
ACCIONA'S COMMITMENT

Real solutions to global challenges

ACCIONA bases its business model on global needs deriving from the mitigation of climate change, the growth in population and the lack of natural resources such as water. The Company promotes a low carbon business model and responsibly faces the challenges of sustainable development through its Sustainability Master Plan 2015, which is based on social progress, economic growth and environmental protection.

Challenges and opportunities posed by the reality around us

Climate change

The agreements of the COP21 of December 2015 in Paris have defined a new international scenario for containing climate change. This implies a greater boost to new technologies and the involvement of leading companies in the fight against global warming. The challenge for companies is to provide solutions for a transition to a low-carbon economy. Likewise, it is expected that there will be a drive to promote programmes to regulate the trade of emission allowances or carbon taxes. Putting a price on emissions and identifying the emitter are both actions that stimulate the use of renewable energies and help reduce emissions.

A firm commitment to renewable energies and sustainable construction is essential for the success of this new model.

Innovation and optimisation in the management of natural resources

Companies may contribute to preserving resources through the efficient use of raw materials and the development of products and services that meet demands within this context of scarcity.

According to the *2013 Annual Report, Water Resources Group*, by 2030 the population will require 40% more water than what the earth can supply in order to respond to expected growth in terms of energy, industry and urban demand. The *World Water Forum Conclusions 2014* indicates that more than 80% of the world's waste water is discharged without treatment, polluting rivers, lakes and coastal areas. Emerging powers such as Brazil or India work in the development of water recycling projects that contribute to an improvement in the efficiency of the use of the water resources necessary for production. This circumstance offers opportunities to those companies that work directly with the water cycle and are committed to water efficiency.

The effects of climate change are **boosting the use of clean technologies** making possible to deal with the rise in demand and the corresponding scarcity of resources

Population growth

More than 7,000 million people inhabit planet Earth. In only half a century its population has doubled, and challenges have grown accordingly. For this reason, two key aspects will be approached: how to manage overcrowding and how to develop a social and structural framework that guarantees cohabitation in urban environments.

The implementation of resilient urban environments and the creation of inclusive cities as specified in the Sustainable Development Goals adopted by the UN are two of the main requirements that urban populations need to see met.

Furthermore, taking into account that many of these macro-cities are located in developing countries, the management of resources, responsible consumption and sustainability will be key to ensure that all individuals can experience proper cohabitation in an increasingly globalised world, with more opportunities but also more threats.

ACCIONA looks to the future with confidence and security. Thanks to a business model based on sustainability from all angles, the challenges which it faces can become opportunities both for the business itself and for the communities where it operates.

ACCIONA acts: Sustainability Master Plan 2015

Economic growth, environmental protection and social progress are the three fundamental pillars on which ACCIONA's Sustainability Policy is built, representing the focus of the organisation's strategy, consolidating it as one of the world's most advanced companies with regard to sustainable practices.

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



Corporate Governance

The commitment to good governance, ethics, integrity and transparency aims to be a benchmark of integral and responsible conduct



Innovation

Technological, operational and design innovation of projects form the pillars for competitiveness



Value Circle

Sustainability as a fundamental factor for suppliers, contractors and partners



Environment

Integration of environmental issues into our decision-making and business operations to reduce our environmental footprint



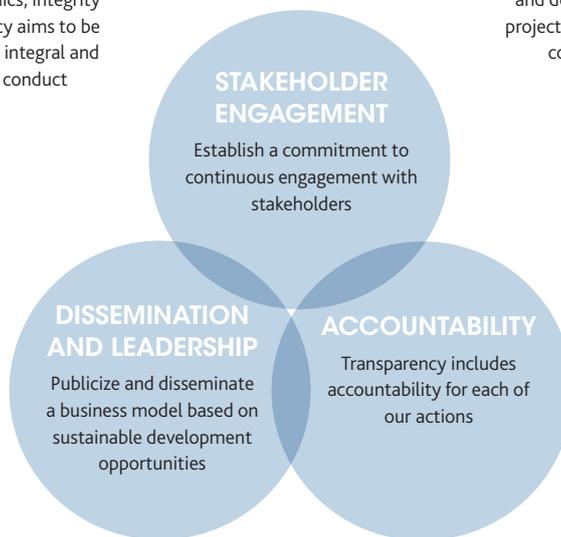
People

Commitment to employees in a healthy and discrimination-free environment in order to attract and retain talent with a long-term vision.



