their results. The Company is also involved in actions intended to promote regulations consistent with the sustainable development of the sectors in which the Company carries out its activities, by submitting proposals, comments or arguments at the different hearing procedures.

Regulatory framework for energy policies in Spain

Throughout the process of reforming the Spanish regulatory framework applicable to renewable energies, ACCIONA took part, in collaboration with other companies and associations in the sector, in the public consultation process by drafting and reporting on regulatory proposals. The Company also participated directly through collaborations with other companies and sector associations. Certain aspects noteworthy of mention are as follows:

- The increase in the role of renewable energies on the markets (for example, in providing adjustment services).
- The elimination of unnecessary charges that may be detrimental to their competitive position with regard to conventional and more contaminating technologies (for example, the elimination of the obligation to finance payments for the interruptibility system or possible payments for capacity).
- The adjustment of certain aspects of the new remuneration system for renewable energies that may entail unfavorable treatment for this type of energy with regard to other regulated activities in the electricity sector.

Regulatory framework for energy policies in the EU

In the European Union, ACCIONA has participated both directly and in collaboration with Spanish and European associations in the discussion on the design of the new regulatory framework for energy and climate policies in the EU for the period after 2020, defending all regulatory proposals that favor mechanisms which, without neglecting economic sustainability, facilitate greater penetration of renewable energies and the decarbonization of the economy.

ACCIONA participates in various forums, entities and working groups in which it defends the importance of renewable energies as an alternative to fossil fuels. By way of example, as part of the current debate on the European Energy Union (a concept that is inseparably tied to the security of supply and energy independence), ACCIONA defends incentive systems that are economically sustainable, favor growth and competition using clean technologies and eliminate the disadvantages thereof with regard to contaminating technologies (the environmental costs of which are not internalized). ACCIONA also actively defends the need for European Union commitments regarding the promotion of clean energy to be based on an effective governance system that guarantees their compliance, through binding targets

if possible. The Company also actively participates, both individually and jointly with other companies, in the drafting and promotion of proposals to strengthen the internationalization of costs incurred as a result of CO₂ emissions and other greenhouse gases.

Liberalization of passenger transport by rail

In the process of reforming Spanish legislation regarding rail transport, which began for the purpose of complying with the European directives, ACCIONA took part in the discussion regarding the design of the liberalization model.

The governing principle in the various actions carried out by the Company aimed at assessing the conditions of the liberalization process and collaborating in defining the actions to be carried out in order to successfully complete the process, is always to ensure the establishment of an operational framework that ensures not only the transparency of the liberalization process but also a balance between the existing operator and the new operator with regard to the provision of service, always with a view to really opening up the market to competition as a premise that must lead to an efficient and economically sustainable model that aims to provide customers with the best service.

Energy efficiency measures

ACCIONA also participates in the debate on efficiency measures, through the drafting and reporting on proposals within the context of enacting regulations that implement legislation on growth, competition and efficiency.

Specifically, ACCIONA encourages taking legislative or other types of measures necessary to carry out the Action Plan for growth, competition and efficiency, an alternative to making economic contributions to the national energy efficiency fund.

ACCIONA aims to design a system in which companies are directly involved in reaching their energy savings targets, such that the system is not a mere mechanism for financing public actions (economic contributions to a fund) but rather generates true economic activity associated with efficiency. The Company also promotes the development of an energy efficiency certificates market associated with the effective implementation of energy savings measures –activities already carried out–, which is expected to generate sustainable economic activity (closely tied with green economy and compliance with the EU targets for 2020 and 2030) and create jobs.

INVESTORS AND ANALYSTS (G4-26 and G4-27)

In 2014, ACCIONA maintained ongoing and smooth communication with analysts and equity and debt investors in order to keep them up-to-date with the Group's results and strategy and to answer their questions, always with a view to providing the information needed for decisions on investing in the Company. The main actions involving dialogue with analysts and investors are as follows:

- The Company participated in 3 roadshows and 11 conferences, visiting the financial centers of London, Paris, Madrid, Barcelona and Zaragoza, as well as 2 reverse roadshows at the Company's offices.
- Ongoing meetings and conference calls were also held.
- These actions allowed the Company to maintain contact with 284 investors in 2014.
- In 2014 the investor relations team also communicated with the market through the investors social network, www.unience.com, which was launched in 2013. This is an open group through which investors have the opportunity to follow the share price and interact with the Company. This platform provides information that may be of interest to

865

PRESS RELEASES
PUBLISHED ON
INTERACCIONA IN
2014 IN SPANISH,
PORTUGUESE AND
ENGLISH

the investment community and analysts (significant events, presentations, results, press releases, etc.).

With regard to the most relevant topics for the market, macroeconomic indicators showed reason for concern regarding the continued weak recovery of global economic activity, which did not meet initial expectations of a fast recovery, due mostly to the poor performance of the eurozone and Japan.

In Spain, 2014 was characterized as the first full year in which the new regulatory framework for renewable energies was applied. Although this gave rise to significant reductions in the remuneration of ACCIONA's portfolio, it also provided the renewable energy sector with stability and regulatory visibility.

With regard to ACCIONA, the year was marked by the divestments which, together with the improvement in the Group's operations, strengthened the Company's financial position thanks to a significant reduction in the Group's leveraging. This therefore provided a response to one of the main concerns of the market. In 2014 the Company divested a total of 629 million euros, most notably including the sale to the KKR global infrastructures fund of one third of AEI (ACCIONA Energy International), the sale of the renewable assets that the Company had in Germany

(150 MW in wind power) and the total or partial sale of certain concessions.

There were also recurring themes: the capacity to generate free cash flow, details on the debt and its structure, the Company's plans to enhance the Spanish portfolio of renewable assets now that there is a stable regulatory framework that provides visibility in the medium term, the future growth projections and which markets will have investment opportunities, as well as the recovery forecasts for the construction activity in Spain.

THE MEDIA (G4-26 and G4-27)

The importance of the media as a channel for informing society of the Company's activities led ACCIONA to develop its own tool for measuring its presence in the media. The introduction of metrics also provides more detailed knowledge of the interests of the media to improve management of the content released by the Company. This set of metrics includes an analysis of the information most directly linked to the Sustainability Master Plan, which allows the degree of dissemination of the Company's various policies and advances to be analyzed. Environmental information is predominant and highlights the Company's actions with regard to protecting the environment as well as those that give notice of its projection in

society and its commitment to innovation. A system for monitoring and measuring information in online media was also incorporated in accordance with the growing weight the digital channels have in order to cover the public's information needs.

In addition to communicating its own business activities, ACCIONA has actively contributed to disclosing in the media the advantages and importance of renewable energies in the energy mix. The institutional participation of ACCIONA and its Chairman, José Manuel Entrecanales, in international forums and institutions promoting sustainable development has been a platform through which these messages have been disseminated.

The increasing need for customized information has led to personal dialogue with the media in order to provide requested data and content, although active information is maintained through press releases, with a total of 71 notices issued. A specific line of action in its policy on relationships with the media has been to enhance its presence on television and radio, achieving closer contact with the media both in the agenda of content disseminated and in the informational resources and materials generated.

EMPLOYEES (G4-26 and G4-27)

In 2014, ACCIONA maintained constant lines of communication and dialogue with employees through internal channels of communication. The main focus of the internal communication activities is to provide knowledge of the Company and its activities, and to facilitate the collaboration and participation of its employees in corporate processes and initiatives, the dissemination of information and management of its processes.

The Company received 85 requests for information, queries or suggestions from employees through the internal communications inbox.

393 communications were sent through e-mail and the Company newsletters (Flash and enews), along with other specific segmented communications and newsletters. The e-mails were sent to a total of 1,243,982 recipients. In 2014, 66 weekly newsletters in Spanish (Flash) reached an average of 4,027 new openings (a 23.5% increase on 2013) and 2,282 new readers (a 30% increase on 2013).

Interacciona

Interacciona is ACCIONA's corporate intranet which is available in Spanish and English, and in 2014 an extensive section in Brazilian Portuguese was included. Potential single users of Interacciona ranged from 9,892 to 11,139. Interacciona reached 1,461,245 visits and 4,923,203 website visits. The intranet reached 3,998 single users per day and 6,311 single users per month (65.7% of possible Interacciona users regularly access the intranet). In 2014 news was published in Spanish, English and Portuguese. All news and information for ACCIONA employees is published on the intranet platform, which also includes an internal TV channel, live retransmissions or meeting points, surveys and forms, job offers on *Tu Club* (217 new or updated offers out of a total of 277 current offers) and access to other internal service platforms.

