

# ACCIONA's commitment, sustainability road map

In facing such important challenges such as the scarcity of water and resources as a result of climate change, ACCIONA contributes to providing solutions through the 2015 Sustainability Master Plan, the objectives of which include economic growth, environmental balance and social progress.

## Challenges and opportunities posed by the reality around us

<h3>Population growth</h3>	<p>In the new scenarios envisaged by the experts, the population is expected to grow to 8.5 billion by the year 2035. This will increase the size of markets with growing populations and increase the demand for energy and infrastructures, where answers must observe the limits imposed by climate change.</p> <p>The urban population is also expected to grow to 4.9 billion people by the year 2030, according to the United Nations. This growth offers business opportunities in basic service and transport infrastructures, and in infrastructure associated to new models of smart cities.</p>
<h3>Climate change</h3>	<p>The evidence and scientific consensus indicate that climate change is one of the major challenges facing humanity. Global CO<sub>2</sub> emissions will grow by 1.5% a year until 2030, according to the International Energy Agency. The challenge for companies is to provide solutions for a transition to a low-carbon economy. To create this new model, a commitment to clean energy and sustainable construction is required.</p> <p>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<sub>2</sub> emissions and more compatible with society's demands related to the challenges of sustainable development.</p>

### Resource scarcity

For 2020, the OECD recommends that infrastructure projects take into account the lack of natural resources (water, energy, wood and 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). Companies have an opportunity to contribute to preserving these resources, thus fostering sustainability and the maximum efficiency in the use of raw materials and developing products and services that meet demand within a setting of scarcity.

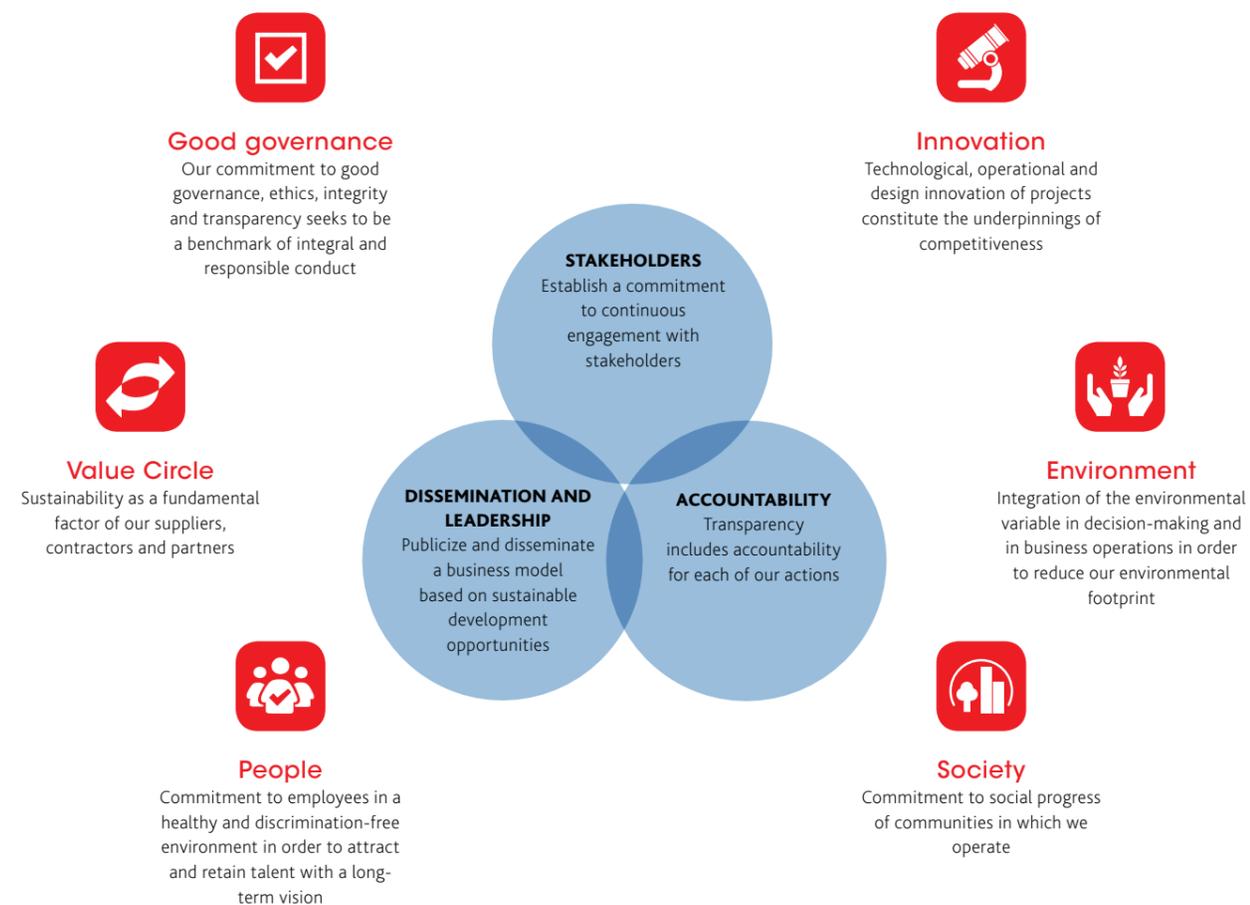
Projections for the coming years and decades point to rising pressure on water resources in a large part of the world, with the resulting impact on economic and industrial activities. It is forecast that there will be an increase of up to double the number of people living in riverbank areas with water stress between the years 2000 and 2050, up to 3.9 billion people (approximately half of the world population). This offers opportunities to companies that market innovative approaches related to managing the water cycle and that are committed to innovation in water efficiency.