Society

Responsibility for the social progress of the communities in which we operate



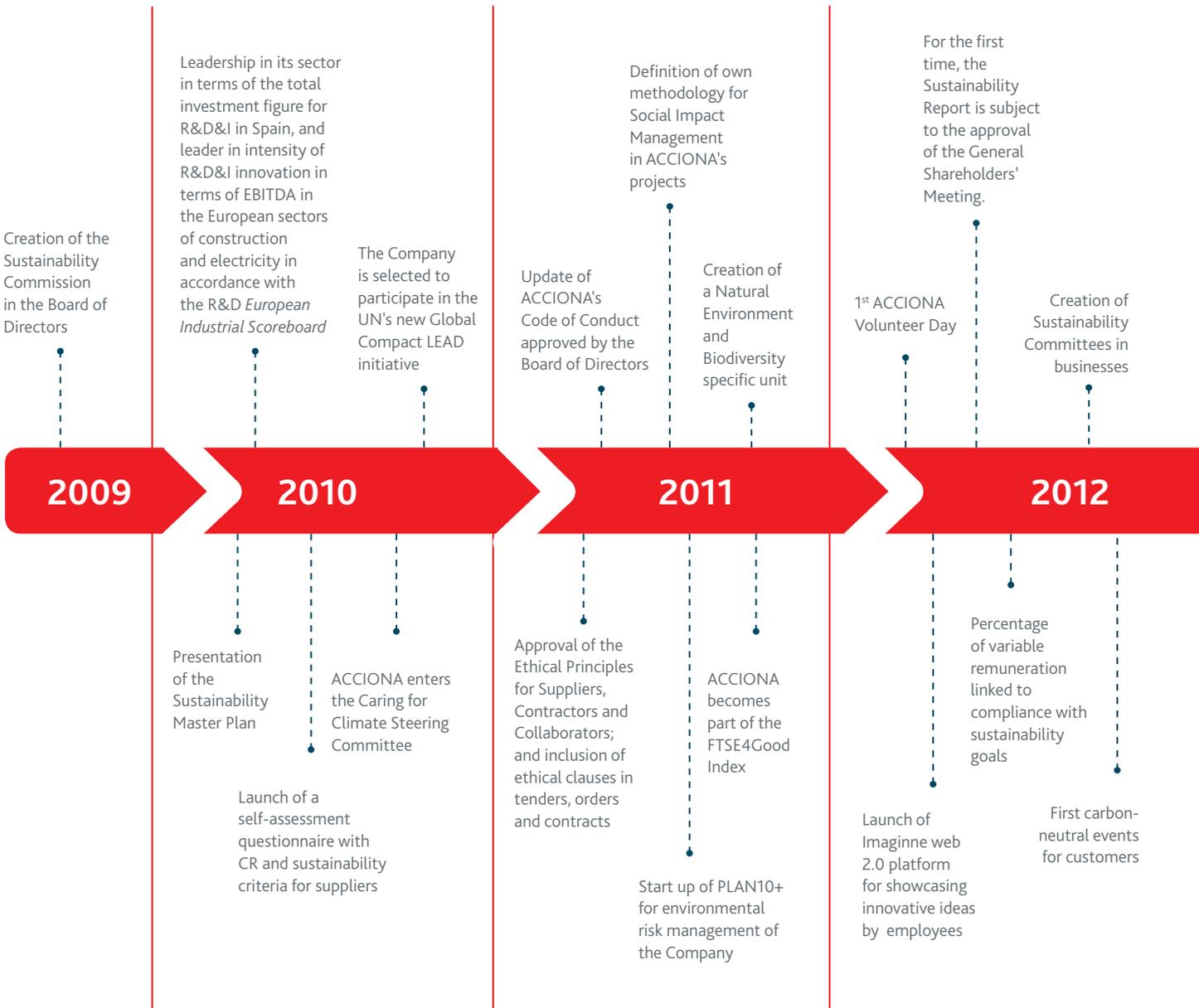
The following lists the objectives and commitments as of 2015 and the initiatives and degree of progress in their fulfilment at year end:

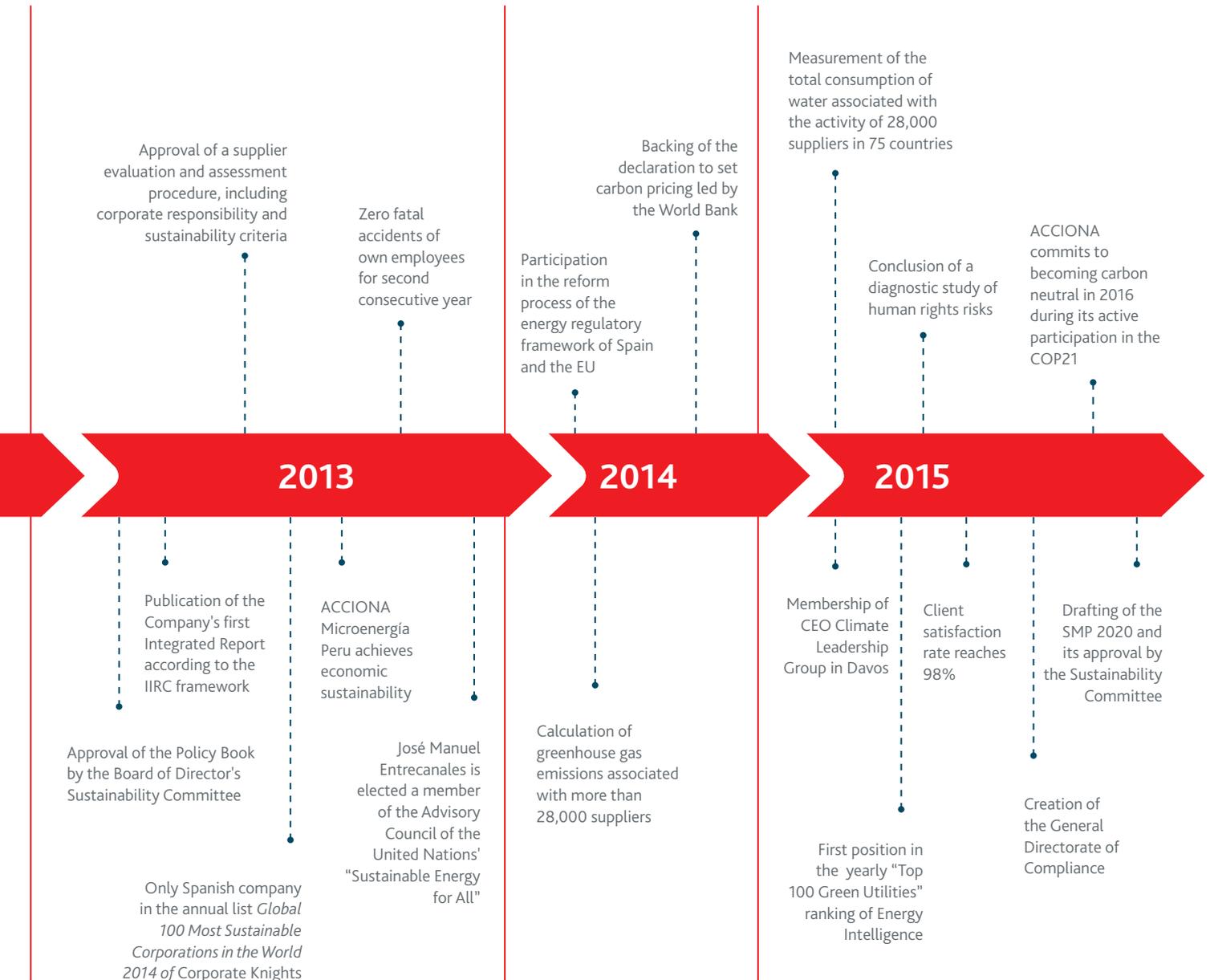
SMP AREA	Objectives and Commitments 2010 - 2015	Degree of achievement
INNOVATION	<ul style="list-style-type: none"> Reach an R&D figure of 500 millions euros during the 2010-2015 period. 	<ul style="list-style-type: none"> Figure registered for the 2010-2015 period for the value of 876 millions euros.
	<ul style="list-style-type: none"> Develop initiatives and tools to foster continuous innovation in business. 	<p>Among them, the following stand out:</p> <ul style="list-style-type: none"> Molten salt battery energy storage system (MIT). End of the 1st phase of the pilot project for the use of graphene in the business. First "large scale 3D printer" prototype for business application.
	<ul style="list-style-type: none"> Improve ACCIONA processes and generate savings of at least 36 millions euros. 	<ul style="list-style-type: none"> Process improvements identified in the 2012-2015 period for an amount of 86.8 millions euros, certified by independent third parties.
ENVIRONMENT	<ul style="list-style-type: none"> Improve the ratio of avoided CO₂ emissions with regard to emissions generated (improvement of 15% of the ratio from 2009 base year). 	<ul style="list-style-type: none"> 2009 Data: 7.8 t CO₂ avoided/ t CO₂ generated. 2015 Data: 28.4 t CO₂ avoided/ t CO₂ generated. Level of achievement: 264%
	<ul style="list-style-type: none"> Improve consumed energy ratio (reduction of Energy/ Sales ratio by 15% a year from 2009 base year). 	<ul style="list-style-type: none"> 2009 Data: 2,724 GJ/million euros. 2015 Data: 2,020 GJ/million euros. Level of achievement: reduction 26% of the ratio.
