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# MATERIALITY ANALYSIS

## Basis of the information

In response to stakeholders' demands concerning our performance, the following Materiality Analysis identified over 120 material aspects. We have chosen 18-20 of the most relevant for each of our business lines, reflecting the importance of each of these aspects during 2014.

## Focusing on what is relevant (G4-18a)

The ACCIONA 2014 Sustainability Report has been based on the *ad hoc* 2014 Materiality Analysis.

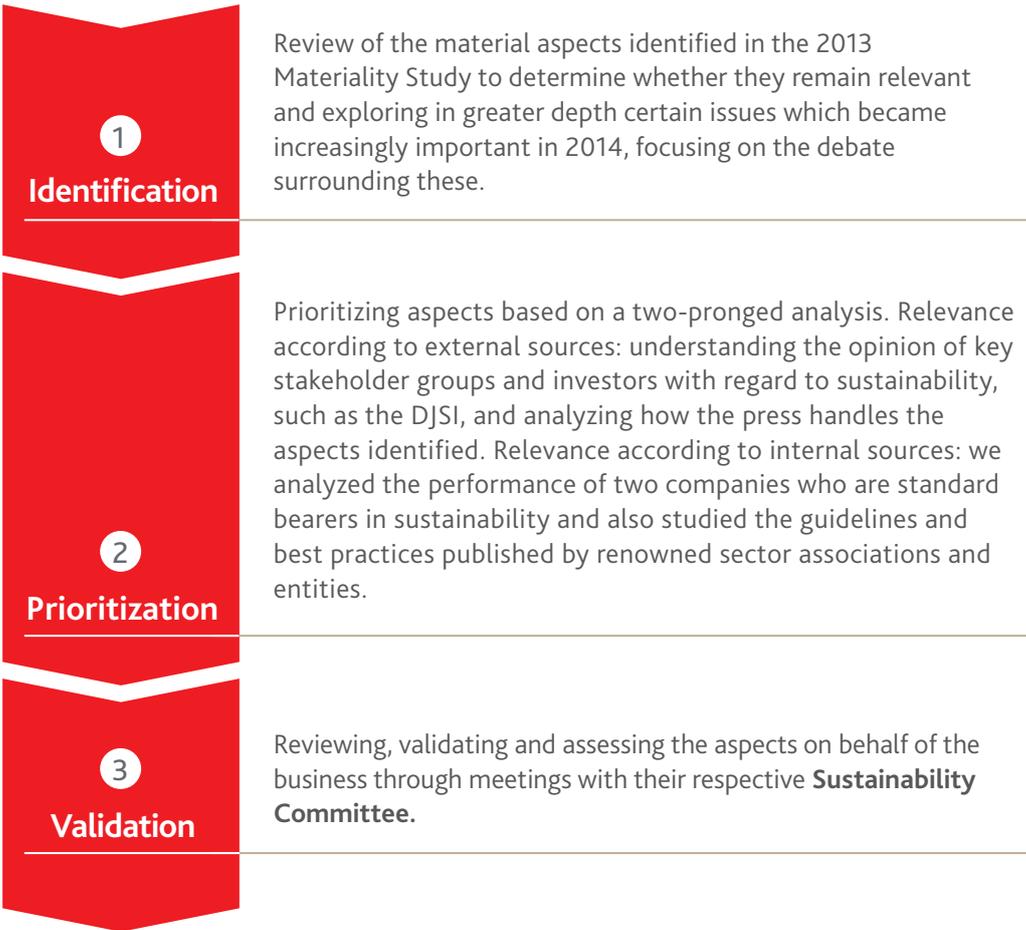
For the second consecutive year, this document is based on the criteria, principles and content of the G4 framework of the *Global Reporting Initiative* (GRI) for the preparation of sustainability reports. Among the criteria is the process for analyzing materiality that enables ACCIONA to identify aspects that are relevant to its various businesses and its stakeholders.

So as to offer an adequate and satisfactory response to the markets and our various stakeholders, this study focused on the Company's two main divisions: Energy and Infrastructure. As a clear exercise in

transparency, throughout this chapter we show the results obtained by each of the business lines comprising ACCIONA Infrastructure: Construction, Industrial, Agua and Service, as well as those obtained by ACCIONA Energy.

Also, and for the first time this year, the analysis has identified the material or significant aspects in the value chain of each of these business lines. On the one hand, it entailed obtaining key, detailed information enabling the company to better manage the critical aspects, and, on the other hand, it offers greater transparency on the efforts made by the company on the various cornerstones included in its Sustainability Master Plan (SMP).

## Methodology G4-24



### 1. IDENTIFICATION OF MATERIAL ASPECTS (G4-24)

The 2014 Materiality Analysis cross-checks the cornerstones of the ACCIONA Sustainability Master Plan against the Company's business lines in order to identify **specific aspects** for each of the organization's activities and their impact on the value chain.

The 2014 Materiality Analysis expands on those issues identified the previous year, using new information sources which allow us to better explore how the Company manages all issues regarding sustainability. This has resulted in over 120 issues which have been prioritized as follows:

### 2. PRIORITIZATION OF MATERIAL ASPECTS (G4-24)

Prioritizing material aspects has been determined based on a two-pronged analysis of information sources:

- a) Relevance given by investors and prescriber:
  - Criteria and aspects assessed in the *Dow Jones Sustainability Index*.
  - Investors' expectations regarding social, environmental and corporate governance criteria.
  - Analysis of press coverage: analysis of key aspects for stakeholders identified in various media.

b) Internal relevance, based on a study of standard bearers in the sector and benchmark bodies and entities.

- Analysis of two companies, by business line, and standard bearers in sustainability, identifying the key aspects and main actions.
- Analysis of benchmark documents from international bodies and sector institutions: Energy: WBCSD, WWF. Infrastructures and Industrial: International Project Finance and Institute for Sustainable Infrastructures. Water: United States Environmental Protection Agency and WBCSD. Services: International Solid Waste Association and ECOEMBES.

### 3. VALIDATION OF ASPECTS: ROLE OF SUSTAINABILITY COMMITTEES (G4-24)

In order to carry out an internal assessment and validation of the identified material aspects, a series of meetings were held with the Sustainability Committees of ACCIONA's businesses. The Committees provide an internal view of the Company and the importance to the Company of each aspect.

## Results of the Materiality Analysis by business line

The results of the materiality analysis for each of the business lines are listed below and structured as follows:

- A matrix of material aspects which directly affect the business.
- The justification of those aspects which hold the greatest materiality for ACCIONA and its concerned parties: the Company considers to be material all aspects that obtained a high materiality level in the analysis.
- A description of the business' response to each aspect.
- The main aspects in each stage of the value chain.