News published on *Interacciona* in 2014

	Published	Visits
News in Spanish	481	164,452
News in English	182	2,748
News in Portuguese	202	2,824
Total	865	170,024

The most noteworthy process improvements in 2014 were:

Interacciona: ACCIONA's corporate intranet	In 2014, the Interacciona portal received 359 comments from employees in Spanish and 3 comments in English. The Company received 7,272 likes on news items published in Spanish and 373 in English.
Meeting points	In 2014, access was provided to employees through Interacciona to Company results presentations and to a specific session on the application, challenges and possibilities of Building Information Modelling technology (BIM). These single-themed meetings may be attended in person or by video, through the intranet. In 2014 there were 2,831 visits and 4,402 requests.
Interacciona surveys and forms in 2014	More than 2,400 people took part in the three surveys carried out in 2014 on the Company intranet, in both Spanish and English. With regard to the ten forms accessible to employees, 508 were filed.
Internal TV channel	In 2014, 47 videos in Spanish and 28 in English were uploaded to the Interacciona TV channel, which is shared with the Company's website.

CUSTOMERS (G4-26 and G4-27)

In addition to the communication channels described in the Value Circle chapter herein, it should be noted that in 2014 ACCIONA worked to maintain a solid relationship with its customers through dialogue and communication. This relationship allowed the Company to become aware of their needs and expectations, which are analyzed and taken into account by ACCIONA when making its decisions and in its responsible sustainability strategy.

These meetings sought to elicit the customers' opinion of ACCIONA's Sustainability Master Plan as well as possible joint areas of action. The most noteworthy topics discussed at these meetings are as follows:

- Advisory services by ACCIONA on matters related to managing relationships with the communities and processes of citizen participation.
- Internal initiatives carried out by the Company with regard to its water footprint, the inclusion of sustainability in the supply chain, the management of social impact and how to promote these topics within the organization.
- Analyzing the possibilities of building and managing carbon-neutral water treatment plants.

ACCIONA works to maintain a solid relationship with its customers through dialogue and communication, and is therefore aware of their needs and expectations

- Lastly, investigating options to increase energy efficiency in the supply chain of our customers.

LOCAL COMMUNITIES (G4-26 and G4-27)

Dialogue is essential when implementing the projects carried out by the Company in order to become fully acquainted with the needs and opinions of the local communities where it operates and to respond to their concerns. ACCIONA has therefore established various communication channels with the local communities. By way of example, some of the projects of the Company's various lines of business are described below (other projects can be found in the Society chapter herein):

Hydraulic optimization of the distribution network and demand management for the aqueduct in the municipality of Riohacha (Colombia)

This project was carried out under the implementation and assessment of a social management plan for construction work, focused on preventing, mitigating and handling the effects on the community before, during, and at the work's completion; and an action plan for the social component in demand management,

the purpose of which is to strengthen the processes of reflection, understanding and action (awareness), with the communities regarding the interaction of technical and operational factors associated with consumption that influence the problems of service of the aqueduct in the municipality of Riohacha.

Rehabilitation of the local sewer and storm water systems in the neighborhood of Muzú (Colombia)

A social management plan for involvement was put in place which was responsible for channeling the actions of the area of influence of the involvement as well as the following programs: information and communication program, organization and participation program, education program, sustainability, monitoring and assessment program.

Wind farm in Chiripa (Costa Rica)

The stakeholders of the settlements where the wind farm project of Chiripa (Costa Rica) is being carried out, have been periodically consulted since 2012. As a result of the consultations with the community, a deficiency was found in the supply of potable water. ACCIONA therefore established a plan for improvement that included the drilling of a well in the town of Monseñor Morera.

DISSEMINATION AND LEADERSHIP

Sustainable positioning

ACCIONA is a worldwide benchmark in sustainability as a result of its strategic value and the disclosure of its sustainable business model.

2014

Challenges	Advances
<ul style="list-style-type: none">■ Continually participate in benchmark organizations.	<ul style="list-style-type: none">■ Participation in forums and talks in Spain and abroad: <i>Corporate Leaders Group</i> (CLG), <i>Global Compact</i>, <i>World Business Council for Sustainable Development</i> (WBCSD), <i>Sustainable Energy for All</i> (SE4All), <i>Seres Foundation</i>, among others.
<ul style="list-style-type: none">■ Strengthen international position in sustainability through dissemination in social media.	<ul style="list-style-type: none">■ Active presence in local WBCSD organizations (Céspedes in Mexico), <i>Global Compact</i> (Spanish <i>Global Compact Network</i>) and <i>Sustainable Energy for All</i> (<i>Sustainable Energy for All Americas</i>).
<ul style="list-style-type: none">■ Develop new communication items.	<ul style="list-style-type: none">■ Use of up-to-date dissemination tools such as the new corporate website, the launch of the sustainability dissemination website in English and newly developed and updated audiovisual items (videos, infographics, etc.).

2015

Challenges
<ul style="list-style-type: none">■ Ongoing participation in benchmark organizations.■ Development and approval of the SMP 2020.■ Development of new communication items to be disseminated both internally and externally.



ACCIONA actively participates in international initiatives that strengthen its commitment to sustainable development, the fight against climate change and the dissemination of these ideas.

- The only Spanish company among the 100 most sustainable corporations in the world (Global 100 Most Sustainable Corporations in the World 2014)
- It supports the "Put a Price on Carbon" statement led by the World Bank
- Participation in the Trillion Tonne Communiqué, an initiative led by the Corporate Leaders Group

Dissemination of ACCIONA's principles

Recognition as a benchmark in sustainability must be supplemented by the dissemination of a business model based on the opportunities provided by sustainable development. ACCIONA has therefore developed various activities through internal and external communication channels: videos, brochures, publications on the website, internal and external newsletters, magazines, an active presence in social media, among others.

Active presence in organizations and initiatives

ACCIONA actively participates in international initiatives that strengthen its commitment to sustainable development, the fight against climate change and the dissemination and spread of good practices in these areas.

UNITED NATIONS GLOBAL COMPACT

The Company has been an active member of the United Nations Global Compact since 2005 and a member of the Steering Committee of Global Compact LEAD since 2014. This initiative, to which affiliation

ACCIONA actively participated in the **United Nations Private Sector Forum**, an initiative promoted by UN Secretary General Ban Ki-moon

is voluntary, is based on the commitment to adopt, support and promote a set of fundamental values—the Ten Principles of the Global Compact—in the areas of human rights, labor, the environment and anti-corruption. ACCIONA is committed to incorporating these principles in its day-to-day activities and reporting the improvements and progress made to society.

In 2014 ACCIONA participated in the following initiatives led by the Global Compact:

UN Private Sector Forum 2014

ACCIONA actively participated in the United Nations Private Sector Forum 2014, an initiative promoted by UN Secretary General Ban Ki-moon. In 2014, the UN Private Sector Forum formed part of the Climate Summit, which was attended by leaders of the Member States, the business sector and civil society, among others, with the aim of:

- Catalyzing ambitious and realistic measures to reduce emissions and strengthen climate resilience.
- Mobilizing governments to reach an ambitious global legal agreement in 2015 to contain the increase in the global average temperature so that it does not rise by more than 2 degrees Celsius.

ACCIONA participated in presenting *Business Leadership Criteria on Carbon Pricing*, organized by *Caring 4 Climate (C4C)*, a joint initiative of the UN Global Compact and the United Nations Environment Programme (UNEP).

During the Forum, ACCIONA also publicly expressed its support for the "Put a Price on Carbon" statement, an initiative led by the World Bank. In this statement, governments and companies make a commitment to work together in order to establish carbon pricing worldwide.

Global Compact LEAD

Since 2010, ACCIONA has formed part of Global Compact LEAD, an initiative formed by 54 companies, whose goal is to achieve a new level of environmental, social and corporate governance actions, and to establish a new reference for corporate sustainability. ACCIONA has been a member of the Advisory Committee since the beginning of 2014 and has actively participated through round table discussions, working groups and teleconferences.

Sustainable Energy for All (SE4ALL) initiative

The first forum of the SE4ALL initiative took place in June 2014. José Manuel Entrecanales, Chairman of ACCIONA, was appointed a member of the Advisory

Board in 2013 and co-chairs the Renewable Energy Committee along with the Director-General of the International Renewable Energy Agency (IRENA). The progress made during the last year by this Committee was revealed in 2014 and included recommendations for five specific areas of improvement: knowledge management, policy and regulation, social support, innovative financing products and lines, and training to boost employment.

