

Sustainability Report 2008

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*The Triple Bottom Line

The Triple Bottom Line is a new way of measuring business success. Pioneered by John Elkington, this philosophy refers to the need to measure and report companies' economic, social and environmental results together.

The 1987 Brundtland Report firmly established the concept. It defined sustainable development, a concept that was subsequently re-defined at the Earth Summit in Rio de Janeiro. Elkington said that leading companies must have a broader vision of accounting, auditing and reporting which encompasses financial, environmental, social and ethical aspects (www.sustainability.com/languages/spanish).

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DECLARATION BY THE CHAIRMAN



JOSÉ MANUEL ENTRECANALES
CHAIRMAN OF ACCIONA

In introducing this, our 4th Sustainability Report, I would like to make my conviction very clear that ACCIONA is, and must be, an eminently social institution which only attains its true *raison d'être* by offering a service to society and contributing to global progress. This is the place to highlight these convictions, at a time like the present one, and in relation to a year marked by a financial and economic crisis which has brought with it a level of uncertainty and diffidence that makes some people question the very principles of the market economy and business organisation.

Effectively, although events of the past months have illustrated the need to shore up some of the pillars which support the functioning of the markets, the urge to reform its anomalies should not lead us to forget that the market economy is the best tool, one that until now has allowed us to extend well-being and prosperity to an increasing number of people the world over. We do need, however, that the market economy is based upon transparency, responsibility and integrity. To these three attributes should be added the importance of utilising these complex changing times to be faithful to, and also build upon decisively and definitively, our commitment to a model of growth based upon sustainable development.

In fact, our Company's business model can be explained by a single phrase: to help society complete the transition to, and consolidate the principles of, sustainable development. We would like to help build a model of development that does not threaten the ecological limits of the planet and that promotes social cohesion.

And we wish for, and believe that, our engagement simultaneously combines the interest and economic objectives of a profitable private company such as ACCIONA with that of society as a whole. This is the future commitment of our Company, which translates into offering products and services that contribute to finding solutions to some of the most difficult challenges facing humanity: the creation of welfare infrastructure, the definition of a new global energy architecture, and the extension and improvement of access to the availability of water.

The response to these three great challenges is, as I see it, an indispensable condition for extending more, and sustainable, prosperity across the planet, and which unites economic growth, social progress and environmental equilibrium. In ACCIONA, we are working towards, and we feel part of, the solution to these great challenges.

Our convictions have already seen us generally recognised, over the past few years, as a pioneering company responding to the challenge of sustainable development. But our commitment to sustainability cannot be allowed to remain a mere principle or business model. In ACCIONA, sustainable development is not only what we want to do, but also what we do and how we do it. The credibility of our Company is to a large degree dependent upon this coherence. This is why in ACCIONA, we make use of a triple accounting system, attempting to measure our success not only in terms of economic and financial results, but also as a function of our social and environmental achievements.

“For the second consecutive year, the DJSI has designated ACCIONA as the most advanced company in its sector in the area of sustainability”

In this sense, our commitment to a business model based upon sustainability has been endorsed for the second consecutive year by the Dow Jones Sustainability Index, which has reaffirmed ACCIONA as the most advanced company in the world in its sector in the area of sustainability. This is an affirmation of our way of operating that can only serve to inspire us to improve and persevere with our approach.

As far as our management practices are concerned, over the past year we have prepared the 2008-2012 Environmental Efficiency Plan, which has, as its main objectives, the structuring and organisation of the various environmental improvement initiatives. At the same time, faithful to our engagement to achieve an economy low in carbon, with the subsequent improvement in our climate footprint, we have consolidated our Energy Efficiency Plan, through which we have reduced our CO₂ emissions by 24% with respect to the year before. Also during 2008, ACCIONA products and services avoided the emission to the atmosphere of 6,872,252 tonnes of CO₂, in net terms 17% more than in the previous year.

In the social field, I should highlight the creation of the Workplace Safety and Health Institute as a launch platform for all training actions related to the prevention of risk at work. At the same time, the auditing process on gender equality in all the Company's business lines was concluded in 2008, with online courses developed to sensitize all employees both through teaching about equality and the prevention of discrimination.

Finally, with respect to the different data offered in this Report, the qualitative and quantitative information contained in it has been edited by KPMG, one of the four biggest auditing firms in the world. We also counted upon the participation of a Committee of Independent Experts, which undertook to question us upon the different fields of our work and their impact on sustainability, and to evaluate in good faith the quality of our replies. In fact, this Report was prepared in agreement with the recommendations and content drafting principles of the Global Reporting Initiative (GRI) and we understand that it constitutes a balanced and reasonable presentation of our engagement in the area of sustainability.

In concluding, I would like to congratulate everyone who, through their commitment, efforts and talents, have contributed to making ACCIONA a company that improves, is more efficient and more engaged by the day. The challenge of sustainable development is not simple, but no-one who forms part of ACCIONA will spare any effort in reaching the goal.

JOSÉ MANUEL ENTRECANALES
CHAIRMAN OF ACCIONA

Company Profile

REINVENTING A GREAT COMPANY

The year 2008 saw the definitive reinvention of a great company. Less than a decade ago, ACCIONA was one of Spain's leading construction companies and was actively diversifying and seeking business opportunities worldwide. In the last year, and after divesting Endesa in 2009, ACCIONA has culminated the transformation into a company that is a pioneer in development and sustainability, and a global leader in the development, production and management of renewable energy, water and infrastructure with the minimum environmental impact.

This achievement would not have been possible without ACCIONA's pioneering background. It was created by the first merger in Spain's construction industry and, in the 1990s, it was the first non-utility to move into renewable energy.

ACCIONA is the construction company that has most successfully diversified followed by a process of concentration. Sustainability is a core axis of its strategy, and energy, infrastructure and water are the vectors of future growth.

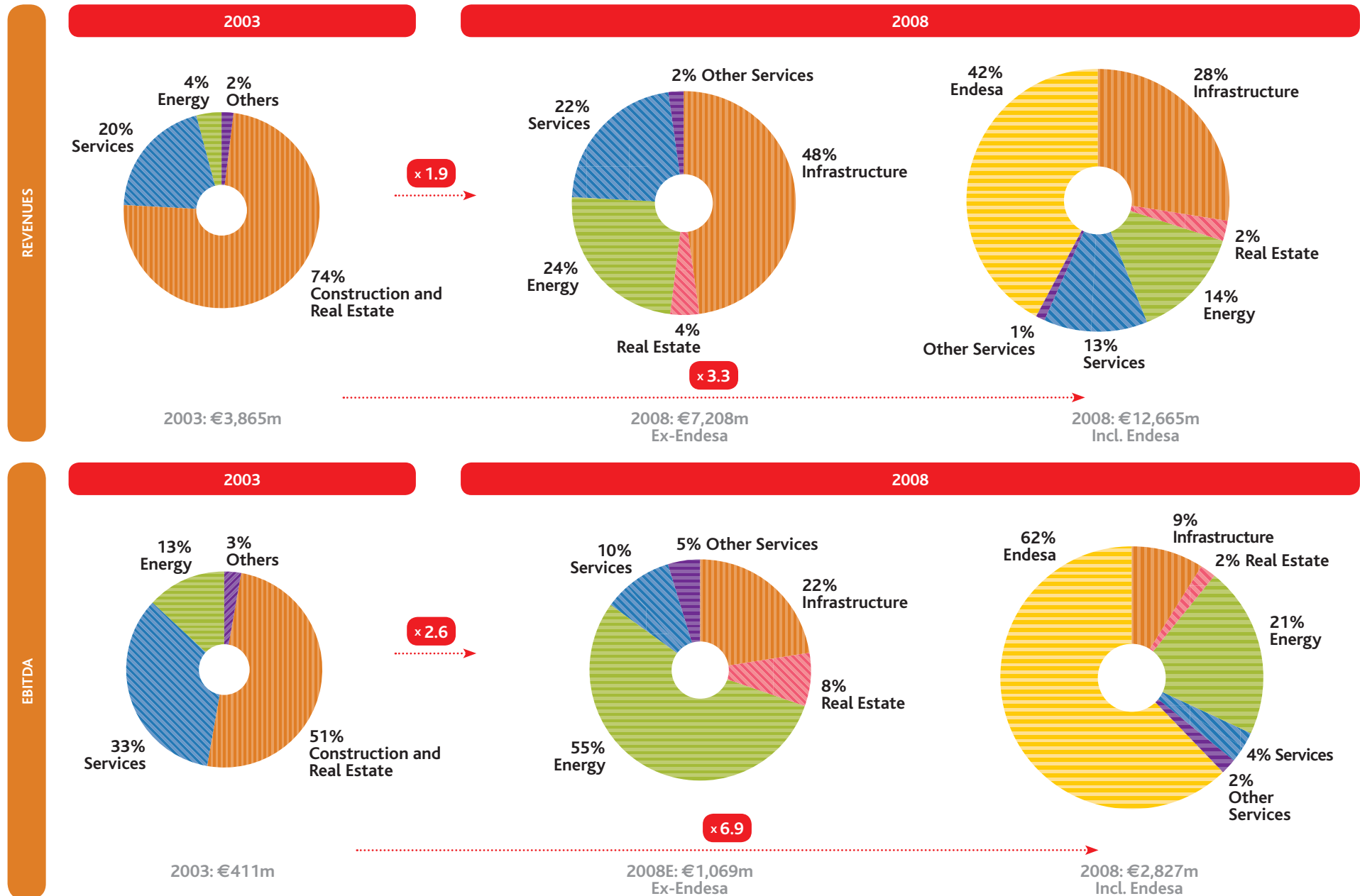
In 2004, José Manuel Entrecanales was appointed Chairman, and he

spearheads the Company's transition towards these three pillars of growth. In 2005, ACCIONA strengthened its position using an innovative strategy based on orienting those businesses towards sustainable development, with a strong international approach.

This sweeping transformation was also possible thanks to the enormous investment effort and social commitment as a creator of quality employment. In addition to its ten key markets, ACCIONA operates in a total of 32 countries; it has over 35,000 employees and obtained more than 12.7 billion euros in revenues in 2008.

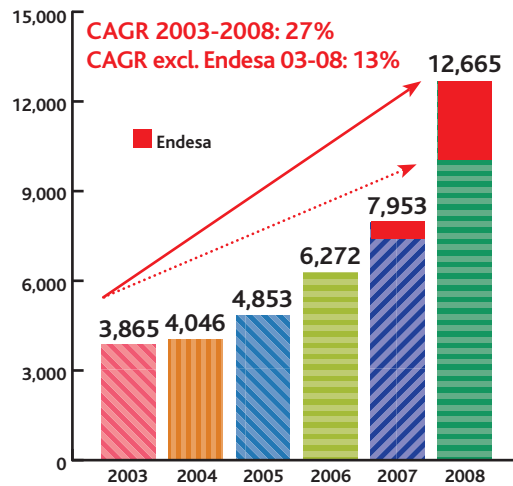
**ACCIONA
COMPLETED ITS
TRANSFORMATION
INTO A PIONEERING
COMPANY IN
SUSTAINABLE
DEVELOPMENT**

Transformation of ACCIONA

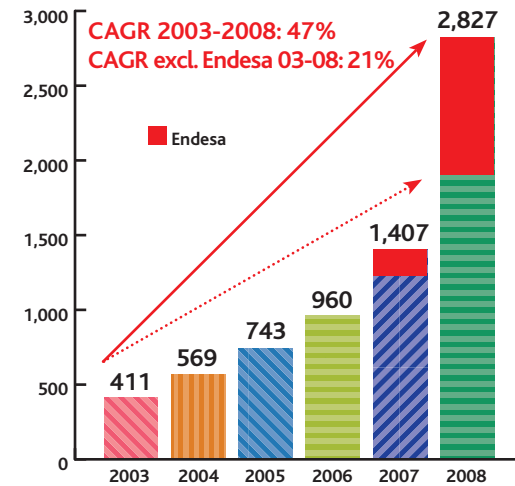


Growth of ACCIONA

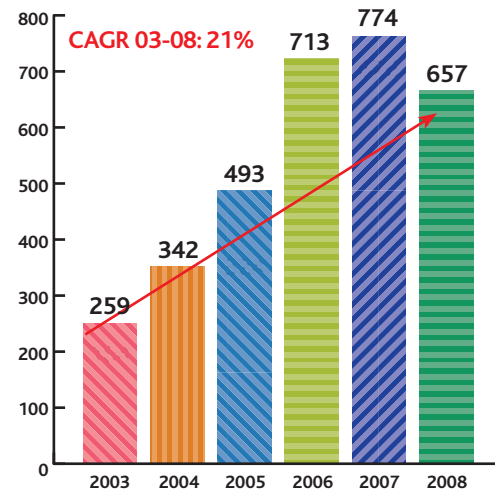
Sales (millions of euros)



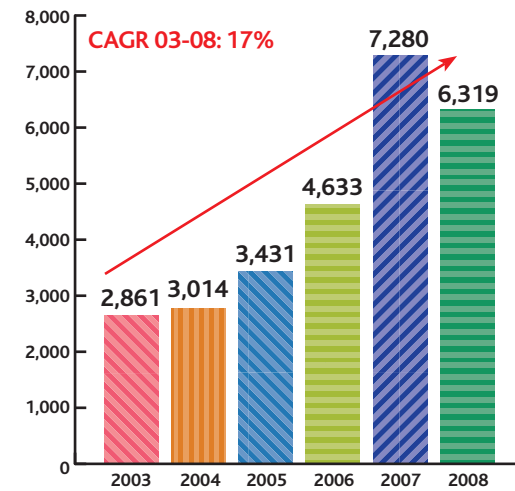
EBITDA (million of euros)



Ordinary profit before tax
(excl. extraordinary items) (million of euros)



Net Retained Earnings (million of euros)



ACCIONA is one of the 100 most sustainable companies in the world

2008 MILESTONES

JANUARY. ACCIONA Agua inaugurated the largest desalination plant in the US. The plant will cover at least 10% of the drinking water needs of the Tampa Bay region and will be run by ACCIONA Agua and its partner, American Water, for 18 years.

FEBRUARY. ACCIONA was ranked among the 100 most sustainable companies in the world according to the World Economic Forum in Davos, Switzerland.

MARCH. ACCIONA Real Estate reinforced global expansion with projects in Brazil. The Company purchased 213,000 square metres of land in the state of Rio de Janeiro to develop 372 homes as part of a project costing a total of 28 million euros.

APRIL. ACCIONA was ranked among the top ten companies in the latest

report from Merco, which rates the top 100 Spanish companies with the best corporate reputation.

MAY. At the ORP 2008 VI International Conference on Occupational Risk Prevention, ACCIONA received the ORP 2008 International Award for its commitment to disseminating and applying a culture of safety as part of its exemplary safety management system.

JUNE. ACCIONA, which participated in Expo Zaragoza 2008 as a partner-sponsor, received the Medal of Honour for its alignment with the Expo's theme, "Water and Sustainable Development", a slogan which is closely linked to the Company's strategic positioning.

JULY. ACCIONA began implementation of specific sustainability strategies in other countries. The first six countries

selected are: Poland, the US, Canada, Mexico, Chile and Brazil. With this initiative, ACCIONA aims to turn sustainable development into a tool to complement its international expansion.

AUGUST. ACCIONA built five solar gardens with a total capacity of 30 MWp at a cost of 222 million euros. They are located in Navarre, Castile-La Mancha and Extremadura and are owned jointly by more than 1,400 people. The Company ended the year with 115 MWp of photovoltaic capacity, 177% more than the previous year.

SEPTEMBER. ACCIONA retained its position as industry leader in the Dow Jones Sustainability Indices.

OCTOBER. ACCIONA joined the electrical utility category of MSCI and Standard & Poor's indices.

NOVEMBER. ACCIONA tripled its EBITDA to 2.1 billion euros. Net profit came to 413 million euros, up 2.8% on FY08. Revenues increased by 89.4% to 9.353 billion euros, and capital expenditure totalled 1.937 billion euros, up 75%.

DECEMBER. ACCIONA, signed an agreement with the Sant Cugat city council and the Catalanian Institute for Advanced Architecture to study the possible development of a 150-home zero-emissions residential complex, the first of its kind in Spain. The project envisages cooperation with the Massachusetts Institute of Technology (MIT) in advanced domotics systems.

EVENTS FOLLOWING YEAR-END

ACCIONA reaches an agreement to sell its 25% stake in Endesa to Enel. ACCIONA will acquire 2,105 MW in operational renewable assets from Endesa for 2.89 billion euros.

Mitsubishi Corp. partners with ACCIONA by taking a 34% stake in the world's largest solar photovoltaic plant. Both companies signed an agreement giving Mitsubishi Corp. a stake in Portugal's Amareleja (Moura) PV Solar plant, which is owned by ACCIONA. The deal signals the will of both companies to work together in the future on renewable energy and other sustainable development projects worldwide.

Some of the milestones reached by ACCIONA during 2008

5

SOLAR GARDENS

372

HOMES IN BRAZIL

59.3%

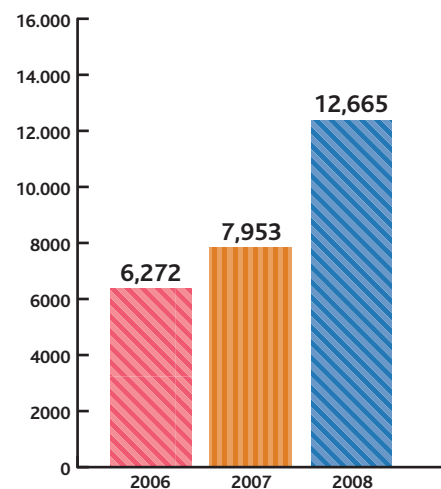
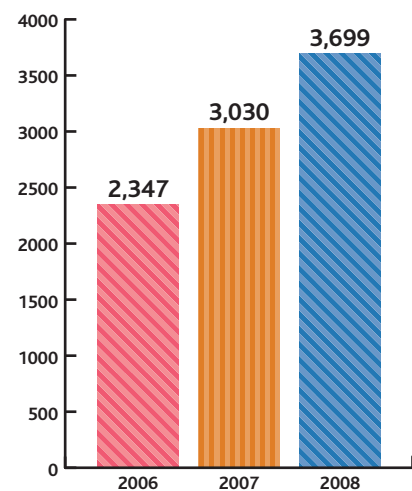
MORE SALES

2.8

BILLION EUROS EBITDA

3.1

BILLION EUROS IN INVESTMENT

Net sales (million euros)**Installed wind capacity (MW attributable)****Income statement summary (million euros)**

	2007	2008
Net sales	7,953	12,665
Net domestic sales	6,322	8,451
Net overseas sales	1,631	4,214
EBITDA	1,407	2,827
Capital expenditure	3,114	3,152
EBIT	889	1,678
Net profit	950	464

Operating data

	2007	2008
Infrastructure backlog (million euros)	5,755	7,341
Residential property pre-sales (million euros)	183	43
Land purchases (million euros)	140	131
Attributable installed wind power capacity (MW)	3,030	3,699
Passengers served	3,760,065	3,762,307
Cargo handled (linear metres)	6,685,787	6,040,883
Average workforce	35,583	41,448

Investment in 2008 (million euros)

ACCIONA Infrastructure	206
ACCIONA Real Estate	100
ACCIONA Energy	1,762
ACCIONA Logistics & Transport Services	28
ACCIONA Urban & Environmental Services	84
Endesa	972
TOTAL	3,152

ACCIONA joined the “Electrical Utility” category of MSCI and Standard & Poor’s indices

- Since October 2008, ACCIONA has been classified as an Electric Utility in the MSCI Global Standard (Morgan Stanley Capital International) and Standard & Poor’s indices after its GICS (Global Industry Classification Standard) category was modified due to changes in ACCIONA’s key figures as a result of growth in its renewable energy business and the fact that it managed Endesa.
- ACCIONA moved from the “Construction and Engineering” to the “Electrical Utility” category in the general indices of MSCI and Standard & Poor’s, which include the MSCI Pan-Euro, MSCI Euro, S&P Europe 350, S&P Global 1200, S&P Euro Plus, S&P Euro Index and S&P Global BMI Index. ACCIONA is also listed in sectoral indices such as MSCI Spain Utilities Index, S&P Alternative Energy Index and S&P Global Clean Energy Index.
- The GICS is a global standard developed by MSCI and Standard and Poor’s in 1999; it has been adopted by a large number of investment banks, fund managers and even some stock exchanges, such as those in Australia and Canada.
- The MSCI Global Standard family of indices serves as a benchmark for investments exceeding three billion dollars, while around 4.5 billion euros in investments are referenced to the Standard & Poor’s indices.
- The change in category within the MSCI and S&P indices will enable the market to assess ACCIONA’s performance and prospects from a standpoint that is more in line with the company’s business.

All the Company's actions are carried out according to global sustainability criteria

ACCIONA Infrastructure

Main figures	2007	2008
Net sales (million euros)	3,695	3,592
EBITDA (million euros)	276	243
Employees	15,816	15,675
Infrastructure backlog	5,755	7,341

ACCIONA Infrastructure is the company's longest-standing division. It has been a pioneer in the public-private co-financing of infrastructure, and highway, tunnel and railway construction under concession agreements; it has been building hospitals since 1980. This division operates in all areas of construction, ranging from engineering to project execution. ACCIONA's active R&D policy aims to find new building materials and methods which minimise the environmental impact. All of its actions take account of economic, environmental and social aspects, having regard to overall sustainability.

2008 Milestones

- **Leader in the "Heavy Construction" category of the DJSI; it also received a Gold Class Sector Leader ranking.**
- **Inauguration of the Lai Chi Kok viaduct in Hong Kong.**
- **Granted the concession for one of Chile's main toll roads.**
- **Obtained Royal Jubilee Hospital contract, its first in Canada.**
- **Construction project for one the world's longest cable-stayed bridges in Wroclaw (Poland) for 166 million euros.**
- **The LNG storage caisson built by ACCIONA left Algeciras Bay for the Adriatic Sea.**
- **ACCIONA and ACS signed a one billion euro concession for the A-30 toll road in Canada.**

ACCIONA Real Estate

Main figures	2007	2008
Net sales (million euros)	445	320
EBITDA (million euros)	125	85
Employees	401	420
Residential property pre-sales	183	43

ACCIONA Real Estate was created in 1989 and, over the years, it has established itself as one of the leading home builders and has also rapidly expanded its property rental business into student dorms, apartments, offices and hotels. Its entry into shopping and leisure centres reinforces the diversification strategy implemented recently.

One of ACCIONA's main values, based on its claim "Pioneers in developing eco-efficient buildings", is its social and environmental commitment. The Company is steadfastly committed to eco-efficient homes, a pioneering initiative that now applies to all ongoing developments.

2008 Milestones

- Developed an eco-efficient office building complex in Zaragoza, with 120 m² of solar photovoltaic panels which will avoid the emission of 15 tonnes of CO₂ annually.
- Focus on Brazil to strengthen its international expansion through the acquisition of land in the state of Rio de Janeiro to develop 1,300 homes in Minas Gerais and 600 in São Paulo.
- The 177-home "Las Cigüeñas del Ensanche" development (Spain) avoids the emission of 90 tonnes of CO₂ per year. ACCIONA's real estate developments in Ensanche de Vallecas (Madrid) will together avoid the emission of 8,000 tonnes of CO₂ in their lifetimes.

ACCIONA Energy

Main figures	2007	2008
Net sales (million euros)	1,093	1,784
EBITDA (million euros)	392	589
Employees	1,981	1,309
Attributable installed wind power capacity (MW)	3,030	3,699

ACCIONA Energy is a world leader in the field of renewable energy. It operates with leading clean energies, and is the world's largest developer and builder of wind farms.

ACCIONA Energy is present throughout the value chain and actively researches new sources of renewable energies, such as solar, biomass and mini-hydroelectric. It also produces and sells biofuels made from vegetable oils and wine alcohol. The company boasts cogeneration assets and produces hydrogen via wind energy.

2008 Milestones

- Started up installations to develop new lines of research: a pilot plant to grow microalgae for biodiesel production and two new laboratories in the Madrid Technology Centre: Robotics and Virtual Reality.
- Inaugurated its first wind turbine generator (WTG) manufacturing plant in West Branch (Iowa, USA).
- Inaugurated Nevada Solar One (USA), the largest solar thermoelectric plant to be built anywhere in the world in the last 17 years.
- ACCIONA Windpower and Portugal's EDP Renováveis reached an agreement for the supply over three years of wind turbine generators with a total capacity of 782 MW.
- Tatanka, ACCIONA's largest wind farm, is inaugurated. The 180 MW farm straddles the border between North and South Dakota (USA) and has 120 ACCIONA Windpower-designed wind turbine generators.
- The world's largest photovoltaic plant (Amaraleja, Portugal) is started up with an investment of 261 million euros.

ACCIONA Agua

Main figures	2007	2008
Net sales (million euros)	275	370
EBITDA (million euros)	22	40
Capital expenditure (million euros)	66	61
Employees	1,810	1,997

ACCIONA Agua focuses on water treatment and reverse osmosis desalination, a technology in which it is a global leader. The company offers comprehensive water management services, including design, construction, operation and maintenance of desalination and waste water plants, as well as drinking water supply and urban sanitation.

ACCIONA Agua's mission is to be a leader, providing global solutions that contribute to sustainable development in the water sector, as evidenced by contracts for

some of the largest desalination plants in the world: Tampa (Florida) and Carlsbad (California) in the USA; Torrevieja (Alicante, Spain) and Adelaide (Australia).

2008 Milestones

- **Sponsored Expo Zaragoza 2008 "Water and Sustainable Development" as a result of ACCIONA's strategic alignment and positioning with the theme.**
- **Inauguration of the largest desalination plant in the**

US. The plant will supply at least 10% of the Tampa Bay area's water needs. As a result, ACCIONA has received two of the most prestigious awards in the water sector from Global Water Intelligence magazine.

ACCIONA Urban & Environmental Services

Main figures	2007	2008
Net sales (million euros)	702	772
EBITDA (million euros)	55	70
Capital expenditure (million euros)	94	84
Employees	8,746	8,363

The Urban and Environmental Services Area comprises the different companies of ACCIONA which provide municipal services to the private and public sectors. They are highly specialised in terms of sector and product, in order to operate at lower costs and to increase our customers' flexibility.

This line of business manages urban and environmental services such as solid waste management, street cleaning, construction, and facility management for a wide range of clients.

2008 Milestones

- **Sold funeral subsidiary Mémora to 3i Group. ACCIONA informed the Spanish stock market regulator, CNMV, that it had sold its 75% stake in Mémora.**

ACCIONA Logistics & Transport Services

Main figures	2007	2008
Net sales (million euros)	924	914
EBITDA (million euros)	69	39
Employees	5,201	5,463
Cargo handled (linear metres)	6,685,787	6,040,883
Passengers served	3,760,065	3,762,307

ACCIONA Logistics & Transport Services includes companies such as ACCIONA Trasmediterránea (Spain's leading passenger and cargo shipping company), ACCIONA Airport Services (airport management and handling services), ACCIONA Logistics, ACCIONA Rail Services, ACCIONA Forwarding and ACCIONA Interpress (road and rail transport, logistics and distribution).

The division's main goal is the pursuit of sustainable mobility in all its activities by working to reduce the accident rate, congestion and noise pollution. ACCIONA Trasmediterranea is thoroughly committed to sustainable development and focuses on short-sea shipping as an effective transport solution which also enables CO₂ emissions to be reduced by taking haulage traffic off the roads.

2008 Milestones

- **ACCIONA Trasmediterranea invested 50 million euros in its public terminal in Barcelona. Last year, the terminal registered 1,924 vessel stopovers.**
- **ACCIONA Trasmediterranea added a state-of-the-art ferry to its Palma de Mallorca-Valencia route.**
- **ACCIONA Logistics received ISO 9001:2000 quality management certification.**
- **ACCIONA Trasmediterranea coordinated the development of a sustainable cargo vessel as part of the EU's CargoXpress programme. The project researches the use of new materials and designs and the use and conversion of new kinds of energy for more ecological, efficient sea travel.**

The financial crisis has served to strengthen even further the Company's will to internationalize

ACCIONA in the world in 2008

Two years ago, ACCIONA established the pillars upon which it has built its process of international expansion. First, it opted to focus upon three main activities; renewable energies, water and Infrastructure. Secondly, ACCIONA decided to concentrate its international expansion process in 10 key countries, strengthening thus its business in those countries in which the Company has maintained an historic presence, such as Chile, Mexico, Italy and Poland, among others; enlarging its activities in those countries which ACCIONA has achieved important progress, such as Australia, Canada and the United States; and making headway in new markets such as Brazil, India and the United Arab Emirates.

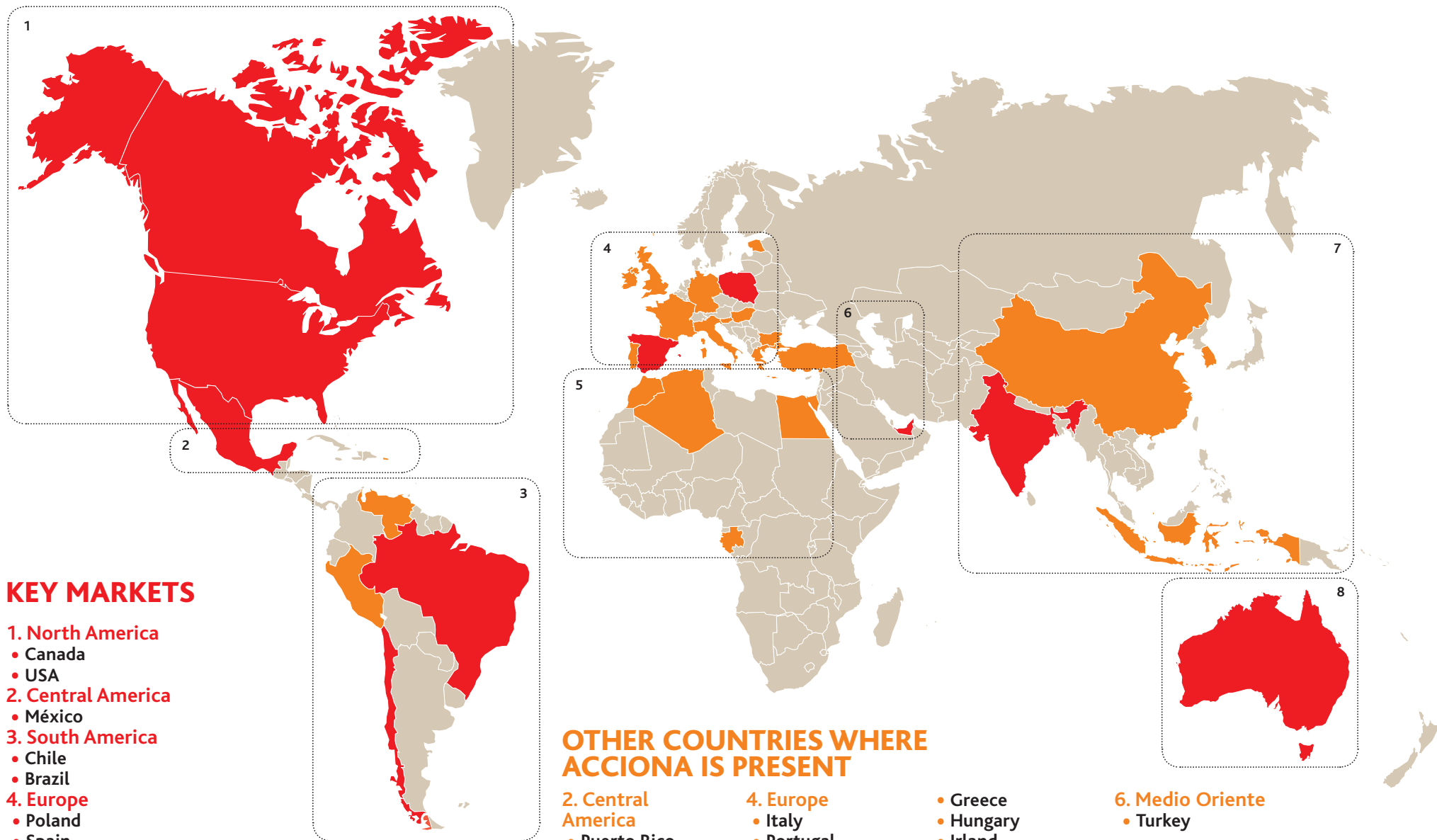
The global financial crisis has served to strengthen even further the will of ACCIONA to accomplish its goal of

internationalization. The changes in geopolitical priorities have highlighted the importance of the role of renewable energies, water treatment and the development of infrastructure to drive economic growth and social progress. In these moments, when governments across the world accept that clean energies and the renovation of infrastructure as drivers of a more sustainable economic order, ACCIONA has assumed a key role in the recovery plans of many countries..

The core capabilities of ACCIONA in the areas of technology and business synchronize perfectly with the social, political and economic priorities of the main world economies. This is also the case with the values to which ACCIONA has been faithful as a sustainable development pioneer. The result was that, in 2008,

ACCIONA got a warmer reception in countries it considers to be key for its internationalization strategy.

These countries have shown important growth potential, in stable political and legal contexts, and, above all, are fully conscient of the enormous need for social and physical Infrastructure and the renewable energy capacity that ACCIONA is able to deliver.



KEY MARKETS

- 1. North America**
 - Canada
 - USA
- 2. Central America**
 - México
- 3. South America**
 - Chile
 - Brazil
- 4. Europe**
 - Poland
 - Spain
- 6. Middle East**
 - United Arab Emirates
- 7. Asia**
 - India
- 8. Oceania**
 - Australia

OTHER COUNTRIES WHERE ACCIONA IS PRESENT

- 2. Central America**
 - Puerto Rico
- 3. South America**
 - Peru
 - Venezuela
- 4. Europe**
 - Italy
 - Portugal
 - United Kingdom
 - Germany
 - Andorra
 - Bulgaria
 - Slovenia
 - France
- 5. Africa**
 - Marocco
 - Egypt
 - Algeria
 - Gabon
- 6. Medio Oriente**
 - Turkey
- 7. Asia**
 - China
 - Indonesia
 - Korea

ACCIONA's Vision and Strategy

OUR GOAL: To develop projects for a better future

SUCCESS RELATED TO SUSTAINABILITY

- Sustainability has been the key to our success in recent years.
- We want to carry out ground-breaking projects that come to be known as part of the new model for growth, aimed at improving people's quality of life.
- Innovation, technology, protection of the environment and social commitment are the main factors that guide our growth on the world's new socioeconomic stage.
- That's why we use economic, environmental and social standards to measure our business success.

A DIFFERENT, MORE SUSTAINABLE WORLD

Pessimism resulting from the current economic and financial crisis is causing people to question capitalism and market forces. This situation could result in basic environmental, social and energy objectives being demoted, the only goal being to recover from the crisis in the short term with complete disregard for sustainability.

This would be paradoxical, given that this crisis is precisely the result of the insustainability of the current model. The gradual revision of this model is one of the few available avenues for overcoming the current situation.

The crisis requires a revision of our current model of growth and consumption, and a slowdown in the current pace of growth in emissions

and environmental deterioration. Structural changes are needed to revitalise global economic growth.

ACCIONA is committed to sustainability in order to encourage successful business models based on development and innovation. Today, more than ever, this is what will guide our Company's future.

ACCIONA's prospects for growth lie in solving some of the most complex problems and challenges facing society today: infrastructure, energy and water supply.

