
ACCIONA'S COMMITMENT

Making our values a reality

ACCIONA is no stranger to the new challenges posed by the global framework in which companies and organizations act. Global and regional trends marked by climate change, resource scarcity and population growth require the various market players to come up with solutions. ACCIONA's response to this is the 2015 Sustainability Master Plan, the objectives and purpose of which are economic growth, environmental balance and social progress.

Challenges and opportunities posed by the reality around us

Population growth	Experts forecast that by the year 2035 population will increase exponentially to approximately 8.5 billion people. This will increase the size of the markets with growing populations and increase the demand for energy and infrastructure, where solutions must observe the limits imposed by climate change. According to the United Nations, the urban population is expected to grow to 4.9 billion people by the year 2030. This growth will offer business opportunities in basic service and transport infrastructures, and in infrastructures associated with new smart city models.
Climate change	Climate change is one of the major challenges facing humanity. According to the International Energy Agency, global CO ₂ emissions will grow by 1.5% per year until 2030. The challenge for companies is to provide solutions for the transition to a low-carbon economy. In order for this new model to be successful, a firm commitment to clean energy and sustainable construction is essential. 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 ₂ emissions and in line with society's demand in terms of the challenges of sustainable development.

Resource scarcity

The OECD recommends that infrastructures projects take into account the lack of natural resources (water, energy, wood, 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). The contribution to preserving these resources made by companies will depend on the promotion of sustainability values, efficiency in the use of raw materials and the development of products and services that meet demand within this setting of scarcity. Projections for the coming decades point to rising pressure on water resources in a large part of the world, with the subsequent impact on economic and industrial activities. Forecasts show 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's population). This offers opportunities to companies that market innovative solutions for managing the water cycle and are committed to innovation in water efficiency.

ACCIONA's solid business model, based on the 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

Economic growth, environmental balance and social progress are the three main cornerstones of ACCIONA's Sustainability Policy, which represents the center of the organization strategy, thus consolidating its position among the most advanced companies in sustainable practices.

ACCIONA's sustainability strategy is developed through the Sustainability Master Plan 2015 (SMP 2015). It is a road map that brings together all initiatives in this field and sets targets in the following areas: Innovation, Environment, Society, People, Value Circle, Corporate Governance, Stakeholder Engagement, Dissemination and Leadership, and Accountability.



The 2015 targets and commitments and the initiatives and degree of progress in their compliance throughout 2014 are as follows:

SMP Area	2015 Targets and Commitments	Progress in 2014
INNOVATION	<ul style="list-style-type: none"> Reach a figure of 500 million euros in R&D for the 2010-2015 period. 	<ul style="list-style-type: none"> Figure of 174.9 million euros reached in 2014 (cumulative figure for 2010-2014 amounts to 696.7 million euros).
	<ul style="list-style-type: none"> Develop initiatives and tools to foster continuous innovation in business. 	<ul style="list-style-type: none"> Technical evaluation of the applicability of graphene in the manufacturing of wind turbine blades. Participation in a pilot project for a 3D printing application (first prototypes for ACCIONA Agua and project in progress for ACCIONA Infrastructure). A research agreement was signed between ACCIONA Windpower and the Spanish Higher Council for Scientific Research.
	<ul style="list-style-type: none"> Improve ACCIONA's processes and generate savings of at least 36 million euros. 	<ul style="list-style-type: none"> In 2014, process improvements led to savings of 34.4 million euros, exceeding the target of 12 million euros set for this year (certified by independent third parties).
ENVIRONMENT	<ul style="list-style-type: none"> Improve the ratio of CO₂ emissions avoided compared to CO₂ emissions generated (15% improvement in the ratio from 2009 baseline). 	<ul style="list-style-type: none"> Ratio of CO₂ emissions avoided compared to emissions generated in 2014: 28 (2009 ratio: 7.8).
	<ul style="list-style-type: none"> Improve energy consumption ratio (reduction of energy/sales ratio by 15% from 2009 baseline). 	<ul style="list-style-type: none"> 71% reduction in the energy/sales consumption ratio compared to 2009.
	<ul style="list-style-type: none"> Water footprint: Increase net positive contribution (increase x 5 over 2009 baseline). 	<ul style="list-style-type: none"> Net positive contribution of 532 hm³ in 2014, compared to 76 hm³ in 2009.
	<ul style="list-style-type: none"> Foster environmental offset actions. 	<ul style="list-style-type: none"> Installation of 40 nest boxes in the Atotonilco wastewater treatment plant (ACCIONA Agua), actions carried out to protect indigenous species of flora and fauna in Australia (ACCIONA Construction) and publication of the results of the Camera Traps project.
	<ul style="list-style-type: none"> Offer customers services with environmental offsetting (neutral events). 	<ul style="list-style-type: none"> ACCIONA Producciones y Diseño organized 14 events that offset a total of 136 tons of CO₂.
SOCIETY	<ul style="list-style-type: none"> Contribution equal to 5% of dividends in accordance with the Social Action Plan. 	<ul style="list-style-type: none"> Contribution to the <i>Light at Home</i> and <i>Community Light</i> initiatives with 900 installations in Peru and 1,150 installations in Mexico. Social contribution of 11.17 million euros.
	<ul style="list-style-type: none"> Implement the social impact management methodology in all projects of the Construction, Water and Energy divisions. 	<ul style="list-style-type: none"> Implementation of the social impact management and assessment methodology in ACCIONA Infrastructure and ACCIONA Energy. Three social impact assessment workshops were given in the Construction, Water and Energy divisions (one workshop per division).
	<ul style="list-style-type: none"> Development of Corporate Volunteering. 	<ul style="list-style-type: none"> The third Volunteer Day was held in June 2014 (more than 300 volunteers). The third Shall We Donate? campaign was held, and volunteer actions were carried out in collaboration with FUNDAME and the Prince of Gerona Foundation. More than 800 volunteers in total.

