

SUSTAINABILITY REPORT

2013

Executive
Summary

Chairman's message



JOSÉ MANUEL ENTRECANALES
Chairman of ACCIONA

We avoided the
emission of more than
15 million tonnes of
CO₂ in 2013

Dear friends,

On top of the global economic situation, we faced major challenges in 2013, including drastic regulatory changes in some of the sectors in which we operate. In this scenario, we remain firmly committed to our sustainability practices, which we view as a fundamental part of our business model and one of the Company's distinguishing features.

With respect to our performance:

- We were chosen to be a member of the Advisory Board of the *Sustainable Energy for All* initiative organized by the Secretary General of the United Nations and the President of the World Bank, and to participate in the Steering Committees of the *Global Compact LEAD* and the *Caring for Climate* initiative, both in the framework of the United Nations Global Compact.
- We are the only Spanish company in the *Global 100 Most Sustainable Corporations in the World 2014* list, and we ranked second in the *Corporate Knights' Top 10 Most Sustainable Utilities in the World*.
- We approved ACCIONA's Policy Book, which reflects the Company's economic, social and environmental commitments.
- For the second consecutive year, our focus on occupational health and safety led to zero fatal accidents on the part of ACCIONA employees in 2013.

- We have extended internationally to all divisions and to the main countries the inclusion of a percentage of the variable remuneration of executives and managers linked to the targets set out in the Sustainability Master Plan.
- We continue to work on the implementation of a social impact management methodology for our projects. New social impact assessments have commenced in Brazil, Morocco, Mexico and South Africa.
- We avoided the emission of more than 15 million tonnes of CO₂ and reduced our CO₂ emissions by 21% with respect to last year. Our positive water footprint is 562 hm³, an improvement of 32% with respect to 2012.
- Spending on Innovation totalled 173.2 million euros in 2013. Internationalization of innovation processes already accounts for 28% of the total.
- The ACCIONA Microenergy Foundation has continued working to provide universal access to electricity and to develop and strengthen its *Light at Home* program in Peru and Mexico.
- Regarding the sustainable supply chain, we updated the risk map to consider ethical, human rights and environmental criteria in order to prevent and mitigate new risk elements in connection with actions in new markets.

- We retained our place in the DJSI for the seventh consecutive year, and were classified in the Electric Utilities sector for the first time. The Company was also included in the *Iberia 125 Climate Performance Leadership* and the *Climate Disclosure Leadership* indices, both elaborated by the CDP.
- The Sustainability Report was approved by the Shareholders' Meeting for the second consecutive year.
- We presented our first Integrated Report, which follows a new reporting model based on the Company's value creation mechanisms and its long-term vision and strategic positioning.

In order to put into context the effort we have been making to maintain our commitment to society - where and for which we work - to the environment - which we try to protect - and to the long-term solvency and profitability objectives that drive our decisions, you only need to look at the sacrifice we have asked our shareholders to make this past year regarding the distribution of dividends.

We trust that, in the very near future, our stakeholders will be compensated for their commitment and loyalty with even better results in all of our objectives, especially the financial targets.

I invite you to read this Report, as it reflects our commitment to ethics, society, and environment and financial performance in pursuit of value creation for all our stakeholders. ■

ACCIONA's Commitment

ACCIONA's response: The Sustainability Master Plan 2015

ACCIONA's sound business model, based on sustainability principles, has the qualities needed to turn challenges into opportunities for the business, and the communities where we operate, while balancing financial, environmental and social factors.

ACCIONA's strategy is focused on economic growth, environmental balance and social progress as the cornerstones of its Sustainability

Policy, thus consolidating its position among the most advanced companies in sustainable practices.

