

Good governance, trust and commitment

The code of conduct and the policy book establish our business principles and constitute a framework of integrity and good governance, as a guarantee of responsibility in our management.

2013

Challenges	Advances
<ul style="list-style-type: none"> ■ Launch of the Code of Conduct training course in English, French, Polish, German, Italian and Brazilian Portuguese. ■ Formal adherence to an anti-corruption initiative. 	<ul style="list-style-type: none"> ■ Course launched in English, French, Polish, German, Italian and Brazilian Portuguese, in addition to Spanish, with more than 6,400 employees invited in 2013. ■ Creation of an internal working group that has analysed both the different initiatives available and the current state of the Company in this area.

Highlights
<ul style="list-style-type: none"> ■ Independent member of the Sustainability Committee designated as Lead Independent Director. ■ The Board of Directors, through the Sustainability Committee, has approved ACCIONA's Policy Book, covering the Company's economic, social and environmental commitments and values. ■ ACCIONA's Board of Directors

2014

Challenges
<ul style="list-style-type: none"> ■ Perform an external diagnosis in the area of good governance (anti-corruption and human rights). ■ Elaboration of an anti-corruption program. ■ Anti-corruption training workshop for executives. ■ Adaptation of the Code of Conduct to expected reforms of the Spanish Penal Code.

Corporate governance

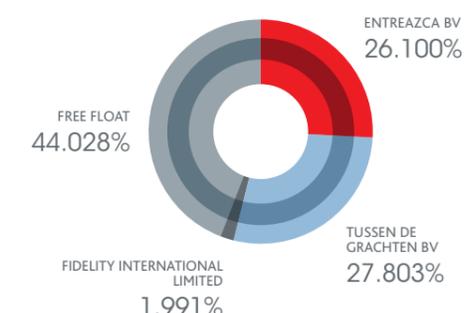
ACCIONA is firmly committed to improving its corporate governance on a continuous basis. The structure and operation of the Company's governance is designed to create trust and long-term commitment between ACCIONA and its stakeholders.

SHAREHOLDERS

As of the writing of this report, the Parent Company's share capital was composed of 57,259,550 fully subscribed and paid in ordinary shares, represented by accounting entries, with a par value of one euro each.

The Company 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 significant shareholders are as follows:



Source: CNMV, 08.04.2014

There is an Electronic Shareholders' Forum, in accordance with the requirements set forth in Spain's Corporate Enterprise Act (Ley de Sociedades de Capital, CEA), where users may post the proposals that they intend to submit as an addendum to the agenda announced in the notice of the General Shareholders Meeting; 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 solicitations. These measures guarantee and facilitate the ability of all shareholders, including minority shareholders, to exercise their rights.

**BOARD OF DIRECTORS:
COMPOSITION AND PERFORMANCE**

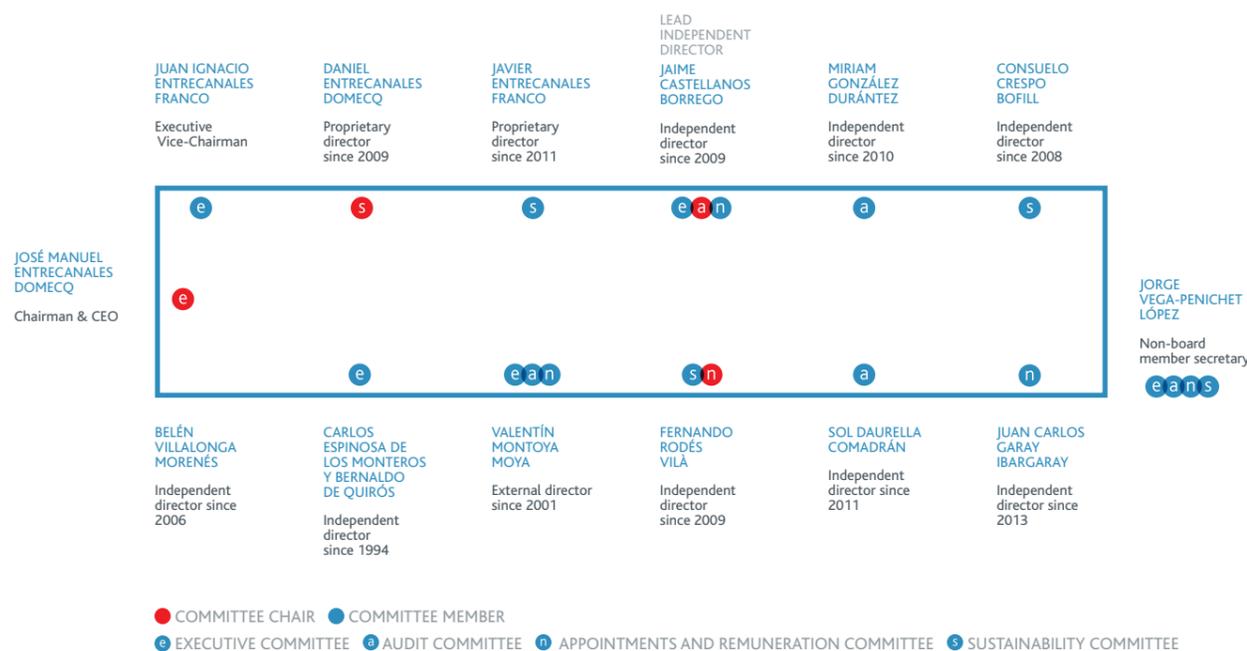
The guiding philosophy of the Board of Directors is to place at the service of shareholders the talent of a group of professionals capable of adding real value to the Company.

