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# 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 CO<sub>2</sub> 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

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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.