	<ul style="list-style-type: none"> Water footprint: increase net positive contribution (an increase of 5 times over 2009 base year). 	<ul style="list-style-type: none"> 2009 Data: 76 hm³. 2015 Data: 495 hm³. Level of achievement: increase of 6.5 times.
	<ul style="list-style-type: none"> Fostering of environmental offset actions. 	<p>13 actions, among them:</p> <ul style="list-style-type: none"> Nest huts for protected species in ACCIONA installations in Spain, Mexico and Portugal. Planting of fruit trees in bear territories. Study of the activity of bats in wind farms. Prevention of whale collisions.
	<ul style="list-style-type: none"> Offering customers services with environmental offsetting (neutral events). 	<ul style="list-style-type: none"> Service in place since 2012 by APD for its customers, with 43 neutral events carried and 77 within the Company.
SOCIETY	<ul style="list-style-type: none"> Contribution of 5% equivalent of dividend in accordance with Social Action Plan. 	<ul style="list-style-type: none"> 3,900 Solar Systems installed in Peru. Approx. 16,000 beneficiaries. 3,602 Third Generation Solar Systems. Approx. 15,000 beneficiaries. Social contribution of around 5% for the entire period.
	<ul style="list-style-type: none"> Social impact assessment methodology in 100% of qualified projects in core divisions. 	<ul style="list-style-type: none"> Approval of the internal Social Impact Management procedures of the projects. Methodology applied to the lines of Energy, Construction, Industrial, Water and Services.
	<ul style="list-style-type: none"> Development of Corporate Volunteering. 	<ul style="list-style-type: none"> Number of voluntary participations for the 2012-2015 period: 2,473, corresponding to 23,787 hours. Volunteering initiatives: Volunteer Day, Let's Donate! Campaign, among others.