Even though the Materiality Analysis covers ACCIONA's four main business lines, this report also describes how our other businesses manage sustainability issues.

In order to offer the most comprehensive information possible, the following legend shows which cornerstone of the Sustainability Master Plan each of the material aspects relates to, and which section of the chapter on ACCIONA's Commitment contains additional information. It also refers to which information has been included in greater detail in the ACCIONA 2014 Integrated Report.

- **Corporate governance**
- **People**
- **Innovation**
- **Environment**
- **Value circle**
- **Society**
- **Stakeholder engagement**
- **Dissemination and leadership**
- **Accountability**
- **Integrated report**

## Material aspects at ACCIONA Energy

The following material aspects identified in 2014 for ACCIONA Energy resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 19 key aspects chosen from a list of over 120\*:

- Attracting and retaining talent and developing human capital
- Biodiversity
- Corporate governance
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Innovation
- Life cycle of products and services
- Materials
- Risk management
- Security and quality of supply
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Waste
- Water

Of these, we would highlight the following three:

- **1. Strategy and impacts of climate change**
- **2. Impact on local communities and dialogue**
- **3. Risk management**

\*The full list of material aspects is on pages 62-67.

## 1. STRATEGY AND IMPACTS OF CLIMATE CHANGE

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

Boards of Directors are increasingly aware of the importance of climate change. Companies' activities are becoming ever more affected by extreme weather conditions caused by climate change. These can range from operations being interrupted to the supply chains being affected. These interruptions are costly to companies, both in terms of repairing the damage caused and lost output.

Therefore, Boards of Directors are focusing more and more on climate change strategies, while at the same time, managing CO<sub>2</sub> emissions is, increasingly, linked to the competitiveness of companies in the sector.

A greater number of investors are also interested in climate change and how companies incorporate these issues in their key strategies. Also, an increasing number of investors wish to be informed of how companies manage climate change issues and strive that these be incorporated in management's key strategies.

Also, operationally, the Company carries out various initiatives which range from monitoring energy consumption at its facilities and a detailed analysis of the initial energy level of its customers, to identifying personalized solutions, which include investments to guarantee energy savings.

The following initiatives demonstrate the importance given by the division to reducing its impact on climate change:

- ACCIONA Green Energy Developments sells electricity which is solely from renewable sources and accredited by the Spanish National Competition Commission (CNMC), and offers its customers products which are adapted to their needs and are flexible and transparent.
- ACCIONA Energy offers various services associated with selling clean energy, in order to ensure maximum efficiency and optimize customers' electricity bills. In 2014, ACCIONA Green sold 3,700 GWh to end customers.

### ACCIONA Energy's response to climate change

ACCIONA Energy identifies and manages the risks and opportunities associated with climate change over the medium- and long-term in the main geographical areas where it operates. The risks identified are assessed by Senior Management, integrating climate change

and its consequences in their decision-making process to ensure coherence with ACCIONA's Global Risk Policy.

In 2014, ACCIONA Energy avoided the emission of 16 million tons of CO<sub>2</sub>, mainly as a result of its renewable energy activities. This is an 8% improvement on the previous year.

## 2. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the energy sector?

An increasing number of energy companies have identified the need to adapt their strategy to the needs of the communities where they operate. This new focus involves establishing solid foundations which enable the company and its surroundings to develop both economically and sustainably.

Assessing the social, economic and cultural needs of the community is the starting point for analyzing risks facing communities. Following the appropriate analyses, it is important that companies carry out the measures necessary to minimize the negative impacts and strengthen the positive ones. Companies must assess all the measures to mitigate those impacts generated by their activities and engage the communities so that they can prioritize the most important areas. In line with sector best practices, once the key areas have been identified, it is essential that suitable value proposals be developed based on solid action plans and monitoring of identified objectives.

#### Managing social impact at ACCIONA Energy

ACCIONA Energy is aware of the increasing importance of the so-called social license to operate (the free, prior, informed and ongoing consent of local communities and stakeholders when undertaking investment projects) so as to carry out its projects in a way that is satisfactory, not only from a social and environmental view point, but also a financial view point. The main initiatives carried out by the Company to manage this matter are:

#### Las Oaxacas Complex, Mexico

In Mexico, ACCIONA Energy continues to carry out periodic studies on the needs of the communities located in the vicinity of its wind farms in Oaxaca. The conclusions define the types of health care, education

and environmental projects to be carried out. In 2014, more than 5,300 inhabitants from the communities in the areas surrounding the wind farm benefited from the following initiatives:

- Helping improve the sexual and reproductive health of women over the age of 25 by preventing and detecting cervical cancer.
- Farmland and Livestock Project for milk producers in the La Venta community, located in Juchitán de Zaragoza (Oaxaca), to stimulate the local economy.
- Training in sustainability topics through the Sustainability Workshop at schools in the wind farm's neighboring communities.

- Helping improve access to education through agreements and schemes with the Technology College of the Mixe Region, Mexico's Open University and the Bachillerato Integral La Blanca.
- Training workshops at the Bioclimatic Community Center.

#### Punta Palmeras, Chile

Punta Palmeras is the first wind farm owned by ACCIONA in Chile. The following initiatives were carried out in 2014 when the farm was brought into operation:

- Rescue and relocation of the flora and fauna in the area, and reforestation of the areas surrounding the wind farm with over 9,000 bushes.
- Volunteering program at a school in Canela.
- Improvements made to the access road to the Maitencillo fisherman's cove.
- Land donated to construct a new cove, with a view to stabilizing the economic activity of the area's fishermen.

#### Sishen and Gouda (South Africa)

Efforts were made in 2014 to foster local employment through the government's *Black Economic Empowerment* (BEE) racial equality program. During the project's construction phase, the contracting and local procurement objectives laid down in the agreement were exceeded.

### 3. RISK MANAGEMENT

[For more information, see the **corporate governance** section of the SMP in the chapter on ACCIONA's Commitment]

#### Why is it important for the energy sector?

Energy is a strategic and basic need to help communities and countries develop, and is subject to ever-changing regulations. The increasing use of renewables is also linked to the need for consistent regulatory systems which offer legal security to those companies that are developing these technologies.

Also, increasing geographic diversification means that companies are subject to different regulations, making a correct management of regulatory risks even more important. Regulatory instability in Spain over the past three years has posed important challenges to companies in the sector.