Its sustainability strategy is developed through the Sustainability Master Plan 2015 (SMP 2015), a road map that brings together all initiatives in this field and sets targets in all of its areas. ■



Good Governance

Our commitment to good governance, ethics, integrity and transparency aims to make ACCIONA a benchmark of integrity and responsibility



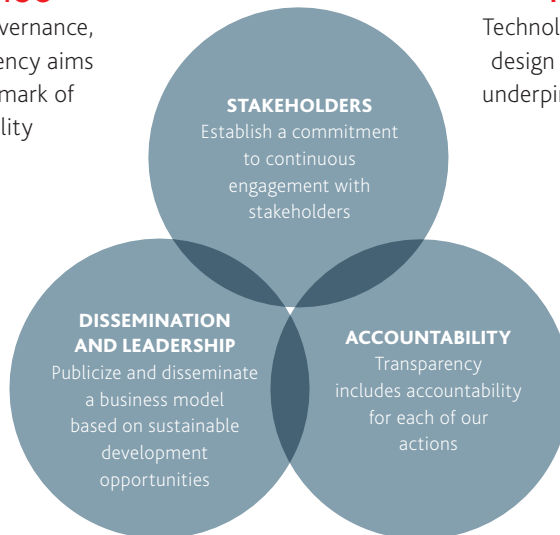
Innovation

Technological, operational and design innovation in projects underpins our competitiveness



Value Circle

Sustainability as a fundamental factor of our suppliers, contractors and partners



Environment

Integration of the environmental variable in decision-making and in business operations in order to reduce our environmental footprint



People

Commitment to employees in a healthy and discrimination-free environment in order to attract and retain talent with a long-term vision



Society

Commitment to social progress in the communities where we operate

Sustainability governance

With a view to leading sustainability actions and coordinating them from senior management, ACCIONA established a Sustainability Committee within its Board of Directors in 2009. Moreover, one of the members of the Executive Committee is specifically responsible for sustainability.

In order to raise awareness about this issue among the businesses, sustainability committees were created in the Company's main divisions (Energy, Infrastructure, Water and Service) and meetings on sustainability are held by the Real Estate division and Bestinver.

In parallel, and based on the Company's growing internationalization, ACCIONA has appointed sustainability representatives in various countries in addition to Spain, including Australia, Brazil, Chile and Mexico. ■

The annual Sustainability Report has been reviewed and approved by the Shareholders' Meeting since 2012

Company products and services beneficial in terms of sustainability

Specifically, in 2013, **42% of ACCIONA's global sales** (41.6% in 2012) and **85% of its EBITDA** (82.4% in 2012) stemmed from activities related to renewable energies, water and the Company's other environmental activities.

The United Nations Environment Programme (UNEP) defines a green economy as "one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological damage". ■



ACCIONA in numbers

OUR INDICATORS	2011	2012	2013
ECONOMIC PERFORMANCE			
Turnover (million euros)	6,646	7,016	6,607
EBITDA (million euros)	1,312	1,431	1,228
Total spending on Innovation (million euros)	93.6	166.2	173.2
Innovation/turnover (%)	1.41	2.37	2.62
% of activity certified to ISO 9001	88	93	90
ENVIRONMENTAL PERFORMANCE			
Emissions generated (million tonnes of CO ₂) - scope 1 and 2	0.86	0.81	0.64
Emissions avoided (million tonnes of CO ₂)	11.70	13.97	15.1
Emissions ratio (tCO ₂ /turnover in million euros)	0.13	0.12	0.10
Energy consumption ratio (TJ/turnover in million euros)	1.69	1.58	1.43
Water footprint: net positive contribution (hm ³)	405	426	562
Water consumption (hm ³)	6.37	9.52	7.67
% of activity certified to ISO 14001	86	90	87
SOCIAL PERFORMANCE			
Average workforce at year-end	31,859	32,905	34,108
% of people with disabilities in the workforce in Spain	2.63	2.88	3.08
Accident rate: Frequency index — employees (globally)	5.7	4.7	4.2
Number of fatal accidents — employees (globally)	2	0	0
Local suppliers/total (%)	94.1	92.4	92.9
Overall customer satisfaction index (%)	85.5	83.4	86.4
Social contribution (million euros)	7.88	11.99	18
Number of volunteers	N/A	450	547

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/// GOOD GOVERNANCE

ACCIONA is firmly committed to continuous improvement in Corporate Governance.