ACCIONA's solid business model, based on 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

ACCIONA focuses its strategy 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). It is a road map that brings together all such initiatives and sets targets in the following areas: Innovation, Environment, Society, People, Value Circle, Good Governance, Stakeholder Engagement, Dissemination and Leadership, and Accountability.



The SMP targets, both for 2015 and in their annual breakdown, address the need to overcome social and environmental challenges competitively wherever ACCIONA operates.

The 2015 targets and commitments and the initiatives and degree of progress in their compliance throughout 2013 are presented below:

SMP AREA	2015 TARGETS AND COMMITMENTS	PROGRESS IN 2013
INNOVATION	Reach innovation figure of €500 million in the 2010-2015 period.	Innovation figure in 2013: €173.2 million (cumulative figure for 2010-2013 amounts to €521 million).
	Development of initiatives and tools to foster continuous innovation in business.	Development of a number of initiatives whereby, among others, an energy storage system with liquid batteries, in partnership with a leading technology institute, has been identified.
	Improve ACCIONA processes and generate savings of at least €36 million.	Savings from process improvements of €14.1 million (cumulative total for 2012-2013 period was €26.5 million).
ENVIRONMENT	Improvement of avoided CO <sub>2</sub> emissions as against generated CO <sub>2</sub> emissions ratio (improvement by 15% over base year of 2009)	Ratio of avoided CO <sub>2</sub> emissions compared to generated CO <sub>2</sub> emissions in 2013: 23.6 (2009 ratio: 7.8 CO <sub>2</sub> emissions avoided/generated).
	Improve consumed energy ratio (reduction of energy/sales ratio by 15% a year from 2009 base year).	43% reduction in the energy consumption ratio compared to 2009.
	Water footprint: Increase net positive contribution (increase x 5 over base year of 2009)	Net positive contribution of 562 hm <sup>3</sup> in 2013, compared to 76 hm <sup>3</sup> in 2009.
	Fostering of environmental offset actions.	Environmental offset actions: creation of regional network for protection of endangered species (along with government of Extremadura, Spain); partnership agreement with the Foundation for Ethology and Biodiversity Research.
	Offer customers services with environmental offsetting (neutral events).	Events organized for customers by ACCIONA Producciones y Diseño were carbon-neutral including, among others, the 3D multimedia show in Champions League Final in London.