#### Risk management at ACCIONA Energy

Throughout the process of reforming the Spanish renewable energies regulatory framework, ACCIONA took part, in collaboration with other sector companies and associations, in the public consultation process by drafting and reporting on regulatory proposals, as well as collaborating with other companies and associations on the following:

- The increased role of renewable energies in the markets (for example, in providing adjustment services).
- The elimination of unnecessary charges that may be detrimental to their competitive position with regard to conventional and more contaminating technologies.
- The adjustment of certain aspects of the new remuneration system for renewable

energies that may entail unfavorable treatment for this type of energy with regard to other regulated activities in the electricity sector.

In the European Union, ACCIONA has participated both directly and in collaboration with Spanish and European associations in discussions on the design of the new regulatory framework for energy and climate policies in the EU for the post-2020 period, defending all regulatory proposals that favor mechanisms which, without neglecting economic sustainability, facilitate greater penetration of renewable energies and the decarbonization of the economy.

By way of example, as part of the current debate on the Energy Union (a concept that is inextricably linked to the security of supply and energy independence), ACCIONA defends incentive systems that

are economically sustainable, favor growth and competition using clean technologies and eliminate the disadvantages thereof with regard to contaminating technologies (the environmental costs of which are not internalized).

ACCIONA also actively defends the need for European Union commitments regarding the promotion of clean energy to be based on an effective governance system that guarantees compliance, through binding targets if possible.

## New to the 2014 Materiality Study

In 2014, ACCIONA Energy analyzed the material aspects for each stage of its value chain\*, enabling the Company to focus on and better manage those action lines concerning

sustainability and its stakeholders that needed to be developed. Of all the aspects evaluated, below are the three aspects which were rated the highest in each of the stages.

Project development	Engineering and construction	Wind turbine manufacturing	Production	Energy management and sales
1. Risk management	1. Health and safety	1. Innovation	1. Health and safety	1. Security and quality of supply
2. Impact on local communities and dialogue	2. Risk management	2. Risk management	2. Risk management	2. Risk management
3. Ethics and compliance	3. Suppliers	3. Health and safety	3. Security and quality of supply	3. Strategy and impacts of climate change

\* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Energy was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Energy, see [ACCIONA 2014 Integrated Report](#)].

## Material aspects of ACCIONA Infrastructure

Below are the results of the materiality analysis for ACCIONA's Infrastructure division, which includes ACCIONA Construction, Industrial, Agua and Service.

### Material aspects of ACCIONA Construction

The following material aspects identified in 2014 for ACCIONA Construction resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 20 key aspects chosen from a list of over 120\*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Materials
- Risk management
- Social investment
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water

Of these, we would highlight the following three:

- **1. Ethics and compliance**
- **2. Impact on local communities and dialogue**
- **3. Sustainability performance**

\* The full list of material aspects is on pages 62-67.

## Material aspects of ACCIONA Industrial

The following material aspects identified in 2014 for ACCIONA Industrial resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 20 key aspects chosen from a list of over 120\*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Materials
- Risk management
- Social investment
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water

Of these, we would highlight the following three:

- **1. Ethics and compliance**
- **2. Impact on local communities and dialogue**
- **3. Sustainability performance**

\* The full list of material aspects is on pages 62-67.

## 1. ETHICS AND COMPLIANCE

[For more information, see the **corporate governance** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the construction and infrastructures sector?

One of the main risks when working with public contracts is corruption. This is also an issue of great concern to society (Sociological Research Center, 2014). Over the past year there has been great controversy surrounding irregular practices in bids and tender processes, and illegal payments to public officials. Companies need to tackle these problems in their anti-corruption policies by establishing objectives, monitoring plans and incentive schemes.

Another controversial issue is the lack of transparency surrounding construction costs. Infrastructures projects can be extensive, meaning corruption and the lack of transparency are more likely to occur. Another aspect here are the unique characteristics of certain projects, which make it difficult to compare costs and the various permits demanded by public administrations, making bribery commonplace. Commercial confidentiality also outweighs public interest, making it easier to cover up inflated prices.

Tax evasion by large companies is also a matter of great concern to society. Trust and credibility are easily earned when a company reports on tax matters in a clear and transparent manner. The scope of the information reported is important, with the company required to report on tax matters at an international, national and regional level.

#### Ethics and compliance at ACCIONA Construction and ACCIONA Industrial

Ethical behavior and compliance with high standards (external and internal) in ethics and integrity are two values on which the business of all ACCIONA's

divisions are based. The Company Code of Conduct sets forth the values that are to guide the behavior of all ACCIONA companies. ACCIONA has a series of corporate regulations which lay down the action guidelines applicable to the various

companies. These regulations are included in ACCIONA's Policy Book which was approved by the Sustainability Committee in April 2013 and comprises four sections: Sustainability and Innovation; Economics and Corporate Governance; Society and the Environment.

In 2014, prevention of offenses and anti-corruption at all of ACCIONA's divisions were evaluated by an external company. Based on the results of this evaluation, in 2015 the Company will update its policies, procedures and key processes to adapt these to the new Spanish Penal Code.

ACCIONA Infrastructure has an advanced Risk Management System to help minimize and manage any risks which may arise from breaches to ethics and integrity. The system analyzes and identifies social, environmental and corruption risks as well as those caused by failure to adapt to local customs. During the year, 40 general risk analyses were carried out. In all, non-financial risks were analyzed, both with regard to their origin and their impact. At December 31, 2014, the scope of these analyses extended to 88.10% of the total allocated budget for international projects.

## 2. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the construction and infrastructures sector?

Infrastructures construction entails significant impacts, both positive and negative, on local communities. It is important to assess the impacts and risks associated with a project so as to attain optimum performance levels for projects, and, at a prior stage, to obtain the increasingly important social license. Dialogue with local communities is therefore key to ascertaining the various interests, concerns and expectations.

To illustrate how important the social license is, various mining and large hydroelectric projects in South America have been halted due to social conflicts with the local communities. Another sensitive issue, and one of the main negative impacts, is the displacement of local populations due to the construction of infrastructures.

#### Managing social impact at ACCIONA Construction and ACCIONA Industrial

The activity of ACCIONA Construction and ACCIONA Industrial could have both positive and negative impacts on the communities living in the areas where the Company operates. Positive impacts must be strengthened and negative ones eliminated, mitigated or reduced as much as possible. To detect these impacts, the Company carries out a social risk study

during the earliest stages of identifying business opportunities.

Both ACCIONA Construction and ACCIONA Industrial have rolled out Social Impact Management and Evaluation methodology to all those projects which meet certain conditions, and have offered staff involved a training workshop.