The Code of Conduct and Policy Book set out the Company's action principles and serve as a framework for integrity and Good Governance to ensure responsible management.

In 2013:

- Code of Conduct training course launched in Australia, Brazil, Canada, Chile, Italy and Mexico: more than 6,400 employees invited.
- An independent member of the Board holds the position of Lead Independent Director.
- The Board of Directors, through the Sustainability Committee, approved ACCIONA's Policy Book, covering the Company's economic, social and environmental commitments and values.

ACCIONA
remains firmly committed to continuous improvement in Corporate Governance

- ACCIONA's Board of Directors approved the amendment of the Internal Code of Conduct in the Securities Market.
- Creation of an internal working group on anti-corruption issues. ■



/// PEOPLE

The Human Resources strategy is based on three main principles that guide Company action:

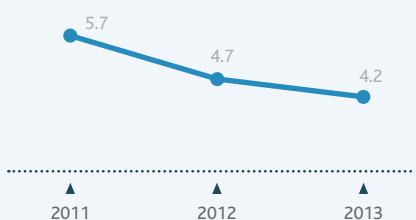
- Having the best talent.
- Having the best leaders.
- Having a positive impact on business results.

All of ACCIONA's business lines make major efforts to promote occupational health and safety. Implementation of occupational health and safety policies was expanded in the international divisions in 2013.

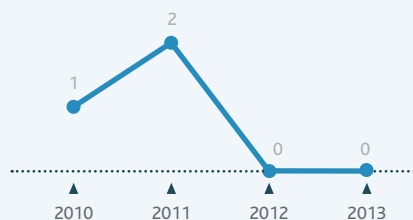
In 2013:

- Average workforce of 34,108 people.
- A total of 333,769 hours of training.
- 206 people at risk of social exclusion, including 49 female victims of gender violence, were hired.
- Achievement of 3.08% employment of differently-abled people in Spain.
- For the second consecutive year, there were zero fatal accidents among the Company's employees.
- The accident rates of subcontracted personnel decreased on the previous year's levels. ■

→ Frequency rate — employees (globally)



→ Number of fatal accidents — employees (globally)



OHS - FI = (Number of accidents with days lost/hours worked) x 200,000.

/// INNOVATION

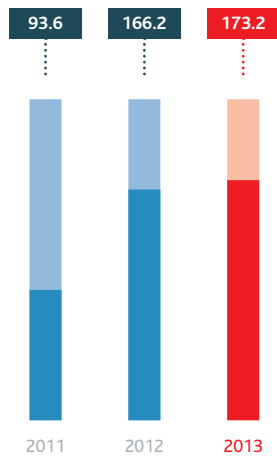
ACCIONA's R&D and innovation strategy is based on transferring innovation to the businesses, collaborating and exploiting synergies arising from specific divisional know-how.

In 2013:

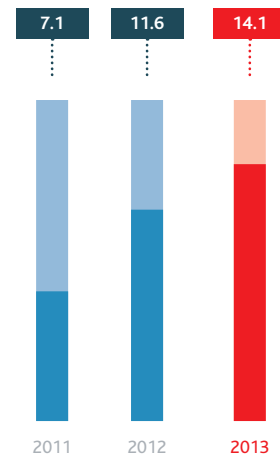
- ACCIONA consolidated its innovation processes in Saudi Arabia, Australia, Canada, Colombia, the US, United Arab Emirates, Italy, and Namibia.
- A total of 111 patents granted or pending.
- R&D and innovation spending totalled 173.2 million euros, 4.2% more than in 2012.
- Savings from process improvements amounting to 14.1 million euros. ■

First company in the world to obtain Environmental Product Declaration certification for a civil engineering project: the viaduct on the Madrid-Galicia high-speed railway line (Spain)