SMP AREA	2015 TARGETS AND COMMITMENTS	PROGRESS IN 2013
SOCIETY	Contribution of 5% equivalent of dividend in accordance with Social Action Plan.	<ul style="list-style-type: none"> <li>Annual contribution of more than €18 million.</li> <li>Completion of the installation of 1,700 domestic photovoltaic systems in the "Light at Home Peru" project and supply of the first 180 small photovoltaic domestic systems in the "Light at Home Oaxaca" project in Mexico.</li> </ul>
	Social impact assessment methodology in 100% of qualified projects in core divisions.	Social impact management methodology has been implemented in 30% of the projects of ACCIONA Energy and in 40% of the projects of ACCIONA Infrastructure, within the criteria established.
	Development of Corporate Volunteering.	Five volunteering initiatives carried out: Volunteer Day, Junior Achievement, Prince of Gerona Foundation, También Foundation and "Shall We Donate?" campaign in Spain and Brazil.
PEOPLE	<p>Fostering health and safety:</p> <ul style="list-style-type: none"> <li>Coverage of 90% of international activity with a single OHS model.</li> <li>20% improvement of the accident frequency rate on 2011.</li> </ul>	<ul style="list-style-type: none"> <li>New OHSAS certifications in Infrastructure (Colombia) and Service (Canada).</li> <li>Reduction in frequency rate by 26% on 2011.</li> </ul>
	<p>Commitment to diversity:</p> <ul style="list-style-type: none"> <li>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).</li> <li>A 2% increase in number of women at management levels.</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of 3.08% employment of differently-abled people in Spain. Inclusion of 206 people from groups at risk of social exclusion.</li> <li>13% increase in the number of women at managerial levels, compared to 2012.</li> </ul>
	<p>Human Capital Development:</p> <ul style="list-style-type: none"> <li>Coverage of 92% of performance evaluation processes.</li> <li>Broaden the scope of variable remuneration linked to sustainability to 97% of directors and 90% of managers.</li> <li>Extension of training and development programs, including sustainability contents, in Australia, Brazil, Canada, Chile, Italy and Mexico, reaching 90% of employees with access to IT tools.</li> </ul>	<ul style="list-style-type: none"> <li>88% coverage of workforce subject to performance evaluation.</li> <li>Bonus applicable to 100% of executives and managers of structure in Spain. Extended to 449 employees in Brazil, Australia, Mexico, Chile, Gabon, Sweden, South Africa and the United States.</li> <li>Training and development programs, including sustainability contents, launched in Australia, Brazil, Canada, Chile, Italy and Mexico.</li> </ul>
VALUE CIRCLE	<p>Improving the performance of the supply chain based on sustainability:</p> <ul style="list-style-type: none"> <li>65% of suppliers in Spain will have a sustainable development rating.</li> <li>Sending of a self-assessment questionnaire to suppliers with turnover &gt;€100,000 in all Group companies.</li> <li>Training of suppliers in sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Rating assigned to 2,099 suppliers.</li> <li>Questionnaire sent to a total of 2,121 new suppliers.</li> <li>Four training courses organized, with an additional course on international occupational health and safety (1,271 people registered).</li> </ul>
	Fostering and promotion of responsible procurement through bidding processes that include sustainability criteria.	Eighty-seven new sustainable products and/or services in the catalogue, the criteria of which were incorporated in the rules of the bidding processes (in total: 522 products and/or services).