SMP Area	2015 Targets and Commitments	Progress in 2014
PEOPLE	<p>Fostering health and safety:</p> <ul style="list-style-type: none"> ■ Coverage of 90% of international activity with a single OHS model. ■ Improve the accident rate by 20% on 2011. 	<ul style="list-style-type: none"> ■ 38.7% improvement on 2011 in the frequency rate for the ACCIONA Group.
	<p>Commitment to diversity:</p> <ul style="list-style-type: none"> ■ 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). ■ Increase the number of women at management levels by 2%. 	<ul style="list-style-type: none"> ■ 3.57% equivalent employment was achieved. ■ Employment of people at risk of social exclusion increased by 9.15% (base: 2011). ■ Women represent 18.51% of the total at management levels in relation to their professional segment. ■ Equality actions were launched in Mexico and Chile.
	<p>Development of Human Capital:</p> <ul style="list-style-type: none"> ■ Coverage of 92% of performance evaluation processes. ■ Broaden the scope of variable remuneration linked to sustainability to 97% for directors and 90% for managers. ■ Extend the training and development programs, including sustainability contents, in Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 90% of employees with access to IT tools. 	<ul style="list-style-type: none"> ■ 90% penetration of performance evaluation was achieved. ■ The scope of variable remuneration linked to sustainability was increased to 95% for directors and 75% for managers. ■ Extension of training and development programs in the United States, Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 75% of employees with access to IT tools.
VALUE CIRCLE	<p>Improving the sustainability performance of the supply chain:</p> <ul style="list-style-type: none"> ■ 65% of suppliers in Spain will have a sustainable development rating. ■ Send a self-assessment questionnaire to suppliers with turnover >100,000 euros in all Group companies. ■ Train suppliers in sustainability. ■ Foster and measure responsible procurement through bidding processes that include sustainability criteria. 	<ul style="list-style-type: none"> ■ 400 questionnaires were filled out by suppliers. ■ A total of 2,514 questionnaires were sent out, 1,617 of which were sent to new suppliers. In particular, and as a result of ACCIONA's internationalization, 887 questionnaires were sent to international suppliers. ■ 4 notices were sent to 2,990 suppliers, 950 of which are international. ■ A course on the environment was given to suppliers. ■ 88 new sustainable products and services were added to the Catalog. At the end of the year, the catalog contained 610 sustainable products.
CORPORATE GOVERNANCE	<ul style="list-style-type: none"> ■ Progressively implement measures to improve corporate governance. 	<ul style="list-style-type: none"> ■ External diagnosis of prevention of offenses and anti-corruption carried out for all activities in Spain. ■ Prevention of Offenses and Anti-Corruption Program being drawn up. ■ Ongoing external human rights diagnosis.