Infrastructure is the backbone of economic progress and development. Energy is the motor of industry and ensures social well-being, but there is a constant demand for greater capacity and availability. Water

• **Infrastructure**
is the backbone of economic progress and development

• **Energy**
is the motor of industry and ensures social well-being

• **Water**
is essential for life and economic prosperity

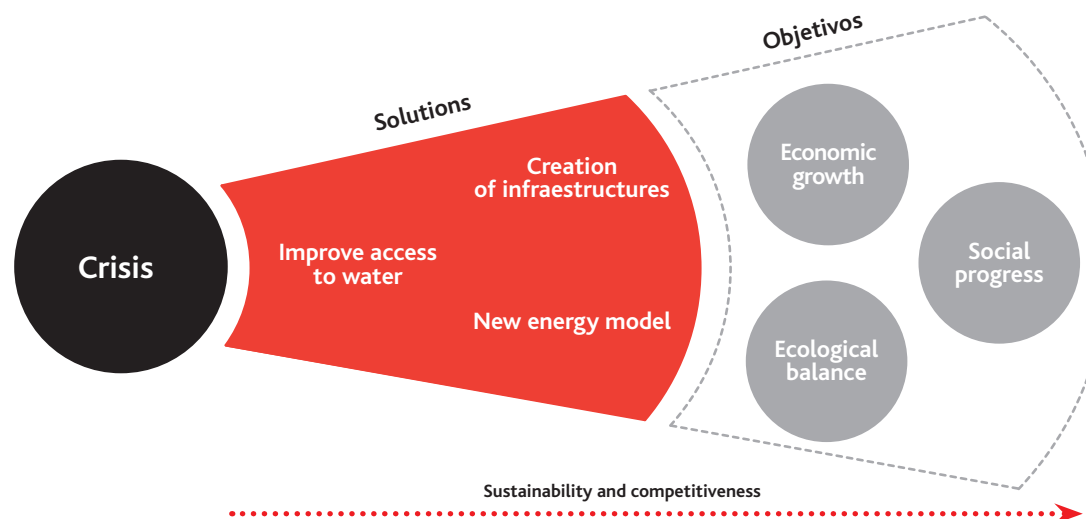
is essential for life and economic prosperity; a sufficient supply of appropriate quality is one of the biggest challenges we face today.

A shared effective response to these three major global challenges is the only way to guarantee economic growth, social progress and environmental balance in the future.

ACCIONA, a pioneer in development and sustainability, bases its growth strategy on these pillars.

Sustainability and successful solutions for changing times

- Strengthening the three pillars of ACCIONA's business model is the driving force behind its growth and profitability. Investment criteria encourage a sustainable growth strategy by maintaining a flexible business model in changing times. These are ACCIONA's solutions for overcoming the current economic and financial uncertainty.



Strengthening the three pillars of ACCIONA's business model is the motor of its growth and profitability

A benchmark for responsible investment

- ACCIONA retained its position as industry leader in the Dow Jones Sustainability World Index (DJSI World) and Dow Jones Stoxx Sustainability Index (DJSI Stoxx) in 2008; these are the world's leading benchmarks in sustainability and socially-responsible investment.
- ACCIONA not only reaffirmed the recognition it received in 2007, but also attained the top scores in the environmental and social dimensions in its industry, beating its score from last year. Its position, and improvement, within the most prestigious sustainability indices represents an acknowledgement

of ACCIONA's search for excellence in its commitment to sustainable development.

- The Dow Jones indices comprise the companies that are most advanced in the field of sustainability, in its economic, social and environmental dimensions, both worldwide (DJSI World) and in Europe (DJSI Stoxx). In 2008, the indices were made up of 320 and 162 companies, respectively.
- Because of the exhaustive information they require, and the rigorous analysis and the scoring system to choose the "best in class" in each case, the DJSI indices are world-leading benchmarks in the field of Corporate Social

Responsibility and Sustainable Development.

- The DJSI family of indices catalyses socially-responsible investing strategies. Investment managers in over 16 countries currently manage approximately US\$6 billion (around 4.6bn euros) referenced to the Dow Jones Sustainability Indices.
- ACCIONA is already a member of other sustainability indices, such as S&P Global Clean Energy Index, and the KLD Global Climate 100 Index, whose goal is to promote investment in the 100 multinational companies with proven leadership in combating climate change through renewable energy, clean technology, efficiency and future fuels.

SUSTAINABILITY IS THE BACKBONE OF INNOVATIVE BUSINESS MODELS

In its constant quest for competitiveness and differentiation, ACCIONA develops its businesses using effective management models that enable it to mitigate possible risks, strengthen its abilities and garner worldwide renown.

Corporate Social Responsibility is a tool that guides ACCIONA's management models and successful business strategies in its different areas of activity.

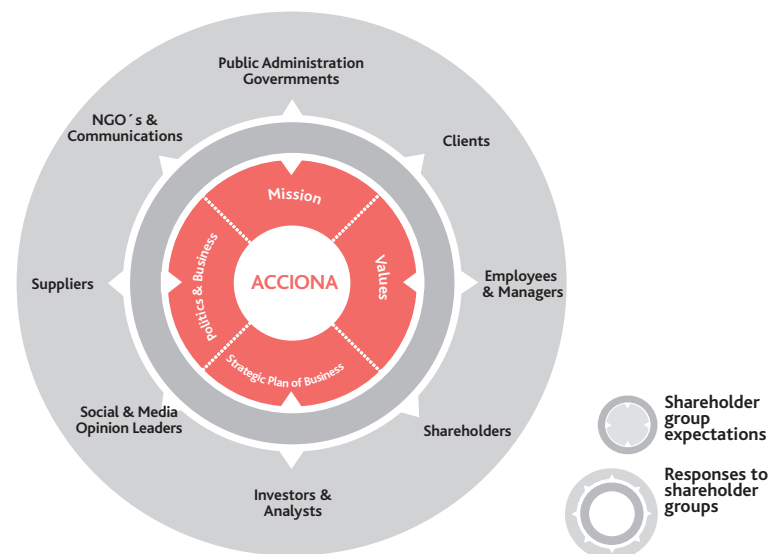
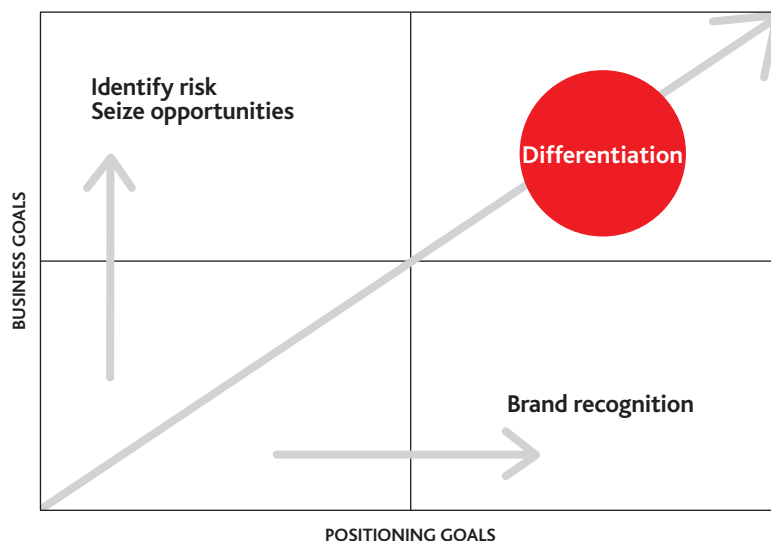
ACCIONA's strategic plan has enabled it to base its growth and profitability on vectors of progress in sustainable development.

To make this commitment a tool to support business development, ACCIONA anticipates trends, gives priority to efficient management, and designs functional modern and innovative models for the organisation as a whole. Another priority is to create a favourable motivational environment to facilitate the inclusion of these aspects throughout the Company.

ACCIONA considers active dialogue with stakeholders to be essential, as it is a means to meet their full expectations and build trust.

ACCIONA is a modern innovative company which seeks to be held in esteem for its projects, which merge profitability and growth in a sustainability-based business model.

Management efficiency and active dialogue with stakeholder groups



New markets, new challenges

- Given the diversity of its businesses and the markets in which the Company operates, ACCIONA relies on a common framework of action defined in line with the socioeconomic characteristics of its key markets. This framework enables the Company to realise its commitment to corporate social responsibility effectively.
- In this vein, the main pillars of ACCIONA's strategy are transparency, understanding and meeting stakeholder expectations.
- Before developing its business projects, ACCIONA identifies the key aspects and the main stakeholders with a view to establishing channels for dialogue and confidence to establish a model that builds trust within society in the markets where it operates.
- ACCIONA also extensively consults key opinion leaders in various countries to disseminate its commitment to sustainability and understand the expectations of those markets. The main markets examined to date are Canada, the US, Mexico, Brazil, Chile, Poland and (as of 2008) Australia.
- All of this information, together with an in-depth analysis of those countries' social and environmental situations, enables ACCIONA to design tailor-made plans of action for each market, making its commitment to sustainable development the engine for growth in new markets. These plans of action are known as Welcome Packs (short term) and Sustainability Protocols (medium to long term).

**ACCIONA
designs
action plans
adapted to each
market**

NEW COMMITMENTS TO FUTURE GROWTH

ACCIONA relies on trust for improving coordination with third parties, reducing transaction costs and optimising the impact of communication.

The goal of ACCIONA's corporate social responsibility model is twofold:

- To align business projects with social needs and risk reduction.
- To create real value in societies where the Company operates.

In line with these commitments, ACCIONA is designing its new Corporate Social Responsibility strategy, which will guide the Company's actions in this area until 2012. In defining this new strategic approach, ACCIONA seeks a framework of action adapted to the real situation of each business and market.

A pillar of the design and implementation of this new strategy is the definition of effective formulae to identify specific socioeconomic

features upon which to develop the main lines of action. One example is the use of pioneering methods for stakeholder consultation and participation.

This commitment is based on four principles that will maintain ACCIONA's position as a leader in sustainable development:

1. Identification of challenges.

Understanding in great detail the main issues in the social and environmental agendas of the markets where ACCIONA operates enables it to design its commitment to sustainable development in line with stakeholder expectations.

2. Strategic priorities. ACCIONA prioritises the challenges identified by establishing objectives for each of them depending on their strategic importance.

3. Key actions. Once strategic priorities are established, specific lines of action are designed with short-term and long-term objectives.

A mechanism to reduce emissions

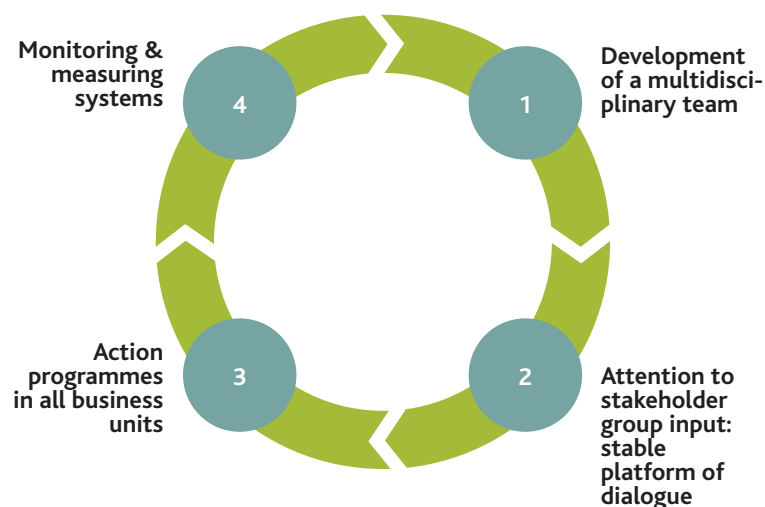
- Clean Development Mechanisms (CDMs) are one of the flexibility mechanisms envisaged in the Kyoto Protocol for emissions reduction. They encourage public and private entities to implement projects in developing countries that contribute to sustainable development and an overall reduction in greenhouse gas emissions.
- The developer receives certified emission reduction credits (CERs), which can be counted towards meeting Kyoto emission-reduction targets.
- CERs can be sold in the emissions trading market, ensuring the project's economic viability and encouraging sustainable development initiatives in developing countries.

4. Common framework of action.

To advance towards innovative and sustainable growth management models, ACCIONA allocates the resources that are needed to implement its sustainable development strategy.



Excellence in Corporate Responsibility Models



Stakeholder consultation on the wind energy project in Karnataka, India

- The Clean Development Mechanism (CDM) Executive Board, which reports to the United Nations Framework Convention on Climate Change (UNFCCC), has registered two ACCIONA-owned wind farms in the state of Karnataka, in southern India, as a CDM.
- This project aims to encourage sustainable development and harness renewable energy in the region through the installation of 18 wind turbine generators with a total capacity of 29.7 MW. The electricity generated will replace power from non-renewable sources, reducing pollutant emissions into the atmosphere.
- This project has the following goals in terms of sustainable development, to:
 - Develop the wind sector as a source of renewable energy and mitigate India's energy deficit.
 - Create a significant number of jobs for the local population during farm construction and throughout the facilities' useful lives.
- Stakeholder consultations are announced in the local press, through letters sent to the heads of relevant institutions and with personal visits to neighbouring villages with a view to including all stakeholder perceptions with regard to the project. This measure helped identify and enable contact with a wide range of stakeholders, including plant employees, contractors, government representatives and local residents. Detailed project information was offered and doubts and concerns were resolved during the meeting.
- Stakeholders' opinions of the project were broadly positive; in particular, they felt that it would significantly improve the area's socioeconomic situation by creating jobs and increasing land values. Stakeholders only expressed a slight concern that the machinery could potentially damage roads during the construction phase - a minor inconvenience compared with all of the project's benefits.

NOTEWORTHY ACTIVITIES ARTICULATING ACCIONA'S STRATEGY

In line with its strategic approach, ACCIONA made significant progress in 2008 in its quest for excellence in managing corporate responsibility. It has:

- Fully complied with another recommendation of the Unified Corporate Governance Code was fully complied with. Additionally, Ms Consuelo Crespo Bofill was appointed as a member of the Board of Directors.
- Expanded the scope and improved methodologies and processes in the Risk Management System; updated risk maps for each business area, building a risk map for ACCIONA Group.
- Recorded a 129% increase with respect to 2007 in the number of orders that carry a clause regarding the ten principles of the United Nations Global Compact.
- Ranked first among construction companies and ninth out of 21 Spanish companies in the EU Industrial R&D Investment Scoreboard.
- Started up installations to develop new lines of research: a pilot plant to grow microalgae for biodiesel production and two new laboratories in the Madrid Technology Centre (robotics and virtual reality).
- Completed the first training and selection programme for Senegalese workers, who are hired by ACCIONA in their home country and then integrated into the Company in Spain.
- Completed the audit process on gender equality in all of the Company's business lines. Implemented nationwide online courses to raise awareness among all employees and provide training on equality and avoidance of discrimination.
- Launched the plan to disseminate results of the 2007-2008 opinion poll.
- Created an Institute for Workplace Health and Safety, under the Human Resources and Organisation Area, to establish training actions in the area of workplace health and safety and external and internal fora on safety.
- First in-house seminar on Workplace Health and Safety as part of the European Week of Health and Safety organised by the Madrid Training Institute.

- Drafted the 2008-2012 Environmental Efficiency Plan. The main objective of this project is to structure and organise the various environmental improvement initiatives by implementing environmental management systems, speeding up the improvement of efficiency ratios.
- Organised a working group to exchange experiences and synergies in the implementation and monitoring of systems to manage international activity.
- Integrated the Metrica Project as a tool for monitoring the environmental performance of ACCIONA's different processes and activities with the goal of improving environmental data capture at work centres.

- Integrated ACCIONA's Energy Efficiency Plan, the main goals of which are: energy saving and energy, efficient water consumption and efficient waste management.
- Included Australia in the plan to identify and consult key opinion leaders, aimed at establishing channels for dialogue to build a relationship of trust with the principal markets in which ACCIONA operates.

• **The Environmental Efficiency Plan**
speeds up improvements in efficiency ratios

• **The Métrica Project**
controls ACCIONA's environmental performance

• **The Energy Efficiency Plan**
contributes to savings in energy, water and waste

Economic Dimension:

**1. TRANSPARENCY
AND PROFITABILITY**

2. INNOVATION AT THE
SERVICE OF PEOPLE AND
THE ENVIRONMENT

OUR GOAL:

To be recognised in the markets for our capacity to create value for society as a whole

2008 MILESTONES

- Full compliance with another recommendation in the Unified Corporate Governance Code.
- Ms Consuelo Crespo Bofill was appointed as a member of the Board of Directors.
- Expansion of the scope and improvement in the methodologies and processes of the Risk Management System.
- Updated risk maps for each business area to build the ACCIONA Group's risk map.
- A 129.03% increase, with respect to 2007, in the number of orders including a clause requiring compliance with the ten principles of the United Nations' Global Compact.

2009 GOALS

- Approval of the Corporate Social Responsibility System by ACCIONA's Board of Directors, which is a necessary pre-requisite for full implementation.
- Revision and consolidation of procurement processes, enhanced monitoring of suppliers to adapt them to new requirements in line with the Company's commitment to sustainability.

OUR APPROACH

- Promote transparent and responsible business models which respond to the social challenges faced by society.
- Poor conduct by business has repercussions and costs that were previously unimaginable. ACCIONA understands that transparency and integrity are key to maintaining its leading position and succeeding in increasingly demanding and competitive markets.

A NEW BUSINESS ERA

The current context of economic uncertainty and scarcity of financial resources, partly influenced by business models rooted in the past, is rocking the foundations of modern societies.

ACCIONA's answer to the economic situation is a sustainable business model which, from the outset, characterises a pioneering company and is responsible for the Company's major successes in recent years.

In this context, building on integrity and transparency, ACCIONA will continue implementing innovative growth plans with the firm commitment to call for a new business era that will reward those companies that focus on trust, responsibility, respect for shared values and social commitment.

• **Good governance is a crucial element for fortifying global, social and market confidence**
 • **Board Regulations establish the standards which guide the corporate governance systems**
 • **The policies and strategic objectives are oriented towards society's needs**

MAIN FIGURES:

- **Revenues:** Consolidated revenues increased by 59.3% to 12.66 billion euros, due principally to proportionate consolidation of Endesa in the period and to ACCIONA Energy's good performance. Revenues at ACCIONA Energy expanded by 63.2% due to: the rise in pool prices in the first few months of the year compared with the same period the year before, 13% organic growth in energy production, and the positive contribution from the industrial wind and solar businesses. Endesa contributed 5.45 billion euros to 2008 revenues.
- **EBITDA:** EBITDA amounted to 2.8 billion euros, a 100.9% increase on the year before, and the EBITDA margin was 22.3%.

- **EBT from continuing activities:** EBT fell 30.5% to 746 million euros (657m excluding extraordinary items), primarily due to:
 - The sharp increase in net financial expenses to 896 million euros largely as a result of the change in the method of recognising Endesa, since Endesa dividends were booked as financial revenues (428 million euros) in 2007.
 - The negative impact of the provision for asset impairment (73 million euros in 2008, compared to 6 million euros in 2007).
 - The smaller contribution from disposal of non-current assets (95 million euros in 2008, c.f. 288 million euros in 2007).
- **Investment:** Capital expenditure amounted to 3.1 billion euros, including 1.76 billion euros invested in organic growth in ACCIONA Energy and 972 million euros invested by Endesa. A total of 418 million euros was invested by the other business areas.

Sales (millions of euros)

	2006	2007*	2008	Var.(%) 07/08
Infrastructure	3,558	3,695	3,592	-2.8
Real Estate	446	445	320	-28.1
Energy	851	1,093	1,784	63.2
Logistics & Transport				
Services	960	924	914	-1.1
Urban & Environmental				
Services	585	702	772	10.1
Other Businesses				
& Financials	121	165	140	-15.5
Endesa	0	1,203	5,458	n.a.
Consolidation adjustments	-249	-275	-314	
Sales	6,272	7,953	12,665	59.3

* 2007 figures were reformulated for comparison with 2008.

EBITDA (millions of euros)

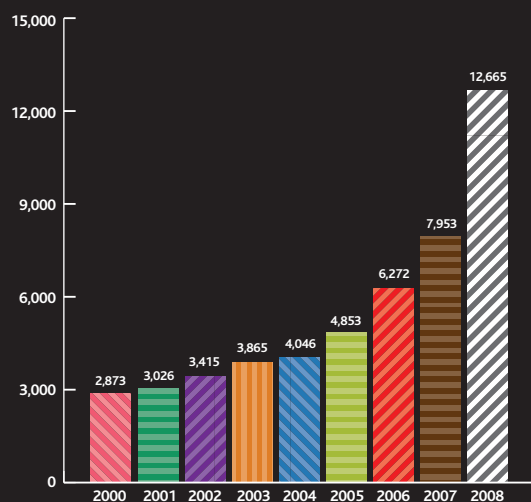
	2006	2007	2008	Var.(%) 07/08
Infrastructure	279	276	243	-11.9
Real Estate	121	125	85	-31.8
Energy	369	392	589	50.3
Logistics & Transport				
Services	117	69	39	-43.3
Urban & Environmental				
Services	48	55	70	28.0
Other Businesses				
& Financials	39	72	49	-31.7
Endesa	0	429	1,757	n.a.
Consolidation adjustments	-13	-11	-7	
EBITDA	960	1,407	2,827	100.9

EBT* (millions of euros)

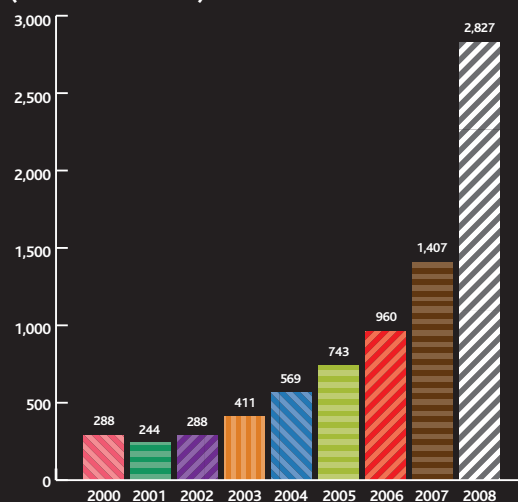
	2006	2007	2008	Var.(%) 07/08
Infrastructure	208	209	155	-26.2
Real Estate	87	82	-129	-256.9
Energy	164	117	187	59.1
Logistics & Transport				
Services	64	-2	-56	-2,435.8
Urban & Environmental				
Services	29	25	26	2.0
Other Businesses				
& Financials	66	83	69	-17.6
Endesa	112	273	415	n.s.
Consolidation adjustments	-18	-14	-10	
EBT	713	774	657	-15.1

* Ex-extraordinary items, n.s. not significant, since the accounting criteria varied with respect to 2007.

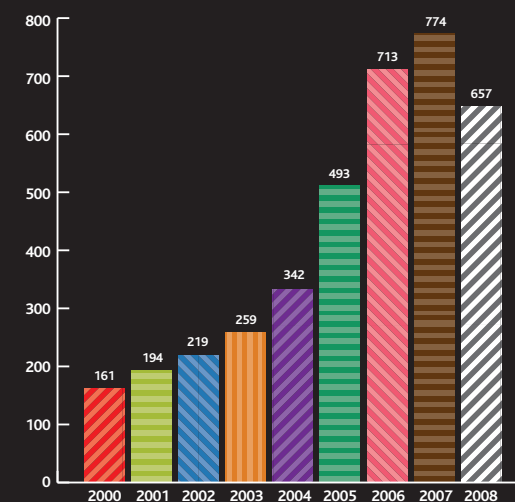
Sales (millions of euros)



Gross Operating Profit (EBITDA) (millions of euros)



Earnings Before Tax (millions of euros)



REVENUES
INCREASED BY

59.3%

CREATE DIRECT OR INDIRECT VALUE, ACCIONA'S RAISON D'ÊTRE

Creating direct value

Since inception, ACCIONA has been contributing directly to the development of the areas where it operates. At the end of 2008, ACCIONA had more than 34,500 employees worldwide.

ACCIONA's business model is aligned with the needs of the areas where it operates, which benefit from its projects, because ACCIONA is committed to being well-informed of the development and growth trends in

the countries in which it operates. In this vein, ACCIONA has the necessary infrastructure, in terms of human and technical resources, to maintain an exhaustive understanding of stakeholder expectations.

ACCIONA's commitments to stakeholders give direction to its activities, guaranteeing the profitability and solvency necessary for a company's viability; its pledge to sustainability is its greatest contribution to society.

Value creation is also supported by building stable long-lasting commercial relations of trust with the Company's trading partners.

ACCIONA had more than 34,500 employees across the world at the end of 2008

ACCIONA's investment policy is based directly on shared value creation; its primary goal is to create value for shareholders and investors and maintain returns and a long-term vision.

Creating indirect value

In ACCIONA's business models, economic profit and social development go hand in hand.

ACCIONA benefits society as a whole, not only through economic contributions but also through its ability to contribute to social development.

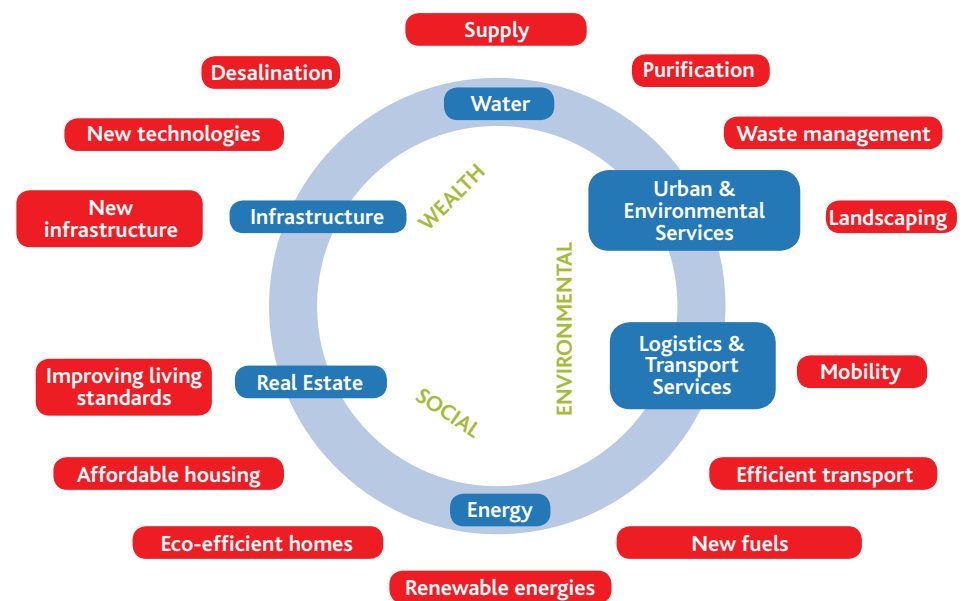
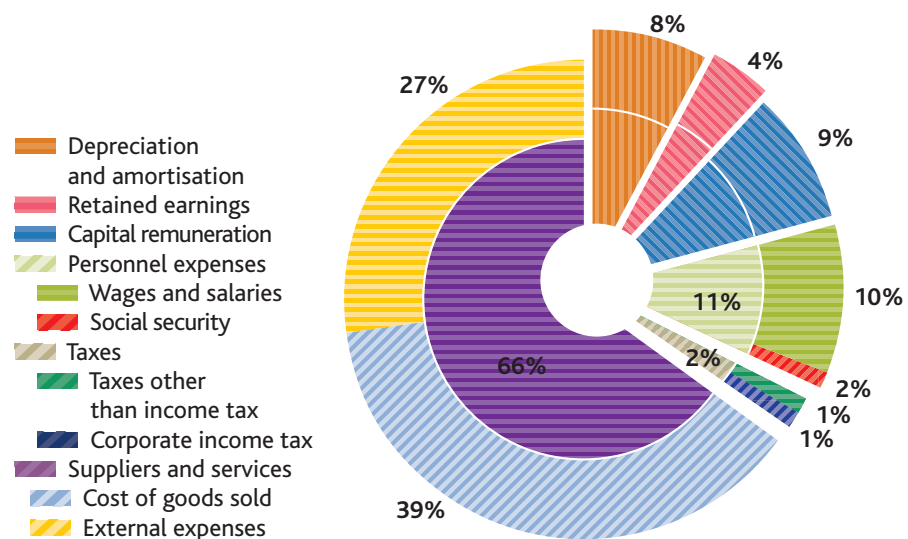
This conviction is visible in the strategic approaches by which ACCIONA promotes the environmental and social added value of its projects. ACCIONA's activities in the areas of infrastructure construction, renewable

energy development and water management are all sources of direct and indirect value creation.

For this reason, ACCIONA goes to great lengths to innovate in its business model through research and development, with a view to increasing the competitiveness and efficiency of its projects and production processes.

- **Economic benefit and social benefit go hand in hand at ACCIONA**
- **ACCIONA seeks to develop environmental and social value for its projects**
- **The Company carries out important efforts to bring innovation to its business model**

Allocation of ACCIONA's monetary flows and economic value added in 2008



ACCIONA IN FINANCIAL MARKETS

ACCIONA has been listed on the Madrid Stock Exchange since 1997. ACCIONA's ownership structure is as follows:

Share capital (euros)	Number of shares
63,550,000	63,550,000

Name of shareholder	% of total voting rights
Grupo Entrecanales, S.A.	59.632
Fidelity International Limited	1.869

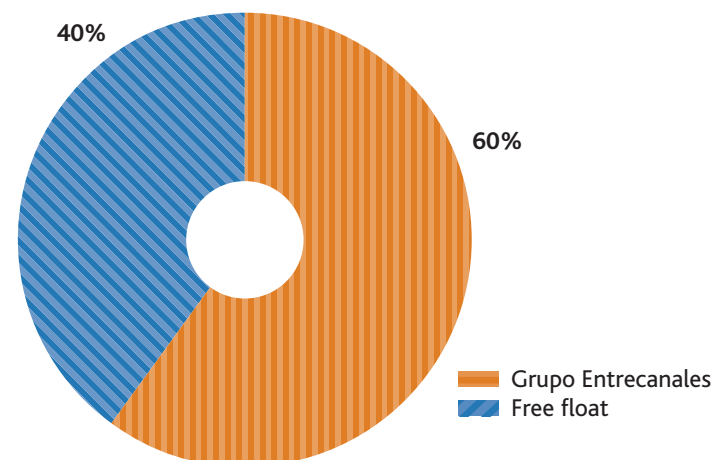
ACCIONA is also included in the following indices:

- IBEX-35
- Dow Jones Sustainability World Index (DJSI World)
- Dow Jones STOXX Sustainability Index

In 2008, Morgan Stanley and Standard and Poor's reclassified ACCIONA as a Utility and included it in the following indices:

- MSCI Spain Utilities Index
- MSCI Spain Electric Utilities Index
- S&P Alternative Energy Index
- S&P Global Clean Energy Index

ACCIONA's ownership structure



Confidence and transparency together form the key to bringing off successful projects

TRANSPARENCY AND INTEGRITY, THE KEYS TO ACCIONA'S CORPORATE GOVERNANCE

Building trust, strengthened by transparency, is the key to successful projects. Corporate governance is crucial for restoring global, social and market confidence, which has been undermined in recent times.

ACCIONA's corporate governance model aims to enable the Company to compete in selected world markets. The Company's future plans require it lead the way in corporate governance; to this end, sustainability and integrity are one and the same for ACCIONA.

ACCIONA's Board of Directors' Regulations establishes the guidelines for corporate governance. Article 7 of the Board of Directors' Regulations sets out the Board's general supervisory function. In particular, it includes aspects regarding the Board's competency and responsibility in approving the Company's corporate social responsibility policies. The aim is for ACCIONA's Board of Directors to give definitive guidance on the Company's strategic policies and goals in line with society's expectations and needs.

The competencies granted to the Board may not be delegated and only

in cases of urgency may decisions be adopted by the Executive Committee. This ensures the integrity of the "general supervisory function", which comprises three fundamental responsibilities: guiding and promoting the Company's policy (responsibility for strategy), overseeing management (responsibility for oversight) and liaising with shareholders (responsibility for communication).

ACCIONA PUBLISHES THE REMUNERATION RECEIVED BY DIRECTORS FOR THE PERFORMANCE OF THEIR FUNCTIONS

Transparent approaches

Transparency is intrinsically linked to ACCIONA's corporate governance strategy and is reflected at all levels of the organization. ACCIONA views transparency at three levels of action:

- Transparency in the working of the governing bodies;
- Transparency vis-à-vis the market with respect to the management model;
- Transparency with stakeholders.

Transparency in remuneration of Directors

- In 2007, a small number of IBEX-35 companies reported the remuneration received by individual Directors for performing executive functions. ACCIONA was by far the largest and most important of those companies.
- ACCIONA's pioneering nature, and, more specifically, that of its Board of Directors, was seen once again in its resolve to provide itemised information about Executive Director remuneration. The Board of Directors amended Article 55 of its Regulations to promote transparency with the market and with shareholders.
- In particular, the Board of Directors must adopt the necessary measures to ensure that the Annual Report discloses the Directors' remuneration for their positions as such and for each remuneration heading, as well as the remuneration of the Directors with executive responsibilities, which may be itemised at the Board's discretion.
- Information must also be given on the relationship in the year between the remuneration obtained by Executive Directors and the Company's profits, or some other measure of corporate results.

Adoption of corporate governance recommendations

ACCIONA continues to advance in adopting recommendations in the Unified Corporate Governance Code, to which listed companies must adhere in reporting on corporate governance matters. The Company tracks its comprehensive compliance with Code recommendations very carefully.

In this vein, information regarding members of the Board of Directors was disclosed and updated in 2008, fully complying with Recommendation 28 of the Unified Corporate Governance Code. Moreover, all information in this regard is available on the web sites of ACCIONA and the Spanish stock markets regulator, Comisión Nacional del Mercado de Valores (CNMV), in compliance with accessibility requirements established by the UNE 139803 standard.

Degree of compliance with the recommendations in the Unified Corporate Governance Code

- **The Securities Market Law requires listed Spanish companies to disclose, in their Annual Corporate Governance Report, "the extent to which corporate governance recommendations are followed and, where appropriate, an explanation of why they have not been followed."**
- **Listed companies must reference the Unified Corporate Governance Code for Listed Companies drafted by the Spanish Securities Market Commission (CNMV). In the event of not complying with any of the recommendations, a company must detail the recommendations, regulations, practices or criteria that it applies.**

Compliance with recommendations in the Unified Corporate Governance Code (2008)

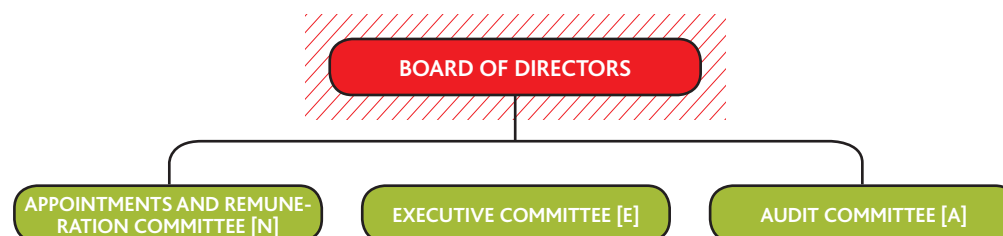
ACCIONA complied with 47 recommendations

ACCIONA partially complied with 2 recommendations

ACCIONA explained its approach with regard to 5 recommendations

4 recommendations are not applicable

		STATUS
CHAIRMAN		
Mr José Manuel Entrecanales Domecq	[E]	Proprietary and executive
FIRST VICE-CHAIRMAN		
Mr Juan Ignacio Entrecanales Franco	[E]	Proprietary and executive
SECOND VICE-CHAIRMAN		
Mr Juan Manuel Urgoiti and López-Ocaña	[E] [A] [N]	Independent
DIRECTORS		
Mr Juan Entrecanales de Azcarate		Proprietary
Mr Alejandro Echevarría Busquets	[E] [N]	Independent
Lord Tristan Garel-Jones	[E] [A]	Independent
Mr Valentín Montoya Moya	[E]	Executive
Mr Carlos Espinosa de los Monteros Bernaldo de Quirós	[E] [A] [N]	Independent
Ms Consuelo Crespo Bofill		Independent
Ms Belén Vilallonga Morenés		Independent
OTHER EXTERNAL DIRECTORS		
Mr Esteban Morrás Andrés		
SECRETARY (NON-DIRECTOR)		
Jorge Vega Penichet López	[E] [A] [N]	



Board's position on gender diversity in its composition

- In line with recommendations in various codes of corporate governance and, more specifically, in the 2006 Unified Corporate Governance Code, ACCIONA's Board of Directors is staunchly committed to enhancing its own diversity, when the circumstances and vacancies permit.
- As evidence of this commitment, in 2008 the Shareholders' Meeting appointed Ms Consuelo Crespo Bofill as an Independent Director, increasing the number of female Directors to two, i.e. 18.18% of the total.