During this forum, the UN Secretary General and World Bank President officially launched the Decade of Sustainable Energy for All 2014-2024 (SE4All).

In October 2014, ACCIONA, along with over 500 representatives of governments, civil society, the private sector and international organizations throughout Latin America and the Caribbean, participated in the launch of the Decade of Sustainable Energy for All (2014-2024) led by the United Nations in Latin America and the Caribbean (SE4All Americas).

CEO CLIMATE LEADERSHIP GROUP

In January 2015, the Chairman of ACCIONA, José Manuel Entrecanales, took part, within the framework of the *World Economic Forum* in Davos, in the launch of a new CEO Climate Leadership work group, an initiative led by the United Nations and the *World Economic Forum* that is comprised of CEOs from leading world companies, to drive the private sector's contribution in the fight against climate change.

ACCIONA's presence at the COP20

As part of the Conference of the Parties (COP20) held in Lima (Peru), ACCIONA Microenergía Perú, along with the Multilateral Investment Fund of the Inter-American Development Bank (IDB/FOMIN), the Spanish Agency for International Development Cooperation (AECID) and the CEDDET Foundation, and with the presence of ACCIONA's Chairman, José Manuel Entrecanales, organized the *Universal Access to Energy and Climate Change* seminar.

The ACCIONA Microenergía Foundation presented the results of its *Light at Home* program during the seminar. The seminar, which benefited from the contribution of rural development experts, also dealt with the challenges of off-grid electrification, and how to make universal access to energy compatible with the fight against climate change.

ACCIONA also participated in the forums organized by the *World Business Council for Sustainable Development* and in the *Caring 4 Climate Business Forum* to promote the role of the private sector in efforts to contain global warming.

Global Compact International Yearbook 2014

ACCIONA participated in the Global Compact publication of reference. Companies' best practices on matters related to sustainability are published in this yearbook.

ACCIONA participated in the launch of the CEO Climate Leadership Group in Davos

ACCIONA signed the Trillion Tonne Communiqué, which urges authorities to implement policies that **prevent emissions for more than a trillion tonnes of carbon**

WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (WBCSD)

The Chairman of ACCIONA, José Manuel Entrecanales, is a member of the Executive Committee that supervises the long-term strategy and outlook of the World Business Council for Sustainable Development (WBCSD). ACCIONA was the first Spanish company of the IBEX 35 to form part of this worldwide network, and since then it has been an active member therein, having participated in activities regarding education, training and research in many fields.

In 2014, ACCIONA was a co-leader, along with other companies in the sector, of the *Scaling Up Renewables in the Electricity Sector* initiative within the framework of the WBCSD's Action2020 plan.

The aim of the companies participating in this initiative is to contribute to the decarbonization of the energy mix, accelerating the progress to ensure renewable energies make up at least 30% of the energy mix in 2030. Preliminary results will be presented at the Conference of the Parties (COP21) in Paris in 2015.

ACCIONA has actively participated in the *Urban Infrastructures Initiative* (UII) since its creation, leading the communication portion. This initiative focuses on the

power of businesses to come up with practical solutions to help authorities and governments create more sustainable cities. The final report on this initiative was published in April 2014.

CORPORATE LEADERS GROUP (CLG)

ACCIONA was included in the *Prince of Wales' Corporate Leaders Group* (CLG) in 2009. The CLG is a group of European business leaders who share the conviction that there is an urgent need to develop new policies with a long-term view to fight climate change.

In 2014 ACCIONA participated in numerous meetings and work groups organized by this initiative. Noteworthy of mention is the launch of the Trillion Tonne Communiqué, signed by ACCIONA, to urge authorities to implement policies that prevent emissions for more than a trillion tonnes of carbon.

In February 2014, the chairmen and CEOs of leading European companies called on EU Heads of State to define a clear climate and energy framework for 2030 with an ambitious renewable energy target, including binding national targets.

At the beginning of 2015, and within the framework of the tenth anniversary of the Corporate Leaders Group on Climate Change, presided over by the Prince of Wales, under the heading "*Leadership for*

ACCIONA joined the We Mean Business coalition to **drive the agenda of the Climate Change Conference (COP21)** in Paris

the Future", the Chairman of ACCIONA participated in a move to encourage the private sector to reach a new international agreement in 2015 to fight climate change.

WE MEAN BUSINESS

ACCIONA joined the *We Mean Business* coalition which focuses on driving the agenda of the Climate Change Conference (COP21) in Paris. This coalition was formed in September 2014 by CLC, the B-Team, Business for Social Responsibility, CDP, Ceres, The Climate Group, and WBCSD, for the purpose of accelerating the development of a low carbon economy.

CSR INNOLABS

In 2013 ACCIONA joined the CSR Innolabs project, a network of companies whose goal is to foster Corporate Social Responsibility (CSR) in Latin America, with the support of the Inter-American Development Bank (IDB).

As a result of this project, a report titled *The keys of assessing, measuring and managing social impact in Latin America and the Caribbean* will be published in 2015.

EXTERNAL DISSEMINATION OF OUR SUSTAINABILITY PRINCIPLES

Throughout 2014, ACCIONA has had a presence in forums, talks and meetings with various organizations, and has also collaborated in numerous publications, thus consolidating the Company's position

and promoting external discussion of sustainability practices. The most noteworthy of these are as follows:

- Social network meeting for Water Day and Earth Day.
- Seminars on social impact, measuring impact, variable remuneration, non-profit organizations and companies (Seres Foundation – ESADE).
- Speaker at the III Global Sustainability Forum.
- Radio interviews and media articles (newspapers, magazines, blogs, among others), as well as participation in publications such as the *Multi-sectoral study on the state of corporate responsibility* (Sustainability Excellence Club), and *Report on the social impact of companies* (SERES Foundation).

Business Council for Competitiveness (CEC)

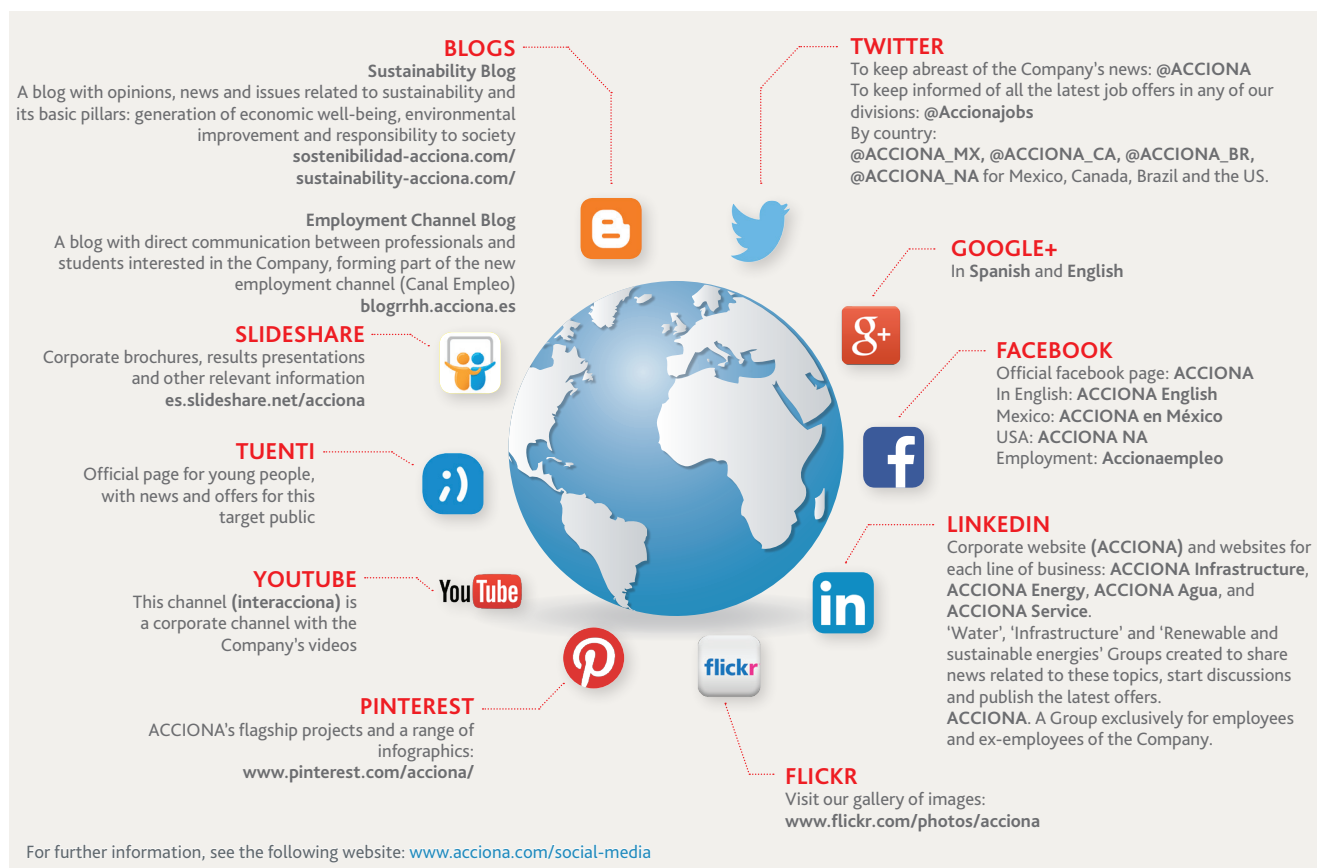
ACCIONA has formed part of the Business Council for Competitiveness (CEC) since its creation in February 2011. The companies that form part of the Business Council bring together their commitments and pool their efforts to submit proposals that improve competition, help economic recovery and strengthen international confidence in Spain.