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

ACCIONA's Board of Directors has 13 members:

- nine of which are external directors: of whom eight are independent directors, and one is an external director,
- two of the 13 members are executive directors, and the remaining two are proprietary directors.

In total, 84.6% are external directors and 61.5% are independent. Four directors are women, representing 30.7% of the Board.



The Board of Directors performs 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 2013, the self-evaluation

led to no significant changes in the Board organization.

In accordance with good practices in corporate governance and applicable legislation, the Report on the Remuneration Policy for the Directors was submitted to the General Shareholders' Meeting for a 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 89.5% of the shareholders in attendance or represented at General Shareholders' Meeting.

Lead Independent Director

In line with good practices of corporate governance, the ACCIONA Board of Directors, at the proposal of the Appointments and Remuneration Committee, designated one of its independent directors as Lead Independent Director in 2013 for the following tasks and functions:

a) Coordinate 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.

b) Request that the Chairman of the Board of Directors call a meeting of the Board, and the inclusion of items on the Agenda when appropriate under the standards of good governance.

c) Direct the evaluation by the Board of Directors of its Chairman.

Integrity framework

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

ACCIONA POLICY BOOK

The ACCIONA Policy Book was approved by the Sustainability Committee in April 2013.

Within the framework of the 2015 Sustainability Master Plan, the Policy Book updates existing policies and adds new ones that reflect the commitments and policies applicable to subsidiaries in economic, social and environmental matters.

It comprises four sections:

- **Sustainability and Innovation:** The sustainability policy acts as the overall policy that lays down the framework of principles that guide the rest of ACCIONA's policies.
- **Economics and Good Governance:** Includes Anti-corruption, Anti-trust, Risk Management and Quality policies
- **Society:** Includes Human Rights, Human Resources and Occupational Health and Safety and Social Action policies.
- **The Environment:** Includes policies covering the environment, biodiversity and the fight against climate change.

The Policy Book has been broadly circulated among all employees and is available on the Company website in Spanish, English, French, Polish and Brazilian Portuguese (<http://www.accionacompany.com/shareholders--investors/corporate-governance/corporate-policies-book>).

CODE OF CONDUCT

The Company Code of Conduct sets forth the values that are to guide the behavior of all ACCIONA companies. The purpose of the Code is to help consolidate business behavior that will be accepted and observed by all employees and members of management

Through the Code, ACCIONA assumes a commitment to carry out its activities in accordance with the legislation in force where it operates, in accordance with internationally recognized standards such as the United Nations Universal Declaration of Human Rights, the ILO Tripartite Declaration, the OECD Guidelines for Multinational Enterprises, and the Global Compact of the United Nations.



CONTROL AND COMPLIANCE OF CODE OF CONDUCT

Code of Conduct Committee	Body for the study and analysis of reports of non-compliance of the Code of Conduct. Also available for reporting cases that affect third parties.
Ethics Channel	Allows irregular conduct related to accounting, control, audits, 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 has the intention 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.

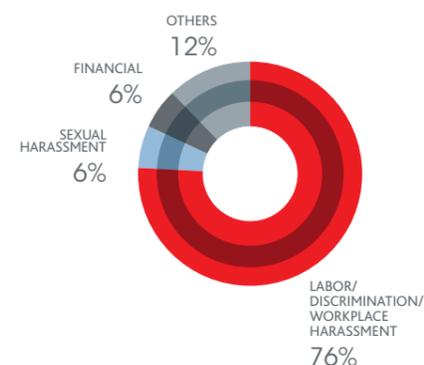
In 2013, ACCIONA continued to carry out actions related to the Code of Conduct:

- Actions for the dissemination, communication and adherence of all employees to the updated Code of Conduct through the sending of an e-mail to all workers wherein they were asked to formally sign it.
- Communication campaign through the sending of bulletins to ACCIONA suppliers, contractors and partners, and to publicize the Code of Conduct and the Ethics Channel.
- Reinforcing the Code of Conduct training campaign through the launch of a mandatory e-learning course for workers of different areas in the business divisions, both in Spain and internationally. Following the launch of the online course in Spain in 2012, the course was launched in 2013 in Australia, Brazil, Canada, Chile, Italy and Mexico; 1,736 workers were trained.