In the Rodoanel Project (Brazil), ACCIONA Construction is building a bypass connecting all roads leading into the capital. This project is intended to avoid traffic congestion in the city and the effects on the local community. The Company carries out various social initiatives, including:

- Distributing the Defensive Driving License to truck drivers and transport operators using Rodoanel so as to prevent accidents and reduce the number of complaints from the local community.
- Talks with community members to discuss topics such as social impacts during the construction stage, reporting on progress and socio-environmental programs, the status of complaints, etc.
- Volunteering campaign and social actions to benefit the most underprivileged members of the community.
- Implementation of the *My professional future* program, which consists of training carpenters and shipbuilders, thereby providing professional opportunities

to internal workers and to groups that require social reinsertion, with the help of various social organizations.

#### Community relations at ACCIONA Infrastructure

The project to upgrade the local sewer and storm water system in the Muzú neighborhood (Colombia) saw a Social Involvement Management plan put in place which was responsible for channeling the actions of the area of influence, which included: information and communication program, organization and participation program, education program, sustainability, monitoring and assessment program.

Each of the plots of land in the catchment area were photographed and filmed, then a matrix of the positive and negative social impacts of the technical activities was drawn up.

An action plan detailing each of the activities intended to mitigate the negative impacts was then prepared, with action lines for each activity, thus engaging the local community and causing less of an

impact. It also has strategies to boost the project's positive impacts on the community.

The training activities which are carried out in parallel to the consultations seek to improve the development and ties with the communities where the Company operates, and are related to ACCIONA Construction's project, as this is intended to preserve water as well as the aqueduct and drainage system.

ACCIONA Industrial carries out various community projects to ease the effects of coastal erosion. Specifically, it oversees the dredging of the port at Salaverry (Peru), to prevent the short-term effects of sedimentation caused by the port's activity, which is the local economy's main driver.

### 3. SUSTAINABILITY PERFORMANCE

[For more information, see the **Value Circle** and **Dissemination and Leadership** section of the SMP in the chapter on ACCIONA's Commitment]

#### Why is it important for the construction and infrastructures sector?

Sustainability has become a strategic pillar for companies. As such, a company can only become sustainable if it takes into account the needs and expectations of its stakeholders (shareholders, investors, employees, suppliers, surroundings, local society, etc.) regarding its performance, as it is these stakeholders who will be responsible for the company's lasting success.

For a company like ACCIONA, sustainability is key to its DNA and is fully present in its vision and its mission. Sustainability lends credence to our businesses: if the various activities represent "what we do", sustainability represents "how and why we do it".

#### Sustainability at ACCIONA Construction and ACCIONA Industrial

Sustainability is a key element in all of ACCIONA's divisions as, even though each one adapts it to their activity, sustainability is promoted by ACCIONA as a whole. This is why, at a corporate level, ACCIONA has dialogue mechanisms with its stakeholders through which it can report on its sustainability efforts, be held accountable and ask their opinion in a transparent and familiar way. The Company's Sustainability Report and Integrated Report are also

good vehicles for this purpose (for more information, see the **2014 Integrated Report**).

ACCIONA has also been included in the *Dow Jones Sustainability Index* for the eighth consecutive year and the FTSE4Good. Both indexes recognize social and environmental best practices. Once again, ACCIONA has been named by the MERCO Index as the best company to work and the one with the best reputation in Spain in the infrastructures, services and construction sector.

Sustainability is part of the yearly training. Some of the main topics offered during 2014 covered, inter alia, sustainability, the Code of Conduct, value management and raising awareness of differently-abled people.

In 2014, a Sustainability Committee was created at ACCIONA Industrial, while the Social Impact Management and Evaluation methodology was followed at ACCIONA Infrastructure.

We would note the collaboration between ACCIONA Construction, ACCIONA Industrial and the industrial supplier that specializes in manufacturing composite materials, which gave rise to a new product that can be used in port works. Composites are versatile, lightweight, durable and environmentally friendly and have meant that ACCIONA received the European Business Award for the Environment (Spanish section) in the Product and/or service for sustainable development category.

## New to the 2014 Materiality Study

During restructuring of the Infrastructure Division, the Construction and Industrial activities were separated into two business lines. Despite having carried out separate materiality analyses, given the similarity of these businesses, we have opted to show the results obtained together.

In 2014, ACCIONA Construction and ACCIONA Industrial analyzed the material aspects for each stage of its value chain\*, enabling the Company to focus on and better manage those action lines concerning sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.

### ACCIONA Construction



### ACCIONA Industrial



\* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Construction and Industrial was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Construction and ACCIONA Industrial, see [ACCIONA 2014 Integrated Report](#)].

## Material aspects of ACCIONA Agua

The following material aspects identified in 2014 for ACCIONA Agua resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 19 key aspects chosen from a list of over 120\*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Development of human capital
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Life cycle of products and services
- Risk management
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Sustainable innovation
- Waste
- Water
- Water quality

Of these, we would highlight the following three:

- **1. Impact on local communities and dialogue**
- **2. Strategy and impacts of climate change**
- **3. Ethics and compliance**

\* The full list of material aspects is on pages 62-67.

## 1. IMPACT ON LOCAL COMMUNITIES AND DIALOGUE

[For more information, see the **Society** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the water sector?

The risks associated with the relationship and dialogue companies maintain with local communities where they operate, or plan to operate, are increasingly important and must be taken into account in the initial stages of a project so that the company can obtain the social license to be able to operate.

The key element here is ensuring dialogue is transparent and that the various stakeholders are informed in a timely manner and are provided with sufficient information.

Given the very nature of their activity, water management and water treatment companies are constantly exposed to risks concerning the impact on the societies where they operate (bad smells, polluted water, effluent, etc.). Stakeholders expect efficient and transparent management which minimizes operating and reputational risks.

Also, the social component arising from the demands of local communities is carried out through an *action plan for the social component in demand management*, the purpose of which is to strengthen the processes of reflection, understanding and action (awareness) with the communities regarding the interaction of technical and operational factors associated with consumption that influence the problems of service of the aqueduct in the municipality of Riohacha.

This is an example of the close ties between communities and projects in all areas.

In 2014, ACCIONA Agua embarked on various schemes in collaboration with local communities around the Atotonilco waste water treatment plant in Mexico. These include the awareness and education initiatives aimed mainly at students attending the area's schools, such as:

- World Environment Day.
- Environmental awareness talks for students at the COBAEHA school in Tlahuelilpan, regarding recycling.
- Awareness workshops on the importance of water and preserving the environment for 3-5 year olds at the Alfonso Reyes nursery schools.

### Community management at ACCIONA Agua

ACCIONA Agua's activity is closely linked to the communities where it operates. Below are some of the local community management initiatives carried out in 2014:

ACCIONA Agua and ACCIONA Construction are carrying out a project for the hydraulic optimization of the distribution network and demand management program for the aqueduct in the municipality of Riohacha, in Columbia. The following initiatives in regard to this project were carried out 2014:

- Information talks about the project with various stakeholders.
- Roads around the project were upgraded and adapted.