**The Ethical Channel
is an efficient tool
for channelling, in
a confidential way,
irregularities which
can affect ACCIONA's
principles and values**

**FIRST ANNIVERSARY OF
THE ETHICAL CHANNEL,
MAKING PROGRESS IN
STRENGTHENING PRINCIPLES
AND VALUES**

In May 2007, ACCIONA's Board of Directors approved a new Code of Conduct, and with it, the creation of an Ethical Channel. This is an extremely important initiative that provides an effective tool for confidentially reporting breaches that may affect ACCIONA's principles and values.

Additionally, a Code of Conduct Committee was established so that all employees would be able to notify of any breach of the Code of Conduct, whether it involves them personally or third parties.

Action protocols were also developed to handle complaints and cases of sexual harassment and gender discrimination.

The Company carried out an intense communication campaign on the ACCIONA intranet and on the corporate website; it also published 40,000 bilingual copies of the Code of Conduct (Spanish/English), plus versions in French, Polish and Portuguese. It also notified all Human Resources Units of its entry into force, so that they could inform employees of new developments regarding the application of the Code of Conduct.

One year after its entry into force, at 31 December 2008, the Ethical Channel had received 56 reports, of which 26 led to independent investigations.

The investigations concluded in 25 cases, and the measures proposed, were approved by the Audit Committee.

**56 REPORTS WERE
RECEIVED BY THE
ETHICAL CHANNEL
IN 2008**

Detection and investigation of corruption and bribery

If the Code of Conduct Committee receives notice of any issue relating to corruption or bribery, it initiates an investigation in which it may do any of the following:

- Appoint an investigator from inside or outside the Company to ascertain the facts;
- Hold personal interviews with the employees involved;
- Request reports or documents from departments of the Company as needed for the investigation;
- Request expert assistance (e.g. in computer-related matters) from professionals from inside or outside the Company.
- Make reports to senior management of the Company being investigated.

Based on the outcome of the investigation, the Committee draws up a report setting out the decisions and recommendations that should be adopted if the Code has been breached and/or the proposed penalty, if any, which will be referred to the Audit Committee for a decision.

Otherwise, the Committee closes the investigation and reports to the Audit Committee about the actions that were taken.

ACCIONA also has internal audit teams which systematically perform analyses, in accordance with internal audit plans, to detect any type of economic, accounting and/or financial irregularity.

- **The Code of Conduct Committee investigates cases of corruption and bribery**
- **ACCIONA has internal audit teams for detecting any type of irregularity**

Strategic focus in risk management is aligned with the best international practices

RISK MANAGEMENT AT ACCIONA

Project management at ACCIONA takes into consideration risks that may arise and must fulfil stakeholder expectations. Only through detailed analysis of such expectations can ACCIONA's projects provide balanced mutual benefit to the Company and society as a whole. This approach makes ACCIONA a trailblazer.

ACCIONA's strategic approach to risk management is aligned with international best practices.

ACCIONA applies the recommendations in the Unified Corporate Governance Code as regards the role of the Audit Committee in supervising the risk management function, specifically in the aspects set out in Recommendation 49:

- Identification of the various types of risk facing ACCIONA;
 - Determination of the risk level that ACCIONA considers acceptable;
 - Measures to mitigate the impact of risks should they materialise;
 - Internal reporting and control systems to be used to control and manage risks.
- ACCIONA also follows the guidelines of the COSO II report on enterprise risk management.
- This Risk Management System establishes the necessary mechanisms to:
- Identify the risks to attaining the objectives of each business area and of the organisation as a whole;
 - Establish the level of risk tolerance, attaining an appropriate balance that allows for value creation;
 - Assess and prioritise each identified risk;
 - Respond to each risk according to its assessment, establishing an approach to eliminate or minimise the risk profile;
 - Inform the members of the organisation about the status and evolution of the risks that have been identified;
 - Optimise the efforts and resources devoted to managing and controlling risks;
 - Maintain updated information regarding the risks that affect the organisation and their control measures.

**ACCIONA FOLLOWS
THE GUIDELINES OF
THE COSO II REPORT
ON CORPORATE RISK
MANAGEMENT**

In 2008, ACCIONA's Board of Directors continued developing the Risk Management System by expanding its scope and depth, improving the risk identification and assessment methodology, and updating the oversight and response processes, while also integrating it into the corporate culture and communicating it more effectively.

In order to identify and manage the risks that threaten the attainment of the Group's goals, risk maps for each line of business were used, building a risk map for the Company as a whole. More than 120 executives from different business areas participated in the update because, given ACCIONA's geographic and sectoral diversification, risk control must take account of the particular features of each business.

The risk maps for each business area address the probability that a risk will occur, the economic consequences, the impact on corporate image, the Company's ability to manage the risk and the approach adopted to manage each risk.

The corporate area coordinates the identification and assessment of risk with the different business areas, establishes a maximum level of risk tolerance and coordinates actions so that the response is consistent and standardized with the overall risk policy.

The risks considered in ACCIONA's Risk Control System are categorised in four groups:

1. Financial risks:

Risks that have a direct impact on the Company's bottom line. They originate primarily from fluctuations in currencies, interest rates and financial markets, changes in commodities prices, liquidity, cash flow, bad debts and the significant loss of customers.

2. Strategic risks:

Risks which result in reduced growth by the Company and failure to meet its objectives owing to an inability to respond in a dynamic competitive environment. These risks include internal organisational

changes, mergers and acquisitions, competitive threats, economic and political changes, emergence of new technology, new distribution methods, R&D, and changes in regulation and legislation.

3. Operational risks:

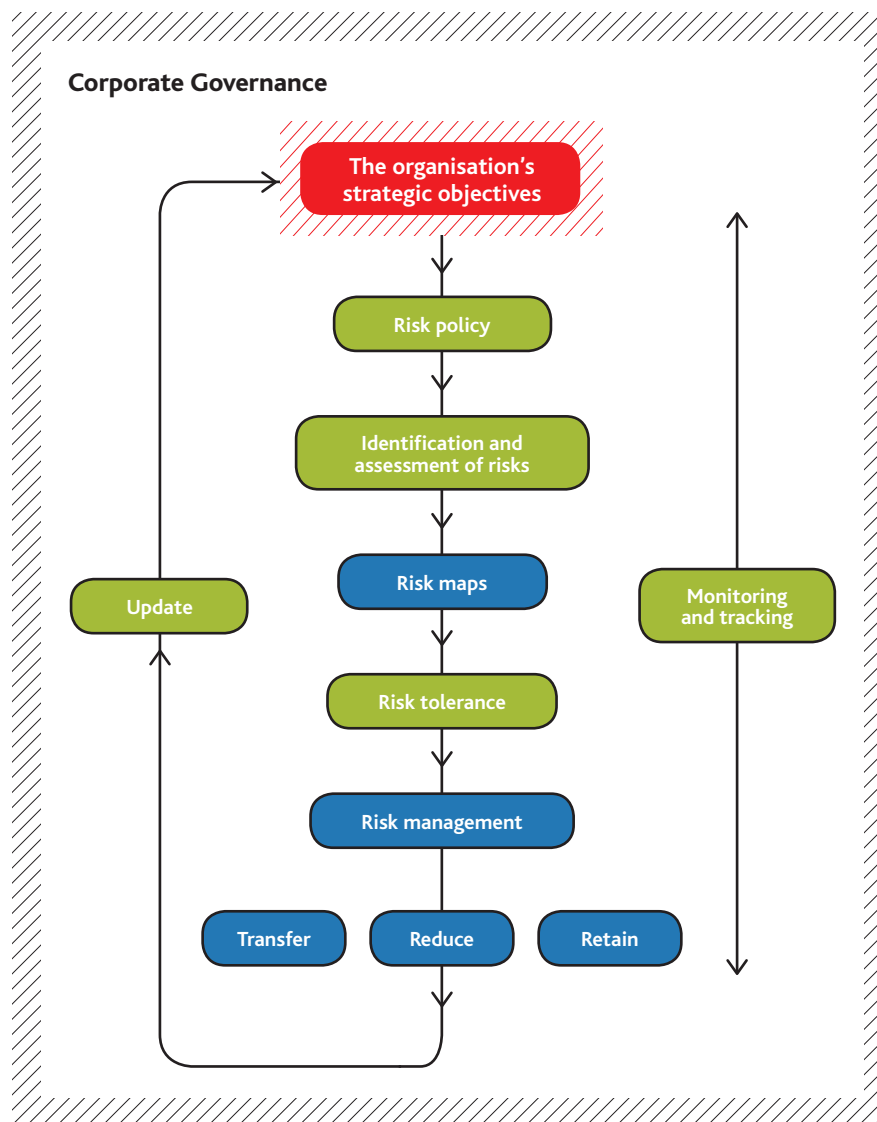
Risks related to an organisation's dependence on certain processes, people and products. These risks, which often impact effectiveness, are linked to regulatory, legal and contractual compliance, control systems and procedures, ancillary technical services, information systems, employee productivity, the supply chain and loss of key personnel.

4. Unexpected risks:

Risk related to damage to assets and civil liability, which could negatively affect the Company's performance, such as fire, explosion, natural disasters, pollution, damage to third parties, labour risks and terrorism.

In 2009 and 2010, ACCIONA will continue to review and improve its corporate risk management system with a view to standardizing a Group-wide approach and achieving excellence in risk management. The main activities in this area will be to:

- Extend the scope of the Company's risk maps to other countries.
- Update existing risk maps.
- Re-evaluate the Company's risk tolerance, i.e. changes in certain economic variables that are acceptable with regard to attaining an objective.
- Analyse the optimal level of tolerance, transfer and retention.
- Design the Corporate Crisis Management System.
- Develop Business Continuity Plans.



Suppliers and subcontractors are key factors in ACCIONA's commitment to sustainability

SUSTAINABLE SUPPLY CHAIN, A COMMITMENT AND A PRIORITY

ACCIONA's commitment to sustainability requires that the Company leverage not only its internal resources but also those of its stakeholders, particularly suppliers and subcontractors. To this end, ACCIONA promotes environmental and social practices in its supply chain that are consistent with its principles of action and its Code of Conduct, all within a framework of equal opportunities in the process of contracting suppliers.

One of ACCIONA's priorities is to continue improving the procurement process to increase sustainability in the supply chain. The main progress has been made with regard to applying Global Compact commitments to the supply chain,

the purchase of wood obtained from environmentally-friendly stewardship, and interest in working with suppliers that are certified to the ISO 14001 environmental quality standard and the ISO 9001 quality standard.

Moreover, all orders and contracts which involve subcontracting include a clause requiring compliance with the principles and obligations derived from the Organic Law for effective equality between women and men, with a view to preventing direct and indirect discrimination.

Commitment to the Global Compact

One of the pillars supporting sustainability in ACCIONA's relations with suppliers is establishing long-term commercial relationships, guaranteeing economic stability for the sustainable development of their businesses.

As a signatory of the Global Compact, ACCIONA is committed to promoting and raising awareness of the principles of Compact among its suppliers and subcontractors.

Since April 2007, ACCIONA orders and contracts have included a clause requiring compliance with the 10 principles of the Global Compact. This clause is part of ACCIONA's general conditions of business and is included automatically in all orders.

In 2008, communication actions continued with the procurement units of all business lines insisting on the importance of including the Global Compact clause in all orders. This objective was achieved for all business lines including, most notably, ACCIONA Infrastructure, ACCIONA Agua, ACCIONA Facility Services, and ACCIONA Urban & Environmental Services, where 100% of orders carry the Global Compact clause.

The following table shows quantitative information regarding the Company's procurement processes; the number of orders/contracts which included the clause in 2008 is very high in all companies. The number of orders that included the Global Compact clause increased by 129.03% with respect to 2007.

Global Compact clause in General Procurement Conditions		Orders that included the clause
ACCIONA	ACCIONA, S.A.	277
INFRASTRUCTURE	ACCIONA Infrastructure, S.A.	42,371
	ACCIONA Installation Services	
	ACCIONA Infrastructure Maintenance	
	AEPO	
	IBERINSA	
	ACCIONA Security Systems	
ENERGY	ACCIONA Energy	5,944
REAL ESTATE	ACCIONA Real Estate	41
WATER	ACCIONA Agua	2,776
LOGISTICS & TRANSPORT SERVICES	ACCIONA Trasmediterranea	8,324
URBAN & ENVIRONMENTAL SERVICES	ACCIONA Facility Services	20,248
	Setesa Mantenimiento Técnico, S.A.	
	Ramel Companhia de Limpeza Ind. (Portugal)	
	ACCIONA Car Parks	
	ACCIONA Environmental Services	
	ACCIONA Urban Services	
OTHER BUSINESSES	Hijos de Antonio Barceló, S.A.	6,263
	Bodegas Palacio, S.A.	
	Caserío de Dueñas, S.A.	
	General de Producciones y Diseño	
TOTAL		86,244

NOTE: As regards supplier numbers, only suppliers billing over 3,000 euros are counted at companies with the largest volume of outsourcing (e.g. ACCIONA Infrastructure, ACCIONA Facility Services, etc.).

ACCIONA demands FSC certification from its suppliers, guaranteeing the sustainability of wood and its derived products

Sustainable timber

In 2008, ACCIONA's Procurement Department informed those responsible for procurement in the various business lines several times of the need to demand that suppliers of timber, or any product containing timber, supply an FSC certificate or equivalent to guarantee the environmentally-friendliness of the wood used in Company projects.

ACCIONA is aware of the difficulties that this commitment poses in finding certified suppliers under economically viable conditions. While considerable progress has yet to be made in this area, many ACCIONA companies have already made significant headway.

Most progress has been made in the area of paper. This segment is generally more sensitive and FSC certificates or similar are much more widespread. For example, in 2008, 9.5% of paper articles used by ACCIONA's business lines had FSC or similar certification; in 2009, the Company expects 100% of all the paper it uses to be certified.

Moreover, in all authorisations prior to acquiring wood or any forest product, ACCIONA Infrastructure requires that the supplier possess an FSC or similar certificate. A vast majority of paper suppliers also have certificates of this kind.

What is the FSC?



- **The Forest Stewardship Council (FSC) is an association that aims to promote the rational and sustainable use of forest-derived products. The FSC guarantees consumers that certified forest-derived products come from rationally-felled forests in line with international standards that consider environmental, social and**

economic factors and which define minimum levels of good management for forests worldwide.

- **Obtaining FSC certification requires compliance with 56 principles that consider aspects including environmental impact, indigenous groups' rights, workers' rights, land use plans and compliance with the law.**

ACCIONA's biofuels

- ACCIONA Energy has a biodiesel production plant which uses vegetable oils as feedstock and has a capacity of 70,000 tonnes/year; it also has a plant for producing bioethanol by distillation with a capacity of 26,000 tonnes/year. The biofuels produced in these facilities avoided 141,451 tonnes of CO₂ emissions in 2007.
- Biodiesel is produced from canola, soy and palm oils. ACCIONA Energy requires that its suppliers make a firm commitment to sustainable production practices. ACCIONA only buys soy from companies belonging to the Round Table on Responsible Soy (RTRS)¹, and palm oil from companies belonging to the Round Table on Sustainable Palm Oil (RSPO)². Both organisations aim to guarantee sustainable production of these raw materials. ACCIONA sources canola oil from Europe, and it is therefore subject to all of the EU's environmental and social requirements.
- Oil imports in 2008 for the biodiesel plant in Caparroso are shown in the table below:

Type of oil	Supplier	2008 (t)
Raw canola oil	Bunge	2,265
Raw soy oil	Bunge	1,700
Raw soy oil	Cargill	900
Refined palm oil	Lípidos Santiga	625

¹ Round Table on Responsible Soy: www.responsiblesoy.org.

² Roundtable on Sustainable Palm Oil: www.rspo.org.

³ BUNGE Y CARGILL belong to the Round Table on Responsible Soy

⁴ LÍPIDOS SANTIGA is a member of the Round Table on Sustainable Palm Oil.

Oils used for making biodiesel are canola, soy and palm vegetable oils

Certified timber at ACCIONA Real Estate

- ACCIONA Real Estate's sustainability file includes a section on materials, which requires the use of FSC-certified timber.
- When ACCIONA Real Estate begins a project, the Sustainability Department submits a sustainability report to the architect, indicating that the timber used must be FSC-certified. Therefore, this is included in the budget and there is assurance that the builder will offer this type of timber.
- During various phases of the project, the Sustainability Department checks to confirm that the timber used is FSC-certified.

ACCIONA Real Estate, at the vanguard of eco-efficiency

- ACCIONA Real Estate reviewed its supplier selection and evaluation processes in 2008. Additionally, technical specifications for selecting a new supplier for a product or service were drafted.
- Progress was also made with regard to communicating with suppliers on sustainability issues.
- In real estate development and construction, suppliers are largely responsible for applying eco-efficiency criteria, a sign of the Company's commitment to sustainability.
- The Sustainability

Department reviews suppliers' performance, ensuring that those requirements are complied with during the project's development, construction and commercialisation.

- ACCIONA uses the following methods to ensure that sustainability criteria are applied in Company projects:
 - 1.- An "Ideas Contest" is held to select the architectural studio. Sustainability records are distributed, detailing eco-efficiency criteria and elements which potential architects must include in their proposals.

Sustainability technical specifications are written into the contract with the chosen architect detailing the sustainability criteria to be included in the project documentation.

- 2.- Contracts signed with architects include a rider specifying general sustainability criteria. In 2008, nine contracts with architecture studios contained this rider.
- 3.- The contracts signed with builders also contain a clause which specifically lays out the eco-efficiency criteria that the project must

follow. Sustainability is also constantly referenced in the general description (on quality and eco-efficiency) and in the basic and execution design (which also details ACCIONA Real Estate's sustainability requirements).

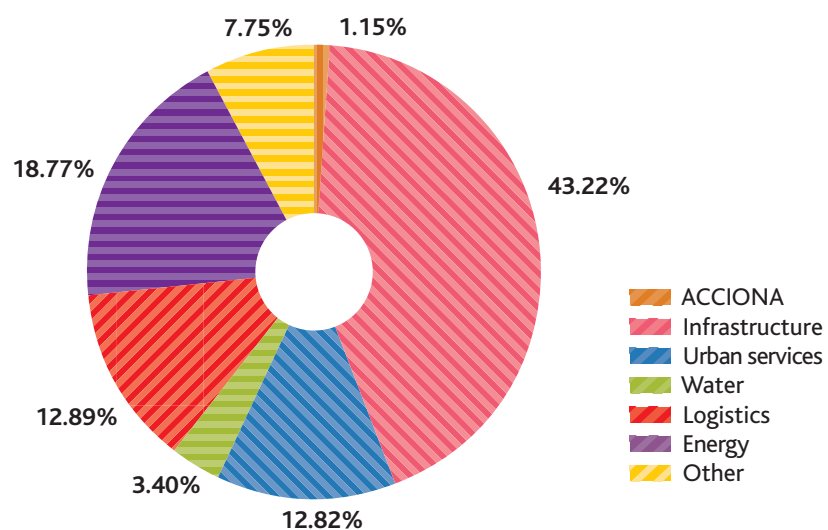
- 4.- ACCIONA explains each element of the housing project to its customers. To this end, the Sustainability Department provides training to the Sales Department so that it may explain the sustainability components, how they work and how they contribute to energy savings and sustainability.

Distribution of national and international suppliers*:

	2008			2007			2006		
	Total	Spain	Intl. countries	Total	Spain	Intl. countries	Total	Spain	Intl. countries
ACCIONA, S.A.	247	244	3	204	203	1	147	146	1
ACCIONA Infrastructure	9,296	9,183	113	11,545	11,429	116	8,905	8,815	90
ACCIONA Energy	4,038	3,803	235	3,379	3,120	259	3,135	2,400	735
ACCIONA Real Estate	684	683	1	763	762	1	901	0	0
ACCIONA Agua	731	694	37	618	597	21	503	444	59
ACCIONA Logistics & Transport Services	2,772	2,527	245	2,454	2,245	209	1,430	1,346	74
ACCIONA Urban & Environmental Services	2,757	2,540	217	4,090	4000	90	775	685	90
Others: Hijos de A. Barceló – GPD	1,667	1,563	104	249	232	17	267	256	11

* Data for companies with an administrative headquarters in Spain

Breakdown of suppliers by business line*



* Data for companies with an administrative headquarters in Spain

ACCIONA applies control & monitoring mechanisms for the supply chain in all its projects

An increasingly excellent supply chain

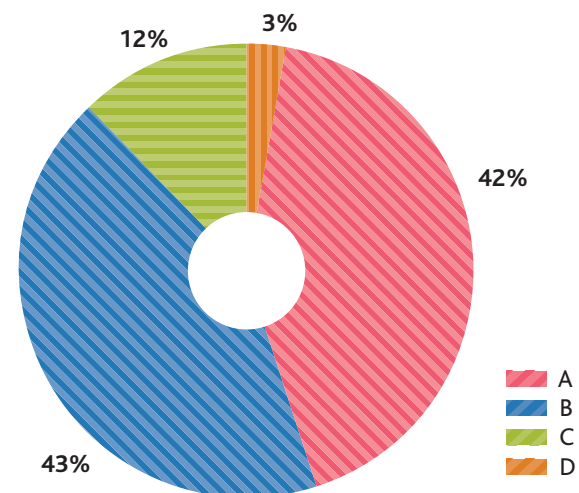
With a view to ensuring that products and services offered to customers comply with all the quality and sustainability requirements, ACCIONA companies apply control and monitoring mechanisms to the supply chain in all projects. Some examples are set out below.

At ACCIONA Real Estate, since responsibility for complying with ACCIONA's eco-efficiency criteria lies largely with suppliers, the Company has a process to identify, classify and evaluate a number of aspects such as: delivery targets, quality of supply, administrative compliance, regulatory compliance, sustainability criteria, and CSR and innovation criteria.

Various grades have been established for these procedures. In the 2008 evaluation, 85% of suppliers were graded A or B, improving on the 2007 evaluation by almost 5%.

In 2008, the Company implemented an evaluation methodology for suppliers in countries where ACCIONA Real Estate has projects under way, such as Mexico and Poland. The results will be used to draw up a list of eligible suppliers for future outsourcing contracts.

Grading for ACCIONA Real Estate suppliers*



* Data for companies with an administrative headquarters in Spain

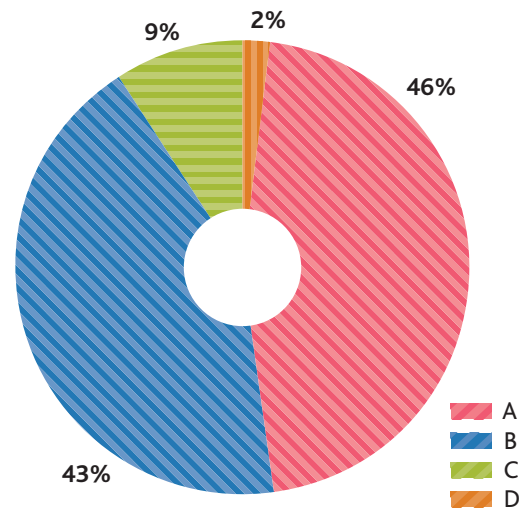
ACCIONA Infrastructure grades its suppliers based on environmental respect, workplace health and safety, quality, and compliance with administrative obligations, deadlines and technical capacity. Of the 7,547 suppliers that did more than 3,000 euros worth of business with the company in 2008, 3,403 have been evaluated, and 9,920 grades for different activities have been issued. Of the 3,403 suppliers evaluated, the grades were as follows:

ACCIONA Urban & Environmental Services evaluated 54% of its suppliers, and it plans to evaluate 100% in 2009.

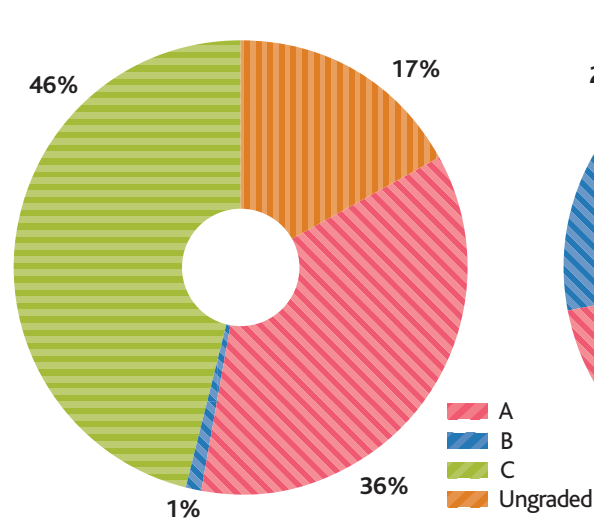
Similarly, in ACCIONA Agua, 89% of the suppliers evaluated in 2008 obtained the A or B rating.

ACCIONA Airport Services also evaluates equipment maintenance and cabin cleaning suppliers regularly with regard to quality and environmental standards. Since orders to equipment suppliers are irregular, evaluations are conducted upon reception of equipment and according to contractual obligations. Of the 384 suppliers, 243 are certified to both ISO 9001 and ISO 14001 standards, including all the major suppliers of products and services (18 in total).

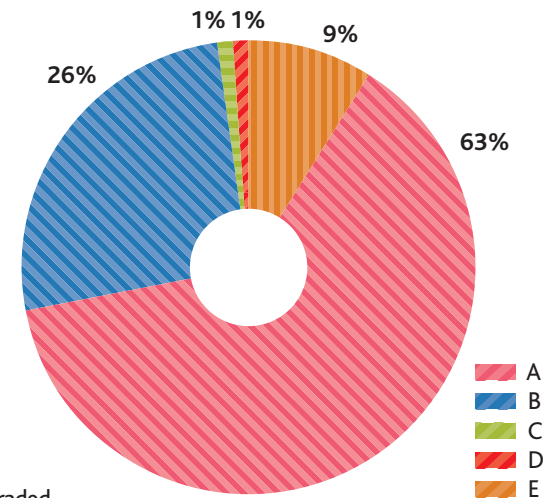
Grading ACCIONA Infrastructure suppliers*



Grading ACCIONA Urban & Environmental Services suppliers*



At ACCIONA Agua, 89% of suppliers were graded A or B in 2008*



* Data for companies with an administrative headquarters in Spain.

Economic Dimension:

1. TRANSPARENCY
AND PROFITABILITY

2. INNOVATION AT THE
SERVICE OF PEOPLE AND
THE ENVIRONMENT

OUR GOAL: To be leaders in innovation and technological development

2008 MILESTONES

- Total direct investment in R&D and Innovation 71.3 million euros, 83% more than in 2007.
- Ranked first among construction companies and ninth out of 21 Spanish companies in the EU Industrial R&D Investment Scoreboard.
- Made significant progress in designing and marketing Company projects:
 - Completed building at the Almería Solar Platform (PSA).
 - Completed designing the first 3MW AW wind turbine generator.
 - Begun collaborating with the United States Department of Energy (DOE).
 - Signed an agreement with Sant Cugat municipal council to develop a zero-emissions neighbourhood.
- Started up installations to develop new lines of research:
 - Inaugurated a pilot plant to produce microalgae for biodiesel production.
 - Opened two new laboratories in the Madrid Technology Centre: Robotics and Virtual Reality.
- Extended certification of the R&D and innovation management system to the UNE 166.002:2006 standard to other business lines.
- Implemented the Innova software package to manage innovation.

2009 GOALS

- Design wind turbine generators for offshore applications and test deepwater fixed and floating structures.
- Start up the first pilot plant to grow microalgae for biodiesel production.
- Certify the laboratories in the Water Technology Centre in line with the ISO 170025 standard.
- Develop innovative technology and use material from paper recycling as mulch in hydroseeding.
- Optimise technology for designing and building overpasses using composites, reducing consumption of materials.

OUR APPROACH

- We are leaders and set the standard in technological innovation so that our projects make sustainable development a reality.
- We aim to be respected for our efforts in seeking alternatives which enable us to grow through leadership, innovation and excellence in the areas of infrastructure, energy and water.

For ACCIONA, technological innovation is the central axis of its plans for the future

INNOVATIVE SOLUTIONS

ACCIONA's innovative spirit has always been a distinguishing feature, enabling it to build modern, competitive business models.

We are "pioneers in sustainable development" and that means that technological innovation is a central pillar of the Company's plans for the future. ACCIONA is at the forefront of technology and innovation, which enables its projects to improve well-being and make sustainable development a reality.

The Company's innovation efforts focus on the search for sustainable, competitive solutions in infrastructure, energy and water. ACCIONA's businesses aim to meet the challenges of climate change,

efficient water management and the need for modern infrastructure to ensure well-being worldwide. The Company's present and future lie in the answers to those challenges and ACCIONA's success will depend on its ability to provide long-term solutions.

INVESTMENT IN R&D&I TO DRIVE OUR GROWTH MODEL

Investment in R&D and Innovation, and the number of projects and research programmes implemented in 2008, were as follows:

- Investment in R&D and Innovation increased by 83% with respect to 2007, of which more than 75% is attributable to Energy and Infrastructure. Investment in the

Water division grew 39%. The Company invested in R&D and Innovation projects in the Real Estate, Logistics & Transport Services and Urban & Environmental Services divisions for the first time in 2007; those projects continued in 2008, and

**ACCIONA
increased
R&D&I
investment in
2008 by 83%
compared to
2007**

75%
ENERGY & INFRASTRUCTURE

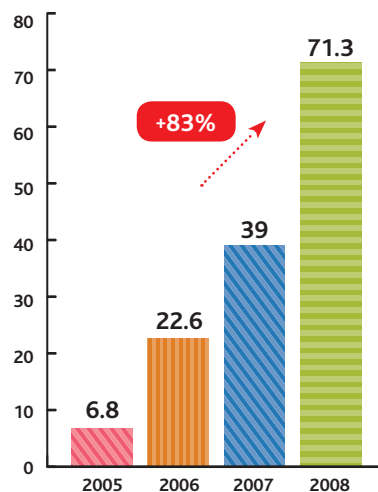
39%
WATER

70%
LOGISTICS & TRANSPORT SERVICES

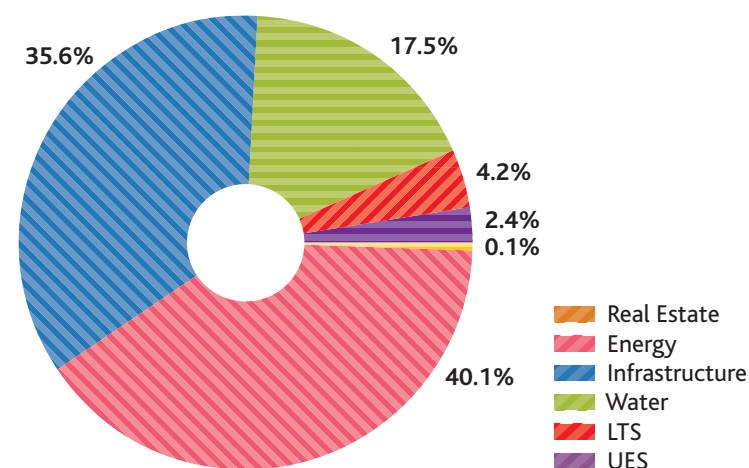
investment expanded significantly in the latter two divisions (by 70% and 150%, respectively).

- There was substantial growth in the number of research projects (91 in 2008, compared with 67 in 2007), and the team of R&D specialists went from 289 members in 2007 to 367 in 2009).
- The system for managing industrial property, implemented in 2008, continues to bear fruit: ACCIONA has obtained 17 patents and has another 31 applications pending.

Investment in R&D



Distribution of investment



We continue to strengthen our leadership

- ACCIONA is one of Spain's top ten companies (in any sector) in terms of R&D and Innovation expenditure, according to the EU Industrial R&D Investment Scorecard. It is ranked ninth, behind companies in sectors that traditionally invest heavily in R&D and innovation, such as pharmaceuticals, biotechnology and ITC. The same source ranks ACCIONA as the leading company in the "Construction and Materials" sector.
- ACCIONA strengthened its participation in R&D programmes;

it is the Spanish company with the most CENIT projects (9) and ranks third among Spanish companies in terms of participation in projects under the European Union's 7th Framework Programme (a total 17 projects).

- ACCIONA continues to set an example in European research, leading and participating in key European initiatives in construction, energy efficiency, renewable energies and water. In particular: ACCIONA is a member of the European Construction

Technology Platform's High Level Group, and is a co-leader of the E2B association's Energy Efficient Buildings Joint Technology Initiative (E2B JTI). The Company is also an active participant in the Artemisia JTI in Embedded Systems, with a special focus on technology and applications in energy-efficient buildings; a participant in the Hydrogen and Fuel Cell JTI and in the European Solar Thermal Technology Platform; and is a leading member of the International Desalination Association.

ADVANCING THE STRATEGIC PLAN

ACCIONA continues to advance the R&D&I Strategic Plan, drafted in 2007. In 2008, the Company obtained its first tangible results from pilot projects and demos.