ACCIONA in social media

ACCIONA's digital presence continues to grow with new channels and the exponential growth of its community in social media.

- The number of visits to ACCIONA's corporate website increased by 9.18% and the bounce rate dropped by 4.39%.
- The number of ACCIONA's followers in all social media grew by 50% in 2014 with regard to the previous year.
- With more than 62,000 followers on Twitter in December 2014, ACCIONA leads the sectors in which it operates.

ACCIONA's presence in social media:



2013-2014 comparison of the Sustainability for All microsite

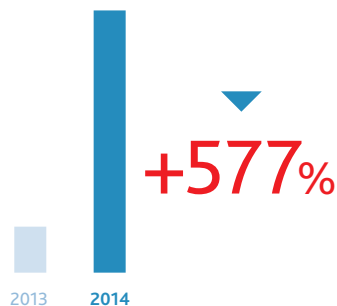
ACCIONA IS COMMITTED TO RAISING AWARENESS AND EDUCATION THROUGH THE SUSTAINABILITY FOR ALL WEBSITE

In 2013 ACCIONA launched the Sustainability for All website in order to educate on the challenges of sustainability and create a public space for dialogue on how to combine economic and social development with the preservation of natural resources.

The website consists of four sections which offer education and information in a simple format that is accessible and practical, with a focus on how we want to live in the future, what the limits are to natural resources, and what alternatives may arise to solve the major challenges of social progress. More content will be disseminated through the use of social media and tools.

In March 2014, the Company launched the English version of the Sustainability for All website, which had visits from users in 155 countries. In December 2014, the magazine iAgua awarded ACCIONA for having the best educational video, *The Water Cycle*, published on its website.

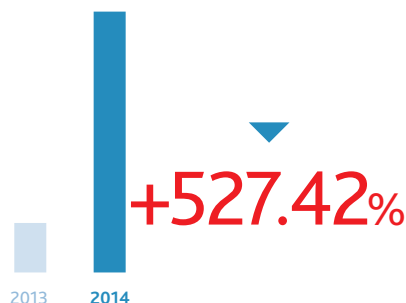
→ Sessions



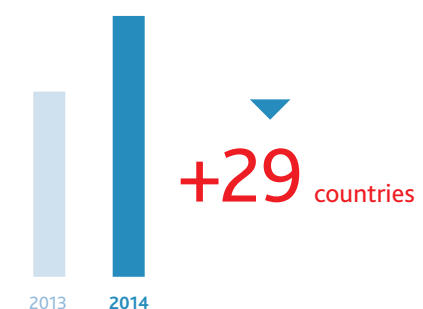
→ Sessions through social media



→ Page visits



→ Visits from users in 158 countries of all 5 continents



ACCIONA is now part of the leading group of companies recognized for their corporate responsibility, according to the Merco 2014 corporate reputation index, and is ranked in tenth place. In terms of the general corporate reputation

index, the Company continues to rank highest in the Infrastructures, Services and Construction sector. The Chairman of ACCIONA, José Manuel Entrecanales, also ranks 10th among the "top ten" business leaders.

In 2014, ACCIONA was recognized by the Spanish Global Compact Network for having belonged to this network for the last decade.

ACCOUNTABILITY

Exhaustive and transparent

ACCIONA, in accordance with the most advanced international *reporting standards*, provides detailed information on its actions, strategy and sustainability practices.

2014

Challenges

- Prepare the 2013 Sustainability Report according to the guidelines of the new *Global Reporting Initiative G4* guide.
- Verify key indicators of the 2013 Sustainability Report with a reasonable level of assurance.
- Prepare the 2013 Integrated Report in accordance with the integrated reporting framework approved by the International Integrated Reporting Council (IIRC).

Advances

- 2013 Sustainability Report prepared according to the new GRI G4 guide at the *comprehensive* level.
- A number of labor and environmental indicators of the 2013 Sustainability Report were reviewed by an independent third party with a reasonable degree of assurance (for example, CO₂ emissions, energy consumption and headcount figures, among others).
- The Integrated Reporting was prepared, for the second year in a row, in accordance with the final framework of the International Integrated Reporting Council (IIRC).

2015

Challenges

- Prepare the 2014 Sustainability Report (according to the GRI G4 guide).
- Verify key indicators of the 2014 Sustainability Report with a reasonable level of assurance.
- Prepare the 2014 Integrated Report.



The commitments undertaken by ACCIONA with regard to the sustainability challenges are transparent and can be measured and verified. Transparency implies accountability to stakeholders. The main milestones of this task in 2014 were as follows:

- Approval of the 2013 Sustainability Report at the General Shareholders' Meeting
- Obtainment of the RobecoSAM Silver Class 2015 award in the 2015 Sustainability Yearbook
- Recognized as a leader in the fight against climate change and rated one of the most sustainable suppliers in the world by the Carbon Disclosure Project

Commitment to transparency

Transparency includes accountability for the monitoring and progress of the initiatives contained in the Sustainability Master Plan. This is one of the Company's main areas of work, since it involves complying with its commitments to stakeholders. The commitments undertaken by ACCIONA with regard to the sustainability challenges can be measured and verified. The periodic review of the progress of the Master Plan allows the Company to make the appropriate adjustments, ensure that the targets set are reached, and respond to stakeholders' expectations and the Company's commitment to improving its sustainability performance.

ACCIONA is accountable to its stakeholders through a number of channels.

SUSTAINABILITY REPORT

Every year, ACCIONA's Sustainability Report offers detailed information on its performance and practices in social, environmental, and corporate governance

matters, reporting the advances made in meeting its targets in SMP 2015, as well as the challenges to be overcome. In preparing this document, the Company used the guidelines provided in the Global Reporting Initiative (GRI) international standard as a reference. In 2014, in what represented a new development, the 2013 Sustainability Report was drawn up in accordance with the new GRI G4 guide, which focuses on reporting the most relevant topics for each company. The 2013 Sustainability Report presents detailed information in accordance with the G4 guide at the *comprehensive* level.

In line with its commitment to transparency and rigor, ACCIONA once again asked an external verification company to review a battery of key indicators for the Sustainability Report, such as CO₂ emissions, energy consumption and headcount figures, among others, with a higher level of assurance (reasonable level).

During the review of this information, procedures were applied to obtain evidence of the processes and controls used by the Company in preparing the Report, with a focus on internal controls. Furthermore, the external verification team visited several of ACCIONA's facilities in Spain, Brazil, Italy and the US to review operations on site and report on non-financial information at project level.

It should be noted that since 2012, the contents of the Sustainability Report, which is published annually by ACCIONA, are submitted for review and approval at the General Shareholders' Meeting. In a vote, the shareholders evaluate the initiatives and social, environmental and corporate governance performance of the Company described in the Sustainability Report, thus conveying their opinion of the matter to the Board of Directors. In June 2014, the ACCIONA 2013 Sustainability Report was approved at the General Shareholders'

Meeting with a vote in favor of 99.95% of the share capital in attendance (in 2013, the 2012 Sustainability Report was approved by 99.97%).

