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# CHAIRMAN'S STATEMENT

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Chairman of ACCIONA



**Dear friends,**

The year 2015 has been one of global changes. On the one hand, we are witnessing a generalised awareness of the effects of climate change, as evidenced in Paris at the 21<sup>st</sup> Climate Change Conference or COP21, a summit that will go down in history as one of the most crucial diplomatic and business events to date. At the summit, all 196 participating States adopted agreements that should make it possible to develop a low-carbon economy to help limit global warming and contribute to improving the environment and life on our planet over the next decades.

On the other hand, the United Nations General Assembly approved the Agenda 2030 for Sustainable Development, setting 17 goals in the economic, social and environmental spheres. This action plan for the benefit of people, our planet and prosperity, and which also aims to strengthen world peace and access to justice, outlines the strategy for the development programmes that need to be implemented over the next 15 years.

ACCIONA has assumed these challenges as its own, and incorporated them into its business models. Specifically, the Company's new Sustainability Master Plan 2020 was created out of the ambition and commitment to make ACCIONA a carbon neutral company.

This Report provides a detailed view of our sustainability performance for 2015, and the evaluation of the Sustainability Master Plan 2015, which brought us so many challenges over the past five years.

We can safely say that the aim of this Plan, which has now come to its end, has been fulfilled. In fact, each of the goals defined for each of the commitments have been exceeded both quantitatively and qualitatively.

As a basic and inherent cornerstone for any business, ACCIONA has worked on the implementation of measures to improve its **Corporate Governance**. To this end, over the past years a Company Policy Book was created, the Code of Conduct was updated, and a General Directorate of Corporate Compliance was set up to supervise the efficiency of the procedures, controls and internal commitments established with regard to Corporate Governance. Likewise, work was carried out on creating an external diagnostic tool for crime-prevention and anti-corruption, while another was created on the subject of human rights.

In the sphere of **People**, the Company has always placed priority on fostering the health and safety of its employees and third parties. Thus, the Plan set a goal to improve the accident rate by 20% compared to 2011, and the Company achieved this, surpassing it and reduced the accident rate by 31.57%.

With regard to human capital, a series of training and development programmes on sustainability have been held in Australia, Brazil, Canada, Chile, Italy and Mexico, as established in the Plan. In order to raise awareness regarding sustainability issues among employees, the variable remuneration package includes a percentage

linked to performance in the area of sustainability. This initiative has achieved a coverage rate of 97% for executives and 90% for managers, and also extends to part of the technical and support staff.

As regards the management of diversity, we have worked hard to encourage access to the Company by people with disabilities. In 2015, the Company reached the figure of 3.55% of equivalent employment in its workforce in Spain. Furthermore, the number of women in managerial positions grew to 18.8% of the total in 2015.

Protection of the **Environment** constitutes one of the Company's hallmarks, an intrinsic feature of the way we conduct our business. In the sphere of the fight against climate change and energy efficiency, the Company committed itself to improving management ratios by 15%. In both cases, the goals set in the Plan were exceeded, both for annual goals and total goals. Specifically, in 2015, the Company avoided the emission of 17.2 million tonnes of CO<sub>2</sub> in the atmosphere.

As to the Company's water footprint, it set out to multiply its positive net contribution by five compared to 2009. This goal was amply fulfilled, increasing its positive footprint to 495 hm<sup>3</sup> for 2015, which is 6.4 times the water footprint in 2009.

Needless to say, **Society** plays a very big role in the Company's activities. The importance of this can be seen in the contribution of close to seven million euros, which represents 4.89% of the dividend equivalent.

In 2015, ACCIONA **invested close to seven million euros within its social action plan**, while it also continued its commitment to innovation and sustainability

The Company has continued to work on another initiative, the implementation of the Social Impact Management methodology in 47 projects of the Construction, Industrial, Water, Services and Energy divisions in 18 countries. The methodology allows ACCIONA to identify the positive impact of its projects, as well as preventing and mitigating risks affecting local communities.

The ACCIONA Microenergía Foundation has provided basic electricity services to approximately 30,000 people in isolated rural communities in Cajamarca (Peru) and Oaxaca (Mexico), notably improving their living conditions.

The **Value Circle** has centred its efforts on improving the performance of the supply chain as regards sustainability. To achieve this, suppliers have been given access to self-assessment tools, and have been assigned a sustainable development rating. In 2015, we implemented PROCUR-e, a new supplier assessment tool through which a total of 4,815 surveys were sent to suppliers with turnovers in excess of 100,000 euros. Furthermore, a total of

628 suppliers (1,822 people) have been provided with training on sustainability.

**Innovation** constitutes one of the Company's main drivers of growth and differentiation. A goal was set to reach the figure of 500 million euros invested in R&D&I by the end of the Plan. This goal was amply exceeded, having reached a total of 876 million euros at the end of 2015. In addition, process improvements were identified in the 2012-2015 period for the amount of 87 million euros.

ACCIONA is committed to **Accountability** towards its stakeholders. As well as continuous dialogue with the key stakeholders, consultations with customers and other groups in each and every one of the lines of business of the Company, we submit our sustainability performance to these groups in a rigorous, transparent manner, following benchmark international standards. The Company reports its sustainability performance according to the G4 version of the Global Reporting Initiative (GRI) standard. Furthermore, since 2012 the Company drafts its Integrated Report in accordance with the

framework of the International Integrated Reporting Council (IIRC).

ACCIONA also continues to be present in the leading sustainability indexes: DJSI World, FTSE4Good, MSCI Global Climate Index, The Climate "A" list of the CDP, and STOXX Global Climate Change Leaders Index, among others.

With regard to **Dissemination and Leadership**, ACCIONA strives to consolidate the Company's position as an international benchmark for sustainability. To this end, during the years when the last Plan was in effect, the Company attended the main domestic and international forums on sustainability. The Company's assumption of an executive leadership role at the World Business Council for Sustainable Development, its participation in the creation of the CEO Climate Leadership Group within the framework of the World Economic Forum, its participation in the launch of the Sustainable Development Goals at the United Nations headquarters in September, and its active participation in the above-mentioned COP21 in December are noteworthy in this regard.

Lastly, in 2015, the Sustainability Master Plan 2020 was drafted and presented to the Sustainability Committee of the Board of Directors. This Plan will set the lines of action on sustainability for the coming years.

These last five years have been filled with challenges that ACCIONA has managed to deal with while still maintaining its commitment to sustainability. The year 2016 is set to be replete with exciting challenges, both internally and externally. For this reason, I invite you to find out more about our efforts in 2015 so we can prepare and respond appropriately to these challenges. We must do this while staying true to our commitment to carrying out our activities as sustainably as possible, and continue to improve every year through the responsible management of our environment and our stakeholders.