- Employee health campaigns to promote preventative medicine and a healthy lifestyle.
- Hiring local unskilled labor.
- Talks at schools on good habits regarding the use of water.

### Project for the hydraulic optimization of the distribution network and demand management program for Phase I of the aqueduct in the municipality of Riohacha in Colombia.

Key to ACCIONA's Social Impact Management is the design, implementation and evaluation of the Works Social Management Plan, aimed at preventing, mitigating and handling the impacts caused in the community, before, during and after construction.

## 2. CLIMATE CHANGE STRATEGY AND IMPACT

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the water sector?

Energy efficiency in water management is key to reducing carbon emissions in the sector. Energy is needed in important processes such as pumping, transport, distribution, irrigation, effluent treatment and desalination. In 2014, companies in the sector placed even greater importance on assessing how their activities affect climate change by establishing policies and objectives to help minimize impact. Companies are also certifying their Energy Management Systems in accordance with international standard ISO 50001.

According to the criteria of the *Dow Jones Sustainability Index*, climate change strategy and its impact is one of the elements with the greatest weight in the environmental scope of the survey, given its importance for investors.

#### Managing climate change effects at ACCIONA Agua

ACCIONA Agua is the second most energy intensive business in the Group, behind ACCIONA Trasmediterranea. Therefore, this division's efforts in fighting climate change are particularly noteworthy. Various initiatives were carried out in 2014 to reduce its energy intensity, such as:

- ACCIONA Agua replaced the lighting at its headquarters for low consumption and LED luminaires.

- The water division achieved a high compliance level for its energy efficiency objectives.

Climate change offers the Company huge opportunities for its purification, treatment

and desalination activities in those parts of the globe where water is in short supply. Some of the actions carried out in this area in 2014 include:

- Operation, maintenance and technical remodeling of the Sohar desalination plant in Oman.
- Operation and maintenance of the wholesale water supply for Egypt's new capital city, New Cairo.
- O&M contracts for the Hadda & Arana water treatment plants serving Mecca (Saudi Arabia) and the millions of pilgrims visiting each year.
- Contract to design, construct and commission the Al Jubail desalination plant in Saudi Arabia.

### Environmental targets in 2014 and level of compliance

Increase cogenerated power to 80% of the total electricity consumed by the ABRERA WWTP.	100%
Reduce power consumption by 3% compared to 2013 at the Mungia WWTP.	100%

### 3. ETHICS AND COMPLIANCE

[For more information, see the **Corporate Governance** section of the SMP in the chapter on ACCIONA's Commitment]

#### Why is it important for the water sector?

At present, any company which fails to apply strict standards for ethics and integrity is exposed to risks in this area and these can negatively impact their image and competitive edge.

Society is greatly concerned about corruption, and this is closely linked to the awarding of public contracts. Therefore, any company wishing to earn the trust of the various agents with which it engages must have strict codes of conduct and ethics, and apply these to ensure it carries out its activities in a manner which is legal and ethical at all times.

With tax evasion and fiscal transparency evoking increasing controversy, companies need to tackle these issues by engaging in transparent dialogue with society and providing exhaustive, comprehensive and reliable information.

#### **Ethics and compliance at ACCIONA Agua**

Ethical behavior and compliance with high standards (external and internal) in ethics and integrity are two values on which the business of all the divisions comprising ACCIONA are based.

To adapt to existing needs, the various areas develop actions, policies and management systems, based on solid corporate standards, which help improve the efficiency of all actions related to ethical

behavior and compliance throughout the Company.

ACCIONA's Policy Book, approved in April 2013 by the Sustainability Committee, outlines the action framework.

The Water Policy was added in 2014. The main objective of this Policy is to ensure access to drinking and sanitation water, which is a basic human right as recognized by the UN General Assembly in 2010, thus

lending greater credence to ACCIONA Agua's activity.

In 2014, prevention of offenses and anti-corruption at all of ACCIONA's divisions were evaluated by an external company. A Prevention of Offenses and Anti-corruption Program was drawn up based on its conclusions.

## New to the 2014 Materiality Study

in 2014, ACCIONA Agua analyzed the material aspects for each stage of its value chain\*, enabling the Company to focus on and better manage those action lines concerning

sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.

Design and engineering	Construction	Operation and maintenance	Work concessions (BOT)	Water and integral services concessions
1. Risk management	1. Health and safety	1. Health and safety	1. Ethics and compliance	1. Ethics and compliance
2. Ethics and compliance	2. Human rights and labor conditions	2. Quality of supply	2. Health and safety	2. Health and safety
3. Health and safety	3. Impact on local communities and dialogue	3. Waste	3. Risk management	

\* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Agua was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Agua, see [ACCIONA 2014 Integrated Report](#)].

## Material aspects of ACCIONA Service

The following material aspects identified in 2014 for ACCIONA Service resulted from applying the methodology from the study of stakeholders' opinion and the internal view of the Company described above.

Below we explore the 17 key aspects chosen from a list of over 120\*:

- Attracting and retaining talent
- Biodiversity
- Corporate governance
- Customers
- Environmental management
- Equality and diversity
- Ethics and compliance
- Health and safety
- Human rights and labor conditions
- Impact on local communities and dialogue
- Innovation
- Materials
- Strategy and impacts of climate change
- Suppliers
- Sustainability performance
- Waste
- Water

Of these, we would highlight the following three:

- **1. Sustainability performance**
- **2. Strategy and impacts of climate change**
- **3. Human rights and labor conditions**

\* The full list of material aspects is on pages 62-67.

## 1. SUSTAINABILITY PERFORMANCE

[For more information, see the **Value Circle** and **Dissemination and Leadership** sections of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the services sector?

Sustainability has become a strategic pillar for companies. As such, a company can only become sustainable if it takes into account the needs and expectations of its stakeholders (shareholders, investors, employees, suppliers, surroundings, local society, etc.) regarding its performance, as it is these stakeholders who will be responsible for the company's lasting success.

For a company like ACCIONA, sustainability is key to its DNA and is present in its vision and its mission. Sustainability lends credence to its businesses: if the various activities represent "what we do", sustainability represents "how and why we do it".

#### Sustainability at ACCIONA Service

As this matter affects the entire Company the Services division needs to roll out and elaborate on the various cornerstones of the SMP discussed in the previous chapter, as do the rest of ACCIONA's businesses.

ACCIONA Service has therefore been included in the variable remuneration program, linking pay to achieving sustainability objectives. All the objectives set for 2014 were met and exceeded. These include reducing emissions and water and energy consumption as well as emissions, making the Company more environmentally efficient.