INTEGRATED REPORT

In 2014, for the second year running, ACCIONA prepared its Integrated Report in accordance with the guidelines of the International Integrated Reporting Council (IIRC), the final version of which was published in December 2013. Following the principles set out in this guide, the purpose of this report is to describe the Company and its prospects using comprehensive and relevant information, addressing the internal and external elements that enable it to create and distribute value in the short, medium and long term.

This report aims to connect ACCIONA's economic-financial, social, environmental and corporate governance information, presenting the Company's strategy, its traditional value creation model, future trends it wishes to discuss, and the challenges and risks it faces, as well as the context and performance of each line of business.

QUARTERLY RESULTS REPORT

ACCIONA has included a sustainability appendix in its quarterly results reports since 2011. The appendix reports on the Company's presence in sustainability indexes and highlights certain significant events in sustainability issues in each period.

DOW JONES SUSTAINABILITY INDEX

Every year, ACCIONA provides the responsible investment company RobecoSAM with the necessary information so that it can be assessed in accordance with the economic, social and environmental criteria established by the Dow Jones Sustainability Index.

ACCIONA confirms its presence among the most sustainable companies in the world

ACCIONA has been selected for the *Dow Jones Sustainability World Index* (DJSI World) for the eighth year running, according to the results of the assessment carried out by the responsible investment company RobecoSAM in 2014.



ROBECOSAM
Sustainability Award
Silver Class 2015

The Company also obtained the RobecoSAM Silver Class 2015 distinction according to the Sustainability Yearbook 2015, which recognizes the companies with the best sustainability practices in each sector worldwide.

Compared to the previous year, ACCIONA improved its total score and its rating in the three dimensions examined: economic, social and environmental. ACCIONA's presence in the DJSI World Index confirms its ability to remain at the forefront with regard to implementing corporate sustainability policies, and is a recognition of its effort and commitment.

Within the economic dimension, the progress made in Risk Management compared to 2013 and the improvements in Customer Relationship Management and Supply Chain Management are noteworthy of mention. In the environmental dimension, the Company obtained a high score in Biodiversity, Environmental Policy, Management Systems and Climate Change Strategy. As for the social dimension, the Company improved its score in Labor Practice Indicators and Human Rights, Human Capital Development and Social Action.

For the 2014 review, DJSI World invited 3,395 companies and proceeded to analyze 1,813. Of these companies, a total of 319 were finally selected (compared to 333 in 2013) as those with the best corporate sustainability criteria in the world.

CDP

ACCIONA annually provides detailed information on its strategy, practices, performance and objectives in fighting climate change. The Company also responded to the CDP *Water Disclosure* questionnaire, specifically relating to water, thereby making its water footprint known to the public and reporting on the various aspects for managing water resources.

ACCIONA is included in the exclusive SCPLI Index, which recognizes only **121 companies worldwide as suppliers of sustainable products and services**

ACCIONA has been recognized as a leader in the fight against climate change and rated one of the most sustainable suppliers in the world by CDP

In 2014 ACCIONA was included in *The A List: The CDP Climate Performance Leadership Index 2014* prepared by the CDP, which lists the 187 international companies that have achieved the top ratings for their performance in the fight against climate change, out of more than 2,000 companies assessed. The Company was given a special mention in the CDP global report, *The A List*, for being the best energy company worldwide with the lowest greenhouse gas emissions in relation to its revenues, and the company with the greatest tendency to reduce CO₂ emissions, which continued in 2014. The Company has also received the *CDP Climate Performance Leadership* award for its excellent performance rating in the fight against climate change.

ACCIONA's transparency regarding environmental information was assessed in 2014 and the Company was awarded a rating of 99% by the CDP, thereby once again including the Company in the *CDP Iberia 125 Climate Disclosure Leadership 2014 Index*.

ACCIONA also received the highest score as a sustainable supplier by the CDP and, for the second year in a row, became part of the exclusive *CDP Supplier Climate Performance Leadership Index (SCPLI) 2014*, which only recognizes 121 companies worldwide as suppliers of sustainable products and services.

GLOBAL COMPACT COMMUNICATION ON PROGRESS

Through the annual Communication on Progress, the Company explains the advances made in implementing and furthering the Ten Principles of the UN Global Compact and its related goals.

For the fourth year running, ACCIONA qualified for Advanced Level in the Communication on Progress of the UN Global Compact

The purpose of the Global Compact is to obtain voluntary commitments from companies in social responsibility through the implementation of ten principles in the areas of human rights, labor, the environment and anti-corruption. In accordance with this commitment, ACCIONA has published its annual Communication on Progress and qualified for Advanced Level.

ACCIONA is recognized as a company that implements and reports on





a wide range of good practices in sustainability based on the *Blueprint for Corporate Sustainability Leadership*, a complete road map that includes specific measures that may be adopted by companies to improve their sustainability.

Presence in sustainability indexes

The Company's economic, environmental and social performance is studied by a large number of specialist agencies. This performance is very often reflected in the publication of specific indexes and reports. ACCIONA's presence in these selective sustainability indexes demonstrates the

trust it has earned from the institutional investors who understand sustainability as a good indicator of a Company's quality of management and transparency.

ACCIONA has a presence in the following indexes (as of December 2014):

<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>	<p>The results of the 2014 review confirms ACCIONA's presence for the eighth year running in the <i>Dow Jones Sustainability Indexes</i> (DJSI World), which comprises the companies with the best social, environmental and corporate governance practices. ACCIONA was assessed in the Electric Utilities sector.</p>
 FTSE4Good	<p>In 2014, ACCIONA confirmed its presence in the FTSE4Good, which includes companies that comply with strict social and environmental criteria and that are noteworthy for their good practices in sustainability.</p>
 2014 Constituent MSCI Global Climate Index	<p>ACCIONA was selected as a component of the MSCI Global Climate Index¹. This index includes companies that are leaders in mitigating short- and long-term factors that contribute to climate change.</p>
 	<p>ACCIONA forms part of the global <i>CDP Climate Performance Leadership Index 2014</i>, made up of companies that have been shown to be leading the fight against climate change. The Company is also included in the <i>CDP Iberia 125 Climate Disclosure Leadership Index 2014</i> and the <i>CDP Supplier Climate Performance Leadership Index</i>.</p>

1. Disclaimer: The inclusion of ACCIONA, S.A. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein do not constitute a sponsorship, endorsement or promotion of ACCIONA, S.A. by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

GRI INDEX



GENERAL STANDARD DISCLOSURES			
General standard disclosures	Page (or link)	Omissions	External assurance
STRATEGY AND ANALYSIS			
G4-1	Chairman's Statement (p. 4-7)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-2	ACCIONA's Commitment (p. 68-70)	Not applicable	Yes (Independent Assurance Report p. 221-223)
ORGANIZATIONAL PROFILE			
G4-3	Company Profile (p. 10)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-4	Company Profile (p. 11-14)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-5	2014 Corporate Governance Report (p. 1)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-6	Company Profile (p. 12-13)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-7	2014 Corporate Governance Report (p. 1-2)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-8	Company Profile (p. 11-13)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-9	Triple Bottom Line (p. 18-23)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-10	People (p. 87 and p. 99)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-11	At present, virtually all employee groups are covered by collective labor regulations in different countries (in certain countries, and for reasons of start-up or the legislation, there may be small groups of uncovered workers, which account for less than 1% of the total workforce). In 2014, a number of collective bargaining agreements in the Energy area were reviewed.	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-12	Value Circle (p. 158-165)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-13	Annual Accounts 2014 (p. 168-170); Corporate Governance (p. 81)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-14	Corporate Governance (p. 81-83)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-15	Dissemination and Leadership (p. 199-203); Corporate Governance (p. 79)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-16	Dissemination and Leadership (p. 199-203)	Not applicable	Yes (Independent Assurance Report p. 221-223)
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	About this report (p. 8); Annual Accounts 2014 (p. 142)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-18	About this report (p. 8-9); Materiality Analysis (p. 36)	Not applicable	Yes (Independent Assurance Report p. 221-223)