SMP AREA	2015 TARGETS AND COMMITMENTS	PROGRESS IN 2013
GOOD GOVERNANCE	Progressively implement measures to improve good governance.	<ul style="list-style-type: none"> <li>Policy Book approved by the Sustainability Committee of the Board of Directors.</li> <li>Launch of internal working group on anticorruption.</li> </ul>
STAKEHOLDERS	Consideration of expectations of Company's main stakeholders in management of sustainability practices.	<ul style="list-style-type: none"> <li>Meetings held with customers in which their opinion was sought on the Sustainability Master Plan.</li> <li>Internal consultations carried out through the sustainability committees of the businesses, in addition to external consultations through meetings with representatives of stakeholders on significant topics in sustainability, as part of the materiality analysis.</li> </ul>
DISSEMINATION AND LEADERSHIP	Consolidate ACCIONA's position as a benchmark in sustainability in our markets.	Active presence in a number of initiatives: Executive Committee of the WBCSD; Advisory Council of Sustainable Energy for All; Steering Committee of the Global Compact LEAD; Steering Committee of Caring for Climate.
	Strengthen employees' commitment to the SMP.	<ul style="list-style-type: none"> <li>147% increase in sustainability news items published in the intranet, compared to 2012 (110 news items in 2013).</li> <li>Monthly circulation of information bulletins on the SMP to divisions.</li> </ul>
	Fostering of external dissemination of sustainability practices.	<ul style="list-style-type: none"> <li>Launch of "Sustainability for All" website.</li> <li>Sustainability content included in new corporate websites of Brazil and Mexico.</li> <li>239 news items related to sustainability published in the media.</li> </ul>
ACCOUNTABILITY	Communicate to 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"> <li>Publication of the 2012 Integrated Report according to the framework proposed by the International Integrated Reporting Council.</li> <li>Higher degree of assurance (reasonable verification) for key environmental and labor indicators in the 2012 Sustainability Report.</li> <li>Presence in sustainability indices: DJSI World, FTSE4Good, MSCI ESG World and Europe, STOXX Global ESG Leaders, CDP Iberia 125 Climate Disclosure Leadership Index and Climate Performance Leadership Index.</li> </ul>

In 2013,  
the Sustainability  
Committee worked  
towards achieving  
the objectives of the  
Sustainability  
Master Plan

## Sustainability governance

Since 2009, ACCIONA has had a Sustainability Committee on its Board of Directors, which is responsible for leading and coordinating sustainability actions.

### Functions of the Sustainability Committee

- Identify and guide the Group's corporate 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;
- To draft the annual Sustainability Report, which is submitted for the approval of the Board;
- To submit the corporate sustainability and 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.

At the meetings held in 2013, the Committee deliberated on, inter alia, the following topics:

- Monitoring and analysis of advances in the development of initiatives and the degree of compliance of the targets set for 2012 in different areas of the SMP: innovation, environment, society, people, value circle, good governance, stakeholder engagement, dissemination and leadership, and accountability.
- Review and approval of the revised version of the 2015 Sustainability Master Plan.
- Approval of targets for 2013 in framework of 2015 and monitoring of advances during the year.
- Approval of ACCIONA Policy Book.
- Approval of the 2012 Sustainability Report.

In 2013, the Sustainability Committee's work focused on achieving the objectives of the Sustainability Master Plan.

Further, sustainability topics were brought to the attention of the General Shareholders' Meeting. Since 2012, the contents of the Sustainability Report that

is annually published by ACCIONA are submitted to the review and approval of the General Shareholders' Meeting. Through their vote, the shareholders convey their opinion of social, environmental and good governance initiatives and performance of the Company described in the Sustainability Report, to the Board of Directors. In June 2013, the General Shareholders' Meeting approved the ACCIONA 2012 Sustainability Report with the favorable vote of 99.974% of the capital with voting rights in attendance (in 2012, the 2011 Sustainability Report was approved by 99.95%).

It should also be noted that a member of the Executive Committee is the corporate manager responsible for sustainability. For its part, the General Area Sustainability 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.

In order to bring sustainability closer to the businesses, in 2012 sustainability committees were created at the main business divisions (Energy, Infrastructure, Water and Services). In collaboration with the General Area Sustainability, these committees are promoting and

conducting efforts to monitor specific initiatives in these divisions, in line with the Sustainability Master Plan. In 2013, specific meetings were also held on sustainability in Real Estate and Bestinver. Throughout the year, the committees' work has mainly focused on achieving the targets of the SMP, including the sustainability targets of variable remuneration, as well as the implementation of a social impact management methodology of projects.

Likewise, and in keeping with the growing internationalization of the Company, ACCIONA has sustainability representatives in several countries, including Australia, Brazil, Chile, and Mexico, in addition to Spain. This organization makes it possible to understand better the social, environmental, and human rights context in the different international markets, and therefore to implement relevant initiatives that are appropriate for these contexts.