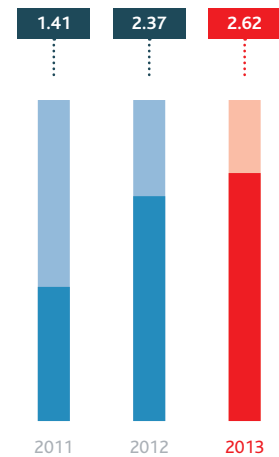
→ Total R&D (€ million)



→ Total R&D/EBITDA (%)



→ Total R&D/revenues (%)



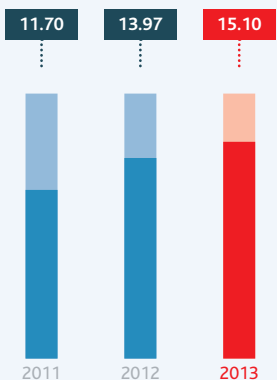
/// ENVIRONMENT

ACCIONA's environmental strategy is based on the fight against climate change, the sustainable use of natural resources and biodiversity preservation. The Company considers environmental aspects in decision-making and in business operations with a view to reducing the environmental impact of its activities.

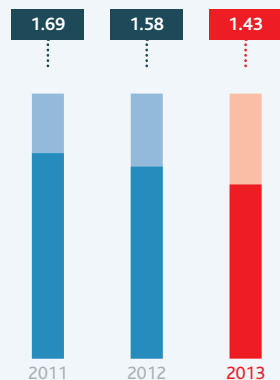
In 2013:

- The emission of 15.1 million tonnes of CO₂ was avoided.
- CO₂ emissions declined by 21% with respect to 2012.
- The Company avoided 24 times the CO₂ emissions generated by its production activities.
- Energy consumption was reduced by 15% with respect to 2012.
- Positive water footprint with a net positive contribution of 562 hm³.
- New initiatives to improve biodiversity protection. ■

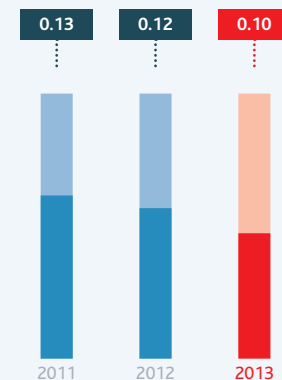
→ Emissions avoided (million tonnes of CO₂)



→ Energy consumption ratio (TJ/revenues in € million)



→ Emissions ratio (tonnes of CO₂/revenues in € million)



/// VALUE CIRCLE

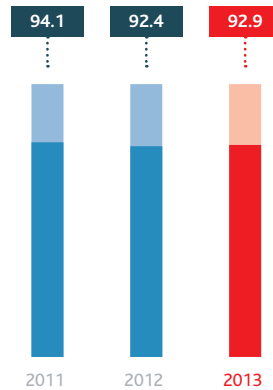
ACCIONA remains committed to extending sustainability to its suppliers, contractors and partners, as well as to its processes, products and services. Our customers' satisfaction is a top priority.

In 2013:

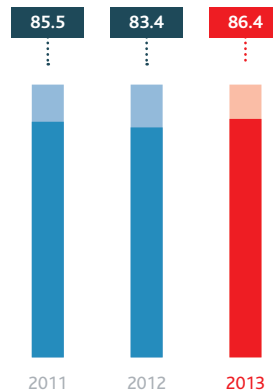
- Audits and verifications of the CR and sustainability questionnaire were conducted for more than 300 suppliers of all divisions.
- 87 new sustainable products and/or services were included in the catalogue, and the related criteria were added to the procurement process.
- 1,200 training hours provided to suppliers, including a new course on International OHS.
- 93% of the Company's suppliers are local.
- Customer satisfaction increased, to an overall level of 86.4% (83.4% in 2012).
- A total of 90% of turnover is certified to ISO 9001 and 87% to ISO 14001.
- More than 16,000 direct customer satisfaction surveys were completed (23% more than in 2012). ■

Overall satisfaction of ACCIONA's customers increased to 86.4%

→ Local suppliers over total number of suppliers (%)



→ Global customer satisfaction index (%)