GENERAL STANDARD DISCLOSURES			
General standard disclosures	Page (or link)	Omissions	External assurance
G4-19	Materiality Analysis (p. 62-67)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-20	Materiality Analysis (p. 62-67)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-21	Materiality Analysis (p. 62-67)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-22	About this report (p. 9)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-23	About this report (p. 9)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-24	Materiality Analysis (p. 37-38); Stakeholder engagement (p. 191)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-25	Stakeholder engagement (p. 191)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-26	Stakeholder engagement (p. 191-196)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-27	Stakeholder engagement (p. 191-196)	Not applicable	Yes (Independent Assurance Report p. 221-223)
REPORT PROFILE			
G4-28	2014	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-29	2013	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-30	About this report (p. 8)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-31	responsabilidadcorporativa@acciona.com	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-32	About this report (p. 8); GRI Index (p. 212)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-33	About this report (p. 8); Independent Assurance Report (p. 221-223)	Not applicable	Yes (Independent Assurance Report p. 221-223)
GOVERNANCE			
G4-34	2014 Corporate Governance Report (p. 20-21; 25-27)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-35	ACCIONA's Commitment (p. 74-75)		Yes (Independent Assurance Report p. 221-223)
G4-36	ACCIONA's Commitment (p. 75)		Yes (Independent Assurance Report p. 221-223)
G4-37	Corporate Governance (p. 74-75)		Yes (Independent Assurance Report p. 221-223)
G4-38	Corporate Governance (p. 77-78)		Yes (Independent Assurance Report p. 221-223)
G4-39	Corporate Governance (p. 77-78); 2014 Corporate Governance Report (p. 18-20)		Yes (Independent Assurance Report p. 221-223)
G4-40	2014 Corporate Governance Report (p. 17-18)		Yes (Independent Assurance Report p. 221-223)
G4-41	2014 Corporate Governance Report (p. 29-30)		Yes (Independent Assurance Report p. 221-223)

GENERAL STANDARD DISCLOSURES			
General standard disclosures	Page (or link)	Omissions	External assurance
G4-42	2014 Corporate Governance Report (p. 43)		Yes (Independent Assurance Report p. 221-223)
G4-43	Corporate Governance Report (p. 43); ACCIONA's Commitment (p. 74-75)		Yes (Independent Assurance Report p. 221-223)
G4-44	Corporate Governance (p. 79); 2014 Corporate Governance Report (p. 18-19)		Yes (Independent Assurance Report p. 221-223)
G4-45	Corporate Governance (p. 81-82); 2014 Corporate Governance Report (p. 30-31)		Yes (Independent Assurance Report p. 221-223)
G4-46	Corporate Governance (p. 81-82)		Yes (Independent Assurance Report p. 221-223)
G4-47	2014 Corporate Governance Report (p. 21)		Yes (Independent Assurance Report p. 221-223)
G4-48	ACCIONA's Commitment (p. 74)		Yes (Independent Assurance Report p. 221-223)
G4-49	2014 Corporate Governance Report (p. 34)		Yes (Independent Assurance Report p. 221-223)
G4-50	Corporate Governance (p. 80-81)		Yes (Independent Assurance Report p. 221-223)
G4-51	2014 Annual Report on Remuneration of Directors (p. 2)		Yes (Independent Assurance Report p. 221-223)
G4-52	2014 Annual Report on Remuneration of Directors (p. 2)		Yes (Independent Assurance Report p. 221-223)
G4-53	2014 Annual Report on Remuneration of Directors (p. 19-20); Corporate Governance (p. 79)		Yes (Independent Assurance Report p. 221-223)
G4-54		Due to the ongoing reorganization of the Company's business divisions and variable presence in the countries, with continuous new openings and significant geographical mobility in Spain and abroad, and the effect that this reorganization has on the distribution of employees and executives, both in Spain and in our markets, the information on these ratios is still confidential and subject to changes that cause this data not to be available generally or locally.	Yes (Independent Assurance Report p. 221-223)
G4-55		Due to the ongoing reorganization of the Company's business divisions and variable presence in the countries, with continuous new openings and significant geographical mobility in Spain and abroad, and the effect that this reorganization has on the distribution of employees and executives, both in Spain and in our markets, the information on these ratios is still confidential and subject to changes that cause this data not to be available generally or locally.	Yes (Independent Assurance Report p. 221-223)
ETHICS AND INTEGRITY			
G4-56	Corporate Governance (p. 79-80)	Not applicable	Yes (Independent Assurance Report p. 221-223)
G4-57	Corporate Governance (p. 80-81)		Yes (Independent Assurance Report p. 221-223)
G4-58	Corporate Governance (p. 80-81)		Yes (Independent Assurance Report p. 221-223)

SPECIFIC STANDARD DISCLOSURES			
DMA and Indicators	Page (or link)	Omissions	External assurance
CATEGORY: ECONOMY			
Material aspect: Procurement practices			
G4-DMA	Value Circle (p. 161)		Yes (Independent Assurance Report p. 221-223)
G4-EC9	Value Circle (p. 157-159)		Yes (Independent Assurance Report p. 221-223)
CATEGORY: ENVIRONMENT			
Material aspect: Materials			
G4-DMA	Environment (p. 149-151)		Yes (Independent Assurance Report p. 221-223)
G4-EN1	Environment (p. 149)		Yes (Independent Assurance Report p. 221-223)
G4-EN2	Environment (p. 150-151)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Energy			
G4-DMA	Environment (p. 132-135)		Yes (Independent Assurance Report p. 221-223)
G4-EN3	Environment (p. 134)		Yes (Independent Assurance Report p. 221-223)
G4-EN4	Environment (p. 135)		Yes (Independent Assurance Report p. 221-223)
G4-EN5	Environment (p. 134-135)		Yes (Independent Assurance Report p. 221-223)
G4-EN6	Environment (p. 133-134)		Yes (Independent Assurance Report p. 221-223)
G4-EN7	Environment (p. 138)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Water			
G4-DMA	Environment (p. 140-143)		Yes (Independent Assurance Report p. 221-223)
G4-EN8	Environment (p. 141; 143)		Yes (Independent Assurance Report p. 221-223)
G4-EN9	Environment (p. 142)		Yes (Independent Assurance Report p. 221-223)
G4-EN10	Environment (p. 141)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Biodiversity			
G4-DMA	Environment (p. 144-148)		Yes (Independent Assurance Report p. 221-223)
G4-EN11	Environment (p. 147)		Yes (Independent Assurance Report p. 221-223)
G4-EN12	Environment (p. 147)		Yes (Independent Assurance Report p. 221-223)
G4-EN13	Environment (p. 147-148)		Yes (Independent Assurance Report p. 221-223)
G4-EN14	Environment (p. 147)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Emissions			
G4-DMA	Environment (p. 132-133; 136-139)		Yes (Independent Assurance Report p. 221-223)
G4-EN15	Environment (p. 136)		Yes (Independent Assurance Report p. 221-223)
G4-EN16	Environment (p. 137)		Yes (Independent Assurance Report p. 221-223)
G4-EN17	Environment (p. 137)		Yes (Independent Assurance Report p. 221-223)
G4-EN18	Environment (p. 136)		Yes (Independent Assurance Report p. 221-223)
G4-EN19	Environment (p. 136; 138)		Yes (Independent Assurance Report p. 221-223)
G4-EN20	ACCIONA uses non- ozone layer-depleting gases in its facilities.		Yes (Independent Assurance Report p. 221-223)
G4-EN21	Environment (p. 138)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Effluents and waste			
G4-DMA	Environment (p. 142; 149-151)		Yes (Independent Assurance Report p. 221-223)
G4-EN22	Environment (p. 142)		Yes (Independent Assurance Report p. 221-223)
G4-EN23	Environment (p. 150-151)		Yes (Independent Assurance Report p. 221-223)

