



JOSÉ MANUEL ENTRECANALES
ACCIONA Chairman & CEO

Chairman's statement

Dear friends,

The year 2013 was full of economic uncertainties, both in Spain and globally. In spite of this, the domestic economy was headed towards a slow recovery, although we are still far from the desired scenario. It is our responsibility to continue working, regardless of circumstances, to generate value and confidence for the markets and society.

At ACCIONA, we have had to deal not only with the global economic situation, but with drastic regulatory changes in some of the sectors in which we operate. In this scenario, we continue our efforts to generate shared value through the sustainability practices that are the cornerstone of our business model. I would like to share them with you in this 2013 Sustainability Report.

Our advances are reflected in ACCIONA's presence in the main world forums related to sustainability. We have been chosen to be a member of the Advisory Board of the *Sustainable Energy for All* initiative of 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 4 Climate* initiative, both part of the United Nations Global Compact. In the European Community, jointly with the *Corporate Leaders Group on Climate Change*, we have supported in the European Summit for Green Growth the establishment of specific European targets for the year 2030 in renewables generation, the reduction of greenhouse gases and energy efficiency. We are the only Spanish company on the list of the *Global 100 Most Sustainable Corporations in the World 2014*. We

have also been recognized by the Corporate Knights as one of the *Top 10 Most Sustainable Utilities in the World*, having been ranked second.

Strengthening our commitment, in 2013 the ACCIONA Policy Book was approved, updating existing policies and adding new ones that reflect the commitments and policies applicable to subsidiaries in economic, social and environmental matters.

In order to realize our commitment to sustainability, the people who work in ACCIONA's must also be committed to the same goal. Hence, the inclusion of a percentage of the variable remuneration of executives and managers linked to the targets set out in the Sustainability Master Plan has been extended internationally to all divisions and to the main countries.

For the second consecutive year, our work in health and safety has meant that none of the Company's own employees suffered a fatal accident. Accident rates fell due to progress in standardization of common minimum criteria in occupational health and safety that are in the implementation phase in different markets.

With respect to society, we continue to work on implementing a methodology to manage the social impacts of our projects. Based on international standards, the methodology seeks to boost the quality of our commitment to the communities where we operate. New social impact assessments were initiated in Brazil, Morocco, Mexico and South Africa.

Value creation by our business would be inconceivable without innovation,

During 2013 we have avoided the **emission of 15 million** metric tons of CO₂

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which amounted to a total of €173.2 million in 2013. The internationalization of innovation processes proceeded during the year, with actions in Canada, Australia, Brazil, the US, Namibia, Colombia, Saudi Arabia, United Arab Emirates, Italy and Poland, which now account for 28% of the total.

We see environmental balance as a significant matter on the public agenda that is also a significant challenge for businesses. The fight against climate change, sustainable use of natural resources and biodiversity protection constitute the main elements of our environmental strategy. In line with this sustainable vision of business activity, we avoided the emission to the atmosphere of 15 million metric tons of CO₂ and reduced CO₂ emissions by 21% on the previous year. ACCIONA also reduced its energy consumption by 15% on the previous year, and our positive water footprint on the planet amounts to 562 hm³, which is a 32% improvement on the previous year.

In 2013, the ACCIONA Microenergy Foundation continued its activities of promoting universal access to energy through the implementation and consolidation of the *Light at Home* program in Peru and Mexico. As a direct result of this, 1,700 families and 17 community centers in Peru and 180 families in Mexico gained access for the first time to basic electric service this year, thus improving their conditions of life through clean energy.

As in previous years, we remain committed to a sustainable supply chain that incorporates principles of social and environmental balance to its strategy and business model. In 2013, 93% of the Company's suppliers were local suppliers, thereby contributing to the development of their communities. However, we do not overlook the new risks posed by new actions in new markets. In order to prevent and mitigate such risks, we have updated the risk map, taking into account ethical, human rights and environmental criteria, among others.

In accountability, we continue to advance in our commitment to providing stakeholders with detailed, truthful and relevant information on our corporate performance. We followed the path set in previous years, and the Sustainability Report was submitted, and approved for the second consecutive year, by the General Shareholders' Meeting. Also, for the first time, we submitted an Integrated Report, following a new reporting model based on the Company's value creation mechanisms and its long-term vision and strategic positioning.

Our efforts during the year earned the recognition of the most significant indices in the field of sustainability. This include, among others, the revalidation of our position in the DJSI for the seventh consecutive year, where we were evaluated within the Electric Utilities sector for the first time, and the Company's inclusions in the Iberia 125 Climate Performance Leadership and Climate Disclosure Leadership indices elaborated by the CDP.

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 are confident that in the very near future our stakeholders will be compensated for their commitment and loyalty with even more solid results in all our objectives, especially those of an economic nature. I recommend that you read this Report, as it symbolizes our ethical, social, environmental and economic performance commitment to the generation of value for all the Company's stakeholders.