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STAKE-HOLDERS	<ul style="list-style-type: none"> Consider the expectations of the company's main stakeholders in management of sustainability practices. 	<ul style="list-style-type: none"> Development of a proposal to carry out direct consultations with the main stakeholders. Consultations were carried out with customers at ACCIONA Agua, ACCIONA Energy and ACCIONA Construction.
DISSEMINATION AND LEADERSHIP	<ul style="list-style-type: none"> Consolidate ACCIONA's position as a benchmark in sustainability in our markets. 	<ul style="list-style-type: none"> ACCIONA supports the call for the EU to drive green growth for 2030. ACCIONA joined the <i>Trillion Tonnes Communiqué</i>, an initiative led by the European platform <i>EU Corporate Leaders Group</i> and the <i>Caring 4 Climate Business Leadership Criteria on Carbon Pricing</i>. The Company also supports the "Put a Price on Carbon" statement led by the World Bank. The Chairman of ACCIONA, José Manuel Entrecanales, co-chairs the Renewable Energy Committee of the Advisory Board for the <i>Sustainable Energy for All (SE4ALL)</i> initiative organized by the UN and the World Bank. ACCIONA participated in the launch of the Decade of Sustainable Energy for All 2014-2024 (SE4ALL) initiative led by the United Nations in Latin America and the Caribbean. ACCIONA joined the launch of the <i>CEO Climate Leadership Group</i> in the <i>World Economic Forum</i> in Davos, and the <i>We Mean Business</i> coalition that focuses on driving the agenda of the Climate Change Conference (COP21) to be held in Paris.
	<ul style="list-style-type: none"> Strengthen employees' commitment to the SMP. 	<ul style="list-style-type: none"> The SMP infographics were updated.
	<ul style="list-style-type: none"> Foster external dissemination of sustainability practices. 	<ul style="list-style-type: none"> Weekly publications and launch of the website in English. Preparation of infographics, guide and video. Adaptation of the sustainability content to the corporate website of ACCIONA World.
ACCOUNTABILITY	<ul style="list-style-type: none"> Inform 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"> Preparation of the Sustainability Report according to GRI G4 and approval at the 2014 GSM with reasonable verification of key indicators. Publication of the Integrated Report. Presence in various indexes such as <i>DJSI World 2014/2015</i>, <i>FTSE4Good</i>, <i>Global CDP Climate Performance Leadership Index 2014</i>, <i>CDP Iberia 125 Climate Disclosure Leadership Index 2014</i> and <i>MSCI Global Climate Index</i>.

Sustainability governance

ACCIONA has a Sustainability Committee in the Board of Directors which is the highest body responsible for leading sustainability actions. At the four meetings held in 2014, the Sustainability Committee deliberated on, inter alia, the following topics:

- Follow-up, approval and analysis of the progress made in 2013 with regard to the targets set in the SMP for each business area.
- Approval of the annual targets for 2014 and follow-up of advances during the year.
- Approval of the 2013 Sustainability Report.
- Approval of the Water Policy.
- Specific follow-up of the Prevention of Offences and Anti-Corruption Program, as well as the human rights diagnosis.
- Analysis and evaluation of Spain's CSR strategy and the European Directive on non-financial information.

- Follow-up on the implementation status of the social impact management methodology in the Company's various divisions.

All topics relating to sustainability were brought to the attention of the General Shareholders' Meeting. The content of the Sustainability Report that is annually published by ACCIONA has been submitted for review and approval by the General Shareholders' Meeting since 2012. Shareholders have the opportunity to evaluate the Company's initiatives and social, environmental and corporate governance performance described in the Sustainability Report, thus conveying their opinion on the matter to the Board of Directors. In June 2014, the ACCIONA 2013 Sustainability Report was approved at the General Shareholders' Meeting with a vote in favor of 99.95% of the share capital in attendance (in 2013, the 2012 Sustainability Report was approved by 99.97%).

In 2014, a Sustainability Committee was created for ACCIONA Industrial in addition to those already existing in the Energy, Construction, Water and Services divisions

The General Sustainability Area 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.

The General Sustainability Area reports directly to the Chairman and to the Sustainability Committee of the Board of Directors.

In 2014, a Sustainability Committee was created for ACCIONA Industrial in addition to those already existing in the Energy, Construction, Water and Services divisions. In collaboration with the General Sustainability Area, these committees are promoting and conducting efforts to monitor specific initiatives in these divisions, in line with the Sustainability Master Plan.

In 2014, specific sustainability meetings were also held with ACCIONA Real Estate and Bestinver.

ACCIONA's presence of sustainability representatives was consolidated in several countries, including Australia, Brazil, Chile and Mexico, in addition to Spain. This therefore makes it possible to better understand the social and environmental context in the various international markets, and makes it more feasible to implement and relevant initiatives that are appropriate for these contexts.

Functions of the Sustainability Committee

- Identify and guide the Group's 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.
- Draft the annual Sustainability Report, which is submitted for approval by the Board.
- Submit the sustainability and corporate 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.