SPECIFIC STANDARD DISCLOSURES			
DMA and Indicators	Page (or link)	Omissions	External assurance
G4-EN24	Environment (p. 151)		Yes (Independent Assurance Report p. 221-223)
G4-EN25	Environment (p. 150-151)		Yes (Independent Assurance Report p. 221-223)
G4-EN26	Environment (p. 142)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Products and services			
G4-DMA	Environment (p. 138); Innovation (p. 120-123); Company Profile (p. 10)		Yes (Independent Assurance Report p. 221-223)
G4-EN27	Environment (p. 138); Innovation (p. 120-123); Company Profile (p. 10)		Yes (Independent Assurance Report p. 221-223)
G4-EN28	Given the nature of ACCIONA's activity, only three products are produced: wines bottled in reusable glass, wind turbines and dwellings, where the useful life of the latter two categories are long-lasting and have not reached their end.		Yes (Independent Assurance Report p. 221-223)
Material aspect: Regulatory compliance			
G4-DMA	Environment (p. 154)		Yes (Independent Assurance Report p. 221-223)
G4-EN29	Environment (p. 154)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Transport			
G4-DMA	Environment (p. 139)		Yes (Independent Assurance Report p. 221-223)
G4-EN30	Environment (p. 139)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Overall			
G4-DMA	Environment (p. 126-131)		Yes (Independent Assurance Report p. 221-223)
G4-EN31	Environment (p. 126)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Supplier environmental assessment			
G4-DMA	Value Circle (p. 161-168)		Yes (Independent Assurance Report p. 221-223)
G4-EN32	Value Circle (p. 161-168)		Yes (Independent Assurance Report p. 221-223)
G4-EN33	Value Circle (p. 165)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Environment grievance mechanisms			
G4-DMA	Corporate Governance (p. 80-81); Society (p. 180-181)		Yes (Independent Assurance Report p. 221-223)
G4-EN34	Corporate Governance (p. 80-81)		Yes (Independent Assurance Report p. 221-223)
CATEGORY: SOCIAL PERFORMANCE			
Sub-category: Labor practices and decent work			
Material aspect: Employment			
G4-DMA	People (p. 86-87); Value Circle (p. 165-166)		Yes (Independent Assurance Report p. 221-223)
G4-LA1	People (p. 88; 99)		Yes (Independent Assurance Report p. 221-223)
G4-LA2	People (p. 95)		Yes (Independent Assurance Report p. 221-223)
G4-LA3	People (p. 88)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Occupational health and safety			
G4-DMA	People (p. 102-111)		Yes (Independent Assurance Report p. 221-223)
G4-LA5	People (p. 109-110)		Yes (Independent Assurance Report p. 221-223)
G4-LA6	People (p. 102-106)		Yes (Independent Assurance Report p. 221-223)
G4-LA7	People (p. 106)		Yes (Independent Assurance Report p. 221-223)
G4-LA8	People (p. 109-110)		Yes (Independent Assurance Report p. 221-223)

SPECIFIC STANDARD DISCLOSURES			
DMA and Indicators	Page (or link)	Omissions	External assurance
Material aspect: Training and education			
G4-DMA	People (p. 90-93; 104)		Yes (Independent Assurance Report p. 221-223)
G4-LA9	People (p. 93)		Yes (Independent Assurance Report p. 221-223)
G4-LA10	People (p. 93-97)		Yes (Independent Assurance Report p. 221-223)
G4-LA11	People (p. 95)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Diversity and equal opportunity			
G4-DMA	People (p. 98-101)		Yes (Independent Assurance Report p. 221-223)
G4-LA12	People (p. 86; 98-101); Corporate Governance (p. 78)		Yes (Independent Assurance Report p. 221-223)
G4-LA13	People (p. 100)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Supplier assessment for labor practices			
G4-DMA	Value Circle (p. 161-168); People (p. 110)		Yes (Independent Assurance Report p. 221-223)
G4-LA14	Value Circle (p. 162-165)		Yes (Independent Assurance Report p. 221-223)
G4-LA15	Value Circle (p. 165-166)		Yes (Independent Assurance Report p. 221-223)
Sub-category: Human rights			
Material aspect: Investment			
G4-DMA	Society (p. 180-182); Value Circle (p. 162-165)		Yes (Independent Assurance Report p. 221-223)
G4-HR1	Society (p. 180-182); Value Circle (p. 162-165)		Yes (Independent Assurance Report p. 221-223)
G4-HR2	Corporate Governance (p. 79-81)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Freedom of association and collective bargaining			
G4-DMA	People (p. 98-99); Corporate Governance (p. 79); Value Circle (p. 162-163)		Yes (Independent Assurance Report p. 221-223)
G4-HR4	Value Circle (p. 165-166)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Forced or compulsory labor			
G4-DMA	Corporate Governance (p. 79); Value Circle (p. 162-163)		Yes (Independent Assurance Report p. 221-223)
G4-HR6	Value Circle (p. 165-166)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Indigenous rights			
G4-DMA	Society (p. 184-188)		Yes (Independent Assurance Report p. 221-223)
G4-HR8	Corporate Governance (p. 81)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Assessment			
G4-DMA	Society (p. 182-184)		Yes (Independent Assurance Report p. 221-223)
G4-HR9	Society (p. 179-180)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Supplier human rights assessment			
G4-DMA	Value Circle (p. 162-167)		Yes (Independent Assurance Report p. 221-223)
G4-HR10	Value Circle (p. 162-167)		Yes (Independent Assurance Report p. 221-223)
G4-HR11	Value Circle (p. 165-166)		Yes (Independent Assurance Report p. 221-223)
Sub-category: Society			
Material aspect: Local communities			
G4-DMA	Society (p. 180-185)		Yes (Independent Assurance Report p. 221-223)
G4-SO1	Society (p. 178; 180-184)		Yes (Independent Assurance Report p. 221-223)
G4-SO2	Society (p. 180-182)		Yes (Independent Assurance Report p. 221-223)

SPECIFIC STANDARD DISCLOSURES			
DMA and Indicators	Page (or link)	Omissions	External assurance
Material aspect: Anti-corruption			
G4-DMA	Corporate Governance (p. 81-82)		Yes (Independent Assurance Report p. 221-223)
G4-SO3	Corporate governance (p. 81-82)		Yes (Independent Assurance Report p. 221-223)
G4-SO4	Corporate governance (p. 81)		Yes (Independent Assurance Report p. 221-223)
G4-SO5	Corporate governance (p. 81)		Yes (Independent Assurance Report p. 221-223)
Material aspect: Anti-competitive behavior			
G4-DMA	Corporate governance (p. 79-80)		Yes (Independent Assurance Report p. 221-223)
G4-SO7	Between late 2010 and 2012, the Spanish National Competition Commission applied sanctions against Compañía Trasmediterranea, S.A. Some of the time periods covered by the sanctions relate to dates in which ACCIONA did not manage that company. The Company also formally disagrees with the sanctions imposed, and it has filed an appeal against them in the Administrative Dispute Courts.		Yes (Independent Assurance Report p. 221-223)
Material aspect: Supplier assessment for impacts on society			
G4-DMA	Value Circle (p. 162-167)		Yes (Independent Assurance Report p. 221-223)
G4-SO9	Value Circle (p. 162-167)		Yes (Independent Assurance Report p. 221-223)
G4-SO10	Value Circle (p. 160; 165-166)		Yes (Independent Assurance Report p. 221-223)
Sub-category: Product responsibility			
Material aspect: Customer health and safety			
G4-DMA	Value Circle (p. 177)		Yes (Independent Assurance Report p. 221-223)
G4-PR1	Value Circle (p. 177)		Yes (Independent Assurance Report p. 221-223)
G4-PR2	Value Circle (p. 177)		Yes (Independent Assurance Report p. 221-223)
SECTORAL SUPPLEMENT: CONSTRUCTION & REAL ESTATE			
DMA and Indicators	Page (or link)	Omissions	External assurance
CRE1	Environment (p. 152; 153)		Yes (Independent Assurance Report p. 221-223)
CRE2	Environment (p. 152; 153)		Yes (Independent Assurance Report p. 221-223)
CRE3	Environment (p. 152; 153)		Yes (Independent Assurance Report p. 221-223)
CRE4	Environment (p. 152; 153)		Yes (Independent Assurance Report p. 221-223)
CRE5	Environment (p. 146-151)		Yes (Independent Assurance Report p. 221-223)
CRE6	People (p. 108)		Yes (Independent Assurance Report p. 221-223)
CRE7	According to the information available to the Company, no population displacements were necessary in the projects currently underway. Some houses have been expropriated in specific cases when they were not compatible with the construction of infrastructures, and compensation has been provided. In most of the projects, the expropriations and dislodgements are carried out by the customer before the Company takes any action.		Yes (Independent Assurance Report p. 221-223)
CRE8	Environment (p. 127, 129, 152-153)		Yes (Independent Assurance Report p. 221-223)