SMP AREA	Objectives and Commitments 2010 - 2015	Degree of achievement
PEOPLE	Fostering health and safety: <ul style="list-style-type: none"> ■ Coverage of 90% of the international activity with a unique model of OHS. ■ 20% improvement of the accident frequency rate over 2011. 	<ul style="list-style-type: none"> ■ As at 2015, the OHSAS certifications have been maintained, with the following standing out especially: Australia, Brazil, Canada, Chile, Spain, Italy, Mexico, Poland and Portugal. Frequency index reduced by 31.57% (in 2015 it was 3.94%)
	Commitment to diversity: <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 by 2% the number of women at management levels. 	<ul style="list-style-type: none"> ■ Compliance with LISMI Law: 3.55% ■ 12.7% increase of the employment quota of people at risk of social exclusion, established at 213 hirings for 2015. ■ Women's representation in the managerial group reached 18.80% in 2015.
	Human Capital Development: <ul style="list-style-type: none"> ■ Coverage of 92% in the performance assessment processes. ■ Broaden the scope of variable remuneration linked to sustainability to 97% for directors and 90% for managers. ■ Broaden training and development programmes, including contents of sustainability, in Mexico, Chile, Brazil, Canada, Australia and Italy, reaching 90% of employees with access to IT tools. 	<ul style="list-style-type: none"> ■ The performance assessment process has reached a degree of coverage of 92% in the groups subject to said process. ■ The scope of variable remuneration includes 97% of directors, 90% of structure managers, and extending it to part of the technical and support workforce. ■ The extension of training and development programmes has reached 90% of employees with access to IT tools.
VALUE CIRCLE	<p>Improving the performance of the sustainability chain:</p> <ul style="list-style-type: none"> ■ 65% of suppliers in Spain to have a sustainable developing rating. ■ Sending the self-assessment questionnaire to suppliers with a turnover of over 100,000 euros in all Group companies. ■ Training suppliers in Sustainability. ■ Fostering and promotion of responsible procurement through bidding processes that include sustainability criteria. 	<ul style="list-style-type: none"> ■ Assignment of rating for sustainable development. ■ Throughout the SMP 2010-2015, the self-assessment questionnaire has been sent to 14,001 suppliers. In 2010 to suppliers with turnover of over 300,000 euros, in 2011 those with over 150,000 euros, and as from this year to suppliers exceeding 100,000 euros. ■ A total of 4,942 employees of 2,584 suppliers have been trained. ■ The Training Pack contains 6 courses: CR and Sustainability, Equality, Disability, Code of Conduct, International OHS and Environment. ■ Design of the sustainable purchasing guide based on all products which require certifications, labels, seals or ecological accreditation that constitute evidence of sustainability. ■ Drafting of the sustainable purchasing catalogue comprising more than 540 items.
CORPORATE GOVERNANCE	<ul style="list-style-type: none"> ■ Progressively implement measures to improve corporate governance. 	<p>Among other measures:</p> <ul style="list-style-type: none"> ■ Modify and update ACCIONA's Code of Conduct approved by the Board of Directors in 2011. Launch of online training regarding the Code in 2012. ■ Approval of ACCIONA's Policy Book by the Board's Sustainability Committee in 2013. ■ External diagnostic study regarding Human Rights carried out in 2015 following the United Nations Guiding Principles on Business and Human Rights. ■ Crime Prevention and Anti-corruption Programme.