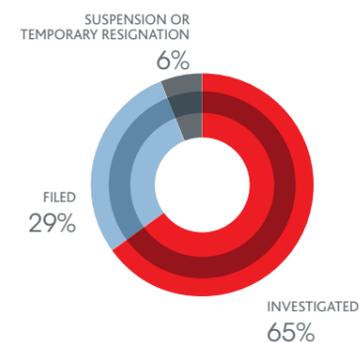
In 2013, the Code of Conduct Committee received 17 complaints through the Ethics Channel, and these were processed in

accordance with the characteristics and seriousness of each specific case.

→ Complaints received in 2013



→ Processing of complaints received in 2013



ANTI-CORRUPTION COMMITMENT

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

To reinforce this commitment, an internal working group was created in 2013 to advance towards the implementation of a specific overall anti-corruption program. The group is composed of representatives of internal audit, legal affairs, human resources, finance and sustainability, and the group's work in 2013 focused on the following:

Risk management in ACCIONA

- Identification and preliminary analysis of legislation on anti-corruption in Spain and in the Company's main markets: Australia, Brazil, Canada, Chile, the United States and Mexico.
- Preliminary study of the leading international standards and initiatives, such as Partnering Against Corruption Initiative Transparency International – Business Principles; OECD – Good Practice Guidance in Internal Controls, Ethics and Compliance; ICGN Statement and Guidance on Anti-corruption Practices; UN Convention against Corruption.
- Comparative study of the anti-corruption programs and plans implemented by other companies.
- Identification and initial evaluation of existing standards, processes and procedures in the Company and of the main areas of improvement to attain the best international practices.
- Tender processes carried out by the Company to receive offers for the implementation of an internal anti-corruption program (Compliance Program).

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

In 2013, it is worth noting the expansion in the number of countries included in the process of identification, assessment and monitoring of risks due to the Company's increasing policy of international expansion. ACCIONA has undertaken this expansion on the basis of the estimated future revenues, and by seeking to identify scenarios that may pose risks and offer opportunities in the development of the business in said countries. The number of countries under study has been increased from 5 to 11.

In addition to this broadening of the geographic range, the risk management system has included, in risk treatment phases, risks considered important for each and every one of the divisions in ACCIONA. In 2013, this risk treatment has been carried out on the eight divisions currently making up the Company's risk map, thus facilitating possible mitigation measures for the elimination, reduction, or transfer of previously identified risks.

Risk management matters are brought to the attention of the ACCIONA Board of Directors through the Audit Committee. The committee periodically reviews risk management systems, in order to properly identify, manage and report the primary risks, and supervises the effectiveness of risk management systems. The Board of Directors approves the risk management and control policy.

RISK MANAGEMENT IN SUSTAINABILITY

Impact on image and sustainability and development are among the criteria used by Company directors to evaluate different risk scenarios for risk maps.

An exhaustive identification is carried out of sustainability-related risks, as managers with responsibilities in human resources, sustainability, corporate resources and the environment, among other areas, participate in the process. When possible risk scenarios are identified, they are assessed both by the managers and by the director general of the area in question, and it is determined if they fall within the tolerance levels set by ACCIONA.

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

RISK EVALUATION

High

- Failure to meet the expectations of more than one key stakeholder group: customers, employees, media, etc.
- Evidence of a total lack of business ethics/transparency.
- Has a considerably negative effect 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 limited failure of business ethics/transparency.
- Has a limited negative effect on the development of the communities in which ACCIONA operates 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 effect on the development of the communities in which ACCIONA operates or on the environment.

Environmental and social risk management in ACCIONA Infrastructure

ACCIONA's Infrastructure Risk and Opportunity Management System has a proactive management approach. All analyses take into account social and environmental aspects both in the risk identification phase and in the assessment of consequences, with measures applied to prevent and mitigate the effects of these risks in a more efficient manner.

In 2013, ACCIONA Infrastructure carried out a total of 108 risk analyses (32 in the project study and bid phase and 76 in projects awarded and in execution).

ENVIRONMENTAL RISKS

In the bidding phase, a total of 64 risks associated with different environmental causes were detected (6.80% of the total risks detected in that phase), while a total of 62 were identified in the execution phase (6.35% of the total in that phase).

The majority of environmental risks were identified with the following:

- Lack of available area to use as dumping ground for leftover worksite material.
- Delays in obtaining environmental licenses.

- New environmental conditions.
- Unforeseen impacts on environmentally sensitive areas near the works.

SOCIAL RISKS

In the bidding phase, a total of 96 likely social risks were detected (10.20% of the total risks detected in that phase), while a total of 82 were identified in the execution phase (8.39% of the total in that phase).

The majority are related to the following:

- Damage to service roads used by communities in the vicinity of the works.
- Impacts on infrastructures used by third parties: roads, buildings, etc.
- Failure to make a good estimate of social compensation programs.
- Disturbing residents and communities near the work areas.
- Unexpected union actions.
- Failure to fulfill commitments of local component in projects.