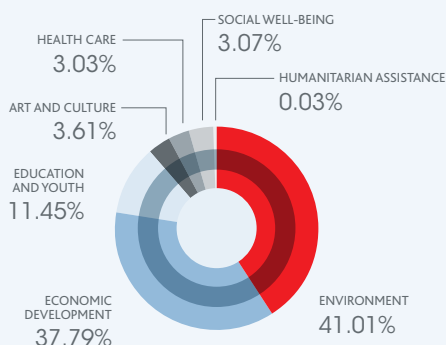


/// SOCIETY

ACCIONA has developed a methodology to identify, evaluate and manage the social impacts of its projects. That methodology was implemented in projects in the main business lines in Brazil, Chile, Morocco, Mexico, South Africa and Costa Rica in 2013.

ACCIONA aims to align 100% of its social contribution with its Social Action Plan, establishing lines of action through medium- and long-term sustainable projects where it operates.

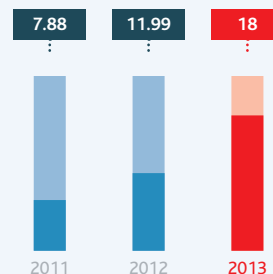
→ Contribution by activity area, 2013 (LBG Methodology)



In 2013:

- Implementation of the social impact methodology in 30% of ACCIONA Energy and 40% of ACCIONA Infrastructure projects.
- Completed the installation of 1,700 domestic photovoltaic systems as part of the *Light at Home Peru* initiative, and supplied the first 180 small domestic photovoltaic systems for the *Light at Home Oaxaca* project in Mexico.
- ACCIONA Microenergy Peru brought into service the first installations of the "Cajamarca Community Light" program in 12 educational institutions and 5 churches in Peru.
- 2nd Volunteer Day, with a 15% increase in participation with respect to 2012. ■

→ Social contribution (million euros)



/// DIALOGUE WITH STAKEHOLDERS

Direct dialogue, with customers in communities where ACCIONA operates, and with investors and authorities involved in decision-making, enables the Company to understand their expectations and interests and develop a strategy that offers practical, sustainable solutions. This is a process with a two-fold focus:

- Periodic consultations with stakeholders to discuss, review and update key topics in the SMP.
- Consultations with stakeholders as part of the systematic evaluation of projects' social and environmental impact. ■



/// DISSEMINATION AND LEADERSHIP

The Company is a leader in sustainability, since it combines its management commitment with the dissemination of a business model based on sustainable development and best practices.

In 2013:

- ACCIONA, the only Spanish company in the annual *Global 100 Most Sustainable Corporations in the World 2014* list.
- ACCIONA is among the 25 companies which best communicate their sustainability in social media.
- ACCIONA has joined the CSR Innolabs project, an initiative of the Interamerican Development Bank and Forética. ■

Active presence in organizations and initiatives in 2013:



ACCIONA's Chairman has been appointed to the Advisory Board of the United Nations' Sustainable Energy for All initiative

/// ACCOUNTABILITY

ACCIONA's commitment to transparency includes accountability vis-à-vis stakeholders and monitoring and implementing the initiatives set out in the SMP.

In 2013:

- ACCIONA produced an Integrated Report, according to the framework proposed by the International Integrated Reporting Council.
- The 2013 General Shareholders' Meeting approved ACCIONA's Sustainability Report for the second consecutive year, with a vote in favor from 99.97% of the capital in attendance.
- ACCIONA confirmed its presence in the *Dow Jones Sustainability Index* for the seventh consecutive year, and classified for the first time in the Electric Utilities sector.
- ACCIONA received the highest grade as a sustainable supplier in the CDP evaluation and it became part of the new *CDP Supplier Climate Performance Leadership Index (SCPLI) 2013*.
- The Communication on Progress, in which the Company details advances in furthering and implementing the Ten Principles of the UN Global Compact, qualified for Advanced Level for the third consecutive year. ■

In 2013, ACCIONA was a member of leading sustainability indices:

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