SMP AREA	Objectives and Commitments 2010 - 2015	Degree of achievement
STAKEHOLDER ENGAGEMENT	<ul style="list-style-type: none"> ■ Consideration of the expectations of the Company's main stakeholders in the management of sustainability practices. 	<ul style="list-style-type: none"> ■ For the SMP 2020: Consultations with institutions, experts and sustainability opinion leaders (United Nations Global Compact, RobecoSAM, WBCSD, WEF, Credit Suisse, Greenpeace, Global Water Development), among others. ■ Consultations made with clients of Energy, Water, Construction and Services in Brazil, Canada, Chile, Costa Rica, Spain, Gabon, Morocco, Norway, Portugal and Peru.
DISSEMINATION AND LEADERSHIP	<ul style="list-style-type: none"> ■ Consolidate ACCIONA's position as a benchmark in sustainability in markets. 	<p>Active participation in organisations and international benchmark forums.</p> <ul style="list-style-type: none"> ■ ACCIONA's Chairman is re-elected for a third consecutive period as a member of the Executive Committee of the WBCSD, and as from 2013 of the Advisory Board of Sustainable Energy for All. ■ Member of the Steering Committee of Caring for Climate (Global Compact) and Global Compact LEAD. ■ Participation in the creation of the CEO Climate Leadership Group within the framework of the 2015 World Economic Forum ■ Global Compact, WBCSD, CLG, among others.
	<ul style="list-style-type: none"> ■ Strengthen employees' commitment to the SMP. 	<ul style="list-style-type: none"> ■ Constant updating of Intranet content and publication of news, articles, etc. ■ Intranet: since 2012, more than 370 articles and news items published.
	<ul style="list-style-type: none"> ■ Fostering of external dissemination of sustainability practices. 	<ul style="list-style-type: none"> ■ Launch of "<i>Sostenibilidad para Todos</i>" website, with more than 3,450,887 visits. ■ Global update of the website and the ACCIONA World application ■ Creation of guides, infographics, videos of the SMP 2015, Social Impact Management, among others. ■ Since 2012, more than 1,256 news items and editorials related to sustainability published in media and by organisations. ■ Dissemination via social media: 362,000 followers, mainly on LinkedIn, Twitter and Facebook.
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. 	<p>Main milestones:</p> <ul style="list-style-type: none"> ■ Sustainability Memory: since 2014 in accordance with GRI G4 comprehensive option; progressive increase of the degree of external verification of the information; since 2012 the Report is subject to the approval of the General Shareholders' Meeting. ■ Since 2013, publication of the Integrated Report in line with the International Integrated Reporting Council framework. ■ Every year a Global Compact Progress Report is published: since 2011 "advanced level". ■ Presence in relevant sustainability indexes (at December 2015): DJSI World; FTSE4Good; CDP Climate A List 2015; Iberia 125 Climate Disclosure Leadership Index 2015; CDP Supplier Climate Performance Leadership Index, etc.