This was achieved thanks, in part, to the over 2,100 hours of environmental training given to ACCIONA Service employees as well as neutralizing all carbon emissions associated with its activities. A total of 127 actions were analyzed to assess their environmental impact and identify what best practices could be extended to other businesses.

Turning to solutions offered to customers, we would note the efforts made in promoting energy efficiency in the various sectors, such as managing demand at the Hospital Universitario Infanta Sofía (Madrid), as well as initiatives in the

industrial sector resulting in savings of 18,910tCO<sub>2</sub>.

Also, employees received 58,284 hours of occupational health and safety training which helped reduce the frequency and severity rates, both of which are important in the services sector.

## 2. CLIMATE CHANGE STRATEGY AND IMPACT

[For more information, see the **Environment** section of the SMP in the chapter on ACCIONA's Commitment]

### Why is it important for the services sector?

In 2014, China and the United States (jointly responsible for 45% of total CO<sub>2</sub> emissions), signed an agreement to fight climate change, highlighting the need for companies to incorporate this aspect in their business strategy. It is important for companies to align climate change policy with their key strategic objectives.

This policy must be established based on previously-identified risks, and should be aimed at mitigating these and establishing quantitative objectives which can be monitored. It is also important to measure the economic impact of climate change on companies' business. Companies must also demonstrate the efforts made to reduce potential impacts by, for example, reporting on energy efficiency or GHG emission reductions.

According to the criteria of the *Dow Jones Sustainability Index*, climate change strategy and its impact is one of the elements with the greatest weight in the environmental scope of the survey, given its importance for investors.

#### Energy efficiency as a business at ACCIONA Service

ACCIONA Service's extensive services portfolio includes specific energy efficiency services which have been developed based on past experience and results at the Company.

As an energy services company, it has carried out various initiatives such as monitoring energy consumption at facilities and offering customers a detailed analysis of their initial energy level, as well as

identifying personalized solutions, including investments guaranteed to save energy.

In 2014, ACCIONA Service carried out 16 projects of this type in Europe for customers in various industries, including the automotive, textile and food sectors. The work carried out entailed improving production and ancillary processes at the centers analyzed. The results generated annual savings of nearly 5 million euros and prevented the emission of over 25,000 tCO<sub>2</sub>.

### 3. HUMAN RIGHTS AND LABOR CONDITIONS

[For more information, see the **People, Corporate Governance** and **Value Circle** sections of the SMP in the chapter on ACCIONA's Commitment]

#### Why is it important for the services sector?

Human rights is one of the main reasons why projects are stopped, therefore obtaining the social license to operate at a global scale largely depends on correctly managing these issues.

Likewise, companies' responsibility increasingly extends beyond their operations, with the need to manage and respond to potential cases throughout the supply chain, involving all their suppliers and contractors. By the same token, responsibility crosses the borders within which companies operate to all geographical areas where human rights may constitute a risk.

Institutional investors are demanding that yet stricter measures be included in companies' codes of conduct so as to eradicate human rights infringements.

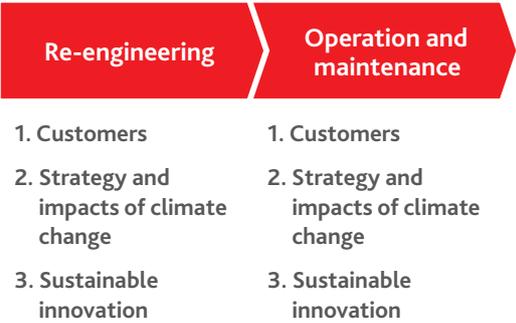
In Spain in 2014, a National Companies and Human Rights Plan draft was presented, which is pending approval by the Council of Ministers.

In 2014, ACCIONA initiated a Human Rights Risk Assessment according to the UN's Guiding Principles on Business and Human Rights.

The objective is to draw up a risk rating for ACCIONA for each business unit in those countries where the Company is present and which are vulnerable to human rights infringement. For the Service division a ranking was drawn up for those countries at greater risk of human rights infringements, namely Qatar, Oman and Mexico.

## New to the 2014 Materiality Study

In 2014, ACCIONA Service analyzed the material aspects for each stage of its value chain\*, enabling the Company to focus on and better manage those action lines concerning sustainability and its stakeholders which needed to be developed. Below are the three aspects which were rated the highest in each of the stages.



\* Unlike the general materiality analysis, only the internal input provided by the Sustainability Committee at ACCIONA Service was taken into account to determine the relevance of each of the aspects for each stage of the value chain.

[For more information on the business model and value chain at ACCIONA Service, see [ACCIONA 2014 Integrated Report](#)].

## Scope of the material aspects

The representation matrices of material issues by business line identify global aspects. Each aspect for each division is defined below, specifying whether the aspect has an internal impact or affects external stakeholders and, consequently, if its impact goes beyond the Company.

## G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
<b>Water</b>	<ul style="list-style-type: none"> <li>■ Objectives to reduce water consumption</li> <li>■ Measurement of water footprint</li> </ul>	<ul style="list-style-type: none"> <li>■ Impacts on water resources of hydraulic power generation</li> <li>■ Management policies and systems to minimize impacts</li> <li>■ Measurement of water footprint of supply chain</li> </ul>
<b>Attraction and retention of talent</b>	<ul style="list-style-type: none"> <li>■ Performance assessment</li> <li>■ Remuneration linked to personal and corporate targets</li> <li>■ Satisfaction surveys</li> <li>■ Turnover indexes</li> </ul>	<ul style="list-style-type: none"> <li>■ Motivation</li> <li>■ Qualified personnel</li> <li>■ Employee performance evaluation systems</li> <li>■ Remuneration linked to personal and corporate targets</li> <li>■ Periodical satisfaction surveys with improvement objectives</li> <li>■ Turnover index reporting</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>■ Biodiversity policy</li> <li>■ Impacts on biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>■ Fragmentation of habitats</li> <li>■ Bioremediation</li> <li>■ Biodiversity policy</li> <li>■ Impact of biomass on biodiversity</li> </ul>
<b>Corporate governance</b>	<ul style="list-style-type: none"> <li>■ Composition</li> <li>■ Board remuneration</li> <li>■ Executive appointment policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Composition</li> <li>■ Board remuneration</li> <li>■ Executive appointment policy</li> </ul>
<b>Water quality</b>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>
<b>Life cycle of products and services</b>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>■ Customer satisfaction</li> <li>■ Receiving customer feedback</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>
<b>Human rights and labor conditions</b>	<ul style="list-style-type: none"> <li>■ Demanding suppliers to uphold human rights</li> <li>■ Protection of employees' human rights</li> </ul>	<ul style="list-style-type: none"> <li>■ Labor conditions</li> <li>■ Freedom of association</li> </ul>
<b>Sustainability performance</b>	<ul style="list-style-type: none"> <li>■ Linking remuneration of key employees to sustainability performance</li> <li>■ Offering training on key sustainability issues</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>

Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none"> <li>■ Water capture (consumption, sea water extraction, etc.)</li> <li>■ Measurement of water footprint</li> <li>■ Objectives to reduce water consumption</li> <li>■ Water effluent and associated impact</li> </ul>	<ul style="list-style-type: none"> <li>■ Sea water extraction</li> <li>■ Measurement of water footprint</li> <li>■ Objectives to reduce water consumption</li> <li>■ Water effluent and associated impact</li> </ul>	<ul style="list-style-type: none"> <li>■ Water capture (consumption, sea water extraction, etc.)</li> <li>■ Measurement of water footprint</li> <li>■ Objectives to reduce water consumption</li> <li>■ Water effluent and associated impact</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Employee evaluation systems</li> <li>■ Incentives linked to personal and corporate targets</li> <li>■ Grants</li> <li>■ Employee training investment</li> <li>■ Measuring employee satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>■ Employee performance evaluation systems</li> <li>■ Systems to improve employee expertise</li> <li>■ Remuneration linked to personal and corporate targets</li> <li>■ Periodical satisfaction surveys with improvement objectives</li> </ul>	<ul style="list-style-type: none"> <li>■ Employee evaluation systems</li> <li>■ Incentives linked to personal and corporate targets</li> <li>■ Grants</li> <li>■ Employee training investment</li> <li>■ Measuring employee satisfaction</li> </ul>	✗
<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Biodiversity policy</li> <li>■ Photo-trapping mechanisms</li> <li>■ Analysis of state of ecosystems affected by the Company</li> <li>■ Impacts on biodiversity</li> <li>■ Actions to protect diversity</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Lack of transparency in bids and tenders</li> <li>■ Payments to government officials</li> <li>■ Cost overruns in works</li> <li>■ Reputation</li> <li>■ Transparency</li> <li>■ ESG pledge</li> </ul>	<ul style="list-style-type: none"> <li>■ Composition</li> <li>■ Board remuneration</li> <li>■ Executive appointment policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Diversity of the Board of Directors</li> <li>■ Board remuneration</li> <li>■ Management's ESG commitment</li> <li>■ Executive appointment policy</li> <li>■ Risk identification and management</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Type of water treatment</li> <li>■ Quality of recycled residual water</li> <li>■ Managing pathogens, disruptors, chemical compounds and new emerging pollutants</li> <li>■ Management policies and systems to minimize risks to health, the environment and areas of hydraulic stress</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Measuring customer satisfaction</li> <li>■ Mechanisms for gathering customer feedback</li> </ul>	<ul style="list-style-type: none"> <li>■ Measuring customer/consumer satisfaction</li> <li>■ Mechanisms for gathering customer/consumer feedback</li> <li>■ Transparency in setting water prices</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Human rights policy</li> <li>■ Demanding suppliers to uphold human rights</li> <li>■ Non-discrimination measures</li> <li>■ Freedom of association</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Human rights policy</li> <li>■ Demanding suppliers to uphold human rights</li> <li>■ Non-discrimination measures</li> <li>■ Freedom of association</li> </ul>	✗
<ul style="list-style-type: none"> <li>■ Linking remuneration of key employees to sustainability performance</li> <li>■ Offering training on key sustainability issues</li> <li>■ Company's ranking in sustainability indexes</li> <li>■ Quality of non-financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>■ Linking remuneration of key employees to the Company's sustainability performance</li> <li>■ Promoting training on key sustainability issues</li> <li>■ Organizing and receiving sustainability awards</li> </ul>	<ul style="list-style-type: none"> <li>■ Linking remuneration of key employees to sustainability performance</li> <li>■ Offering training on key sustainability issues</li> <li>■ Company's ranking in sustainability indexes</li> <li>■ Quality of non-financial reporting</li> </ul>	✗

G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
<b>Strategy and impacts of climate change</b>	<ul style="list-style-type: none"> <li>■ Climate change policy</li> <li>■ Risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>■ Impact of clean energies</li> <li>■ Transparency in CO<sub>2</sub> trading</li> <li>■ Climate change policy</li> <li>■ GHG emission reduction and energy efficiency targets</li> <li>■ Assessing risks and opportunities associated with climate change within the Company</li> <li>■ Measuring financial impact of climate change on the Company</li> </ul>
<b>Ethics and compliance</b>	<ul style="list-style-type: none"> <li>■ Anti-corruption policies</li> <li>■ Codes of conduct</li> <li>■ Fiscal transparency</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>
<b>Environmental management</b>	<ul style="list-style-type: none"> <li>■ Global environmental policy</li> <li>■ Certified management systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Environmental impact assessment at power plants</li> <li>■ <i>Near misses</i></li> <li>■ Certified management systems</li> <li>■ Global environmental policy</li> <li>■ Short-, medium- and long-term environmental targets</li> </ul>
<b>Risk management</b>	<ul style="list-style-type: none"> <li>■ Risk management systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Risk management systems</li> <li>■ Financial risks (energy price volatility, ROI, coal prices)</li> </ul>
<b>Equality and diversity</b>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>
<b>Impact on local communities and dialogue</b>	<ul style="list-style-type: none"> <li>■ Social action policy</li> <li>■ Volunteering program</li> <li>■ Collaboration with sector platforms</li> </ul>	<ul style="list-style-type: none"> <li>■ Risk to health of resettled communities</li> <li>■ Resettlements</li> <li>■ Energy access programs</li> <li>■ Social acceptance of the Company's activity</li> <li>■ Social action aligned with the Company's strategy</li> <li>■ Employee volunteering in local communities</li> <li>■ Job creation. Fostering local hiring</li> </ul>

*Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.*

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none"> <li>■ Identifying climate change risks</li> <li>■ Climate change policy</li> <li>■ Measuring financial impact of climate change on the Company</li> <li>■ Energy efficiency in buildings</li> <li>■ Greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>■ ISO 50001 certification</li> <li>■ Climate change policy</li> <li>■ GHG emission reduction and energy efficiency targets</li> <li>■ Assessing risks of climate change on the Company's operations as well as financial impact</li> <li>■ Energy demand</li> </ul>	<ul style="list-style-type: none"> <li>■ Identifying climate change risks</li> <li>■ Climate change policy</li> <li>■ Measuring financial impact of climate change on the Company</li> <li>■ Energy efficiency in buildings</li> <li>■ Greenhouse gas emissions</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Anti-corruption policies</li> <li>■ Code of ethics and conduct</li> <li>■ Fiscal transparency</li> <li>■ Integrity in bids and tenders</li> <li>■ Transparency in costs of works</li> <li>■ Legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>■ Anti-corruption policies</li> <li>■ Codes of conduct</li> <li>■ Fiscal transparency</li> <li>■ Payments to political parties and governments</li> <li>■ Anti-competitive tender practices</li> </ul>	<ul style="list-style-type: none"> <li>■ Anti-corruption policies</li> <li>■ Code of ethics and conduct</li> <li>■ Fiscal transparency</li> <li>■ Integrity in bids and tenders</li> <li>■ Transparency in costs of works</li> <li>■ Legal compliance</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Environment policy</li> <li>■ Environment management system</li> <li>■ Establishing objectives</li> <li>■ Meeting objectives</li> <li>■ Certification of environmental management systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Environment policy</li> <li>■ Environment management system</li> <li>■ Establishing objectives</li> <li>■ Meeting objectives</li> <li>■ Certification of environmental management systems</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Risk management systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Risk management systems</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	✗
<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Diversity and equality policy</li> <li>■ Multicultural training</li> <li>■ Labor-market entry of people at risk of social exclusion</li> <li>■ Objectives to incorporate persons with disabilities</li> <li>■ Work-life balance measures</li> </ul>	✗
<ul style="list-style-type: none"> <li>■ Measurement of projects' impact</li> <li>■ Local job creation</li> <li>■ Displacement of populations</li> <li>■ Dialogue with communities</li> <li>■ Local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>■ Social license to operate</li> <li>■ Real, bi-directional and transparent dialogue</li> <li>■ Social action policy aligned with the Company's strategy</li> <li>■ Local community's access to and right to use water</li> <li>■ Contribute to development of communities and job creation</li> <li>■ Participate in sector platforms with various stakeholders concerning CSR</li> <li>■ National, regional and/or local collaborations</li> <li>■ Local community participation</li> </ul>	<ul style="list-style-type: none"> <li>■ Social action policy aligned with the Company's strategy</li> <li>■ Employee volunteering program</li> <li>■ Local community's access to and right to use water</li> <li>■ Job creation</li> <li>■ Participate in sector platforms with various stakeholders concerning CSR</li> <li>■ Local community participation</li> <li>■ National, regional and/or local collaborations</li> </ul>	✓

## G4-19, G4-20, G4-21

ASPECTS	MATERIAL ASPECT WITHIN THE ORGANIZATION	
	ACCIONA (applicable to all lines)	ACCIONA Energy
<b>Sustainable innovation</b>	<ul style="list-style-type: none"> <li>■ Sustainable innovation roadmap</li> <li>■ R&amp;D investments</li> </ul>	<ul style="list-style-type: none"> <li>■ Renewable energies</li> <li>■ Smart technologies</li> <li>■ Public-private partnerships in R&amp;D and Innovation</li> <li>■ Sustainable innovation strategy for business</li> <li>■ Innovation in processes and sustainable products</li> <li>■ Measurable objectives for R&amp;D and reporting on investment made in R&amp;D</li> </ul>
<b>Social investment</b>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>
<b>Materials</b>	<ul style="list-style-type: none"> <li>■ There are no common issues</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>■ Policy of extending ESG commitments to suppliers</li> <li>■ Corrective measures for non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>■ Requirements in environmental actions</li> <li>■ Safety practices for suppliers</li> <li>■ Policy formalizing social, environmental and ethical commitments to be met by suppliers</li> <li>■ Systems to measure compliance</li> <li>■ Corrective measures for non-compliance</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>
<b>Supply security and quality</b>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Internal quality processes</li> <li>■ Improvements at facilities</li> <li>■ Inform customers about security and efficiency</li> <li>■ Important impact on reputation</li> </ul>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>■ Risk identification</li> <li>■ Awareness raising and training</li> </ul>	<ul style="list-style-type: none"> <li>■ Safety practices at power plants</li> <li>■ Monitoring and reducing incidents</li> <li>■ Reporting on near misses</li> <li>■ Identify health and safety risks, indicators, action plans, targets to reduce accidents, etc.</li> <li>■ OHS training</li> </ul>

*Non-material: Aspect identified with low materiality. Not applicable: Aspect not identified in study for business line.*

MATERIAL ASPECT WITHIN THE ORGANIZATION			MATERIAL ASPECT OUTSIDE THE ORGANIZATION
ACCIONA Infrastructure			
ACCIONA Construction+Industrial	ACCIONA Agua	ACCIONA Service	
<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Draw up sustainable innovation roadmap</li> <li>■ Develop new technologies and report on R&amp;D investment</li> <li>■ Have measurable R&amp;D objectives</li> <li>■ Social and environmental impact of R&amp;D projects</li> <li>■ <i>Smart water grid</i></li> <li>■ Partnering with third parties</li> </ul>	<ul style="list-style-type: none"> <li>■ Draw up sustainable innovation roadmap</li> <li>■ Have measurable R&amp;D objectives</li> <li>■ R&amp;D investments</li> <li>■ Smart management of services</li> <li>■ Strategic innovation collaborations</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Labeling and certification of construction materials used</li> <li>■ Use of recycled materials</li> <li>■ Savings in use of materials</li> <li>■ Managing hazardous materials</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Convey policy with social, environmental and ethical commitments to suppliers and compliance measurement systems</li> <li>■ Corrective measures for non-compliance</li> <li>■ Integration of sustainability criteria</li> <li>■ Local hiring</li> <li>■ Risk assessment for suppliers</li> <li>■ Suppliers' water and carbon footprints</li> <li>■ Sustainable products catalog</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	<ul style="list-style-type: none"> <li>■ Updated waste management policy</li> <li>■ Innovation for waste recycling</li> <li>■ Research into new uses for waste</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>■ Not applicable</li> </ul>	✓
<ul style="list-style-type: none"> <li>■ Identifying risks and mitigation measures</li> <li>■ OHS awareness and training</li> <li>■ Certified OHS suppliers</li> <li>■ Reduce occupational accidents</li> <li>■ Occupational accidents resulting in deaths</li> </ul>	<ul style="list-style-type: none"> <li>■ Certified health and safety management system for employees, partners and contractors</li> <li>■ Reporting on near misses</li> <li>■ Identify risks, targets to reduce accidents, indicators, action plans, etc.</li> <li>■ OHS training</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-material</li> </ul>	✓