Our research activities in the energy sector

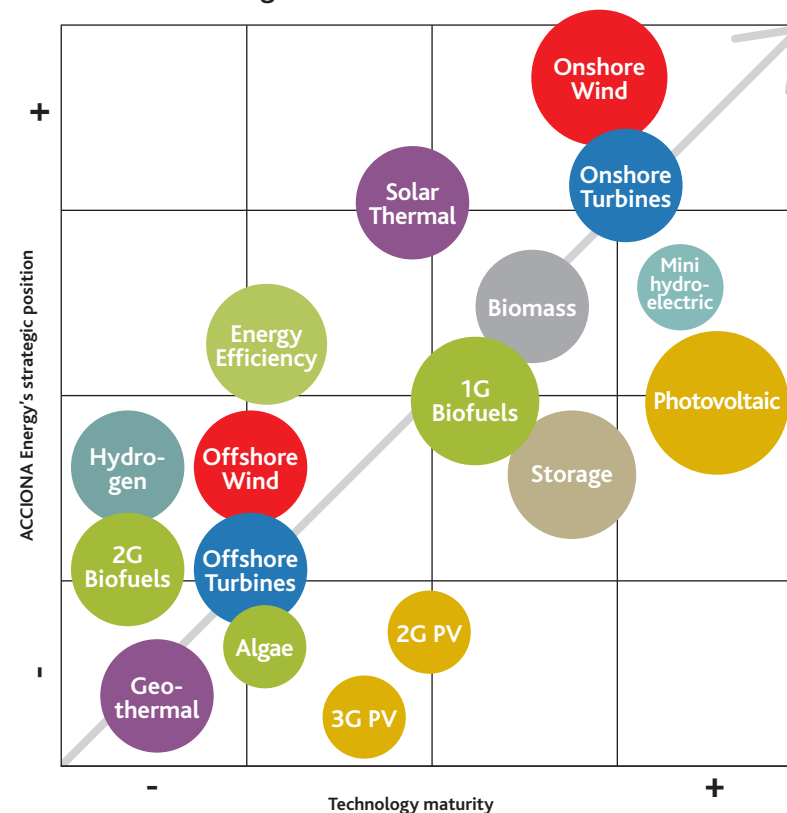
In energy generation, ACCIONA's strategy consists of planning ahead, developing and validating strong technology portfolios to drive forward its sustainable energy model. In 2008, the Company worked in accordance with the priority research lines defined in the Strategic Plan:

- Technology for developing onshore and offshore wind farms with a special emphasis on manufacturing wind turbine generators, blades and towers;
- Solar photovoltaic and thermal concentration technologies and their architectural integration;

- Biomass technologies for biofuel production and energy crops for combustion and power generation;
- Hydrogen production using renewable energies;
- Development of horizontal technologies with an impact on energy development (materials, nanotechnology, biotechnology, information and communications, among others);
- Study of emerging technologies such as geothermal.

In 2008, ACCIONA made substantial progress in these lines of research, and in some cases built initial prototypes and pilot plants. Examples include the first 3MW wind turbine generator built by Windpower, and a collaborative project with the United States Department of Energy (DOE) to conduct solar thermal energy research.

ACCIONA Energy's' strategic position v. maturity of available technologies



2008

**"LAUNCH" OF THE
FIRST 3 MW WIND
TURBINE GENERATOR
BUILT BY ACCIONA**

Inauguration of the new AW-3000 3 MW wind turbine generator

- ACCIONA's first 3MW wind turbine generator (WTG), to be installed at the Peñablanca wind farm in the Guerinda Mountains, was inaugurated symbolically in September 2008. This WTG is the result of years of work by ACCIONA Windpower researchers and engineers.
- The turbine accommodates different types of wind and will be manufactured with three different diameter rotors to suit the location: 100, 109 and 116 metres, creating the largest sweep area (up to 10,568 m²) of any rotor on the market at that capacity. Its 1.5 MW predecessor is one of the most efficient and reliable WTGs on the market.

Expanding our horizons, collaborating with the United States Department of Energy

ACCIONA was selected by the US Department of Energy (DOE) to develop two R&D projects in the area of solar thermal energy, totalling 23.19 million dollars.

One of the projects, "Indirect, Dual-Media, Phase Change Material Thermal Energy Storage Module", calls for the design and validation of thermal storage using phase change materials; this will eliminate heat exchangers, impacting both energy and cost efficiency (budget: \$22.5 million). This project will be conducted at ACCIONA's 64 MW Nevada Solar One plant, and it includes design, evaluation and materials selection, prototype construction and demonstration of an 800 MW four-hour storage system using phase change material.

The other project involves the design and validation, at the prototype level, of a heat storage model in which the heat transfer fluid flows through a solid storage medium (budget: \$690,000).

The Nevada Solar One plant, inaugurated in 2007, uses cylindrical-parabolic concentrators to harness solar energy. It is one of three plants of its kind in the world, making ACCIONA the first company to exploit this technology commercially and confirming its commitment to sustainability through renewable and alternative energies.

DOE RESEARCH

• The US Department of Energy's 2008-2012 Solar Energy Technology Programme comprises activities, projects, agreements and contracts which aim to enhance the cost competitiveness of solar thermoelectric energy over fossil fuel technology by 2020. Funding opportunities are available under the programme, which allocated 35 million dollars in 2008 to finance 15 projects at 7 companies and 6 universities, whose total budget was 67.6 million dollars.

Commitment to cutting-edge 'Cleantech'

- ACCIONA invested 10 million dollars in Nth Power Fund IV, a venture capital fund managed by the company Nth Power which focuses exclusively on global technology projects that use clean energy.
- ACCIONA, specifically ACCIONA Energy's Innovation and Strategy department, collaborates with Nth Power to identify and analyse interesting investment opportunities; seven projects were under review at the end of 2008.

Since inception in 1997, Nth Power has invested in more than 45 companies, and currently has 425 million dollars under management in four funds.

- It focuses on start-ups which have not yet brought a product to market and have strong potential for growth, especially in energy management, distributed generation, energy storage, advanced materials, solar technologies, biofuels and services.

- **In infrastructures,** ACCIONA is oriented to productivity, efficiency and cost reduction
- **New constructive processes** to improve productivity parameters
- **Sustainable buildings,** through bioclimatic architecture and renewable energies

The prospect of commercialising new applications for composite and other advanced materials in civil engineering and buildings took a large step forward in 2008

Our infrastructure research activities

ACCIONA's strategy aims to increase productivity and energy efficiency and reduce the life-cycle costs of the Company's projects.

In 2008, the Company worked in accordance with research priorities defined in the Strategic Plan to:

- Develop new construction processes to enhance productivity, sustainability, quality and safety;
- Explore new functionalities and applications in traditional materials such as concrete;
- Develop nanotechnology and new materials such as aerogels, synthetic polymers and composites for designing and strengthening structures;

- Promote a sustainable living space through bioclimatic architecture and integration of renewable energies into buildings;
- Reuse and recycle construction materials, optimise their life cycle and develop new soil and atmosphere regeneration technologies.

In 2008, ACCIONA Infrastructure advanced the projects in each of its lines of action. Of special note are the activities aimed at the future commercialisation of new applications for composites and other advanced materials in civil engineering and building.

The Company also made significant progress in full-scale implementation of new solutions in sustainable building and bioclimatic architecture for reducing

the environmental and visual impact of ACCIONA projects. Specifically, the Company incorporated new factors in the design and construction of new buildings, such as orientation, shape, and the use of new materials to reduce energy consumption.

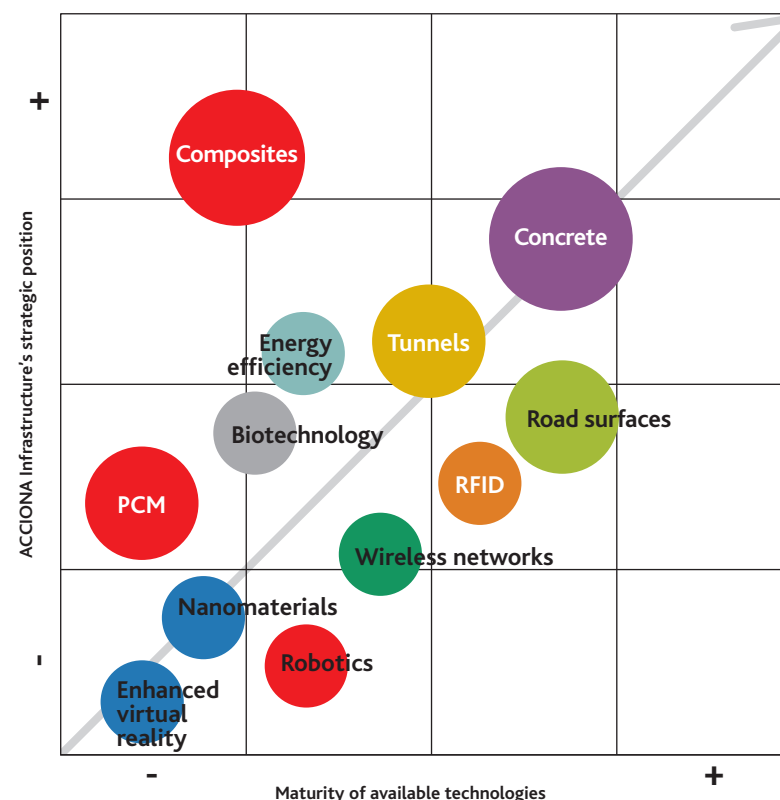
Zero CO₂ zones

- ACCIONA signed an agreement with the Sant Cugat municipal council and Catalonia's Institute for Advanced Architecture to look at the possibility of developing the first zero-emissions residential complex in Spain. The complex would comprise 150 state-sponsored homes for rent. This residential development would be the first zero-emissions project of its type; it would be self-sufficient in energy thanks to a combination of energy savings and efficiency measures plus generation of clean energy, thus avoiding CO₂ emissions.

Almería Solar Platform's eco-efficient building

- The construction of Almería Solar Platform's (PSA) building was completed in 2008, rising to new challenges in building by combining energy efficiency with a comfortable interior design.
- The building's design and facilities conform to energy efficiency principles by: reducing energy demand and atmospheric CO₂ emissions; using renewable energies to meet a part of the energy needs; and installing highly-efficient heating, cooling, ventilation and lighting. The project aims at cutting traditional energy consumption by 80-90% and the results obtained will be monitored by ACCIONA from 2009 onwards.

ACCIONA Infrastructure's strategic position v. maturity of available technologies



Our water management research activities

ACCIONA's strategy in the water sector is to be a leader in water treatment, purification and reuse technology, in line with energy-efficient and environmentally-sustainable parameters.

Last year, it worked in line with the research priorities defined in the Strategic Plan:

- Optimisation and improvement of desalination efficiency.
- Renewable energy technologies and applications in desalination.
- Deep water desalination.
- Waste water reuse based on membrane technology.

ACCIONA Agua made significant headway in implementing these applications at real plants in 2008. This enabled ACCIONA to strengthen its position as a leader in technological development and advanced water management worldwide. The Company was awarded the contract to build a desalination plant in Adelaide (Australia), where state-of-the-art technology and environmental efficiency were determining factors.

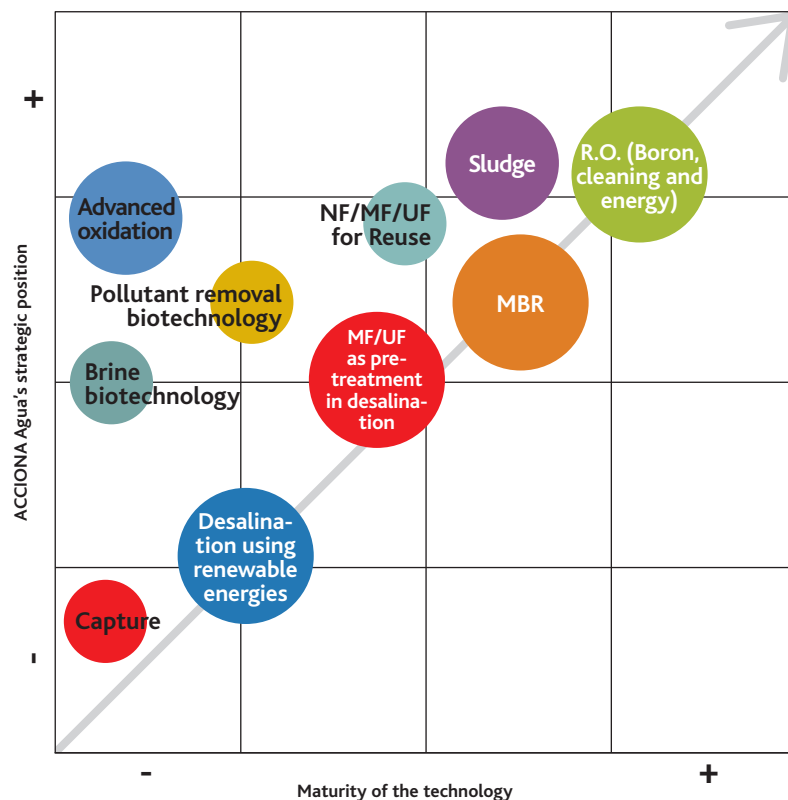
Leading-edge solutions: water reuse based on membrane treatment

- **ACCIONA is working to develop new technology for biological treatment of waste water to enable it to be reused for irrigation and other applications: a Membrane Bioreactor (MBR).**
- **The latest developments in leading-edge ultra-filtration and micro-filtration membranes have**

led to a new approach that offers several advantages over conventional processes: greater effectiveness, lower costs, and better quality of the treated water.

- **This enables ACCIONA to offer leading-edge technology solutions for society's water problems.**

ACCIONA Agua's strategic position v. maturity of available technologies



Cutting-edge desalination solutions

- In 2008, ACCIONA was awarded the contract to build a desal plant in Adelaide, Australia, enabling ACCIONA to contribute its advanced technology and experience in desalination. State-of-the-art technology and environmental efficiency were determining factors in obtaining the contract.
- The Adelaide plant will incorporate ACCIONA research from recent years:
 - water pre-treatment to ensure compliance with the highest standards of reliability, energy savings and reduction of chemical treatments;
 - reverse osmosis technology, which will use seawater more efficiently, save energy and reduce the carbon footprint;
 - An innovative brine diffuser to ensure an appropriate mix and which respects marine balance and strict environmental criteria.

ACCIONA is the leader in new markets and in developing new production techniques

RESEARCH CENTRES, THE SOUL OF INNOVATION AT ACCIONA

ACCIONA is a pioneering company, and a leader in new markets and in the development of new production techniques. Its three Technology Centres play a vital role in maintaining its competitive edge: the Madrid Centre focuses on infrastructure, real estate, environment and transport; the Pamplona Centre specialises in renewable energy; and the Barcelona Centre addresses water technology.

Inaugurated in March 2007, the **Madrid Technology Centre** aims to lead the Company's technological development by focusing on innovation, excellence and sustainability in infrastructure, real estate, transport and the environment. Research conducted at the Centre aims to: reduce natural resource and energy consumption, limit CO₂ emissions and mitigate the life-cycle costs of the Company's products and projects.

The Centre has 3,500 m² of offices and laboratories, and a 1,200 m² workshop to manufacture and test full-scale prototypes. The Centre has a total of 12 laboratories outfitted with cutting-edge equipment which work on developing advanced materials, improving industrial processes and researching areas such as eco-efficient construction and biotechnology. It is staffed by more than 160 highly-qualified professionals from over ten countries.

In 2008, the Centre added two new laboratories, specialised in robotics and virtual reality, areas in which ACCIONA has already started research.

3D Visualisation and Modelling Laboratory

Works and infrastructures are simulated virtually by generating their components on a computer. These technologies are used primarily for visualising project execution processes and how they will look when they are finished, enabling

engineers to assess options virtually before making a final decision. These tools allow engineers to validate a project in a realistic, interactive and effective manner, improving energy efficiency and ensuring sustainable construction.

WHAT ARE MICROALGAE?

• Microalgae are photosynthetic organisms. They are generally the most efficient converters of solar energy owing to their simple cell structure. Suspension in water gives them better access to CO₂ and other nutrients. They can adapt to an extensive range of conditions and are therefore found widely throughout the biosphere.

The **Pamplona Technology Centre** is the core of ACCIONA's R&D and innovation activities in the field of renewable energies; most of the strategic research in this area takes place there. The Company also has facilities that specialise in wind turbine generator development (Barasoain), biofuels (Caparroso), biomass (Sangüesa), engineering maintenance (Mutilva), as well as experimental facilities at wind farms in Aizkibel, Aibar, Peñablanca, Codés, Moncayuelo and Vedadillo (Navarre).

Pilot microalgae plant at the Pamplona Technology Centre

- In 2009, ACCIONA plans to commission its first pilot plant, at its Caparroso facility, to develop, optimise and increase the productive efficiency of microalgae for biofuel production.
- This project aims to prove that biomass for biodiesel can be produced on a continuous, large-scale and economically competitive basis using microalgae.
- Certain species of microalgae accumulate large amounts of lipids, which can be used in place of conventional oils such as canola, soy, palm and sunflower to produce biodiesel.
- Research to date indicates that cultivating algae offers the following advantages:
 - greater productivity than other oilseed crops;
 - less land needed, since cultures can be expanded vertically;
 - greater CO₂ fixation and storage;
- Using algae to produce biodiesel will avoid competition with agriculture since it does not need farmland or divert raw materials from the food chain.

ACCIONA pursues its innovative vocation through dynamic organisation and a dynamic management system

The **Barcelona Technology Centre** focuses on R&D&I in the field of water technology. It has central laboratories in Prat de Llobregat and a number of pilot plants, of which the La Tordera (Barcelona) plant, where field tests are conducted, is the prime example. The Centre is a leader in membrane technology research, boasting the very latest analytical methods and equipment. Certification of the laboratories to the ISO 17025 standard will begin in 2009.

EXCELLENCE IN INNOVATION MANAGEMENT

In keeping with its focus on innovation, ACCIONA has equipped the organisation with a management system to drive and catalyse innovation across the entire Company.

In 2008, the Spanish Association for Standardisation and Certification (AENOR) renewed certification of the R&D and Innovation management system, to the UNE 166.002:2006 standard, for the entire Company and individually for its main business

units. This is testament to ACCIONA's extraordinary research efforts and the extensive range of those projects, setting it apart from other companies in the sector.

In 2008, Innova, the Company's R&D&I management IT application, was implemented. This software, which was still in the design and testing phase in 2007, allows managers to monitor projects better and standardizes information from very different areas. It is also used as a tool for reporting to management.

What is ISO 17025?

- ISO 17025 is a standard created by the International Organization for Standardization to ensure best practices in the lab. It defines the requirements with which a lab must comply to demonstrate its competence and its ability to produce technically valid results.
- ACCIONA will be able to issue certified results bulletins for the tests carried out under this standard. Preparing for the certification will require special efforts during more than a year, the end goal being certification by ENAC (Spain's national accreditation entity).

R&D training, a cornerstone of our activity

- As part of its **Corporate University**, ACCIONA signed a collaboration agreement with the **EOI Business School** to organise the first **ACCIONA Masters degree in Industrial Innovation and Management**.
- ACCIONA will also collaborate in the innovation technology specialisation, participate in teaching and is committed to developing a training plan for interns. The programme will be officially accredited by the Menéndez Pelayo International University.

Social Dimension:

1. OUR PEOPLE

2. SAFETY, OUR PRIORITY

3. DIALOGUE AND COOPERATION

OUR GOAL: To be the best company to work for

2008 MILESTONES

- Completed the first training and selection programme for Senegalese workers, who are hired by ACCIONA in their home country and then integrated into the company in Spain.
- Opened the Corporate Training Centre.
- Launched initiatives to optimise employee remuneration from a tax standpoint.
- Designed measures to minimise the impact of the financial crisis.
- Completed the audit process on gender equality in all of the company's business lines. Implemented online courses to raise awareness among all employees and provide training on equality, avoidance of discrimination and action protocols for cases of harassment.
- Provided more than 3,470 training hours on management skills to executives and pre-executives.
- Launched the plan to disseminate results of the 2007-2008 opinion poll.

2009 GOALS

- Develop the international business.
- Implement strategic activities to convert ACCIONA's geographic and business diversity into a competitive advantage.
- Maintain excellent implementation of basic processes for personnel management, taking advantage of new technologies.
- Make ACCIONA the best place to work, positioning the company as a demanding but solid employer.
- Training Platform 2.0

OUR APPROACH

- We want to work with the best professionals to bring our growth plans to fruition.
- We undertake sound, committed business projects which provide the best opportunities for professional development.
- We invest in talent management and equal opportunities to fulfil our commitment to the professional and personal development of our employees.
- The success of our human resources policies is based on integrity, transparency, equality and safety.

ACCIONA views talent and equality of opportunities as levers of growth and strategic advantage

NEW CHALLENGES IN PEOPLE MANAGEMENT

ACCIONA is committed to talent and equal opportunities as drivers of growth and strategic advantages in increasingly competitive markets. The company also aims to consolidate a cohesive culture in line with the sustainability principles that guide its behaviour. The aim is to align business needs with our professionals' growth and career prospects. To this end, ACCIONA has progressive management models which make it a front-runner in attracting, managing and developing the best talent on the market.

As a result of the uncertainties affecting economies and financial markets worldwide, ACCIONA has included new elements in its management model to address impending challenges in employee management both immediately and effectively.

In the last year there have been significant changes in the labour markets where the company operates due to the global economic slowdown, one of the main consequences of which has been the sharp rise in unemployment. In Spain, for example, many companies presented ERE¹ applications in 2008.

The construction sector has been one of those hardest hit by the crisis that followed the end of the real estate boom and the subsequent

decline in sales. A large number of Spanish construction companies filed for bankruptcy in 2008.

Overall, ACCIONA's workforce remained stable, although there were notable variations between areas and activities; net job creation was driven by infrastructure and international expansion.

At ACCIONA, these have been carried out in most cases with the suspension of contracts of the workers affected (ERE). In all cases, ACCIONA fulfilled the legal requirement to consult with the workers' legal representatives and reached an agreement to minimise the economic impact and distress of the process.

(1) ERE: a legal measure to help the future viability of a company which has a productive or technical problem. It allows the company to suspend work temporarily to adapt the working day of the company to the production rhythm of its main client and market needs or definitively end labour relations between the company and its employees while guaranteeing the rights of employees.

Although there is every indication that the current situation will worsen generally in 2009 owing to reduced capital expenditure and increased social spending by governments, we believe that downsizing at ACCIONA will only very occasionally be affected by decisions by our clients, such as the case of ACCIONA Facility Services and the automobile industry.

As a result, and as part of its internal corporate social responsibility policy, ACCIONA has had to adopt specific behaviours and measures aligned with the socioeconomic situation, implementing two complementary lines of action:

• **ACCIONA believes the adjustment in employment in the Company will only affect activities that can be influenced by client decisions, as is the case with ACCIONA Facility Services and the car industry**

- PRIDE (Internal Programme to Relocate Redundant Workers), which relocates professionals who have become redundant or are at risk of being laid off due to reduced business activity at a Group company or unit.

- MAPE (Pre-Termination Adaptive Measures), which is a set of innovative organisational, legal and salary measures to be implemented in all companies with a view to avoiding or minimising the termination of labour contracts. These solutions are covered by the current legislation and may be applied to individuals or groups following negotiation.

The company is taking supplementary measures, such as specific training courses to improve the employability of groups of workers at risk of being laid off, and creating internal job banks.

CLEAR, EFFECTIVE PRINCIPLES

ACCIONA's Human Resources Strategy is implemented in line with corporate social responsibility principles, enabling it to build a business culture that makes ACCIONA a benchmark employer.

The main goal of ACCIONA's Human Resources Department is to maximise employees' contributions towards achieving the business goals. The company also advocates an effective policy for talent management and equal opportunities with a view to ensuring the availability of, and commitment from, the best professionals in the market.

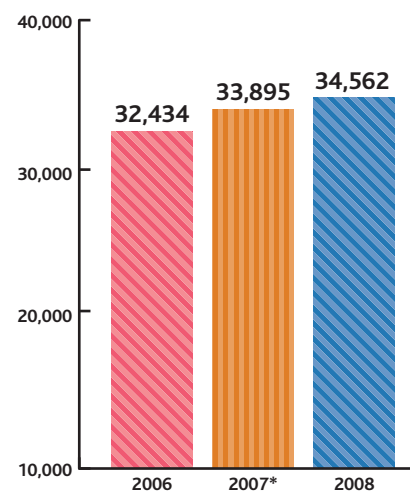
ACCIONA aims to create a productive, safe, positive work environment where respect, justice and equality in professional development prevail.

Development and training are among ACCIONA's main strategic objectives for fully integrating employees into its business models and ensuring the dissemination of its corporate values and distinguishing features.

ACCIONA prioritises the implementation of workplace safety programmes in all of its companies, so as to make all its professionals aware of the importance of safety and their responsibility for working safely.

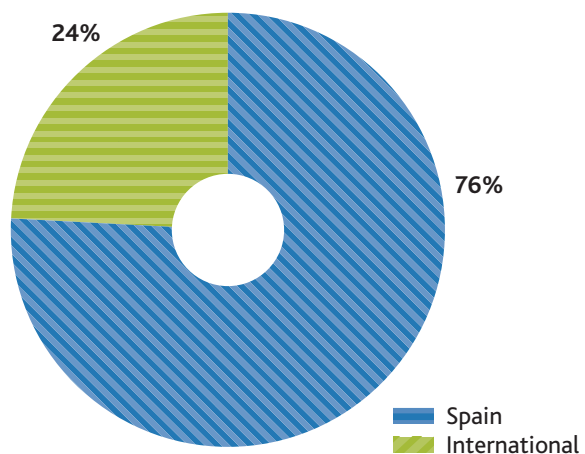
Furthermore, ACCIONA promotes a policy of effective social dialogue and management of labour relations, both collectively and individually.

Number of employees (Average workforce)

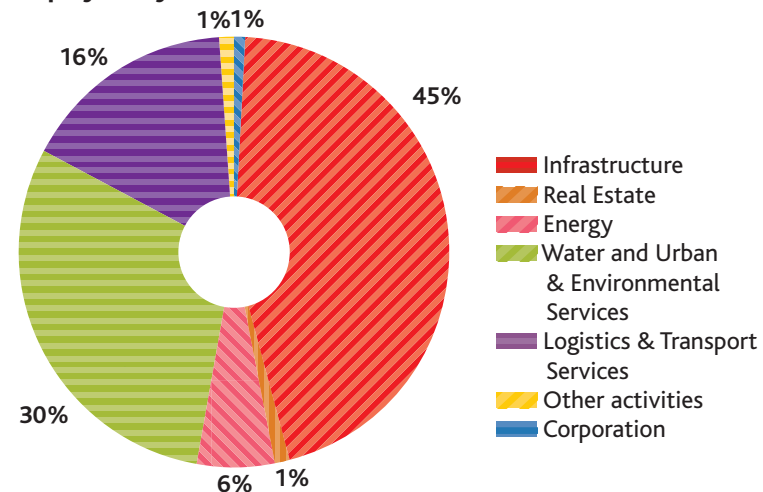


* 2007 figures were adjusted, without accounting for the proportional contribution by Endesa, to make them comparable with those of 2008.

Employees in Spain and other countries



Employees by business areas



Breakdown of employees (%)

	Spain	International
2006	82	18
2007	79	21
2008	76	24

Breakdown of workforce by contract type at ACCIONA Infrastructure (%)

	Temporary	Permanent	Permanent on-site	Total
2006	2.47	58.14	39.39	100
2007	3.02	52.08	44.90	100
2008	4.01	47.47	48.52	100

PROFESSIONAL DEVELOPMENT, CORNERSTONE OF GROWTH

ACCIONA's professional development model aims to integrate the Company's resource needs with individuals' career goals. The model is based on three pillars:

- Individuals, who are responsible for their own development;
- Team managers, who provide guidance, feedback and support to their teams;
- Systems implemented by Human Resources to support that process.

ACCIONA has job descriptions for all the positions in the company, which detail the required competencies. The corporate competency model is used in all divisions and is applied in a comprehensive approach to human resources management in staff selection, performance evaluation, development, career planning and training plans.

At corporate level, the model envisages thirteen competencies grouped as follows: strategic leadership, orientation to results, customer orientation and continuous improvement. The model is applied in the human resources management processes.

Professional monitoring and evaluation

The objective of ACCIONA's professional monitoring and evaluation processes is to improve each person's performance and guide their efforts towards professional development, which ultimately contributes to the company's overall performance.

These tools are used with the goal of implementing stable models for people management so as to plan and assess performance and recognise the merit of ACCIONA's professionals.

The entire executive team participates in the Corporate Programme for Executive Management and

Development, which consists fundamentally of evaluating management profiles and defining and implementing individual training and development programmes.

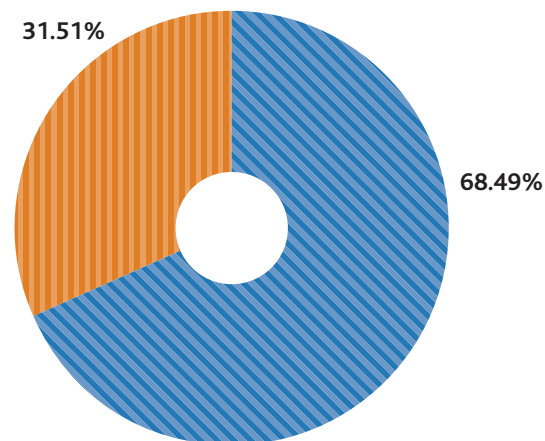
In this area, executives are showing growing interest in developing their careers in other divisions, which is testament to the progressive implementation of ACCIONA's vision of being an integrated company as opposed to a collection of business lines.

Furthermore, with a view to advancing new initiatives that encourage executive development, the company launched a pilot multisource 180° assessment project involving 23 executives, 132 consultants and 12 supervisors. The model will be available for voluntary implementation by the business lines in 2009.

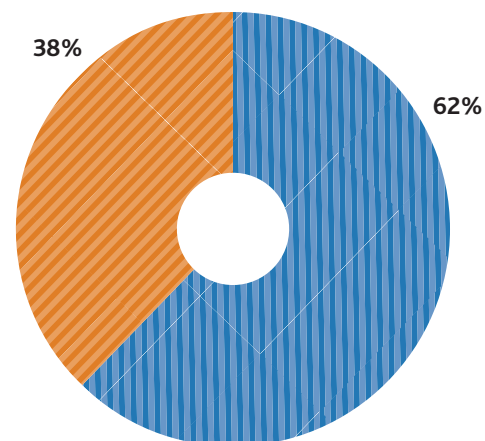
**ACCIONA's
professional
development
model brings
together the needs
of the Company
with personal
expectations**

Internal mobility prospects (Top 300) (%)

Segmentation March 2005



Segmentation March 2008*



- Executives interested in developing their careers in other areas of the Group.
- Executives interested in developing their careers in their current divisions.

* Over the past three years, there has been growing interest in developing a career in different business lines.

ACCIONA also has other evaluation systems which apply to 100% of middle managers and 40% of supervisors and technical staff. Each of ACCIONA's business lines is free to establish its own processes to monitor, support and evaluate its employees, in line with a company-wide model. Approximately 30% of the group's employees are monitored by processes of this kind.

The new "Conversation on Development" performance evaluation model was successfully implemented throughout the company in 2008, notably setting business objectives for the Water and International Energy divisions;

it had already been implemented in Infrastructure and Real Estate, where participation exceeded 80%.

Next steps

With a view to continuing to work towards making ACCIONA the best place to work, the following professional development objectives were set for 2009:

- Implement a Career Planning Process with a view to providing businesses with the best resources (Executives and Technicians) for ACCIONA's expansion, nationally and internationally, and meeting employees' professional development expectations.

- Develop a new Internal Mobility framework that encourages career development within and between ACCIONA's business lines.
- Launch a new Development and Training Model for executives and pre-executives based on an open offer to these employees, a wide range of channels and maximum efficiency in the use of technology.

ATTRACTIVE REMUNERATION SCHEMES ARE A DIFFERENTIATING FACTOR

REMUNERATION POLICY, A KEY TO SUCCESS

One of the main success factors in human resources management is to implement remuneration systems which reward employees for their contributions to the Company's achievements. ACCIONA is aware that appealing remuneration packages are a way to attract talent in an increasingly competitive environment.

ACCIONA uses an organisational analysis and global evaluation model for professional positions which was designed for the entire group. ACCIONA establishes remuneration levels so as to be competitive within the market while applying strict criteria of internal fairness. Variable remuneration is linked to objectives established by management. The

weighting of a business's results in remuneration are directly linked to the level of responsibility of the person being evaluated.

The design of remuneration systems are a significant strategic advantage in ACCIONA's international expansion. In this regard, ACCIONA's policy is scrupulously respectful of local legislation concerning employment and all other matters. The ratio between the standard starting salary and the local minimum wage in the countries where ACCIONA operates was 153% in 2008.

In 2009, the Company aims to make progress with the design of an international remuneration and organisation structure which includes job assessment and the

creation of wage scales, facilitating remuneration management in line with global corporate policies.

The Company is also implementing a flexible remuneration system that adapts employee salaries to their personal needs, maximising existing tax and economic advantages.

As part of this plan, ACCIONA recently implemented a Stock Option Plan for executives in Spain, who may receive part or all of their variable remuneration in company stock.

BENEFITS, COMPETITIVE COMPENSATION

ACCIONA offers its employees more benefits than required by current legislation.

Employees have health or accident insurance, either under their collective bargaining agreements or under policies arranged for this purpose. Employees and their direct family are also entitled to medical care.

Staff at corporate headquarters and other offices enjoy 'flexitime' to facilitate a work/life balance, a cafeteria, free transportation, day care vouchers or financial aid to help pay for nursery school, and access to computers, ADSL and 3G

- **ACCIONA offers its employees better benefits than provided for by law**
- **They have health or accident insurance under collective deals or specific policies**
- **Most benefits are included in collective bargaining agreements and apply to all employees**

in their homes under the Spanish government's HCI (Homes Connected to the Internet) programme.

Most of these benefits are included in the collective bargaining agreements and apply to all employees. As for health insurance and medical care, the company has arranged discounts of more than 38.89% on the standard market prices.

ACCIONA is at the forefront in designing and applying the most advanced training management tools

TRAINING, TO ENSURE SOLID, SUSTAINABLE ECONOMIC GROWTH

Training is crucial for the growth of any organisation. ACCIONA is at the forefront in designing and applying the most advanced training management tools, and this is a key factor behind its success.

As proof that the ACCIONA Corporate University is firmly established, it opened the Corporate Training Centre, whose 1,500 m² modern facilities boast leading-edge technology such as videoconferencing equipment, domotics and an e-library.

Language training was another initiative launched in 2008, with the Company implementing an innovative online English training programme, whose broad-ranging methodology includes virtual classes.

Initiatives launched in 2007 have been continued via the Virtual Campus through online training programmes in sustainability, workplace health and safety, and equality.

In 2008, a total of 3,690 training courses were held at ACCIONA. Expenditure on training increased to 6.02 million euros (3.14 million euros in 2007). All employees included in the Company's training schemes received an average of 31 hours of training (22.7 in 2007); and training expenditure per employee averaged 374 euros. ACCIONA Real Estate, ACCIONA Corporation and ACCIONA Energy were the divisions where most training hours were offered: an average of 37, 68 and 33 hours per employee.

Other significant training programmes in 2008 included:

- Leadership Development for Female Executives Programme to guarantee and encourage leadership among female executives.
- Completion of the first edition of ACCIONA's Executive MBA programme.
- Second edition of the E-MBA, which seeks to develop the executive skills of 30 executives and pre-executives in various lines of business.
- Launch of the Sustainability Training Programme, developed by Cambridge University.

Our commitment to young people

ACCIONA's Internship Programme is aimed at offering an initial career track for young people who show strong development potential, preparing them from early on to meet the future needs of the Company.

The ACCIONA Practical Programme is a way of preparing young people with high professional development potential

This programme includes several initiatives:

- **"ACCIONA Hace Cantera"** (The ACCIONA Academy): Aimed at attracting recent engineering graduates with no experience but with international potential, the goal being to train them for international posts.
- **ACCIONA UPM:** An agreement with Madrid Polytechnic University (UPM) aimed at engineering graduates and combining technical and practical training with visits to projects and/or

developments. ACCIONA undertakes to hire the graduates in its Infrastructure and Services divisions upon completion of the programme.

- **Student scholarships:** Offered to university and professional training students through various collaborating agencies such as COIE (Centre for Employment Guidance and Information) and other institutes and internship programmes.

- **Post-graduate scholarships:** Aimed at students and graduates from postgraduate programmes (MBA, Masters, etc) under agreements with business schools and universities.