SECTORAL SUPPLEMENT: ELECTRIC UTILITIES

DMA and Indicators	Page (or link)	Omissions	External assurance
EU1	Company Profile (p. 11); 2014 Results Report (p. 14)		Yes (Independent Assurance Report p. 221-223)
EU2	Performance by region (p. 25; 27; 29; 31), 2014 Results Report (p. 14)		Yes (Independent Assurance Report p. 221-223)
EU3	Value Circle (p. 173)		Yes (Independent Assurance Report p. 221-223)
EU4	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU5	Environment (p. 137)		Yes (Independent Assurance Report p. 221-223)
EU10	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU11	ACCIONA does not have a significant number of thermal power plants. These types of plants are used only for its own electricity consumption.		Yes (Independent Assurance Report p. 221-223)
EU12	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU13	Environment (p. 146-148)		Yes (Independent Assurance Report p. 221-223)
EU15	In accordance with the principles of non-discrimination, diversity and inclusion based on age, the Company does not make any projections regarding retirement in the short, medium or long term.		Yes (Independent Assurance Report p. 221-223)
EU17		The information systems available do not allow information regarding days worked to be broken down, since most contracts are entered into based on service and not hours/ days contracted.	Yes (Independent Assurance Report p. 221-223)
EU18	People (p. 110)	The Company's information systems do not allow this information to be disclosed.	Yes (Independent Assurance Report p. 221-223)
EU22	According to the information available to the Company, no population displacements were necessary in the projects currently underway. Some houses have been expropriated in specific cases when they were not compatible with the construction of infrastructures, and compensation has been provided. In most of the projects, the expropriations and dislodgements are carried out by the customer before the Company takes any action.		Yes (Independent Assurance Report p. 221-223)
EU25	Value Circle (p. 177)		Yes (Independent Assurance Report p. 221-223)
EU26	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU27	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU28	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU29	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)
EU30	ACCIONA does not have any significant activity regarding the transmission and distribution of electricity.		Yes (Independent Assurance Report p. 221-223)

Independent assurance report



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of ACCIONA, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in the Sustainability Report of ACCIONA, S.A. (hereinafter ACCIONA) for the year ended 31 December 2014 (hereinafter “the Report”). The information reviewed corresponds to the contents marked as external assurance, as referred to in the section of the Report entitled “GRI Index”.

ACCIONA management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 4.0 (G4) of the Global Reporting Initiative as described in item G4-32 of the section entitled “GRI Index”, and following the Materiality Disclosures Service, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000 APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a review to provide reasonable assurance on GRI indicators G4-10, G4-11, G4-EC5, G4-EN3, G4-EN15, G4-EN16, G4-EN21, G4-LA1, G4-LA3, G4-LA5, G4-LA11, G4-LA12, G4-LA13, on the quantitative information derived from these indicators, related to the progress on complying with Sustainability Master Plan objectives, and on the qualitative information related to the progress on complying with Sustainability Master Plan objectives, limited assurance on the rest of the indicators and information included in the engagement scope and express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. It concerns a review performed according to KPMG assurance engagement independence rules, as well as the requirements from the International Ethics Standards Board for Accountants Code of Ethics on integrity, objectivity, confidentiality, professional behaviours and qualifications. We have also conducted our engagement in accordance with AA1000 Accountability Assurance Standard 2008 (AA1000 AS) (Type 2), which covers not only the nature and extent of the organisation’s adherence to the AA1000 APS, but also evaluates the reliability of performance information as indicated in the scope.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. This report should by no means be considered as an audit report.

Our limited assurance engagement work has consisted of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying the following analytical and other evidence gathering procedures:

- Risk analysis, including media search to identify material issues during the period covered by the Report.
- Verifying the consistency of the information that responds to the General Standard Disclosures, with internal systems or documentation.

- Interviews with Management to gain an understanding of ACCIONA's processes for determining material issues, as well as the stakeholders engaged in these processes.
- Interviews with relevant staff concerning ACCIONA's policy and strategy application on sustainability, governance, ethics and integrity.
- Interviews with relevant ACCIONA staff responsible for providing the information contained in the Report.
- Review of ten different workplaces through site visits and remote reviews, following a risk analysis based on quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reviewing the application of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines requirements for the preparation of reports in accordance with comprehensive option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACCIONA.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of ACCIONA, which were audited by independent third parties.

Furthermore, the review of the GRI indicators G4-10, G4-11, G4-EC5, G4-EN3, G4-EN15, G4-EN16, G4-EN21, G4-LA1, G4-LA3, G4-LA5, G4-LA11, G4-LA12, G4-LA13, of the quantitative information derived from these indicators, related to the progress on complying with Sustainability Master Plan objectives, and of the qualitative information related to the progress on complying with Sustainability Master Plan objectives, carried out with a reasonable level of assurance, has consisted in the application of additional procedures to those described earlier. The objective of these procedures was to obtain information on the processes and controls used by the company to prepare the Report. On performing the risk assessments, we considered internal controls relevant to the preparation and fair presentation by the entity of the information to be reviewed, in order to design the review procedures appropriate in the circumstances.

Our multidisciplinary team included specialists in AA1000 APS, stakeholder dialogue, social, environmental and economic business performance.

Based on the procedures performed, as described above, on the Sustainability Report of ACCIONA, S.A. for the year ended 31 December 2014, we conclude that:

- GRI indicators G4-10, G4-11, G4-EC5, G4-EN3, G4-EN15, G4-EN16, G4-EN21, G4-LA1, G4-LA3, G4-LA5, G4-LA11, G4-LA12, G4-LA13, the quantitative information derived from these indicators, related to the progress on complying with Sustainability Master Plan objectives, and the qualitative information related to the progress on complying with Sustainability Master Plan objectives, can be considered reliable and comply, in all significant aspect with the Sustainability Reporting Guidelines version 4.0 as described in item G4-32 of the section entitled "GRI Index".
- Regarding the rest of indicators and information reviewed with a limited level of assurance, nothing has come to our attention that causes us to believe that the data have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material issues with the Sustainability Reporting Guidelines version 4.0 (G4) as described in item G4-32 of the section entitled "GRI Index".

- Regarding ACCIONA's application of the Accountability AA1000 APS 2008 Principles Standard, nothing has come to our attention that indicates that ACCIONA has not applied the principles of inclusivity, materiality and responsiveness as described in the chapter of the report "About this Report".

Under separate cover, we will provide ACCIONA management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In relation to the INCLUSIVITY principle

ACCIONA is committed to its stakeholders through its Sustainability Master Plan 2015 (hereinafter SMP 2015), in which is reflected, transversely, for all the activities of the company. ACCIONA's implications with its stakeholders is continued and articulated under an internal and external perspective. Thus, for example, ACCIONA considers and takes into account the participation of the main collectives which are impacted by its activities through the evaluation of the social and environmental impact of its projects. Nevertheless, it would be recommendable to have available a common procedure regarding its main stakeholders participation that covers all divisions and business lines and that allows to gather homogeneously their most relevant needs and expectations.

In relation to the MATERIALITY principle

ACCIONA annually identifies its most significant issues conducting a materiality test. As main novelties developed during 2014 process, it is important to highlight the representation of the obtained results for the main divisions currently comprising the company (ACCIONA Energy, ACCIONA Infrastructure which is composed of the business lines Construction, Industrial, Water and Service), how the company gives response to the three most relevant issues for each business and the consideration of the different involved operation phases. However, the current materiality test does not cover the totality of the company's business lines, thereby it is recommendable to extend the coverage of this test considering those business lines known as "Other activities". Additionally, it is recommendable to clearly established the relationship between the company's most relevant issues and the contents of the Sustainability Report in addition to the objectives included in the Sustainability Master Plan. Finally, the value chain concept should be reinforced including the most important collectives composing it (customers and suppliers), in a way in which the most relevant issues for the company can be clearly identified from both the internal and external operational perspectives.

In relation to the RESPONSIVENESS principle

ACCIONA reaches its declared commitments and report consistently, aligning the expectations and interests of its stakeholders through the Sustainability Master Plan 2015. During 2014, the most significant achievements have been focused on the development of the responses provided to local communities, adapting these responses to each project. The Social Impact Management and Evaluation methodology has been extended to Service. Gradually, limiting aspects in some geographies are being included and these aspects need to be considered in the country risk analysis. In this application methodology, it would be recommendable to further progress in the identification of both positive and negative generated impacts and the monitoring of implemented actions to assess their effectiveness.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

1 June 2015



PUBLISHED BY:

ACCIONA, S.A. Department of Corporate Image and Global Marketing
Avda. de Europa, 18. Parque Empresarial La Moraleja. 28108 Alcobendas. Madrid. Spain



Twitter: @acciona



facebook.com/acciona



linkedin.com/company/acciona

www.acciona.com

PRODUCTION:

MRM Worldwide Spain, S.A.

LEGAL DEPOSIT:

M-16726-2015



© 2015 ACCIONA S.A. All rights reserved.



Capture this QR code with your iPad
to access the **ACCIONA World** App.



© 2015 ACCIONA S.A.
All rights reserved.



Avda. de Europa, 18
Parque Empresarial La Moraleja
28108 Alcobendas
(Madrid) España



www.acciona.com