Sustainability milestones 2010-2015





Sustainability Governance

ACCIONA has a Sustainability Committee in the Board of Directors as the body responsible for leading sustainability-related actions. The issues covered in the meetings held in 2015 were as follows:

- Monitoring, approval and analysis of the advances made during 2014 of the objectives established in the SMP for each of the areas.
- Approval of the annual objectives for 2015 and monitoring the advances for the year.
- Diagnostic study of human rights in ACCIONA.
- Approval of the Sustainability Report 2014.
- Revision and analysis of the results of the Dow Jones Sustainability Index 2015.
- Presentation of the Sustainability Master Plan with a 2020 horizon.

All topics relating to sustainability were brought to the attention of the General Shareholders' Meeting. Since 2012, the contents of the Sustainability Report that is annually published by ACCIONA are submitted to the review and approval of the General Shareholders' Meeting. Shareholders have the chance to make statements on the initiatives and the Company's social, environmental and corporate governance performance as described in the Sustainability Report. In this way they inform the Board of Directors of their opinion on the subject. In June 2015, the General Shareholders' Meeting approved the ACCIONA 2014 Sustainability Report with a favourable vote of 99.73% of the capital with voting rights in attendance

(in 2014, the 2013 Sustainability Report was approved by 99.95%).

The General Directorate of the 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 different Company areas, both corporate and business.

The Director General of the Sustainability Area reports directly to the First Executive and to the Sustainability Committee of the Board of Directors.

With the aim of reaching the goals of the SMP 2015, the General Directorate of the Sustainability Area and the different business divisions have continued to work together, agreeing on objectives and monitoring them through the Sustainability Committees (Business Committees) and their coordinators.

During 2015, meetings were held with the Energy, Construction, Water, Services and Industrial divisions.

In these Committees, the issues covered were the level of achievement of the 2014 goals, the setting of 2015 goals and the monitoring of them, variable remuneration linked to sustainability and the presence in international bodies that strengthen ACCIONA's commitment to the fight against climate change, among other things.

Furthermore, as in previous years, specific coordination meetings on sustainability were held at Real Estate, Bestinver and Hijos de Antonio Barceló, and in 2015 also Trasmediterranea.

In addition to the Sustainability Committees, there are sustainability representatives in Australia, Brazil, Chile and Mexico. This allows direct knowledge of the social and environmental context in different international markets.

Functions of the Sustainability Committee

- Identify and guide the Group's corporate policies, objectives, good practices and programmes 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 the approval of the Board.
- Submit the corporate sustainability and social responsibility policies, objectives, and programmes to the Board of Directors along with the corresponding expenditure budgets for the execution of those policies, objectives and programmes.

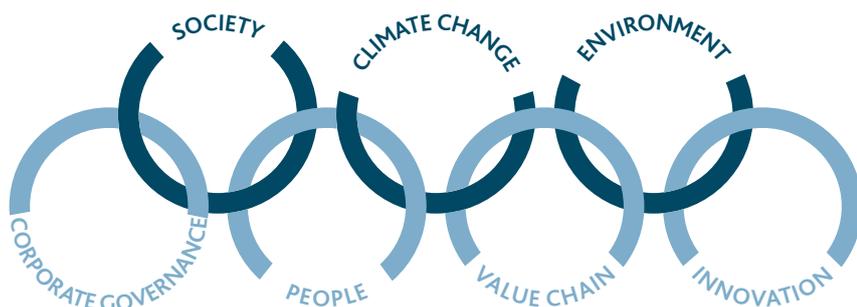
Sustainability Master Plan continuation

The SMP 2015 was concluded successfully in all of its areas. This has made it possible to embark on a second edition, the SMP 2020, with a positive approach and firm ambition to consolidate the sustainability practices defended by ACCIONA's business model.

For this reason, in the creation of the SMP 2020 ACCIONA has carried out an assessment of the achievements and difficulties experienced over the five years of implementing the previous SMP. Likewise, a broad benchmarking study was carried out on the most advanced practices in issues affecting it, as well as a consultation of numerous experts in Sustainability, Energy, Infrastructures and Water belonging to different organisations, companies, indexes (DJSI), NGOs (GreenPeace) and multilaterals (IFC), among others.

The new Plan is structured by strategic and operative objectives applied across the organisation, with specifications for the different areas of business with the aim of bringing sustainability closer to the particular nature of each line.

Areas of the SMP 2020	Master lines
Climate change	Carbon neutrality Map of climate risks Adaptation to and management of climate risks Training in climate change
Environment	Eco-efficiency in operations Water Biodiversity
Society	Social Impact Management Dialogue and leadership Social action Volunteering
People	Security Health and wellbeing Development and incentives Diversity and inclusion
Corporate Governance	Ethics Human Rights Corporate Governance Risk Management Transparency
Value Chain	Supply Chain Partners Customers
Innovation	Innovation Figure Collaborative Innovation Operational Innovation



The **new goals of the SMP 2020** shared by the Group, arise from the growing interdependence of the business lines