ACCIONA has signed agreements with more than 80 educational institutions, and it participated in the sixth edition of the Civilfor employment fair, organised by Madrid Polytechnic University's School of Road, Canal and Port Engineering, the goal of which is to bring students into contact with construction companies and help them find their first jobs.

Virtual Campus 2.0

- One of the Corporate University's main goals for 2009 is to develop the Virtual Campus 2.0, a training web portal for employees which includes not only educational activities but also a range of learning tools and initiatives in line with the web 2.0 philosophy, which is based on the integration of cooperation, participation and social networking. Through the campus, users will be able to access videos, podcasts, newsletters, virtual classes,

forums, blogs, wikis, etc. The Virtual Campus will be based on a powerful Learning Management System; its global scope will facilitate the integrated management of all training programmes.

- An online Induction Course will also be implemented, providing any new employee of any ACCIONA company worldwide with standardized information about the Company, its history, values, business lines and activities, and international social and economic data.

The programme focuses especially on social responsibility, sustainability and innovation as core values of the company. This online programme will supplement other induction programmes implemented at ACCIONA's business lines; it will last approximately one hour and will be dynamic, with a very attractive design and a high level of usability, communicating ACCIONA's identity. The programme is available through the Corporate University's Virtual Campus.

Back from Erasmus Project

- This project aims to attract former Erasmus students and enhance their individual skills with a view to positively impacting their professional development.
- Erasmus students generally seek to use their experience abroad to build careers at multinationals, where bilingualism is an advantage.
- This ACCIONA scheme aims to provide international job opportunities and facilitate the candidate's integration into the line of business that she or he requests.
- The project includes various proposals to attract Erasmus students, including: the web site, merchandising, the employment guide, job orientation and campaigns at universities.

Chronos, leading-edge sustainability training

Cambridge University's Chronos Programme was launched in 2008, is aimed at all executives and pre-executives and focuses on individual and corporate contributions to sustainability.

In total, 1,500 executives and middle managers have signed on for this ground-breaking Company-wide initiative.

The programme aims to instil in executives a corporate vision of ACCIONA's contribution to sustainability, and to strengthen values and commitments that respond to the economic, social and environmental challenges that face the Company.

This three-month online programme was designed jointly by Cambridge University and the Entorno-BCSD (Business Council for Sustainable Development) Spain Foundation. It encourages reflection on the influence of the environment on the Company's value, and provides the keys to converting that influence into sustainable business value.

This programme highlights ACCIONA's staunch commitment to involving its employees in sustainable development. It offers the following advantages to both the Company and its executives:

- Acquiring a strategic vision of the relationship between sustainability and ACCIONA's business.
- Linking results from each executive's activity to ACCIONA's results in their three dimensions: economic, environmental and social.
- Acquisition of resources to manage teams in line with a sustainability-based business vision.
- Creating a new culture of leadership based on sustainability.

"We must mobilise our employees and change the way they think and act for sustainable development to become a reality. Chronos is an exceptional tool for motivating and supporting executives to put sustainable development into practice at the company."

S. Schmidheiny, Honorary Chairman, WBCSD (World BCSD)

Diversity and equality are the axes of growth and social progress which underpin the Company's philosophy

INNOVATIVE SOLUTIONS FOR DIVERSITY AND EQUALITY

ACCIONA sees diversity and equality as pillars for growth and social progress underlying the company's philosophy.

All the reports on equality, using the methodology defined under Spain's Equality Law, were completed in 2008. The ultimate aim is to obtain a breakdown by gender of employee working conditions.

ACCIONA implemented various initiatives to raise awareness about the new law's fundamental features, such as the Course on Equality and Discrimination Prevention. The course breaks new ground in terms of format and content, and prepares employees for day-to-day situations, ensuring that all professional

decisions conform to the law. It is provided online through ACCIONA's Corporate University Virtual Campus. Seven per cent of ACCIONA's staff have taken the course.

A leadership programme for female executives has been launched, the goal being to promote reflection on the challenges, barriers and stereotypes that they face today, and enhance the distinctive skills and qualities of those women who aim to rise within the company.

The company provided in-depth coverage of the Equality Law in internal communications channels: it published specific articles in the in-company magazine ACCIONA Reports, including articles by ACCIONA's Chairman and by Jaime Montalvo, the former Chairman of Spain's Economic and Social Council.

ACCIONA also implemented other initiatives in parallel with the Equality Law, such as the "Crecemos en la Igualdad" ("We Grow Through Equality") campaign to raise awareness about equality.

The initiatives implemented by ACCIONA in the areas of equality and diversity make it a benchmark company in the labour market and strengthen its corporate responsibility strategy.

Professional opportunities, leading through example

One of ACCIONA's principal commitments in its Corporate Social Responsibility policy is to support initiatives that contribute to social development.

To this end, and as a way of meeting the need for professionals in certain areas of business, various hiring programmes have been implemented in different countries. Their goal is two-fold: to contribute towards the development of countries with high unemployment or impoverished economies; and, to encourage the integration of immigrants in Spain.

ACCIONA currently has a number of Senegalese workers on its books engaged in electromechanical maintenance, gardening and cleaning tasks. Turnover among workers hired at source in their home countries was found to be lower than among locally-hired workers, which

encouraged ACCIONA to implement a second phase of this programme. Implementation of a third phase will depend on how the economy performs.

Hiring foreigners enables ACCIONA to complement its workforce with the professional profiles that Spain lacks, increase diversity and encourage commitment (increasing productivity and reducing rotation). The initiative provides workers with economic and job stability and reduces situations of marginalisation.

ACCIONA actively participates in the Entorno-BCSD Spain Foundation's working group on "The role of business in society", whose goal is to provide its members with a realistic view of companies' responsibilities in constantly evolving societies. The salient points were reflected in a published collection of case studies; ACCIONA's contribution referred to its programme for hiring and training workers in Senegal.

Collaboration between ACCIONA and Integra Foundation

- **ACCIONA works closely with Integra Foundation, which promotes the integration of groups at risk of social exclusion into the labour market. Thanks to the opportunities that ACCIONA provides to the Foundation's candidates, the company has filled vacancies and helped these workers integrate into society and work.**
- **Between 2001 and 2008, ACCIONA hired 89 such workers, helping to transform their lives by improving their self-esteem, work habits and relationships with colleagues and family members.**
- **In 2008, ACCIONA hired 22 workers in this category, which is very positive given the current situation in the labour market.**

As a result of this and other initiatives, 6.06% of ACCIONA employees are non-Spanish (over 17% in the Urban & Environmental Services division).

2.44%
OF THE WORKFORCE
ARE DISABLED
PEOPLE

The Hospital Infanta Sofía is, meanwhile, conducting an exhaustive study of absenteeism and productivity among members of groups with difficulty accessing the labour market (people with disabilities, people over 45, women who are victims of domestic violence, etc.).

Advances in the insertion of people with disabilities

ACCIONA continues encouraging the insertion of people with disabilities into the workplace, in line with its social commitments. In 2008, 2.44% of its staff was made up of disabled people. In this field, ACCIONA works with the ONCE Foundation, sheltered workshops and the leading national organisations for people with disabilities.

To this end, ACCIONA is in the process of creating a sheltered workshop at ACCIONA Facility Services, the goal of which is to increase employment and

the integration, socially and employment-wise of people with physical, psychological, sensory or mental disabilities, focusing primarily on training, employment, accessibility and breaking down all types of barriers.

ACCIONA also participated in a study under the Multi-regional Operational Programme Against Discrimination, promoted by the ONCE Foundation, to ascertain the employability of people with disabilities in the environmental sector. The limited available documentary sources and statistics made it necessary to collect information from, and consult with, different social partners. ACCIONA Energy was selected to collaborate with the research company.

COMMUNICATION AND PARTICIPATION, DISTINGUISHING FEATURES

Ethical Channel

In 2007, the Board of Directors approved the Code of Conduct, and with it, the creation of an Ethical Channel, a tool enabling any employee to file a confidential report about a breach of the Code. At the same time, the Code of Conduct Committee was created to receive reports submitted through the Ethical Channel and analyse all alleged breaches of the Code which may affect ACCIONA's values and principles.

To ensure confidentiality, the system is centralised and protected, and each file must be documented appropriately: report; acknowledgement of receipt; opening of file, and investigation; documentation; investigation report; proposed decision; and notification. Action protocols have been developed for cases of breach of the code of conduct, sexual harassment and gender discrimination.

A major campaign was implemented on the intranet and corporate websites to encourage use of the Ethical Channel. More than 40,000 bilingual (Spanish/English) leaflets were printed, plus versions in other languages.

Opinion polls, mechanisms for improvement

In 2008, ACCIONA implemented a Human Resources Action Plan in the various divisions based on the findings of an opinion poll.

The results confirmed, in substantially different groups, the main opinions of ACCIONA professionals and the features of the corporate culture: a high degree of satisfaction, commitment and pride in working at ACCIONA, and a team that comprises an organisation with great potential for future development, excited about business progress and able to make additional efforts if required to do so.

The action plans included the dissemination and detailed analysis of the results and of the identified areas of improvement. Working groups were established in collaboration with different departments, in order to achieving the most diversified view possible.

Transparency and access to information

Internal communication at ACCIONA is an extremely important part of the organisation's strategy. In a diversified company such as ACCIONA, and with a workforce of more than 34,000, communication is vital to efficient management of people and the business. To this end, ACCIONA has a department which is dedicated exclusively to this function.

Internal communication at ACCIONA aims to disseminate information about corporate values in real time to all employees in the various business lines.

In recent years, the company has focused its efforts on unifying cultures and making sure that everyone at ACCIONA feels they are a part of the Company, committed, and motivated by its projects. To do so, it is important to communicate messages in a way that is simple, clear and transparent.

To make the use of the intranet (Interacciona) more dynamic - thus encouraging collaboration and the rapid exchange of information among all employees worldwide - is one of the company's priorities with a view to promoting two-way communication and participation.

Geographic and sectoral diversity means that there is no single way to communicate with company professionals. ACCIONA has other communications tools, such as the ACCIONA Reports magazine,

Internal communication is of great importance to ACCIONA's strategy

reports, bulletins, letters, leaflets, etc., as well as suggestion boxes and noticeboards at work centres. It also publishes procedural manuals, communiques and circulars and hosts regular meetings and events. Furthermore, team managers play a vital role in communication.

The corporate web site and the sites of the various divisions also play an important role. In line with its commitment to favouring the integration of persons with disabilities and facilitating universal access to information, ACCIONA works in accordance with the AA accessibility

standard (2). As a result of its efforts, ACCIONA was a finalist in the 4th TAW (Web Accessibility Test) Awards in the "Most Accessible Corporate Website" category.

ACCIONA also has a Shareholder Office which handles queries from shareholders. The Corporate Responsibility Mailbox is a channel for asking questions and making suggestions to ACCIONA.

ACCIONA's corporate website, a finalist at the TAW accessibility Awards

- **ACCIONA's website was selected as a finalist in the TAW (Web Accessibility Test) Awards in the "Most Accessible Corporate Website" category.**
- **There were over 100 entries in the 4th edition of the TAW awards, which went international for the first time by including Latin America.**
- **The Awards aim to recognise, galvanize and disseminate the work of Spanish-speaking public institutions and private companies in their efforts to expand web accessibility so as to enable everyone, regardless of physical or mental disabilities, to benefit from the advantages of the internet.**
- **ACCIONA unveiled its new website, www.acciona.es, in 2008; it was designed and built to the AA accessibility standard to ensure that it is accessible to all people with disabilities, avoiding any barriers to information access.**

(2) The level of accessibility, "AA", permits people with physical, visual, hearing or cognitive disabilities to enter the site and its features.

All ACCIONA employees are represented by an independent trade union or covered by negotiated collective agreements

Labour relations

Labour relations at ACCIONA are especially challenging given that the company works in multiple nations, sectors and activities.

All employees are represented by an independent union or covered by collective bargaining agreements. None of the company's divisions is considered to have material risks with regard to freedom of association and collective bargaining. Employee health and safety matters are also covered by agreements with the unions.

A number of collective agreements were signed in 2008, including those at SETESA and with the cleaners at Ferrol Shipyard within the services division.

In July 2008, the CCOO, UGT and USO labour unions signed the first collective agreement with ACCIONA Airport

Services, covering the airports in Palma de Mallorca, Ibiza, Mahón, Madrid and Las Palmas de Gran Canaria.

ACCIONA also participated in negotiating agreements with employers' associations, where the Labour Relations Department at ACCIONA Facility Services played a key role. Provincial agreements were signed in the cleaning segment in Madrid, Valencia, Zaragoza and Valladolid, and a provincial agreement for the metal industry was signed in Ávila.

ACCIONA encourages dialogue and communication with workers' representatives. Organisational changes affecting employees are negotiated and the Company strictly complies with the periods of notice stipulated by the law and collective bargaining agreements. There are currently more than 792

union stewards or representatives at ACCIONA (stewards, union committee members, union representatives, health and safety officers, personnel with guarantees complementary to those established under the Trade Union Freedom Law and personnel with union guarantee agreements).

The company frequently meets representatives of the largest unions at various levels of seniority and all those who represent employees in any of ACCIONA's lines of business.

Social Dimension:

1. OUR PEOPLE

2. SAFETY, OUR PRIORITY

3. DIALOGUE AND COOPERATION

OUR GOAL: To create a culture of safety in order to eliminate and control workplace risk factors

2008 MILESTONES

- Creation of the Workplace Health and Safety Institute.
- Presentation of the Prevention of Risk at Work Management System Manual.
- OHSAS 18001 certification of ACCIONA, S.A., ACCIONA Concessions, ACCIONA Hospital Services., Bestinver, ACCIONA Energy and ACCIONA Agua.
- Reduction of accident rates over previous years in most areas.
- Organisation of the first in-company seminar on Prevention of Risk at Work.

2009 GOALS

- Application of ICT to improve the Prevention of Risk at Work management systems (greater efficiency and cooperation between business lines, active participation, cost and time saving, centralised information).
- Annual renovation of OHSAS 18001:2007 certification. Implementation of the first phase of OHSAS 18001 certification for ACCIONA Concessions and for the Hospital del

Norte concession company. Implementation of OHSAS 18001:2007 certification at ACCIONA Infrastructure. Implementation of voluntary external audits at GPD, Grupo Barceló and the Real Estate division.

- Implementation of the first phase of the Prevention of Risk at Work Management System, based on OHSAS 18001:2007 certification, at the Company's international businesses.

OUR APPROACH

- Accidents are a serious problem in the sectors in which we operate.
- We aim to raise awareness among all our staff and collaborators of the importance of their safety and their responsibility for working safely.
- We must create a strong culture of safety and build safe workplaces. Our goal is to encourage the incorporation of Prevention of Risk at

Work and instil safe work values, attitudes and behaviours in all ACCIONA employees.

- To this end, we continue advancing our Safety Strategy as part of the 2007-2012 Workplace Health and Safety Strategy.
- We also aim for our Code of Conduct to be the framework that guides health and safety in all of our relations.

PREVENTION, INDISPENSABLE TO ACCIONA BUSINESS PLANS

The health and safety of all employees in the workplace and across all activity areas is a priority for ACCIONA, and is in line with the Company's pioneering position with regard to sustainability.

Therefore, ACCIONA's senior executives consider safety management to be a key factor in the business model and in designing business plans. To this end, ACCIONA has implemented all of the safety measures required of a benchmark company which seeks to take the lead in the area of workplace health and safety.

ACCIONA aspires to reach a zero accident rate at its work centres by implementing its 2007-2009 Prevention of Risk at Work Strategy. The Strategy includes an Action Plan which promotes strict compliance with legal requirements, provides specialised training, raises awareness of responsibilities in this area and promotes a Company-wide commitment to implement the corresponding certification.

The following events and activities took place in 2008 as part of the Prevention of Risk at Work Strategy:

- Creation of ACCIONA's Workplace Health and Safety Institute.
- Presentation of the framework manual for the Prevention of Risk at Work Management System.
- Implementation of awareness-raising actions as part of the "Frágil" (Fragile) Campaign in new business lines such as the Hospital del Norte concession company and ACCIONA Concessions.
- Design of the 2009 Training Plan, which includes Prevention of Risk at Work training.

ACCIONA's aim in the area of health and safety at work is to achieve "zero accidents" in its workplaces

- Implementation of internal audits throughout the Company's various business lines to certify that the Prevention of Risk at Work Management System of each is up to standard.
- Organisation of the first in-company Prevention of Risk at Work Seminar, promoted by the Workplace Health and Safety Institute as part of Europe's Workplace Health and Safety Week with the goal of raising awareness in this area.

- Participation in forums for cooperation with external bodies and institutions.

Through these initiatives, ACCIONA aims to reduce workplace accidents, a serious problem in the sectors in which it operates. The Company's many efforts in recent years have reduced accident rates significantly and ACCIONA Infrastructure's rate is now below the industry average.

**ACCIONA
Infrastructure is
below the sector
average in accident
rate indices**

Prevention of Risk at Work Management System Manual

- In 2008, ACCIONA presented its Prevention of Risk at Work Management System Manual, in line with the OHSAS 18001:2007 standard. This manual will serve as a template for all ACCIONA's business lines, which must draft their individual manuals in accordance with their specific activities.
- The manual reflects ACCIONA's senior management's commitment in the form of an affirmation of Prevention of Risk at Work Policy and includes guidelines for the Prevention of Risk at Work Management System.
- The Manual sets out a series of procedures and instructions, including the Procedure for Control of Prevention of Risk at Work Documentation, a requirement for 18001:2007 certification.
- It gathers and standardizes all the Prevention of Risk at Work related information in ACCIONA and its business areas.
- For example, the Infanta Sofia Hospital, jointly-managed by Madrid's regional government and ACCIONA (specifically, by ACCIONA Concessions and the Hospital del Norte concession company), used the manual to prepare all documentation necessary for obtaining OHSAS 18001:2007 certification.

JOINT ACTION FOR ALL ACCIONA COMPANIES

In order to integrate workplace risk prevention across all company levels, it must be taken into account in all of ACCIONA's decision-making processes.

The Workplace Health and Safety Department, created in 2007, takes measures in those areas in need of improvement, leveraging existing resources and standardizing the workplace health and safety management systems of ACCIONA's various business lines.

In 2008, ACCIONA's Workplace Health and Safety Committee, which comprises all the heads of safety and human resources from all ACCIONA

companies, continued working to improve safety practices with the priority goal of integrating all the companies' safety management models. In order to effectively carry out the tasks, the organisational structure of ACCIONA's various companies includes:

- Joint Safety Unit;
- In-house Safety Units;
- Outsourced safety services;
- Designated employees.

Several initiatives aimed at raising awareness and training ACCIONA professionals on the importance of Prevention of Risk at Work were implemented in 2008.

• **Prevention of Risk at Work is a factor to be considered in all decision-making processes**
 • **The Risk Prevention Committee is to integrate preventive management models in all the companies**
 • **During 2008, ACCIONA came up with multiple awareness and training initiatives in workplace risk for professionals**

ACCIONA's ambitious Workplace Health and Safety Plan is certified by the OHSAS 18001:2007 standard; over the years, the Company's business lines have gradually obtained this certification, enabling all the Company's professionals to receive proper training in this area.

MONITORING AND TRACKING, HIGH SAFETY STANDARDS

ACCIONA implements workplace health and safety audits that go beyond legal requirements at all Group companies, the goal being continuous improvement, in line with the Prevention of Risk at Work Management System.

Audelco, an external specialised company, carries out the audits. The results are used to design action plans to improve Prevention of Risk at Work. According to the agreement signed by ACCIONA and Audelco, all improvements proposed by the auditor must be implemented upon completion of the audits.

In compliance with one of the requirements of OHSAS 18001:2007, in 2008 ACCIONA Energy conducted a series of voluntary internal audits at ACCIONA, S.A., Bestinver, ACCIONA Concessions and ACCIONA Hospital Services. These audits, known as "cross-checks", were conducted by the Company itself. The project proved so beneficial that it was immediately adopted throughout all the Group companies.

As a result of these internal audits, the foregoing companies obtained OHSAS 18001:2007 certification and ACCIONA Facility Services obtained partial certification. ACCIONA Energy and ACCIONA Agua renewed their OHSAS 18001:2007 certifications.

Other companies such as ACCIONA Infrastructure, ACCIONA Concessions and the Hospital del Norte concessions company commenced implementation of the safety management system for OHSAS 18001:2007 certification. For the remaining Group companies, audits are carried out annually, regardless of company size or existing legal requirements.

Audits were performed at ACCIONA Trasmediterranea and ACCIONA Agua as required by law, and voluntary external audits were performed at ACCIONA Logistics and ACCIONA Facility Services.

**VOLUNTARY
INTERNAL AUDITS
ARE PERFORMED**

UNIFORM SAFETY STANDARDS ACROSS ACCIONA

ACCIONA continues to advance in implementing the Prevention of Risk at Work Management System in its international businesses, based on OHSAS 18001:2007 certification.

The Company is working hard to expand on the human and technological resources that are necessary for the task, and which vary depending on the volume of business in each country.

Strengthening institutional relations in the countries where ACCIONA operates, with a view to working together to reduce workplace accidents, is considered vital for success. With this in mind, in 2009 ACCIONA Infrastructure scheduled a

meeting in Brazil with the Ministries of Prevention of Risk at Work and Labour to communicate ACCIONA commitments in this area, learn about future plans for workplace health and safety in Brazil's construction sector, and establish commitments for cooperation.

The Company is also applying new technologies to its Prevention of Risk at Work Management System. Specifically, it is implementing a joint database application to monitor and track employee training, draft bids., implement safety and emergency plans and assess workplace risks.

ACCIONA considers that it is crucial to reinforce programmes for raising awareness and specific training on Prevention of Risk at Work and to improve information dissemination via multilingual instruction manuals in line with safety legislation.

It is also implementing procedures to monitor and report accidents according to the legislation in force in each country. In 2008, the Company implemented its workplace accident notification protocol at ACCIONA Infrastructure's companies outside Spain.

ACCIONA Infrastructure organised a seminar at its head offices at the end of 2008, attended by managers responsible for Prevention of Risk at Work, where the general objectives of the various safety departments were presented and 2009 Action Plans were set out.

**ACCIONA is
implementing the
Prevention of Risk at
Work management
system in its
international
businesses**

THE SAFETY INSTITUTE, A KNOWLEDGE-BASED TOOL

In 2008, ACCIONA created the Workplace Health and Safety Institute under the Human Resources and Organisation Area as a platform for launching Prevention of Risk at Work training actions and external and internal safety forums.

Over the year, the Institute launched a number of initiatives with a view to raising awareness and training ACCIONA professionals on the importance of Prevention of Risk at Work.

The Institute uses common training content throughout all of ACCIONA's business lines with a view to promoting cross-training and taking advantage of

the synergies that exist between different businesses. The Institute generally provides online training.

The Institute seeks to make ACCIONA a leading company in Spain in terms of the amount of safety training it provides and to serve as a support for international growth.

In 2008, the Institute provided the following training programmes, among others:

- Hands-on training in first aid, teaching employees the procedures to follow in the event of accidents and emergencies;
- Classroom training in emergency equipment, teaching designated employees what to do in the event of a fire or evacuation;

- Classroom training in fire extinguishing equipment to teach designated employees what to do in the event of a fire;
- Road safety and ecological driving, to teach employees safe, ecological and sustainable driving techniques;
- An e-learning programme about computer terminals, via ACCIONA's Virtual Campus, in order to teach office employees about ergonomics and healthy posture;
- European Week for Safety at Work.

The Health & Safety Institute is designed to convert ACCIONA into one of the organisations that invests most hours in training

TRAINING AND AWARENESS-RAISING, OUR BEST RESOURCES

The Company is committed to training employees to carry out their responsibilities and functions and to ensure their own and their colleagues' health and safety in the workplace.

Safety training is vital for employees directly involved in risk activities and for those who are responsible for executing Company projects.

ACCIONA's training programmes reflect its commitment to the health and safety of its employees. Each ACCIONA company includes its Prevention of Risk at Work training needs in the Annual Training Plan. Training is provided according to two priority lines of action:

- General training, which includes Prevention of Risk at Work, in line with the General Training Plan, and;
- Periodic training, which focuses specifically on each professional's job or function, covering existing and new risks.

Along the same lines, the "Frágil" (Fragile) campaign has the aim of raising awareness among all workers at all Company sites and emphasises the importance of Prevention of Risk at Work measures, the importance of working responsibly and safely, and taking all necessary precautions. In 2008, the Company raised awareness by disseminating specific training and information on safety to all professionals at newly-created companies, such as the Hospital del Norte concession company and ACCIONA Concessions.

ACCIONA has a specific procedure for supervising contractors, suppliers and temporary work agencies with which it works.

In 2008, ACCIONA Infrastructure provided a total of 39,824 hours of Prevention of Risk at Work training in Spain. 20,607 of which were given to employees of contractors, suppliers and temporary work agencies.

39,824

TRAINING HOURS
PREVENTING RISK AT
WORK

Promising results

The Company's accident frequency and severity rates continue to decline and are below the sector average as a result of the Company's Prevention of Risk at Work training efforts. ACCIONA Infrastructure's indices are substantially lower than the nationwide average for its sector.

What do the frequency and severity rates mean?

The Frequency Index is the number of accidents that have led to lost time (including occupational diseases) per 1,000,000 hours worked. The Severity Index reflects the number of days lost as a result of workplace accidents, per 1,000 hours worked.

In both cases, the figures are referenced to workers paying social security contributions under various systems which cover workplace accidents, and to the average working day.

WEIGHTED ACCIDENT INDICATORS					
	Frequency		Severity		Incidence
	2008	2007	2008	2007	2008
ACCIONA CORPORATION (1)	3.16	3.19	0.05	0.05	534.76
ACCIONA AGUA	17.41	28.31	0.40	0.76	4,928.91
ACCIONA ENERGY	8.59	11.80	0.19	0.14	1,407.41
ACCIONA LOGISTICS & TRANSPORT SERVICES (2)	29.67	28.25	0.85	1.36	5,215.51
ACCIONA AIRPORT SERVICES	84.29	n.a.	1.80	n.a.	14,632.45
ACCIONA INFRASTRUCTURE	27.75	34.47	1.01	1.61	5,656.20
ACCIONA FACILITY SERVICES	75.77	74.70	1.58	1.15	1,574.36
ACCIONA REAL ESTATE	4.64	n.a.	0.06	n.a.	763.36
OTHER BUSINESSES (3)	37.91	n.a.	1.10	n.a.	5,530.97

Does not include accidents on route to or from work

Definitions according to NTP 593

FREQUENCY INDICATOR = No. of workplace accidents x 1,000,000 / No. of actual hours worked

SEVERITY INDICATOR = Time lost due to a workplace accident x 1,000 / No. of actual hours worked

INCIDENCE INDICATOR = No. of workplace accidents leading to lost time x 100,000 / No. of workers

Notes:

The 2008 data are complete except for the following qualifications:

- 1) ACCIONA Corporation includes ACCIONA, S.A.
- 2) The Logistics & Transport Services division includes ACCIONA Trasmediterranea and the logistics and forwarding companies.
- 3) Other Businesses include GPD, the wineries and Bestinver.
- 4) The figures refer to Spain.

WHAT IS THE ABSENTEE RATE?

- The absentee rate is the average number of workdays lost due to employee illness

WORKPLACE HEALTH

ACCIONA has its own medical team to ensure employees' health and provide information on healthy work habits. This team, located at the Company's central offices, includes qualified doctors and nurses trained to handle issues related to the health and physical well-being of ACCIONA employees. There were 2,776 medical consultations in 2008.

Throughout the year, ACCIONA's medical team carried out several campaigns to raise awareness of and prevent illnesses, including:

- Flu vaccination;
- Blood donation;
- Prevention and control of high blood pressure;
- Prevention and control of high cholesterol;
- Prevention of obesity;
- Prevention of diabetes;
- Early cancer detection;
- Screening for colorectal cancer.

The implementation of preventive measures, awareness-raising campaigns and exhaustive medical checks has enabled ACCIONA to steadily improve its workplace health indices. The absentee rate at ACCIONA Infrastructure was 2.79%.

PARTICIPATION, ADDING VALUE IN SAFETY

For safety policies and tools to be useful and effective, it is vital that employees and other stakeholders participate in their design.

To this end, ACCIONA is implementing various initiatives to include employee needs and requirements in planning activities, in line with industry best practices.

Employees best understand the risks they face in their daily work and their input is fundamental for the success of the safety programmes.

ACCIONA understands that while employee participation in safety measures is required by law, it is also an effective tool for the design and continuous improvement of Prevention of Risk at Work policies, a goal defined within the Company's activities and its commitment to sustainability.

For example, with a view to encouraging employee participation in designing safety mechanisms in work centres, ACCIONA Infrastructure plans to set up a suggestion box enabling employees to contribute ideas to improve safety.

It also considers collaboration with sector and institutional organisations to be fundamental for finding joint solutions and sharing experiences and best practices.

The first in-house Prevention of Risk at Work seminars were held in 2008, organised by the Madrid Training Institute

An example of this was the First Seminar on Prevention of Risk at Work, organised by the Madrid Institute for Training), which involved experts from the government and workers' compensation insurance companies, and representatives from business and the legal system in addition to the social partners.

ACCIONA professionals participated in the main industry forums, both as company representatives and as experts in their fields, including the Chamber of Contractors' Safety Committees, the National Institute of Safety and Hygiene at Work, and workers' compensation insurance companies. ACCIONA also participated actively in various regional conferences and seminars, and is involved at an institutional level in the publication of Prevention of Risk at Work manuals, books and documents.

ACCIONA works with the government, trade unions and workers' compensation insurance companies to promote multi-sectoral cooperation forums to develop strategies and policies for Prevention of Risk at Work. The most significant activities in 2008 included:

- Participation in the ORP 2008 6th International Conference on Occupational Risk Prevention in A Coruña and organisation of a workshop entitled "Healthy, sustainable and socially-responsible companies".
- Participation in the 2nd Conference on Occupational Risk Prevention in the Community of Madrid, which, due to the highly successful workshop given at the conference in A Coruña, was repeated here at the request of the Madrid Regional Government.
- Attendance at the Antonio Baró 2008 awards ceremony.

- Participation in the Sagardoy Foundation's Prevention of Risk at Work Forum.
- ACCIONA Energy participated in the 1st European Meeting on Prevention of Risk at Work in the wind energy industry.
- ACCIONA Infrastructure participated in the Safety Commission of SEOPAN (Association of Spanish Construction Contractors), the Commission of the Construction Industry Labour Foundation, the Laboralia Technical Commission and its trade show for Prevention, Protection, Health and Safety at Work.

In-Company Seminar on Prevention of Risk at Work

- In October 2008, as part of the European Week for Health and Safety at Work, ACCIONA held its First In-Company Seminar on Prevention of Risk at Work, organised by Madrid's Institute for Training; experts from the government and workers' compensation insurance companies, and representatives from business and the legal system participated along with social partners.
- The seminar's aim was to reflect on the integration of Prevention of Risk at Work regulations at all levels of the Company.
- This event was particularly important for ACCIONA, given that the active promotion of a culture of safety-based on awareness, training and information, and its incorporation at all echelons, is one of the Company's strong social commitments.
- The seminars served to highlight ACCIONA's commitment to sustainability

and its pioneering approach to applying innovative Prevention of Risk at Work policies. ACCIONA's performance is reflected in its leading position in the Dow Jones Sustainability World Index and the Dow Jones STOXX Index, which are international benchmarks of sustainability and socially-responsible investment. The event was also a meeting point for workplace health and safety professionals from different ACCIONA companies and provided a platform to strengthen synergies and share experiences and best practices between the Group's various companies.

- Attendees at the seminar included: the Social Security and Prevention of Risk at Work Management Department of CEOE (Spanish Confederation of Employers' Organisation), high-ranking representatives from MINTRA (Madrid Transport Infrastructure), the Chief

Labour and Social Security Inspector for Madrid, the General Secretary of the CNC (National Construction Confederation), and the Head of the Permanent Secretariat of the National Commission for Workplace Health and Safety at the National Institute for Prevention of Risk at Work and Hygiene. Speakers at the seminar included representatives from Asepeyo, Fremap, MC, Mutua Navarra, Audelco, the Cuatrecasas and Muñoz Arribas law firms, and union representatives from various ACCIONA business divisions.

- The seminar included a theoretical and practical workshop entitled "Health and Sport", which covered issues such as improving mental and physical health through sport, and offered therapeutic tools for this purpose. Experts in nutrition, dieting, education and personal training attended.

ACCIONA received the ORP 2008 award for model prevention systems and its commitment to disseminating and applying prevention values in the area of workplace risk

EXTERNAL DISTINCTIONS, RECOGNISING OUR COMMITMENT

External awards and distinctions recognise the work of ACCIONA professionals in Prevention of Risk at Work. These awards provide an additional incentive to the excellent results obtained and recognise efforts in this area in recent years. The Company's most prestigious awards include:

- The 9th Best Prevention of Risk at Work Management Award was awarded to the project to refurbish Mata Castle in Las Palmas de Gran Canaria (Spain), for best practices in Prevention of Risk at Work management.
- The ORP 2008 International Award for Occupational Risk Prevention, as part of the ORP 2008 6th International Conference on Occupational Risk Prevention held in A Coruña (Spain), recognised ACCIONA for its exemplary

safety system and its commitment to disseminating and applying a culture of safety. The award, presented by the President of Galicia's regional government, reflects ACCIONA's commitment to, and excellence in, Prevention of Risk at Work. The panel of judges highlighted the Company's public commitment in the area of corporate social responsibility "through its active contribution to the social welfare of its employees, their personal lives and health and safety at work". It also recognised ACCIONA's 2007-2009 Strategic Plan for Prevention of Risk at Work as "an exemplary management system that best reflects its commitment in this area".

- The SAMOTER International Award at the International Exhibition on Earth-moving and Building Machinery in Verona (Italy), awarded to ACCIONA in the Foreign Company category. This award recognised ACCIONA's contributions towards

the development and management of infrastructure, real estate projects, transport and urban services and the development of new sources of renewable energy. It also acknowledges the work of those people who have developed and consolidated the construction system through important projects and technologically-advanced, innovative projects.

INFRACTIONS

In 2008, ACCIONA Infrastructure received six fines and ACCIONA Facility Services received five, totalling 51,269 euros for non-compliance of Prevention of Risk at Work regulations. This was considerably less than the 14 fines received in 2007, which amounted to 95,287.44 euros.

Social Dimension:

1. OUR PEOPLE

2. SAFETY, OUR PRIORITY

3. DIALOGUE AND COOPERATION

OUR GOAL:

To contribute more value to the communities in which we are present

2008 MILESTONES

- ACCIONA maintained its position as sectoral leader in the Dow Jones Sustainability Index. It also received a Gold Class Sector Leader ranking, and appears in the Sustainability Yearbook.
- Australia included in the process of identification of and consultation with key opinion leaders with a view to establishing channels for dialogue in an effort to build a relationship of trust with the principal markets in which ACCIONA operates.
- Completion and approval of Ethical Channel instructions by the Audit Committee.
- Sponsorship of Expo Zaragoza 2008, "Water and Sustainable Development", as a result of ACCIONA's strategic alignment and positioning with the theme.
- ACCIONA included in the "Global 100 Most Sustainable Corporations in the World" index, presented at the World Economic Forum in Davos, Switzerland.
- ACCIONA honoured with the European Business Award Organisation's Corporate Responsibility Award. This distinction, awarded in 2009, gives recognition to the efforts made and the commitment undertaken by companies with regard to sustainability, and values the close link between sustainability and business strategy.

2009 GOALS

- Continue to be included in the most prestigious sustainability indices.
- Implement the Sustainability Workshop outside Spain.
- Extend the scope of internal communications to all employees worldwide. Dynamize the use of the intranet, encouraging agile cooperation and exchanges of information among employees.
- Implement action plans in all key markets, such as Welcome Packs in the short term and Sustainability Protocols in the medium term.
- Implement the first project of the ACCIONA Microenergy Foundation in Cajamarca, Peru.

OUR APPROACH

- We aim to catalyze the development of the societies where we operate. We believe in the need to adapt our business models to the challenges facing modern societies. We know that, in order to be successful, our projects must respond to the needs of those communities that will benefit from them. We want to effectively contribute to the creation of environments of well-being and opportunities for real development.

SUSTAINABLE BUSINESS MODELS

Since inception, ACCIONA has been committed to sustainable development. This extends to all areas of its activity, and is the hallmark of a company that is committed to the future.

ACCIONA aims "to be a leader in the production, development and management of infrastructure, energy and water, actively contributing to social well-being, sustainable development and the creation of value for stakeholders".

The Company's actions revolve around the three cornerstones of sustainability: promoting economic

development, creating social value and scrupulous respect for the environment.

ACCIONA's management aims to maximise value creation and well-being in the areas where it operates. It has taken on a commitment to renewable energies, efficient management of the water cycle and the creation of infrastructure with environmental and social added value.

The business model is based on a relationship of trust with stakeholders, evidenced by efforts to identify the social and environmental expectations of its key markets.

ACCIONA's actions take place around three basic pillars of sustainability:

- **promotion of economic development,**
- **social value creation**
- **absolute respect for the environment**

The Company's projects are designed to assimilate the specific features of local socioeconomic environments to meet the identified development needs and to successfully move towards models of development based on commitment and solidarity.

As part of its corporate social engagement, ACCIONA also implements programmes to promote awareness about sustainability, culture, integration, cooperation and solidarity.

A ground-breaking programme for executive training

ACCIONA executives are responsible for taking the lead in sustainable business models. They need to be prepared to take on these challenges. The Chronos programme was implemented in 2008 for 1,500 ACCIONA's executives and middle management. The programme, which breaks new ground in sustainability training, is divided into six units focused on reflecting about the impact of the surroundings on the Company's value and providing the tools to transform that impact into sustainable value for the Company. The three-month programme is conducted online. It was designed by the University of Cambridge, in cooperation with Fundación Entorno-BSCD España.

- **The Ethical Channel** allows employees to put questions about, or report irregularities concerning, the Code of Conduct
- **Welcome Packs** identify the most critical elements in the area of sustainability
- **Sustainability Protocols** bring together ACCIONA's medium- and long-term aims and commitments

DIALOGUE AND COMMUNICATION, GROWTH WITH TRANSPARENCY

The key to success for modern companies lies in the ability to meet the demands and expectations of their stakeholders. To this end, it is necessary to have an in-depth knowledge of the environments in which companies operate, establishing stable, efficient communications channels.

ACCIONA is committed to open dialogue and communication with all stakeholder groups, using a wide range of specific tools, from forums to internal communications channels, such as the Ethical Channel, available to employees so that they may ask questions and report breaches of the Code of Conduct.

Stakeholders: competitive advantages

In 2007, ACCIONA began identifying the principal social challenges and performance expectations faced by the Company in developing its businesses. This process began by identifying and consulting key opinion leaders to establish channels of dialogue and actions aimed at creating relationships of trust between the Company and its surroundings.

This process aims to convert ACCIONA's commitment to sustainable development into a tool for international expansion, to capitalise upon commitments and facilitate growth in new markets.

ACCIONA has conducted an extensive consultation process with key opinion leaders in Canada, the US, Mexico, Brazil, Chile and Poland; Australia was added in 2008.

In 2008, following the identification and consultation processes, short- and medium-term plans of action were developed for each of the markets, entitled "Welcome Packs" and "Sustainability Protocols".

This project aims to exploit opportunities within the Company's scope, to look for strategic, competitive advantages, and to build the trust necessary to operate successfully in ACCIONA's key markets.

The "Welcome Pack" identifies the activities the Company will undertake in the short term to address the most critical areas of sustainability.

The "Sustainability Protocol" serves as a medium- and long-term guide reflecting the actions, commitments and objectives needed to align ACCIONA activities with its commitment to sustainability.

Articulate, open communication

ACCIONA understands that interaction with its stakeholders is a continuous, open, transparent process. The Company uses all of the tools at its disposal so that dialogue and communication are adapted to every geographic and social situation. Coordinating and incorporating contributions into the Company's business plans will determine their success in the medium and long term.

STAKEHOLDER GROUPS	COMMUNICATION WITH STAKEHOLDER GROUPS
Shareholders, analysts and investors	<ul style="list-style-type: none"> • Shareholder office: a space on ACCIONA's corporate website with contact information for investors.
Employees	<ul style="list-style-type: none"> • Consulting executives. In 2008, ACCIONA continued the consultations regarding the perception and evaluation of the brand and the impact of the sustainability challenge on the Company's management model. • Employee satisfaction survey: These surveys, which aim to compile detailed information about ACCIONA's work environment, adopt an innovative approach and include factors such as corporate identity, management of intangibles and management style. • Intranet: In 2008, significant progress was made on Interacciona, the Company's intranet, with a view to expanding two-way communication and the participation of all employees through interactive tools such as blogs, notice boards, etc. • Ethical Channel: ACCIONA has provided employees with an "Ethical Channel" through which they may report irregular conduct and make queries about the Code of Conduct.
Customers	<ul style="list-style-type: none"> • Customer satisfaction surveys: All of the Company's business areas monitor customer satisfaction using a series of specific parameters for each business line. ACCIONA Real Estate and ACCIONA Trasmediterranea are two examples of solid customer satisfaction measurement systems.
Suppliers and contractors	<ul style="list-style-type: none"> • Systems to grade and standardize suppliers: ACCIONA has standardized selection processes which enable it to select the best suppliers for each of its business areas. • Communications channels: ACCIONA provides suppliers and contractors with a range of methods for communication and control, questionnaires, and procedures for filing and handling complaints.
NGOs, sustainability specialists and local communities	<ul style="list-style-type: none"> • Corporate Social Responsibility Mailbox: Channel directed at the general public, where people interested in sustainable development can ask questions and make comments and suggestions. • Consultations with opinion leaders and stakeholders: The Company carries out extensive consultations with key opinion leaders and stakeholders in order to strengthen ACCIONA's commitment to sustainability in the countries where it operates. • Working groups: ACCIONA participates, with other large companies and in cooperation with Fundación Entorno, in a joint initiative to address the challenges of sustainable development by exchanging best practices and solutions.
Governments and public administrations	<ul style="list-style-type: none"> • ACCIONA participates in public consultation processes regarding regulatory proposals in its different areas of activity. It also participates in the process of drafting regulations related to its activities through round table discussions with industry associations. ACCIONA organises and participates in joint events between public administrations and companies in the sector.

Integration in all areas of our business

- As part of its commitment to integrating people with disabilities, ACCIONA designed its corporate website in line with the UNE 139803:2004 standard, applying accessibility parameters, defined by the Web Accessibility Initiative (WAI), and the guidelines of the World Wide Web

Consortium (W3C), to the AA level.

- Through this initiative, ACCIONA confirms its commitment to sustainability and transparency by making access to information universal, and differentiating itself through its socially responsible attitude.

Ethical Channel, one year of transparency and commitment

In May 2007, ACCIONA's Board of Directors approved a new Code of Conduct, and, with it, the creation of an Ethical Channel. This extremely important initiative provides employees with an effective tool for confidentially communicating irregularities that may affect ACCIONA's principles and values.

The Channel was the subject of an intense promotional campaign on the intranet and on ACCIONA's corporate web site. Forty thousand bilingual (Spanish-English) copies of the Code of Conduct were distributed, in addition to copies in French, Polish and Portuguese. All Human Resources departments were notified of the Channel's entry into force, so that they could inform employees of the Code of Conduct's features.

In parallel, a Code of Conduct Committee was created to manage communications received regarding breaches. The Company also developed an action protocol for cases of improper conduct, and a specific protocol in the event of sexual harassment or gender discrimination.

After more than a year in operation, at 31 December 2008, the Ethical Channel had received 56 communications, of which 26 led to an independent investigation; 25 were completed and measures were approved by the Audit Committee.

**ACCIONA's
Board of
Directors
approved a
new Code of
Conduct in May
2007 and with
it created
an Ethical
Channel**

40,000

COPIES OF THE CODE OF
CONDUCT DISTRIBUTED

56

COMMUNICATIONS SENT
TO THE ETHICAL CHANNEL

26

INDEPENDENT
INVESTIGATIONS

25

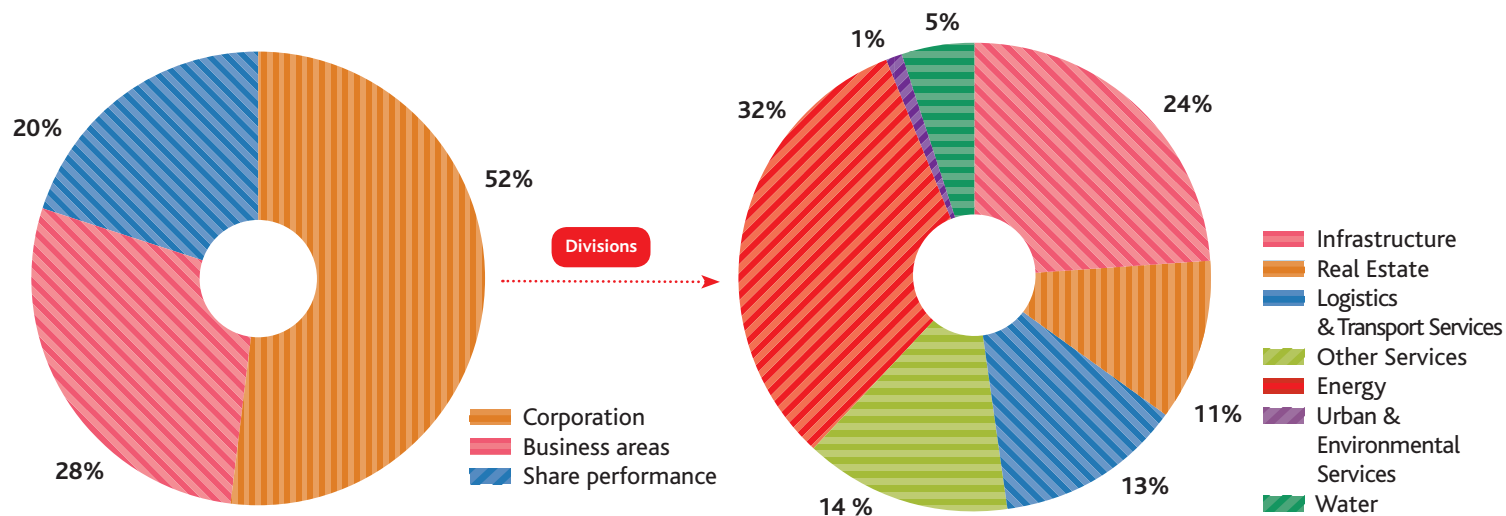
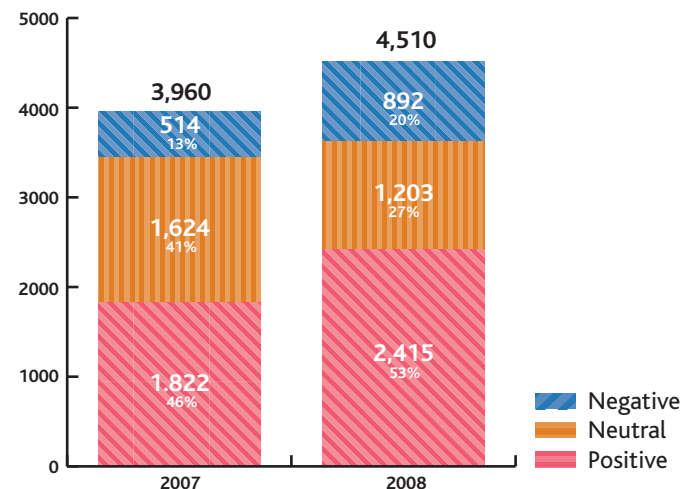
MEASURES APPROVED
BY THE AUDIT COMMITTEE

ACCIONA in the news

In 2008, ACCIONA was mentioned in the news 13.9% more often than in 2007. Positive news reports increased by 53%, negative news by 20%, and neutral news reports declined. A large part of the negative news was related to the performance of ACCIONA's stock, which was impacted by the global economic situation.

The largest single area of news (52%) was related to corporate issues. Energy and Infrastructure were the two divisions most referenced in the media.

Quantitative and qualitative breakdown 2007-2008



COMMITMENT AND MODERNITY

ACCIONA's contribution to community development is an integral part of its business plans. The Company's projects in the areas of energy, infrastructure and water stand out for their focus on innovation and sustainability as a means of differentiation and a source of competitive advantages. R&D and Innovation plays a key role in this context. ACCIONA is a leader in technological development and aims to maintain growth based upon excellence and social innovation.

ACCIONA's commitment to development and sustainability is based on two fundamental ideas:

- Promotion of well-being through projects and services;
- Implementation of social development projects, in line with business objectives and the needs identified in the areas in which the Company operates.

To make progress in this area, in 2007, ACCIONA approved its Social Action Policy, which formalises commitments, establishes strategic lines of action and monitors contributions and their impact on affected stakeholders.

SOCIAL DEVELOPMENT AND BUSINESS SUCCESS GO HAND IN HAND

ACCIONA Infrastructure

This area of business, whose competitive advantage is based on excellence, operates in all areas of construction, from engineering to project execution. All of its actions take account of economic, environmental and social aspects, while always having regard to overall sustainability.

The Lai Chi Kok Viaduct, at the forefront of modern infrastructure construction

- The Company inaugurated the Lai Chi Kok Viaduct (Hong Kong) in March 2008. The viaduct, which cost 110 million euros, is 1.4 kilometres long and spans an area of 280,000 m², much of it overlooking occupied residential and industrial areas with intense traffic; more than 300,000 vehicles are expected to use it daily.
- The viaduct was built using 15,000 tonnes of recycled concrete, which, after ensuring compliance with the project's specifications, was used essentially as infill. The concrete was recycled at an on-site plant.
- The environmental advantages of using recycled materials in the project are twofold: it reduces the volume of waste being disposed of in landfills, and it reduces the use of new materials as infill. Additional advantages derived from the use of recycled concrete were the reduced noise levels at the recycling plant and the mitigation of dust generation thanks to the use of sprinklers.
- The Lai Chi Kok Viaduct received the Gold Award in the Hong Kong Construction Industry Safety Award Scheme; this is the most prestigious safety award in the construction industry in Hong Kong, which recognises construction companies with noteworthy actions in the area of workplace health and safety. The Company also received the Considerate Contractor Site Award (CCSA) and Outstanding Environmental Management & Performance Grand Award (OEMPGA) in 2006 for the Tung Chung noise barriers.
- These awards reaffirm ACCIONA's commitment to sustainability, which is a fundamental principle guiding the Company's actions.

ACCIONA Energy

ACCIONA Energy is a world leader in the field of renewable energies. It develops and researches the leading clean energies and is the world's largest developer and builder of wind farms. ACCIONA Energy develops and collaborates on power generation projects using seven renewable energies: biomass, mini-hydroelectric, solar photovoltaic, solar thermal, solar thermoelectric, biodiesel and bioethanol.

**World leader
in renewable
energies,
ACCIONA
Energy is
the largest
developer and
constructor of
wind farms in
the world**

29.7 MW

REGISTERED AS CDMS IN
INDIA

116 MW

OF ACCIONA INSTALLED
CAPACITY REACHED IN
INDIA

What is the Clean Development Mechanism (CDM)?

- CDM is one of the flexible mechanisms envisaged in the Kyoto Protocol to reduce greenhouse gas (GHG) emissions. It aims to encourage projects, from public and private entities, in developing countries to contribute to sustainable development and to reducing GHG emissions.
- Developer companies and entities receive Certified Emissions Reductions (CERs), which may be used in industrialised countries to comply with emissions reduction requirements under the Kyoto Protocol.
- CERs can be sold in the emissions trading market, ensuring a project's economic viability and encouraging sustainable development initiatives in developing countries.

CDMs in India, environmental and social advantages

- The Company's Anabaru (16.5 MW) and Arasinagundi (13.2 MW) wind farms, located in Karnataka in southern India, have been registered as Clean Development Mechanisms (CDMs), by the Clean Development Mechanism Executive Board, under the United Nations Framework Convention on Climate Change (UNFCCC).
- The energy produced by the two farms over the ten years stipulated in the decision will avoid the emission of the 882,400 tonnes of CO₂ that would have been emitted by the region's conventional power plants in producing the same amount of energy. The wind farms' owner will receive Certified Emissions Reductions (CERs), which may be sold on the emissions trading market.
- CERs can be sold in the emissions trading market, ensuring the economic viability of the projects and encouraging sustainable development initiatives in developing countries.
- The construction of these two wind farms makes ACCIONA the first Spanish wind farm developer to own facilities in India. ACCIONA currently has 14 employees in its subsidiary's headquarters in Bangalore and plans to expand its presence in India in the coming years. ACCIONA is currently developing two other wind installations in India, for which registration as a CDM is at an advanced stage, with the result that the Company will have a total of 116 MW of installed capacity in the country.

ACCIONA Agua

ACCIONA Agua's mission is to be a leader in end-to-end water management, providing global solutions through innovation in design, construction and operation of drinking water, sewage and desalination plants. ACCIONA Agua is a world leader in reverse osmosis (RO) desalination, the most advanced, efficient and reliable technology available at present for obtaining drinking water from seawater. This division of ACCIONA meets the basic needs of millions of people.

ACCIONA Agua to make the Thames River drinkable

- Thames Water, the company responsible for supplying water to the London area's more than eight million inhabitants, selected ACCIONA Agua to design and build a desalination plant for the Thames River.
- This plant, which will be the first to treat water from the Thames, will employ RO desalination technology. It is expected to produce 150 million litres of drinking water daily and will supply almost one million people in London during droughts.
- To avoid environmental impact and CO₂ emissions linked to the plant's operation, it will run exclusively on renewable energy.
- The plant will not be installed on the banks of the river, as is common practice, but, rather, on the Thames estuary, adjoining the current Beckton sewage plant, east of London. This is the first plant that will combine waste water reuse and desalination technology; as a result, it has been short-listed for the Global Water Awards 2009.
- This project represents another successful experience of ACCIONA Agua in international markets; it already operates in the US and Australia.

- **ACCIONA Agua** brings global solutions to water cycle management
- **It is a world leader** in reverse osmosis desalination for obtaining drinking water
- **Thames Water** chose ACCIONA to design and build a desalination plant for the River Thames

SOCIAL DEVELOPMENT, A COMMITMENT AND A RESPONSIBILITY

ACCIONA ensures that its social commitment is effective and efficient by establishing objectives and priorities in the area of social development, in line with its business goals and the real needs of the communities in which it operates. ACCIONA's commitment to society does not stop at the bottom line: the Company is fully aware of its responsibility to take on a leading role in promoting sustainability.

To this end, it is vital to focus social programmes on the needs and expectations of local development. ACCIONA understands that the best way to achieve this goal is to align its development activity with collaborative actions, sponsorship and patronage. In this way, it aims to improve the effectiveness of its commitment, reinforcing activities that are already under way to solve problems and respond to real expectations.

MORE THAN
100,000
SCHOOLCHILDREN
EDUCATED IN
SUSTAINABILITY

ACCIONA created a "Sustainability Workshop" for schools

- ACCIONA has been implementing its educational programme, "Renewables: Energy for Sustainability", in Spain since 1994. Over the past 14 years, the programme has provided guided visits around wind farms and the Company's other facilities to more than 100,000 schoolchildren and teachers.
- In 2008, the programme, now known as "Sustainability Workshop", broadened its content to include different aspects of sustainability and extended its scope to other countries. This programme

enables ACCIONA to provide schools, teachers and students with a set of learning materials designed to instil environmental values and contribute to a world that is more sustainable, fairer and in harmony with nature.

- This initiative, which is part of the Decade of Education for Sustainable Development (2005-2014, DESD), a UN initiative headed by UNESCO, includes the following objectives:

1.- To contribute to the quality of education and initiate

cooperation with educational administrations in the area of Education for Sustainable Development (ESD).

2.- Forge closer links with the local communities where ACCIONA operates.

3.- Collaborate with schools to design education that is capable of generating environmental integrity and fair, economically viable development, without compromising current and future generations.

4.- Support the development of values, abilities and attitudes towards sustainability among

students and teachers.

5.- Support participation in the cultural change towards greater environmental sensitivity in schools.

- The Sustainability Workshop offers various resources: learning materials, teacher training, extra-curricular activities on innovation and sustainability, etc.
- The learning materials, designed for teachers and students (aged 10 to 16), include information on energy, water, eco-efficient construction and innovation, and specific training for teachers.

In 2008, ACCIONA continued to support various institutions committed to solving society's problems:

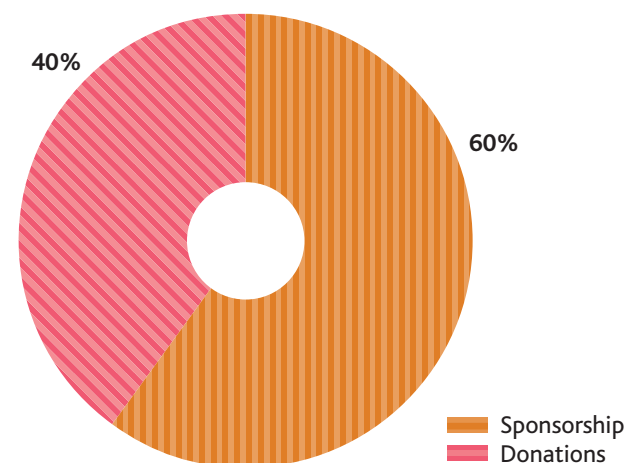
- ACCIONA, along with a number of other companies, signed an agreement to co-finance Spain's National Centre for Cardiovascular Research (CNIC) with 100 million euros; this is one of the principal instances of corporate sponsorship of research in recent years, not only because of its size but also because of the results that are anticipated.
- The Company is a member of the business and society foundation, Fundación Empresa y Sociedad, which aims to boost sustainability of companies with respect to current social issues, the goal being for them to commit to better practices in this area.
- ACCIONA is the first Spanish company listed on the Ibex-35 to join the World Business Council for Sustainable Development (WBCSD), an association comprised of leading global companies that share a commitment to sustainable development through innovation, efficiency and corporate social responsibility. ACCIONA is an active

member of the WBCSD, participating in various working groups on climate change and energy, sustainable construction and the role of business in society, among other initiatives.

- Since 2005, ACCIONA has participated in the United Nations Global Compact, which is based on the commitment to adopt, support and promote a set of fundamental values in the fields of human rights, environmental protection and anti-corruption. It presented its Second Progress Report in 2008.

ACCIONA supports cultural and leisure activities. The Company helps to provide the leisure and cultural services that society demands, actively working with governments and private initiatives which promote activities of this type. In this area, of special note is ACCIONA's donation to the Prado Museum of a total of 2.5 million euros between now and 2011, which will enable the museum to display works from its collection that have been languishing in storage. In 2008, ACCIONA donated a total of 3,360,263 euros to sponsorship and patronage activities and 2,245,079 euros to various associations.

Sponsorship and donations



ACCIONA is present in the most prestigious sustainability indices in the world as a consequence of its efficient management of sustainability

External recognition, the motivation to move forward with our commitments

As a result of effective management of sustainability initiatives in 2008, ACCIONA is included in the most prestigious sustainability indices in the world, including the following:

- Dow Jones Sustainability Index (DJSI): ACCIONA is the sector leader for the second consecutive year;
- KLD Global Climate 100 Index: ACCIONA has been included in this index, which aims to promote investment in 100 companies that have played the greatest role in the fight against climate change by promoting renewable energies;
- ACCIONA is included in the Global 100, which lists the 100 most sustainable companies in the world. Only three Spanish companies are included in this index.

Furthermore, ACCIONA received the following awards in recognition of its efforts to promote sustainability in 2008:

- The SAMOTER International Award in Verona (Italy), in the foreign company

category. This award recognises ACCIONA's contributions to the development and management of infrastructure, real estate projects, transport and urban services and the development of renewable energies.

- The Tampa facility was named Desalination Plant of the Year by the magazine Global Water Intelligence.
- In 2008, ACCIONA was ranked tenth by the Spanish Monitor of Corporate Reputation (MERCOR). This index ranks the top 100 companies with the best corporate reputation in Spain.
- The 2008 International Occupational Risk Prevention Award in recognition of its commitment to raising awareness and applying values in promoting workplace health and safety.
- José Manuel Entrecanales, Chairman of ACCIONA, received the MDI 2008 award from the Master's Programme in Construction and Real Estate Company Management at Madrid's Polytechnic University as Leading Businessman in Construction and Real Estate Development.
- The Company received the medal of honour from Expo Zaragoza 2008 for its adoption of the event's theme, "Water and Sustainable Development".

- ACCIONA received the Ruban d'Honneur award for corporate responsibility. This award, which is part of the European Business Awards, recognises excellence, best practices and innovation among European Union companies.
- It was also finalist in the 4th TAW Web Accessibility Awards in the category of "Most Accessible Corporate Website". The TAW awards recognise the efforts of Spanish-speaking government entities and private companies in working for an accessible Internet.
- ACCIONA and ACS received the Gold Award, granted by The Canadian Council for Public-Private Partnerships; it is one of the sector's most prestigious awards in Canada. Furthermore, ACCIONA's construction of the A-30 autoroute in Canada was named North America Deal of the Year by PFI, a leading global publication.

ACCIONA Microenergy Foundation

- The ACCIONA Microenergy Foundation was created to focus the Company's efforts towards development activities which meet the real demands and needs of rural areas in the countries in which it operates.
- The Foundation's goal is to work with others to increase access to energy, water and infrastructure for people and communities who lack those resources.
- ACCIONA focuses its efforts on the fields it knows best, which are also essential areas for development: energy, water and infrastructure.
- ACCIONA wants to use its business capabilities to ensure that projects are long-lasting. The foundation aims to offer a technological solution and a social-business solution, based on the creation of a social fabric in the areas in which it operates.
- To this end, the ACCIONA MICROENERGY Foundation will create a non-profit organisation in each country in which ACCIONA operates, whose goal will be to increase access to energy and water for rural populations who have little prospect of gaining access to the national grids in the coming years.
- The main advantages of the electrification model proposed by the ACCIONA Microenergy Foundation are:
 - 1.- In addition to the donation of equipment, the Company ensures it is maintained and guarantees that the system continues to operate. The project is sustainable over time as a result of the initial donation.
 - 2.- It extends training to include technicians, creating a social fabric.
- ACCIONA Microenergy Foundation's first project is to provide basic access to electricity via photovoltaic panels to 3,500 homes in Cajamarca (Peru), a country where 66% of rural areas lack access to electricity.

Environmental Dimension:

**1. EFFICIENCY IN
THE PROCESSES AND
EXCELLENCE IN THE
MANAGEMENT**

2. CARBON FOOTPRINT

OUR GOAL:

To implement innovative projects while keeping environmental impact down to a minimum

2008 MILESTONES

- Set out and implement improved corporate environmental objectives.
- Expand the percentage of activities certified to ISO 9001 and ISO 14001 standards.
- Define and draft the 2008-2012 Environmental Efficiency Plan.
- Set up the working group to implement and monitor management systems for international business.

2009 GOALS

- Implement, monitor and oversee the 2008-2012 Environmental Efficiency Plan.
- Redefine and incorporate general indicators of excellence and efficiency into ACCIONA's Balanced Scorecard.
- Increase the percentage of international activities with certified quality and environmental management systems.

OUR APPROACH

- Our strategic position and plans for growth are governed by principles of excellence, innovation and environmental sustainability.
- We want efficiency and environmental protection to be central features of the management style of all of ACCIONA's businesses worldwide.

INNOVATIVE, EFFICIENT PROJECTS

In line with the commitment to sustainability that guides our business, ACCIONA offers profitable products and services using the minimum natural resources possible.

At ACCIONA, efficiency and excellence are the fundamental premises for doing business. The goal is to plan Company projects while simultaneously considering economic, social, environmental, technological and market factors, among others. The common denominator is always permanent change, making the ability to adapt a vital success factor for modern companies.

Efficient and sustainable development of processes requires precise knowledge about the environment, limited natural resources and changes than can take place over time.

Environmental aspects of company management are thus a vital element for business excellence, as is identifying business opportunities derived from improvement projects, with a special focus on R&D and Innovation for the development of increasingly efficient and sustainable projects.

Working Group for the implementation of systems worldwide

As a result of the self-assessment completed in 2007, during 2008 the Company planned and implemented actions aimed at enhancing those aspects that were identified as needing improvement. As a result, two Working Groups were established that will peak in 2009 to define actions that will increase process efficiency and expand the volume of activity certified under quality and environmental management systems. In 2008, an International Working Group was set up,

comprising Quality and Environment managers from the various business lines. Its main goals are as follows:

- To increase certified production in other countries;
- To draft corporate guidelines that facilitate the work of the people responsible for international management systems;
- To identify common points that offer synergies;
- To identify areas which are prone to cause friction when implementing a management system in a foreign country.

Statement of quality and Environmental Policy

ACCIONA's business model is based on building, developing and managing infrastructure, energy and services with a focus on sustainability that contributes to social well-being and sustainable development.

This is put into practice through the fundamental values of social responsibility, respect for the environment, satisfaction from a job well done, the spirit of service, technical foundations, boosting innovation and compliance with legislation, and it is materialised through the following principles of action:

- Focus on value creation and economic growth based on returns and sustained profits, avoiding costs from defective work, delays and, generally, any activities that do not provide real added value.
- Efficiency and excellence in internal management, applying a management system that incorporates economic, technical, environmental and social aspects and, generally, any that contribute to sustainability, based on the processes of each company, with a focus on the continuous improvement of our products and services, giving priority to initial planning and prevention to avoid subsequent corrections.
- Consideration of environmental aspects related to our activity in all its phases, end-to-end, to minimise the potential impact on the environment, promoting the rational use of resources at all times.
- Monitoring and oversight of processes and activities on the basis of indicators, obtaining quantifiable information that contributes towards implementing actions that enhance our products, services and management processes.
- Encourage teamwork and participation at all levels of the company in planning and developing activities, facilitating lifelong learning, so as to raise awareness of personal responsibility and commitment to the quality of one's own work.
- Comply with customer requirements to ensure their satisfaction, understanding their needs and expectations, transmitting the idea that we are more than service providers - that we are participants in a common project - and always operating professionally, ethically and transparently.
- The commitment to comply with the applicable regulations and legislation.
- Collaborate with suppliers, creating relationships based on trust, loyalty, transparency, mutual respect and reciprocal contribution, increasing their involvement in aspects regarding the environment, quality and workplace health and safety in common processes.
- Exchange knowledge and search for innovative solutions in production and management processes.

EXCELLENT MANAGEMENT, A VITAL COMPONENT OF GROWTH

Excellence and management of environmental impacts are vital, inseparable factors in ACCIONA's growth models.

These functions report directly to ACCIONA's Chairman, through the Corporate Resources and Institutional Relations Division, which includes the Processes, Quality and Environment

2008

MANAGEMENT SYSTEMS WERE CONSOLIDATED IN THE LEAST DEVELOPED AREAS

Department. All ACCIONA companies have a unit in charge of environmental management, which reports to the corresponding division and is functionally dependent on the Processes, Quality and Environment Department.

There was notable progress in 2008 in consolidating management systems in those areas where they were underdeveloped. As a result, significant progress has been made

in the sustainable management of all projects that started in 2008, in line with the Company's annual goals.

ACCIONA's management models include all negatively-affected environmental aspects that can be minimised through good management.

The Company significantly increased certification in 2008; specifically, ACCIONA Real Estate was certified and ACCIONA Maintenance and ACCIONA Installations expanded the scope of their certifications.

ACCIONA Real Estate, progress in certifications

- In 2008, ACCIONA Real Estate passed all the audits required to obtain the Business Registration Certificate under UNE-EN ISO 9001:2000 and the Environmental Management Certificate under UNE-EN ISO 14001:2004, which recognise the efficacy of its quality and environmental management systems.
- The certificates, issued by the Spanish Association for Standardization and Certification (AENOR), cover the Company's real estate development and administration activities.
- This certification not only recognises the Company's commitment to its customers, suppliers and employees, but it also validates ACCIONA's efforts to increase sustainability in all areas of its business. ACCIONA's innovative spirit has made it a standard-bearer in the development and construction of eco-efficient homes, which use natural resources efficiently and are optimally integrated into the environment.

Number of Quality Audits (2005-2008)

	2008	2007	2006	2005
Internal	512	518	405	305
External	36	38	62	54

% Quality Certified Production ISO 9001

	2008	2007	2006	2005
	85%	78%	76%	58%

Environmental Audits Completed

	2008	2007	2006	2005
Internal	441	423	397	273
External	42	45	49	38

% Environmentally-Certified Production ISO 14001

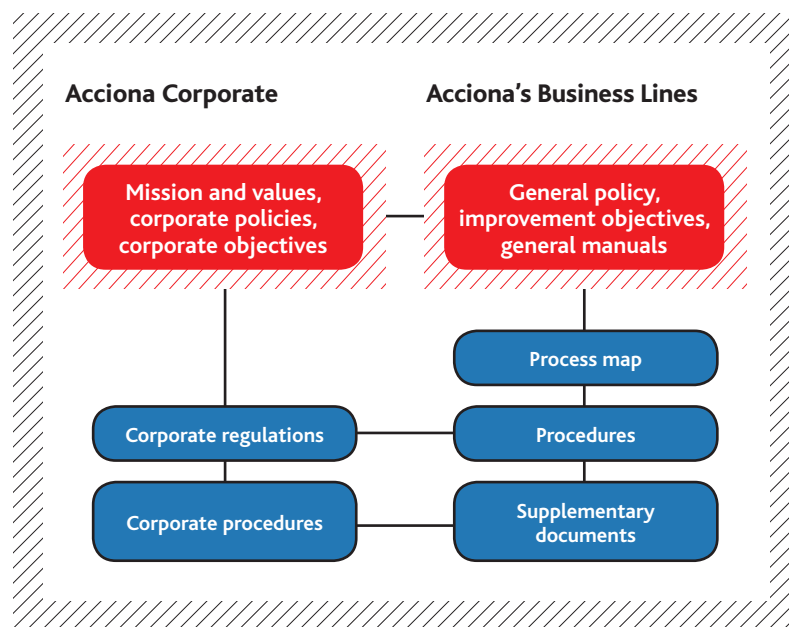
	2008	2007	2006	2005
	80%	76%	76%	58%

REVIEW OF CORPORATE RULES AND PROCEDURES

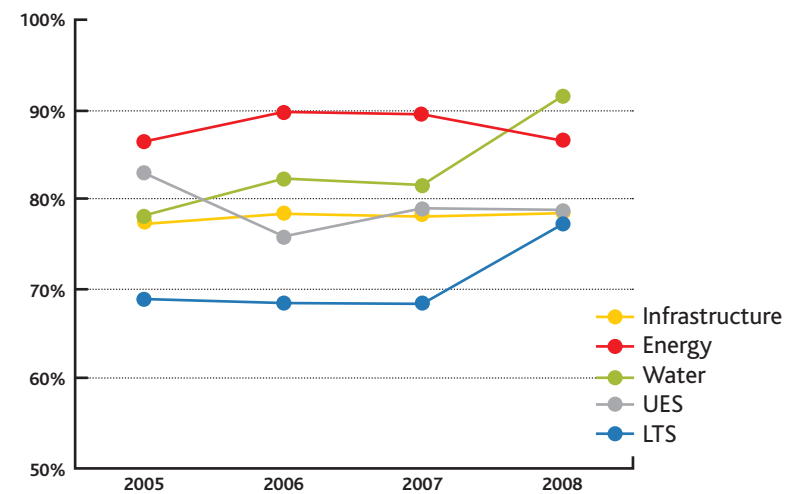
The Corporate Rules and Regulations were reviewed in 2008. The purpose of these documents is to guide ACCIONA's business lines management model by establishing

a single framework for action for all of them. Establishing a common regulation guarantees that the idea of sustainability is applied in all of ACCIONA's lines of business and activities.

With common regulations, sustainability is guaranteed across the Company



Customer satisfaction



Note: in 2008, the evaluation was expanded to cover satisfaction of ACCIONA Energy clients in the biofuel business. The chart reflects the impact in proportion to the volume of business in the year.

ACCIONA Real Estate has carried out studies for the past two years to assess the quality of services it offers

Measuring customer satisfaction at ACCIONA Real Estate

- It is necessary to analyse the opinions of ACCIONA customers in order to increase their satisfaction. The fundamental goal of all ACCIONA activities and projects is to meet customers' needs. To this end, over the past two years, ACCIONA Real Estate has conducted studies to evaluate the quality of its services.
- Studies were carried out at every ACCIONA Real Estate point of sale in Spain and overseas. In addition, the

Company looked closely at quality of end-to-end service, from the moment we take a development to market, to the moment we hand over a property and its subsequent use.

- The analysis was carried out using mystery shoppers, analysing issues such as company image, brand perception, perceived sustainability in the projects, and courtesy. Evaluating quality of service enables ACCIONA to obtain in-

depth information about the quality of service rendered and the best way to improve it.

- The analysis used three forms of contact with customers: face-to-face, by telephone and by email. In 2008, the Company set up a call centre with a view to improving customer service via mail and telephone.
- In 2008, this analysis was expanded to cover projects in Poland and Mexico.

SHARING EXPERIENCES TO LEAD BY EXAMPLE

ACCIONA's commitment to excellence and environmental protection is visible in its quest to find innovative solutions through collaboration and participation in external fora and working groups.

The Company's participation in external initiatives reflects its desire to share its principles of excellence and its commitment to sustainability with society and other companies. In 2008, ACCIONA participated actively and collaborated in various working groups, including:

- Fundación Entorno working group for energy and climate change, in the CO₂ Action project.
- The CONAMA National Environment Congress, taking part in various working groups, round tables and the organisation of a dynamic forum focusing on R&D and Innovation for the efficient use of natural resources.
- Quality and environment committee of SEOPAN and TECNIBERIA.
- The Excellence in Management Club, taking part in the fora on excellence and innovation.

- The Spanish Quality Association, playing an active role in the Construction, Services and Environment Committees.
- Open-doors day at ACCIONA Energy facilities in Pamplona, organised jointly with the Excellence in Management Club, organising visits to various facilities such as the Renewable Energies Control Centre, ACCIONA Solar's headquarters and ACCIONA Windpower's wind turbine generator plant.

MÉTRICA: A TOOL FOR EXCELLENCE

The Métrica Project was launched in 2007 with the goal of managing ACCIONA's environmental indicators appropriately.

In 2008, Métrica became established as the tool for monitoring and overseeing the environmental performance of ACCIONA's various processes and activities. The Company has mechanisms that guarantee data reliability and set an example for transparency.

Métrica aims to obtain quantifiable information so as to facilitate the design of actions focused on improving processes and the definition of objectives, which are integrated into the environmental management systems.

In 2008, the participation by production centres in environmental data capture for Metrica averaged 95%, including international centres for the first time.

One of Métrica's main goals in 2008 was to increase production centres' participation in environmental data capture. In 2007, the data was fed in by each division's quality and environment department, using information collected at production centres. As a result of actions in 2008, a large number of production centres now feed data into the system directly, with responsibility being devolved to the business, making the system more reliable and effective.

Additionally, to ensure that the environmental information collected is more representative, the system incorporated new data fields for different kinds of centres. Another improvement was the provision of tools to division heads to enable them to drill down into their divisions' environmental data. This functionality covers not just overall data but also breakdowns by region and, in the case of waste, by type and final destination.

**THE MÉTRICA
PROJECT:
AN INSTRUMENT FOR
MANAGING
ENVIRONMENTAL
INDICATORS**

2008-2012 ENVIRONMENTAL EFFICIENCY PLAN

The 2008-2012 Environmental Efficiency Plan, which will be extremely important in the coming years, was one of the big projects in 2008. Its main goal is to structure and organise the various environmental initiatives that are under way in order to enhance efficiency ratios.

In its initial phase, the plan focused in particular on energy saving and efficiency, including a series of energy audits at the Company's main offices. Then the plan extended its scope to three priority areas:

- Energy saving and efficiency
- Efficient water consumption
- Efficient waste generation.

Sustainability is the underlying idea of the project, whose main goal is to integrate environmental aspects into all of the Company's production processes so as to maximise efficiency.

The first phase of the plan will be implemented in all office buildings (2008-2011), and the second phase in all production centres (2010-2012). It is aimed at all Company employees and work centres worldwide.

What we are striving to do

- Increase the energy efficiency ratio.
- Increase the water consumption efficiency ratio.
- Minimise waste generation and improve its management.
- Integrate environmental features into all production processes as efficiently as possible.

Part 1.
Energy Saving and Efficiency Plan

Part 2.
Water consumption efficiency manual

Part 3.
Waste management efficiency plan

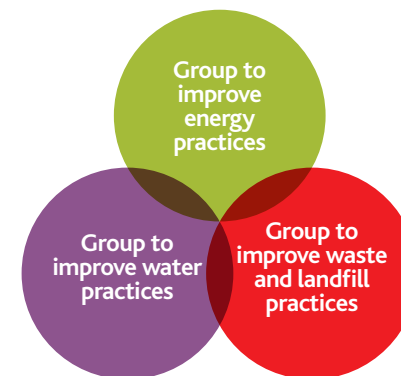
Launch of the Environmental Efficiency Plan 2008-2012 was one of the biggest projects of the year

The Environmental Efficiency Plan was drafted with the participation of various improvement groups (one for each area of action), comprising head office staff and line personnel.

These groups worked to define good practices through process benchmarking and research, leading to the drafting of a Good Environmental Practices Manual.

Methods for dissemination of the Efficiency Plan were also defined, as were mechanisms for implementation and monitoring and for assessing the results, with a view to implementing improvement actions in the future.

Group to improve energy practices



The plan is aimed at all ACCIONA employees and therefore includes actions and good practices for general use among all staff, as well as specific actions for facility maintenance teams in the corresponding centres and buildings.

Objectives of the first phase of implementation, which includes all ACCIONA offices, are as follows:

Future improvement actions



2008-2011 Objectives

Energy

- Improve energy efficiency ratio by 10%

Water

- Improve water consumption efficiency ratio by 10%

Waste

- Increase the amount of waste recycled
- Increase the amount of paper recycled by 10%
- Decrease the amount of hazardous waste generated by 10%

Environmental best practices manual

Employees

- Efficient use of lighting.
- Hold videoconferences instead of travelling.
- Shut off computers and monitors when leaving work.
- Efficient use of lighting outside working hours.
- Encourage the source-separation of office waste.
- Rational use of water and responsible use of facilities.

Employees and O&M personnel

- Adjust climate control temperature in summer/winter.
- Efficient use of computers, monitors and printers.
- Shut off/disconnect shared computers.
- Employee training on office waste.

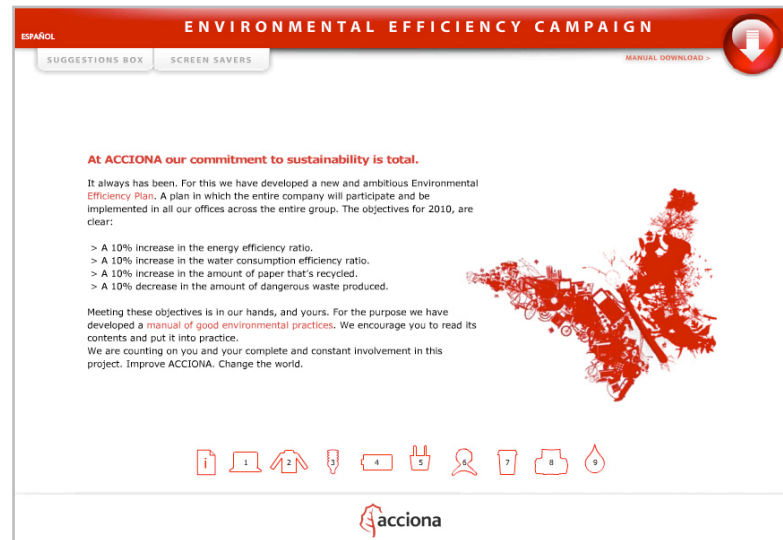
O&M personnel

- Replace fluorescent and halogen lamps with low-consumption lamps.
- Install high-frequency adjustable electronic transformers.
- Adjust lighting on building facades.
- Natural refrigeration - free cooling.
- Use corrective equipment in water consumption.

COMMUNICATION OF THE PLAN WILL DECIDE ITS SUCCESS

An intense internal communication campaign directed at all ACCIONA employees was implemented to disseminate the Environmental Efficiency Plan with the aim of fostering sustainable habits in practice. The campaign's logo revolves around the concept of the Butterfly Effect: small actions can lead to a global change.

Among the communications measures implemented, of special note is the creation of a microsite, designed specifically to communicate the plan, where employees can view the good environmental practices manual and offer suggestions and comments. A wide-ranging campaign has been implemented in workplaces to raise awareness about the importance of small details in the pursuit of the common goal of sustainability.



Additionally, to ensure that the Environmental Efficiency Plan is effective over time, awareness-raising actions will continue via the intranet, pamphlets and leaflets for several months. In particular, implementation instructions, along with measures to be adopted, will be circulated to people responsible for building maintenance.

An intense, internal communications campaign has been carried out aimed at all ACCIONA employees

ENVIRONMENTAL IMPROVEMENT OBJECTIVES GUIDING OUR ACTIVITY

Each business line at ACCIONA establishes annual environmental objectives derived from the general corporate guidelines. These objectives show a clear commitment to the environmental sustainability of its activities. These objectives are laid out in a specific action plan for each business line.

In 2008, the objectives that guided the business lines' activities were:

Corporate

- Increase the percentage of activities with quality and environmental certification, both in Spain and in other countries.
- Create improvement groups at corporate level and in each business line.

- Improve the energy efficiency ratio by 10%.
- Improve the water consumption efficiency ratio by 10%.
- Increase the number of types of recyclable waste that are separated at source.
- Reduce the volume of hazardous waste generated by 10%.

ACCIONA Infrastructure

- Install rainwater reuse systems in at least two machinery depots for use in irrigation and for hosing down the streets.
- Each project must obtain approval from the customer for at least one environmental improvement proposal, within the target time-frame, provided that it does not negatively affect the project's economic result.
- Perform an initial analysis of projects with a view to monitoring

environmental and quality risks during their execution.

- Draft an environmental efficiency plan for projects which includes an analysis of the following lines of action:
 - Optimisation and monitoring of the consumption of electricity, fuel and other raw materials.
 - Waste abatement.
 - Reuse of construction materials.
 - Use of recycled materials where possible.

The environmental improvement aims are a clear demonstration of the Company's commitment to sustainability

ACCIONA Energy

- Draft a plan of action for the ACCIONA Windpower building to convert it into a zero emissions building.
- Reduce hazardous waste production.
- Evaluate bird flight patterns in the environs of wind farms.
- Involve 80% of subcontractors in the waste management policy.
- Execute improvement actions on a certain number of significant environmental aspects.

ACCIONA Agua

- Optimise electricity consumption in water treatment plants.
- Reduce the consumption of polyelectrolytes, lime and ferrous chloride.
- Reduce contaminated packaging waste.
- Optimise supply network performance.

ACCIONA Real Estate

- Include a study on the energy classification of the building in each project, with a view to implementing the necessary energy measures to ensure at least an A or B classification.
- Conduct energy audits in at least two ACCIONA Real Estate buildings with a view to reducing their energy and water consumption.
- Present an award for the best sustainable development with a view to recognising and incentivizing the application of sustainability measures in ACCIONA Real Estate projects.

ACCIONA Logistics & Transport Services

- Enhance monitoring of equipment using coolant gases, both onboard and onshore.
- Increase pressure on suppliers whose activity is directly linked to the environment by sending them ACCIONA's Environmental Policy and inquiring whether they have environmental certification.
- Study the possibility of installing evaporators on board vessels with bilge water separators.

Environmental improvement aims cover all the Company's business areas

ACCIONA Urban & Environmental Services

- Work with customers to reduce water and energy consumption in industrial cleaning.
- Increase the use of biodegradable products.
- Reduce fuel consumption by implementing a fleet management system.
- Increase distribution to subcontractors of information brochures on quality and the environment.

In 2008, the Company also implemented good practices in a number of business areas with a view to reducing the impact that some facilities were having on certain environmental aspects.

ACCIONA, pioneer in environmental responsibility

ACCIONA is proactive vis-à-vis the new rules on environmental responsibility being defined worldwide, basing its actions on the principle of "prevention" as opposed to "polluter pays".

Under current legislation, companies are obliged to take the necessary steps to avoid environmental damage arising from their activities; and any damage that does occur must be remedied.

ACCIONA is a leader in compliance with environmental requirements and challenges. In Spain, the Environmental Liability Act, 26/2007, requires that companies provide guarantees by April 2010 to cover the environmental responsibility inherent in certain potentially dangerous activities. To this end, ACCIONA has already signed an environmental liability insurance policy. This policy insures all the Company's activities, in particular:

- Civil engineering and building;
- Energy;
- Water treatment;
- Services, and;
- Environment.

"Sea Highways", sustainable alternative transportation

ACCIONA is committed, from the energy point of view, to using clean and efficient transport modes that encourage the transition to a low-carbon economy.

"Sea Highways" are short maritime routes between two points, where, combined with intermodal transportation, contribute significantly to improving logistics costs. They are the optimal routes between source and destination in terms of viability, profitability, sustainability and delivery times, when compared with shipping by road.

In terms of atmospheric emissions and noise pollution, trucking generates much more pollution than cargo ships. Studies show that maritime transport is 2.5 times less polluting

than road transport in terms of CO₂ emissions. In 2008, ACCIONA Trasmediterranea operated two short-sea shipping routes:

- Vigo-Saint Nazaire - operational since 2005 to support the transport of vehicles and car parts from Grupo PSA Peugeot-Citröen in Spain to France's Atlantic coast. This short-sea shipping route removes an average of 30,000 trucks and 125,000 vehicles from the road each year.
- Barcelona-Canary Islands - operational since June 2006. This route contributes significantly to the decongestion of roads by removing 25,000 trucks and 7,000 vehicles travelling between Barcelona and the Canary Islands, via Cádiz.

COLLECTION OF MEDITERRANEAN POND TURTLES

- The baseline study of affected fauna in the Málaga airport area prior to execution of the project to expand the airfield identified the possible presence of Mediterranean Pond Turtles (*Mauremys leprosa*), which is a protected species in Spain.

- In June 2008, work commenced to collect turtles from the irrigation ditches in the project area. In the first leg, 470 turtles were collected. Another 230 turtles were gathered in the second leg, in July 2008, making a total of 700 turtles.

ENVIRONMENTAL PERFORMANCE INDICATORS: EFFICIENT USE OF RESOURCES

Efficiency is a core premise for the development of all of ACCIONA's activities, and it is closely linked to resource consumption. This section of the Report includes information on: consumption of materials and products, waste generation and landfills, and the most important environmental performance indicators for each division.

Implementation and consolidation of the Métrica project has substantially improved data accuracy and capture at each centre, and the data is now factored into the management models and decision-making processes.

The diversity of ACCIONA's activities makes it a complex company, with a broad range of environmental processes and profiles and measurements adapted to each of its business lines. This, together with the fact that resource use and waste production depend on a number of factors that are often beyond the Company's control, makes the analysis of efficiency ratios even more useful and representative when they refer to longer periods of time (i.e. more than one year).

At ACCIONA Infrastructure, resource use and waste production is determined by the type of project, the use of in-house or outsourced services and infrastructure design, none of which are necessarily under

management's control. The same is true at ACCIONA Agua. Most resource use is determined by the characteristics of the incoming untreated water in processes of treatment and desalination, and is therefore outside of ACCIONA Agua's control.

In this connection, ACCIONA is working to analyse the efficiency ratios that are in use at present with a view to improving them and selecting those that best reflect our efforts.

The relationship between ACCIONA's energy consumption and its carbon footprint is analysed in a separate chapter of this Report.

Eco-efficiency, a distinguishing factor in ACCIONA's real estate developments

- All of ACCIONA Real Estate's projects conform to sustainability criteria, and one of the main goals is to develop projects that contribute to preserving the environment and saving expenses for homeowners in the future. Among ACCIONA Real Estate's innovative initiatives, which are applied in all of its projects, are energy saving, rational water use and clean construction.
- All ACCIONA Real Estate homes are equipped with solar panels for sanitary water heating, cross ventilation, quality materials and lagging and joinery to enhance heat insulation. They also come with high performance glazing, presence detectors and timers in communal areas.
- To promote rational water consumption, all developments have systems with separate drainpipes, dual-flush toilets, taps with aerators and shut-off valves in wet rooms.
- The Company uses construction materials certified as non-toxic and non-polluting and encourages reduction in waste such as gypsum board, while promoting lead-free materials and PVC-free piping.
- ACCIONA Real Estate puts technology at the service of eco-efficiency through domotics: applications enabling homes to be managed in safe, comfortable, energy-efficient ways.

MATERIAL CONSUMPTION

As a result of ACCIONA's good management in 2008, all of its business lines improved their material consumption ratios. Efficiency ratios (unit of consumption/revenue) enable

results to be compared between years and trends to be analysed in detail without the distortion of temporary factors that can have a major impact on the consumption of specific materials.

ACCIONA Infrastructure Spain

		2008		2007		2006		2005	
		Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency
Concrete and mortar	m ³	2,141,514	0.871	1,847,627	0.672	1,469,790	0.536	1,968,000	0.87
Cement	t	185,942	0.076	142,558	0.052	236,369	0.086	268,290	0.119
Aggregate and rockfill	t	6,705,443	2.726	4,548,344	1.654	5,222,435	1.906	4,940,000	2.184
Structural steel ¹	t	268,144	0.109	192,895	0.07	49,051	0.018	59,583	0.026
Form release agents	l	107,557	0.044	246,451	0.09	--	--	--	--
Lubricants	l	73,540	0.03	138,944	0.051	--	--	--	--
Timber	kg	5,693,530	2.314	5,137,213	1.868	--	--	--	--
Certified timber ²	kg	376,155	0.153	--	--	--	--	--	--

¹ 2005 and 2006 figures only consider steel consumption in projects performed entirely by the Company, excluding joint ventures; therefore, a comparison between years is not meaningful.

² Data includes consumption of certified timber (by FSC and similar certification organisations) used in the projects. Accounts for 6.2% of total wood consumption.

ACCIONA Infrastructure International

		2008	
		Consumption	Efficiency
Concrete and mortar	m ³	63,375	0.356
Cement	t	4,509	0.025
Aggregate and rockfill	t	79,050	0.444
Structural steel	t	2,797	0.016
Form release agents	l	10,241	0.057
Lubricants	l	39,271	0.22
Timber	kg	654,356	3.673
Certified timber	kg	29,000	0.0001

Data provided by ACCIONA Infrastructure International correspond to projects in the following countries: Gabon, Mexico, Brazil, Venezuela and Canada.

ACCIONA Infrastructure Maintenance

		2008	
		Consumption	Efficiency
Concrete and mortar	m ³	2,153	0.083
Plant health products	kg	2,778	0.107
Paint	kg	3,557	0.136
Lubricants	l	3,095	0.119
Chemical cleaning consumables	kg	1,120	0.043
Non-chemical cleaning consumables	kg	3,262	0.125

No data for 2007; from 2008, the scope of the certification of the system was expanded to include all maintenance centres and data collection began.

ACCIONA Energy

		2008		2007		2006		2005	
		Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency
Biomass (cogeneration and biomass)	t	120,143	0.07	116,400	0.106	200,434	0.236	179,471	0.338
Methanol (biofuel)	t	788	0.0004	3,330	0.003	2,914	0.003	1,678	0.003
Vegetable oil (biofuel)	t	6,006	0.003	30,928	0.028	49,031	0.058	21,228	0.04
Steel	t	86,630	0.048	65,934	0.059	--	--	--	--
Sodium hydroxide	l	126,872	0.07	94,903	0.087	--	--	--	--
Sodium hypochlorite	kg	20,416	0.011	33,567	0.031	--	--	--	--
Hydrochloric acid	l	170,036	0.094	216,002	0.198	--	--	--	--
Phosphoric acid	l	25,239	0.01	51,786	0.047	--	--	--	--
Oil	l	254,370	0.141	152,145	0.139	--	--	--	--

Figures from biofuel production are lower than in 2007, because production in 2008 was noticeably lower. However, data from power generation plants (wind farms, cogeneration and biomass) are higher, since production increased in 2008.

ACCIONA Agua

		2008		2007		2006	
		Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency
Sulphuric acid*	l	990,727	2.68	462,029	1.68	754,536	3.33
Ferric sulphate	kg	525,931	1.42	454,707	1.65	473,490	2.09
Sodium hydroxide	l	248,303	0.67	128,971	0.47	92,142	0.41
Sodium bisulphite	l	181,602	0.49	176,373	0.64	480,176	2.12
Sodium hypochlorite*	kg	1,585,280	4.29	938,777	3.41	2,411,803	10.65
Polyelectrolytes	kg	229,073	0.62	256,660	0.93	276,390	1.22
Calcium hydroxide	kg	2,104,802	5.70	2,096,446	7.62	1,358,583	6.00
Carbon dioxide	kg	829,506	2.24	707,575	2.57	1,049,962	4.64
Phosphoric acid*	l	22,864	0.06	6,744	0.02	12,750	0.06
Aluminium sulphate	kg	640,337	1.73	749,728	2.73	20,000	0.09
Scale inhibitors	kg	45,579	0.12	42,228	0.15	--	--
Activated carbon	kg	37,167	0.10	30,438	0.11	--	--

* Reagent consumption can vary significantly from year to year depending on the quality and quantity of untreated water, since the process conditions vary.

ACCIONA Logistics & Transport Services

		2008		2007		2006		2005	
		Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency	Consumption	Efficiency
Lubricants	kg	1,899,933	3.98	1,745,630	3.97	1,862,554	4.04	1,868,775	4.41

ACCIONA Urban & Environmental Services

		2008	2007	2006
Oils	Consumption (kg)	17,455	-	-
	Efficiency	0.346	-	-
Lubricants	Consumption (l)	6,287	-	-
	Efficiency	0.125	-	-
Non-chemical cleaning consumables*	Consumption (kg)	765,839	693,941	365,000
	Efficiency	4.677	3.346	2.106
Chemical cleaning consumables	Consumption (kg)	1,565,691	1,720,000	1,384,000
	Efficiency	9.562	8.293	7.986

* The 2006 figures only include garbage bags and toilet paper.

In 2007, figures include consumption of all types of cellulose and other plastics.

In 2008, figures include 14 street and beach cleaning contracts. Figures for Oils and Lubricants are available only for the referenced contracts (excluding AFS).

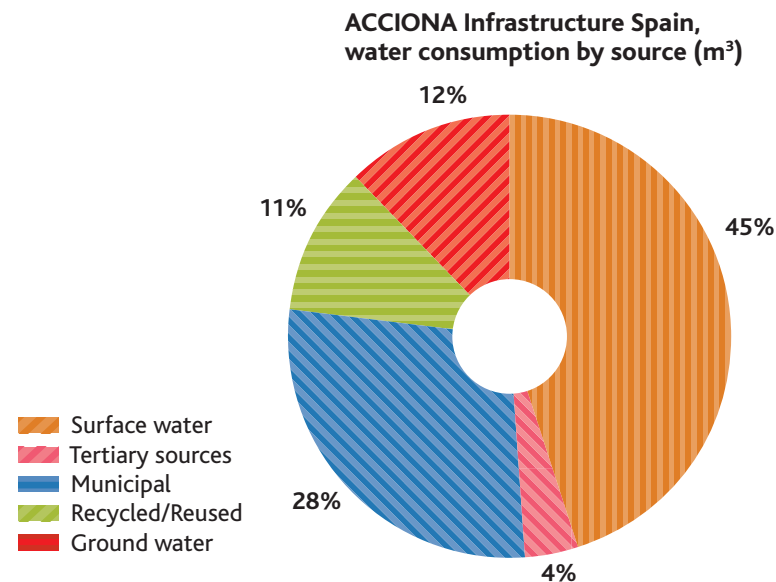
Wineries

		2008		2007	
		Consumption	Efficiency	Consumption	Efficiency
Grapes (own vineyards)	t	3,652	0.077	3,632	0.074
Glass	t	10,398	0.219	8,055	0.163
Sodium hydroxide	l	673	0.014	1,434	0.029
Lubricants	t	2.15	0.045	1.7	0.035
Phosphoric acid*	l	84	0.002	3,646	0.074
Plant health products	t	25	0.532	37.6	0.764

* Phosphoric acid is used to clean pipes and the drip irrigation system. As this cleaning was conducted in 2007, very little was required in 2008.

WATER CONSUMPTION

Water used by ACCIONA comes primarily from aquifers, surface water courses and municipal supply networks. ACCIONA rises successfully to the challenge posed by efficient water use considering the diversity of sources and the range of its business lines.

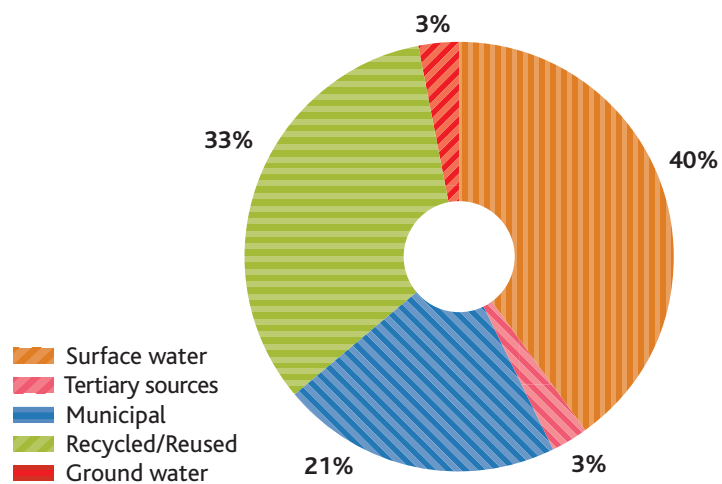


ACCIONA Infrastructure, water consumption by source (m³)

	Spain		International	
	2008	2007	2008	2007
Tertiary sources	52,933	38,865	1,695	--
Municipal	335,088	398,075	10,094	--
Recycled/reused	136,288	158,817	16,166	--
Rainwater	4,751	4,213	0	--
Ground water	149,462	52,223	1,466	--
Surface water	535,202	333,170	19,260	--
TOTAL	1,213,725	985,364	48,681	--
Efficiency ratio	0.493	0.358	0.273	--

The increase in consumption of ground and surface water is attributable to the type of project (tunnel execution using boring machines, large movements of earth and compacting, etc.) and to on-site consumption at concrete manufacturing plants installed for some projects. More than 50% of surface water consumption and 80% of ground water consumption is attributable to this type of project.

ACCIONA Infrastructure International,
water consumption by source (m³)



ACCIONA Infrastructure, water consumption
by source (m³)

	2008
Municipal	1,925
Ground water	432
TOTAL	2,357
Efficiency ratio	0.090

Efficient use of water in concrete recycling plants

- A system to recycle water and aggregate was installed in the concrete plants at various Acciona Infrastructure projects: after concrete hoppers are washed, the water is separated from aggregate, which is then used for low-quality concrete.
- Concrete mixers are washed in controlled areas, and no waste is generated. The concrete separated in the hopper is reused to produce new concrete, and the water is reused.
- This system reuses 70% of water in washing cement truck mixing drums and in concrete production.

ACCIONA Energy, water consumption by source (m³)

	2008	2007	2006	2005
	Consumption	Consumption	Consumption	Consumption
Surface water	26,186,564	20,504,902	29,415,191	26,144,540
Ground water	352,714	373,188	124,116	258,379
Municipal	272,295	264,920	363,990	332,442
TOTAL	* 26,811,676	21,143,010	29,903,297	26,735,361
Efficiency	14.931	19.344	35.14	50.351

A total of 99 m³ of water from tertiary treatments and 4.5 m³ of recycled/reused water. Of the 26,186,564 m³ of surface water consumed, 25,981,881 m³ were used in the Sangüesa biomass plant, which discharged 25,910,634 m³ of cooling water.

ACCIONA Logistics & Transport Services, water consumption by source (m³)

	2008	2007	2006	2005
	Consumption	Consumption	Consumption	Consumption
Municipal	103,731	113,573	123,306	108,867
TOTAL	103,731	113,573	123,306	108,867
Efficiency ratio	0.217	0.258	--	--

ACCIONA Urban & Environmental Services

	2008
	Consumption (m ³)
Tertiary sources	2,640
Municipal	109,685
Ground water	656
Surface water	46,703
Recycled/reused	100
TOTAL	159,785
Efficiency ratio	3.761

Scope of data: ACCIONA Urban services (street cleaning and MSW collection) and ACCIONA Environment. Not including Facility Services.

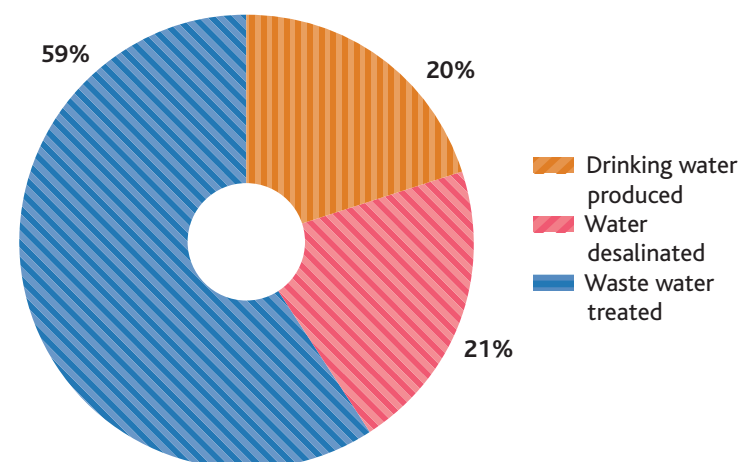
Wineries, water consumption by source (m³)

	2008	2007
Municipal	11,059	10,834
Ground water	321,859	218,247
TOTAL	332,918	229,081
Efficiency ratio	7.03	4.649

Water consumption increased as a result of greater irrigation needs at vineyards due to dry weather conditions in 2008.

ACCIONA Agua, water managed (hm³)

	2008	2007	2006
Desalinated water	48.50	52.86	51.7
Treated waste water	131.67	203.85	166.6
Drinking water produced	46.44	49.73	43.6

ACCIONA Agua, water managed (hm³)

WASTE MANAGEMENT

Non-hazardous waste

The characteristics and total quantity of waste generated through ACCIONA activities varies depending on the type of activity. Management systems and specific treatment processes have been designed for each business line in an effort to minimise environmental impacts.

Management of non-hazardous waste at ACCIONA Infrastructure

The absolute amount of non-hazardous waste managed at ACCIONA Infrastructure is not the most accurate indicator of the Company's environmental performance in this area. For example, civil engineering does not generate the same amount of waste as building per unit of output. Also, situations may vary considerably and not be comparable even within the building segment, for example where a project requires a pre-existing structure to be demolished.

With a view to making waste management data comparable, ACCIONA is working to improve

reporting in this area, expressing performance as a percentage according to the type of treatment.

ACCIONA Infrastructure Spain

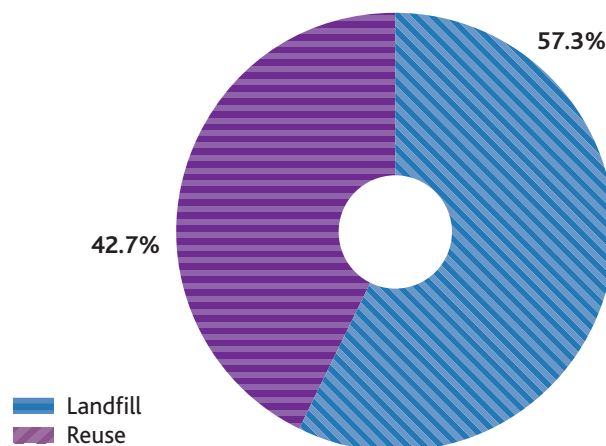
		2008	2007	2006
Type of waste		Total generated	Total generated	Total generated
Metals	t	2,419	2,856	6,117
Timber	t	5,539	3,814	8,868
Plastics	t	241	165	2,987
Rubble	t	1,698,817	1,976,794	1,141,764

Waste management at ACCIONA Infrastructure

		Landfill			Recycled			Reused		
Type of waste		2008	2007	2006	2008	2007	2006	2008	2007	2006
Metals		10.28%	7.03%	16.30%	69.31%	92.36%	83.70%	20.33%	0.48%	--
Timber		24.34%	20.29%	45.39%	64.11%	78.33%	54.61%	11.55%	1.67%	--
Plastics		39.39%	15.99%	87.61%	56.21%	83.65%	12.39%	4.39%	0.54%	--
Rubble		30.34%	88.59%	57.97%	39.91%	6.27%	11.14%	29.74%	5.92%	30.89%

In 2008, good practices that minimised production of rubble and compliance with European, national and regional recycling and reuse regulations translated into a smaller volume of rubble being deposited at landfills.

In 2008, 7,429,341 m³ of earth was managed, as opposed to 6,592,341 m³ in 2007; 42.7% was reused and 57.3% was disposed of in landfills. The latter figure depends directly on third-party designs for the project and its technical characteristics, which do not always allow for subsequent reuse.



ACCIONA Infrastructure International

		2008			
Type of waste		Total generated	Landfill	Recycled	Reused
Metals	t	68	20.13%	63.89%	15.98%
Timber	t	139	31.50%	33.03%	35.47%
Plastics	t	24	2.67%	97.04%	0.29%
Rubble	t	8,220	100.00%	0.00%	0.00%

ACCIONA Infrastructure Spain, earth management

ACCIONA Infrastructure Maintenance, non-hazardous waste

		2008
Type of waste		Total generated
Municipal solid waste	t	708
Metals	t	225
Plastics	t	51
Empty plastic packaging	t	20
Soil	t	6
Plant waste	t	614

ACCIONA Energy, non-hazardous waste

Type of waste		2008	2007	2006	2005
Timber	t	423	267	72	92
Bleaching earth	t	34	150	156	127
Dehydrated sludge from waste water treatment plant	t	108	172	329	200
Ash	t	3,781	2,971	2,218	449
Metals	t	106	65	--	--
Ion exchange resins	t	0.038	0.36	--	--
Slag	t	5,593	6,746	16,620	2,547

Figures for wood and metals exceed previous years' data due basically to the increase in wind turbine generator manufacturing.

Waste from biofuel production (bleaching earth, biosludge and ion exchange resins) are lower since production in 2008 was significantly lower than in 2007.

ACCIONA Agua, non-hazardous waste

Type of waste		2008	2007	2006
Metals*	t	12	48	215
Earth*	m ³	2,975	22,529	15,674
Pre-treatment residues	t	10,466	5,890	3,395
Sand from de-sanding processes	t	4,932	5,180	1,894
Dehydrated sludge	t	111,873	117,627	87,763
Timber*	t	12	48	2
Rubble*	t	1,575	6,764	--
Grease from de-greasing processes	t	1,183	3,572	334

* 2007 data came almost entirely from two active projects which were finished in 2008, which explains the substantial reduction.

ACCIONA Logistics & Transport Services, non-hazardous waste

Type of waste		2008	2007	2006	2005
Onshore MSW installations	t	506	1,180	1,805	--
Marpol V waste (shipboard MSW)	m³	20,770	17,801	18,808	16,151

Wineries, non-hazardous waste

Type of waste		2008	2007
Pomace	kg	883,180	879,110
Stalks*	kg	122,152	21,277
Paper	t	173	255

* Stalks data for 2007 refers to the Cosme Palacio winery only. Figures from 2008 include the Cosme Palacio (30,756) and Viña Mayor wineries.

HAZARDOUS WASTE

The amount of hazardous waste generated depends directly on the type of construction project and the percentage of the project carried out by third parties.

ACCIONA Infrastructure, hazardous waste from construction projects

Type of waste		2008	2007	2006
Oil	kg	166,340	71,933	303,677
Oil filters	kg	6,184	3,071	6,291
Air filters	kg	103	68	
Vehicle batteries	kg	3,774	8,164	4,103
Contaminated plastic packaging	kg	23,502	16,785	169,715
Contaminated metal packaging	kg	25,440	36,889	
Contaminated earth	kg	61,031	158,059	71,657
Dry cells and batteries	kg	1,092	2,447	5,556

14.5
MILLION KILOS OF
CONTAMINATED
EARTH REMOVED

In addition to the data for contaminated earth under Company control (i.e. earth from cleaning machinery maintenance areas, small spills collected with sepiolite and similar actions), of special note from the customer's standpoint was the removal at two specific projects of

14,473,000 kg of contaminated earth as hazardous waste from an area which had functioned as a landfill for the past 60 years. This figure is not included in the overall calculations because it would distort the picture of the Company's own performance.

Hazardous waste at machinery depots

Type of waste		2008	2007	2006
Oil	kg	42,976	22,653	35,856
Oil filters	kg	5,851	1,835	3,240
Air filters	kg	1,795	280	
Vehicle batteries	kg	5,849	5,395	4,830
Contaminated plastic packaging	kg	1,441	921	10,677
Contaminated metal packaging	kg	4,837	1,935	
Contaminated earth	kg	3,480	4,000	2,982
Absorbents and rags	kg	4,487	5,147	2,747
Dry cells and batteries	kg	825	35	33

Use of own machinery and the scope of the data have expanded.

ACCIONA Infrastructure International, hazardous waste in construction projects

Type of waste		2008
Oil	kg	27,025
Oil filters	kg	201
Air filters	kg	254
Vehicle batteries	kg	1,395
Contaminated plastic packaging	kg	60
Contaminated metal packaging	kg	225
Dry cells and batteries	kg	400

ACCIONA Infrastructure Maintenance, hazardous waste

Type of waste		2008
Mineral and synthetic oil	kg	420
Contaminated plastic packaging	kg	234
Contaminated metal packaging	kg	714
Dry cells and batteries	kg	56

ACCIONA Energy, hazardous waste

Type of waste		2008	2007	2006	2005
Oil	kg	145,037	117,922	101,000	71,000
Oil filters	kg	35,592	25,598	15,000	10,000
Contaminated packaging	kg	27,151	22,608	15,000	22,000
Water contaminated with hydrocarbons*	kg	9,951	53,914	6,000	--
Absorbents and rags	kg	123,169	125,561	102,000	80,000
Dry cells and batteries	kg	1,366	1,515	3	5

* Data for water contaminated with hydrocarbons is due to the installation of an evaporator at ACCIONA Windpower plants, reducing the amount of this waste by approximately 90%.

ACCIONA Water, hazardous waste

Type of waste		2008	2007	2006
Oil	kg	11,930	10,916	6,944
Laboratory chemicals	kg	825	771	372
Contaminated packaging	kg	2,507	2,652	1,351
Absorbents and rags	kg	897	947	492
Fluorescent tubes	kg	562	406	145

ACCIONA Logistics & Transport Services, hazardous waste

Type of waste		2008	2007	2006	2005
Mineral oil	kg	6,113	4,540	11,761	--
Vegetable oil	kg	1,559	1,058	1,524	--
Oily water	kg	13,732	5,235	64,200	--
Batteries	kg	3,161	1,116	2,110	--
Non-halogenated solvents	kg	28	446	161	--
Contaminated plastic packaging	kg	5,905	6,659	6,978	--
Contaminated metal packaging	kg	13,201	15,094	20,491	--
Used oil filters	kg	18,076	17,537	14,144	--
Fluorescent and mercury vapour lamps	kg	2,740	2,515	3,051	--
Washing sludge	kg	3,233	421	924	--
Marpol I (Oily waste from ships)	m ³	13,008	11,448	11,598	8,344
Alkaline cells	kg	152	678	482	300
Contaminated rags and absorbents	kg	22,110	19,239	12,238	18,000
Contaminated earth	kg	377	12	129	--
Paint residues	kg	67	940	1,762	--
Hydrocarbon residues	kg	7,227	3,654	3,365	--

**ACCIONA Urban & Environmental Services,
hazardous waste**

Type of waste		2008	2007
Oils	kg	8,445	8,129
Batteries	kg	3,171	2,366
Contaminated packaging	kg	1,032	654
Used oil filters	kg	1,369	1,043

Wineries, hazardous waste

Type of waste		2008	2007
Mineral oil	kg	1,154	400
Batteries	kg	300	322
Contaminated plastic packaging	kg	211	120
Hydrated sludge from waste water treatment plant	t	941	628

Landfills

The main sources of discharges at ACCIONA installations are those produced in the Energy division (in terms of volume) and those originated in the activities of ACCIONA Trasmediterranea (potentially the most serious).

Implementation of an evaporation system for dirty water at ACCIONA Windpower's three production centres

- In 2007, ACCIONA Windpower produced about 44,000 kg of water contaminated with oils and hydrocarbons resulting from the use of floor cleaning machines. These alkaline/oily waters, which contain more than 95% water, were significantly reduced due by the use of evaporation systems at the WTG manufacturing plants.
- The thermocompression system, which has an efficiency of 85-90%, evaporates the washing machine water and produces a concentrated waste (which is handled by an authorised waste manager) and distilled water. In 2008, this waste was reduced to 4,000 kg.
- Evaporation by thermocompression works in a vacuum, utilising a thermal recovery system via compression and reusing the steam produced in the first phase. Another advantage is the significant reduction in energy use. Furthermore, by not using compressors or cooling liquids, there are none of the inherent drawbacks (noise, leaks, etc.).

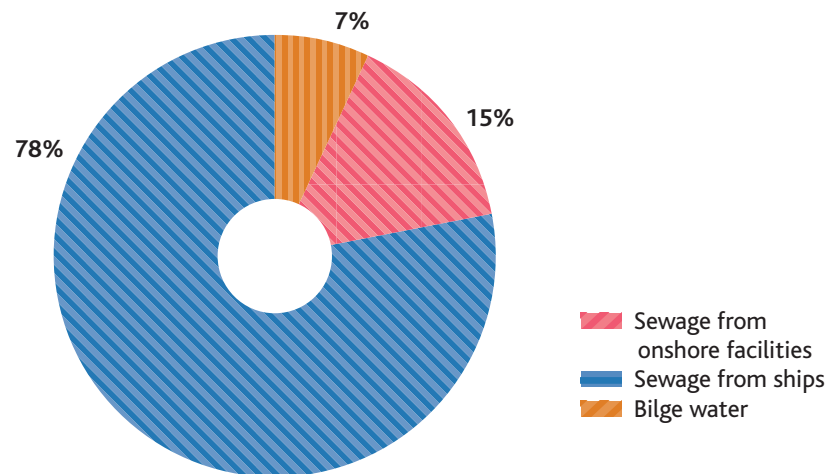
ACCIONA Energy

		2008	2007	2006	2005
Cogeneration discharges*	m ³	108,094	170,915	133,973	111,746
Cooling water (biomass)	m ³	25,910,634	20,267,270	29,134,800	25,945,200
Discharges to sewers (biomass)	m ³	95,522	77,790	18,556	13,986

* Machinery at some cogeneration plants were shut down for some time, thereby avoiding discharges.

ACCIONA Trasmediterranea

		2008	2007	2006	2005
Bilge water	m ³	7,105	7,875	8,088	--
Sewage from onshore facilities	m ³	15,787	13,441	22,565	12,139
Sewage from ships	m ³	85,072	95,283	100,741	96,782

Trasmediterranea discharges

Bilge water treatment

	Treatment	Environmental quality parameters
Bilge water	In addition to bilge water treatment in 2007, a study has begun to consider evaporating water from the sludge tanks with a view to discharging only the solid fraction, thereby cutting costs.	<p>Necessary conditions for discharge:</p> <ul style="list-style-type: none"> • At sea. • Standardized hydrocarbon filtering equipment. • Undiluted effluent hydrocarbon concentration of not more than 15 ppm. • For discharge in special areas (Mediterranean Sea), the hydrocarbon filter equipment must have alarms to indicate that the maximum level has been reached.
Onshore sewage treatment facilities	Discharge directly into port sewer. Removed in tanker trucks by authorised waste manager.	
Onboard sewage treatment	<p>Ships equipped with three different systems:</p> <p>A. Sewage treatment plant may discharge even in port.</p> <p>B. Ships without treatment plants, but with systems for comminution and disinfection, may discharge more than three miles offshore.</p> <p>C. For ships with retention tanks (untreated), direct discharges are permitted over 12 miles offshore provided that the ship is travelling at no less than four knots and the rate of discharge is moderate.</p>	<p>A. Ships with treatment plants must conduct weekly analyses in line with the following parameters:</p> <ul style="list-style-type: none"> • Clarified effluent (no visible floating solids). • No appreciable colour in surrounding waters. • Dissolved [O₂] = 6-10 ppm • Residual Cl = 1-2 ppm • pH= 6-8.5 <p>B. For ships without a treatment plant, there is still no regulation in the MARPOL Convention.</p>

EMISSIONS

In all the activities carried out by ACCIONA which produce emissions from fixed sources, checks on them are carried out to ensure that the substances emitted are within the limits established by the legislation in force and authorisations concerned (e.g., for NO_x, SO_x and opacity, etc.). These controls are carried out with the required frequency in each case, including inspections and the recording of their levels under the corresponding environmental management system.

It should be pointed out that total NO_x emissions are measured for all the ACCIONA installations affected by EU Council Directive 96/61/EC, of 24 September 1996, on Integrated Pollution Prevention and Control (IPPC). The total quantities of NO_x emitted by ACCIONA are published through the declaration to EPER (the European Pollutant Emission Register), as foreseen in the Directive above.

Three ACCIONA Energy cogeneration installations, and the biomass generation plant at Sangüesa, are affected by the Directive.

BREACHES AND PENALTIES

In 2008, 33 disciplinary proceedings were commenced against ACCIONA Infrastructure for environmental incidents and breaches. Twelve proceedings were concluded during the year, including four which were dismissed; the remaining eight led to fines totalling 41,003 euros.

As far as international activity was concerned, two disciplinary proceedings which began in 2008 are currently being heard.

ACCIONA Agua received eight penalties in 2008, two of which relate to international activity. Also in the year, six proceedings were closed, one without penalty, since the Company was found not liable; the remainder required the payment of 24,325 euros.

ACCIONA Trasmediterranea was cited in two disciplinary proceedings in 2008. These cases are currently being heard.

ACCIONA Urban Services' street and beach cleaning unit was issued an environmental sanction in 2008 which is currently being appealed.

ACCIONA Energy's biodiesel plant in Caparrosa received an environmental sanction and this case is also currently being heard.

Aspects associated with environmental sanctions are:

- Breach of restoration plans.
- Changes in public domain.
- Improper waste management.
- Breach of licence.
- Discharges outside parameters.

EXPENDITURE BY BUSINESS LINE

The main expenditure by each of ACCIONA's business lines in 2008 is as follows:

- Environmental management.
- Emission prevention.
- Landscape restoration.
- Corrective measures.

EXPENDITURE (thousand euros)			
	2008	2007	2006
Infrastructure	7,140	7,723	6,232
Energy	1,151	797	328
Urban & Environmental Services	1,017	161	2,066
Logistics & Transport Services	2,327	1,794	1,643

This expenditure is related to the following activities:

- Laboratory tests and trials.
- Non-hazardous waste management.
- Hazardous waste management and removal.
- Treatment of discharges into water courses.

Environmental Dimension:

1. EFFICIENCY IN
THE PROCESSES AND
EXCELLENCE IN THE
MANAGEMENT

2. CARBON FOOTPRINT

2009 GOALS:

To convert opportunities to combat climate change into successful business ventures

2008 MILESTONES

- Consolidation of the Energy Efficiency Plan, whose goal is to reduce CO₂ emissions.
- Reduction of CO₂ emissions by 27% with respect to 2007.
- Reduction of energy and carbon intensity indices.
- Increase the volume of CO₂ emissions avoided by our products and services, to 6,872,586 tonnes, 5.6% more than in 2007.
- Registration of two new Clean Development Mechanisms (CDMs) in India, with a total capacity of 30 MW, which will avoid the emission of 88,240 tonnes of CO₂ each year.

2009 GOALS

- Continue to reduce our energy and carbon intensity indices.
- Fulfil the objectives of our Energy Efficiency Plan.
- Registration of the Yeong Yang (South Korea) wind power project as a CDM.
- Emissions avoided through low-carbon project continue to increase.

OUR APPROACH

- At ACCIONA, we believe that leading companies should steer the current economic models towards low-carbon scenarios.
- We want to lead this change by example in all areas of society through innovative projects which provide specific solutions to the challenges of climate change.
- We want to be pioneers in converting the risks of this global challenge into opportunities for success and distinguishing characteristics of our businesses.

ACCIONA continues to work to strengthen its position as a supplier of low-carbon products and services

ACCIONA'S COMMITMENT

Climate change is one of the most important challenges facing humanity today. The socioeconomic risks of climate change are a challenge which requires that society in general, governments and large corporations take immediate, effective measures.

Since climate change is a global problem, it needs a global solution. Actions taken today will directly impact the well-being of future generations.

ACCIONA continues to strengthen its position as a provider of low-carbon services and products, as reflected in its business portfolio and its growth policies.

ACCIONA responsibly accepts its position as a leader, anticipating market trends and social expectations, so that responses to this challenge become competitive advantages, fully integrated into modern, profitable and competitive business strategies.

The goal is to commit to low-carbon models, capable of meeting global demands for energy, infrastructure and water in an environmentally-sustainable way. These models will create a new business era.

ACCIONA's commitment is directly reflected in its innovative business portfolio and solid, committed growth policies.

Climate change solutions, clear ideas

- In 2008, ACCIONA continued to develop its Climate Strategy, designed to reduce its carbon footprint. To date, the strategy has enabled the Company to avoid the emission of large amounts of greenhouse gases (GHG)¹ into the atmosphere through
 - our products and services. In addition to its strategy, the Company has taken other actions to reduce the internal emission-intensity of all ACCIONA activities.
 - ACCIONA's Climate Strategy is based on the following:
 - Monitoring and tracking emissions generated and avoided.
 - Reducing our own carbon footprint through actions designed to improve energy efficiency.
 - Monitoring and creating opportunities in products and services (innovation and new markets).
 - Using carbon offset mechanisms and markets in international development (e.g. projects under the Kyoto Protocol).
 - Raising awareness, and encouraging participation and debate about climate change.

¹ Greenhouse gases (GHG) are gases whose presence in the atmosphere contribute to the greenhouse effect. The main GHG are naturally present in the atmosphere; their concentration, however, is affected by human activity. The greenhouse effect occurs when these gases trap some of the infra-red radiation being radiated by the Earth. The main GHG is CO₂.

SOCIAL COMMITMENT TO FINDING JOINT SOLUTIONS

ACCIONA is committed to raising awareness about its commitment to fighting climate change.

ACCIONA considers collaboration between the private sector, public institutions and social organisations to be crucial. Noteworthy events in 2008 include the Company's adoption of the Local Government Climate Roadmap, presented at the UNFCCC conference in Poznan (Poland), and collaboration, together

with other large Spanish companies, under the auspices of the World Business Council for Sustainable Development, in Fundación Entorno-BCSD Spain's Energy and Climate Change Working Group, the results of which were summarised in two publications in 2008: "CO₂ Action" and "Adaptation".

Locally, ACCIONA is an active participant in Madrid City Council's Proclima Forum, in which 35 leading companies meet regularly to share knowledge, initiatives

and experience in the fight against climate change and in the search for sustainable growth.

For more information:
WBCSD - www.wbcsd.org
Fundación Entorno:
<http://www.fundacionentorno.org/>

"Adaptation: business leadership to combat climate change in Spain" - report

- ACCIONA worked with 19 other Spanish companies from different sectors to draft this report, which aims to raise awareness about potential benefits for businesses which act early to combat the consequences of climate change.
- The report documents actions implemented by the participating companies in adapting to climate change and which may represent new business opportunities. The report features ACCIONA's new water treatment technologies.

ACCIONA SIGNED THE LOCAL CLIMATE ROADMAP AT THE UN CLIMATE CHANGE CONFERENCE IN POZNAN

- The agreement, signed in 2008 by senior executives from more than 140 international companies, was drafted by the C40 Climate Leadership Group at the United Nations Climate Change conference (COP 14) in Poznan, Poland, as a follow-up to the 2007 Bali Roadmap.
- The new roadmap urges the adoption of an agreement based on a series of guidelines for reducing GHG emissions in developed and developing countries, and sets out a series of measures to achieve this in an effective and sustainable manner.

"CO₂ Action": a business commitment to reduce CO₂ emissions

- ACCIONA participated in the "CO₂ Action" programme, the first voluntary multi-sector initiative in which 15 Spanish companies set themselves a target for reducing emissions in 2008-2010.
- The report also highlights actions taken by participating companies to reach their reduction targets. These are emission mitigation measures implemented in activities which are unrelated to the companies' production processes. The report underlines ACCIONA's "Saving, Casual Clothes and Sustainability Plan", aimed at saving energy by regulating the temperature in work centres.

ACCIONA'S EMISSIONS, DETAILED MONITORING

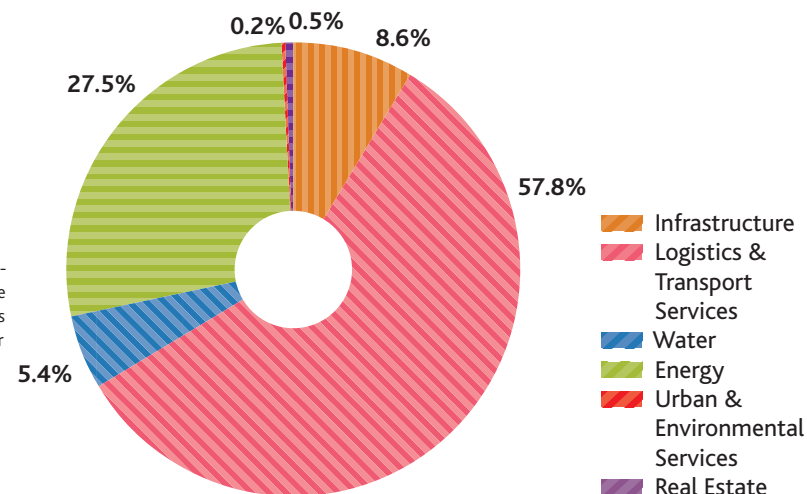
Greenhouse gases emitted by ACCIONA come from direct and indirect energy consumption in its production processes and projects.

As in previous years, ACCIONA continued to reduce GHG emissions. In 2008, as a result of a total energy consumption of 18,252 TJ, the Company generated 1.28 million tonnes of CO₂, the emission profile varying considerably between business units². Emissions were down 27% on 2007.

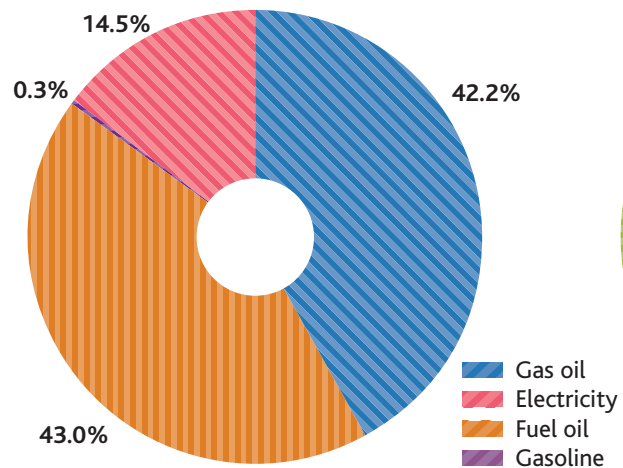
² This does not include energy consumption and emissions from international activity (basically ACCIONA Infrastructure's projects outside Spain), ACCIONA Logistics & Transport Services fleet of trucks or the bioethanol plant in Alcázar de San Juan (Spain).

ACCIONA Logistics & Transport Services produced the greatest amount of GHG emissions within the Company in 2008: 57.8% of the total. Nevertheless, the division reduced its CO₂ emissions by 39% compared to the previous year.

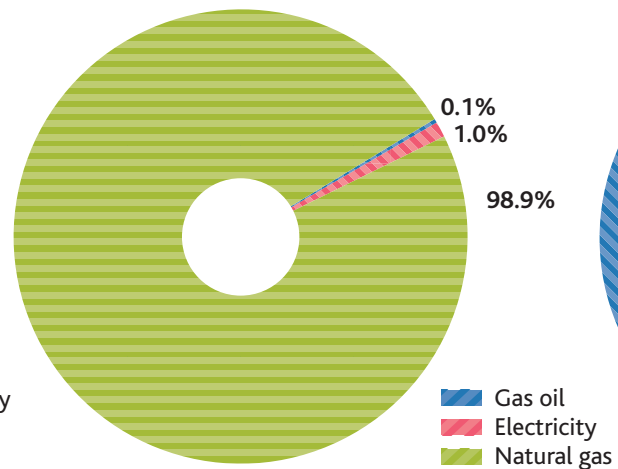
Distribution of emissions by business unit



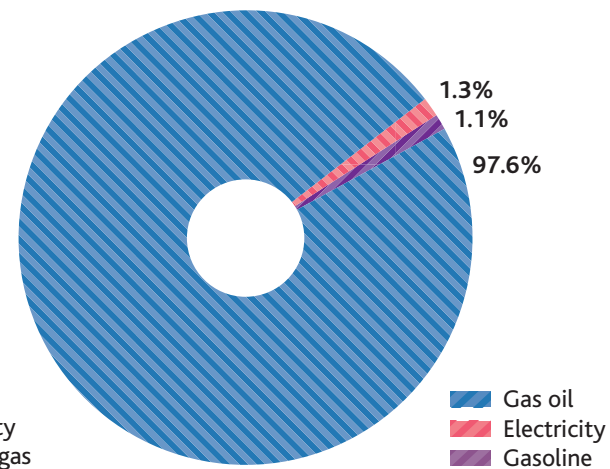
ACCIONA Infrastructure 1,427 TJ



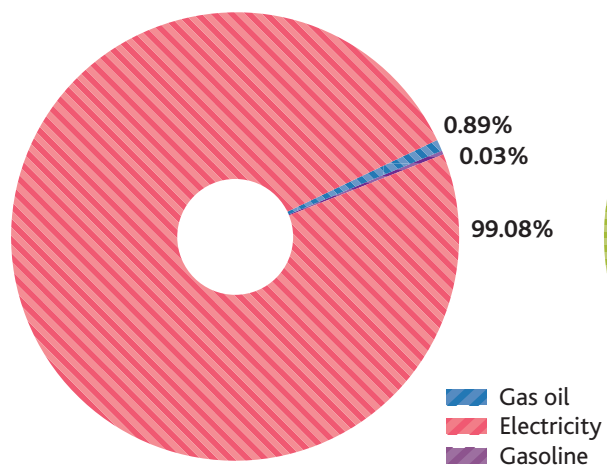
ACCIONA Energy 6,221 TJ



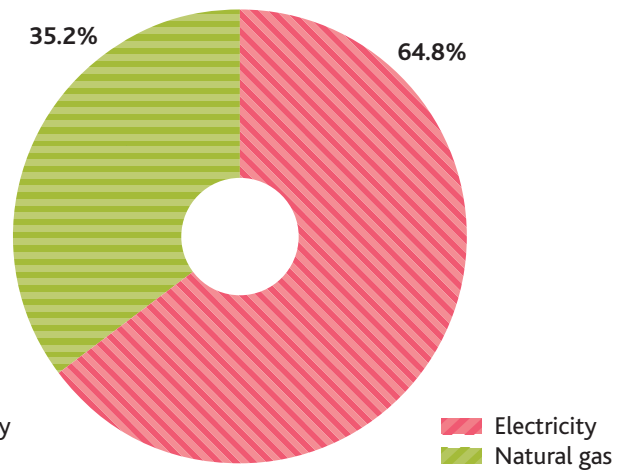
ACCIONA Urban & Environmental Services 82 TJ



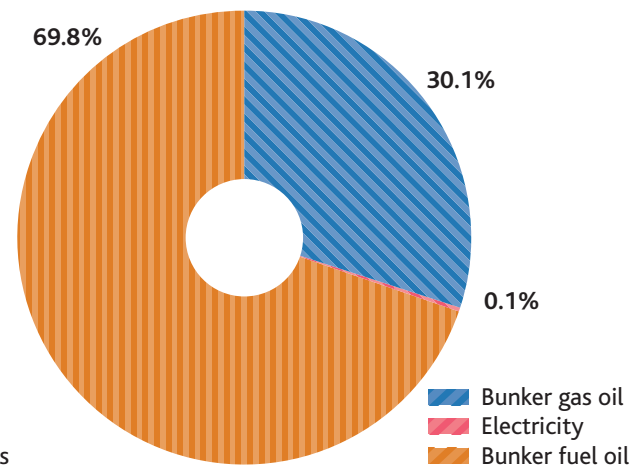
ACCIONA Agua 811 TJ



ACCIONA Real Estate 40 TJ



ACCIONA Logistics & Transport Services 9,671 TJ



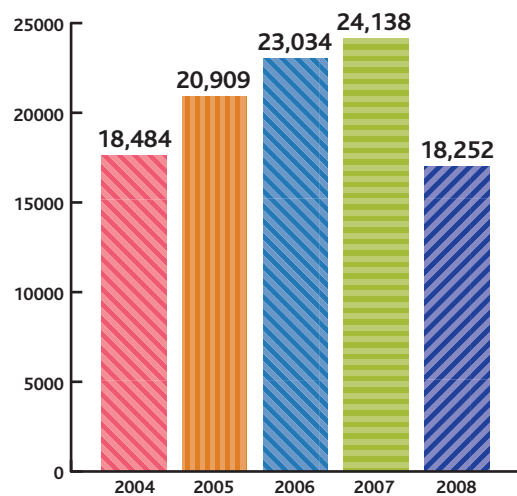
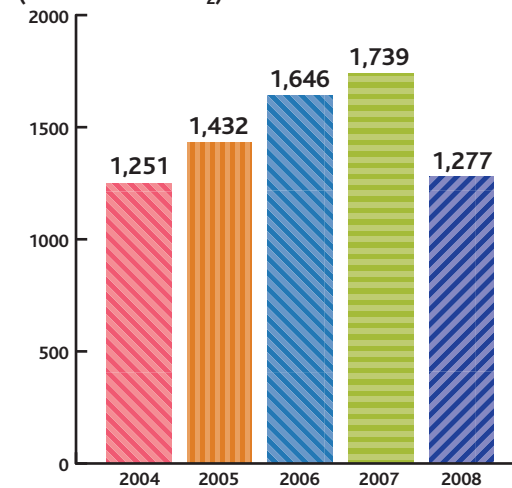
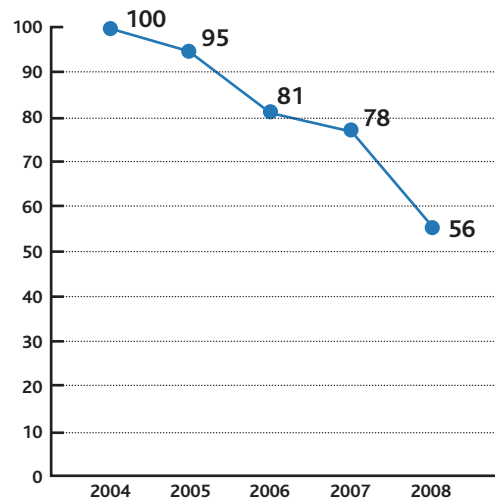
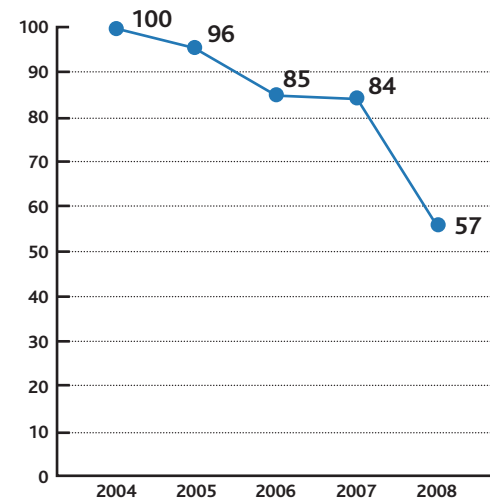
**ACCIONA
continued
to reduce
greenhouse gas
emissions, the
consequence
of energy
consumption
by its
production
activities and
projects**

In 2008, ACCIONA improved and increased efficiency in tracking and calculating GHG emissions thanks to the implementation of Métrica, a corporate tool for storing and analysing environmental data. Information is collected from each location on a half-yearly basis, allowing for a detailed tracking of emissions generated by the various activities. Key features of the procedure include flexibility, precision, effectiveness and transparency, enabling the Company to measure the emission reductions resulting from improvement actions.

In 2008, the entire Company continued to improve its energy and CO₂⁽³⁾ intensity; the Company's overall energy intensity decreased by 44% with respect to 2004. In 2008, the Company confirmed the improvement in its carbon intensity, which declined by 43% with respect to 2004.

This steady improvement, year after year, is the result of ACCIONA's efforts to fulfil its commitments and reflects the effectiveness of the energy efficiency policies that are in place. In the coming years, ACCIONA aims to continue improving these measures through its 2008-2011 Energy Efficiency Plan.

³ Energy consumption and total CO₂ emissions over revenues (base 100) with respect to 2004. Does not include ENDESA's impact on revenues.

Reduction in Energy Consumption (TJ)**Reduction in CO₂ emissions
(thousands of tCO₂)****Energy Intensity Index
(TJ/revenue, baseline 2004)****Carbon Intensity Index
(tCO₂/revenue, baseline 2004)**

10%

IMPROVEMENT IN
THE ENERGY
CONSUMPTION
RATIO

The Energy Efficiency Plan is part of the Environmental Efficiency Plan for 2008-2011

THE ENERGY EFFICIENCY PLAN, A COMMITMENT

In 2008, ACCIONA continued to advance in compliance with the objectives established in the Company's Energy Efficiency Plan, which aims at reducing the Group's CO₂ emissions and includes energy audits at ACCIONA's offices with a view to implementing the resulting suggestions to improve energy consumption ratios. The Energy Efficiency Plan is part of the 2008-2011 Environmental Efficiency Plan launched by ACCIONA in 2008. The 2008-2011 Environmental Efficiency Plan supplements the Energy Efficiency Plan with actions in two new priority areas: improving the water consumption ratio and improving waste management.

ACCIONA continued to carry out energy audits at selected offices in 2008, in line with criteria established in the Group's Energy Efficiency Plan. These were done at buildings, permanently 100% occupied by ACCIONA, or where the Group is responsible for operation and maintenance. Energy audits will continue in 2009 at other offices with a view to auditing 50% of offices. Audits carried out to date have helped identify actions which require investments in order to reduce energy consumption and CO₂ emissions, as well as compiling best practices in energy efficiency for employees and buildings operation and maintenance personnel.

Information obtained in these audits was used to define a majority of measures and actions included in the first version of the Manual of Best Practices in Energy Efficiency, which was distributed to all Group employees in 2008. The first phase of the plan, which focused on implementing best practices in energy efficiency at office buildings, set the goal of improving the energy consumption ratio by 10% by 2010. The pursuit of this goal will avoid the atmospheric emissions of CO₂ resulting from ACCIONA's office activities.

At the same time as best practices in energy efficiency in the manual were disseminated and implemented,

The Manual of Best Practices in Energy Efficiency will be complete with the incorporation of new good practices

a large internal communications campaign was launched aimed at all ACCIONA employees with a view to reminding them about the importance, in their daily activities, of taking steps and adopting new habits to eliminate unnecessary energy consumption. Employees will continue to receive information via the intranet, flyers, brochures, etc., for months to come, and building maintenance supervisors will receive technical instructions for monitoring and implementing all measures. This campaign played a vital role in raising employees' awareness of the importance of savings.

In 2009, new best practices arising from pending energy audits and other sources will be added to the Manual on Best Practices in Energy

Efficiency, and specific plans will be designed for their implementation in each of ACCIONA's offices. ACCIONA will focus on monitoring and tracking results via Métrica Ambiental, its tool for storing and analysing environmental data, with a view to evaluating and motivating employees to achieve improvement targets. To this end, a procedure for tracking and measuring results has been distributed and implemented among identified supervisors at the Company's principal office buildings.

The Energy Efficiency Plan includes a second phase (2010-2012) in which the objectives and actions will be extended to include all production sites in ACCIONA's various lines of business.

"Savings, Casual Clothes and Sustainability"

- In Summer 2007, ACCIONA took steps to rationalise climate control by increasing the air conditioning temperature in offices, thereby reducing both the seasonal consumption of energy associated with cooling and the associated GHG emissions. This increase in temperature was combined with other measures related to work attire so as to improve the thermal sensation and employee comfort. In line with the strategy implemented in the Energy Efficiency Plan, in 2008 this initiative was extended beyond ACCIONA's headquarters to all ACCIONA office buildings where maintenance is handled by a Group company. To support this initiative, a procedure for implementing and tracking this initiative was designed and distributed to all maintenance supervisors at selected office buildings. This technical document focused particularly on instructions for correctly monitoring and tracking results. The total savings from the implementation of this initiative was 56,798 after raising the air temperature in buildings by two degrees.

BUSINESSES WHICH CONTRIBUTE TOWARDS MITIGATING CLIMATE CHANGE

ACCIONA's products and services are encompassed within its business models, which encourage the move towards a low-carbon economy.

The Group's divisions have expanded their respective project portfolios based on sustainable solutions, and champion innovative projects which contribute to mitigating climate change. These projects reflect ACCIONA's pioneering spirit, and lay the foundations for modern, profitable and more competitive businesses.

Among its main lines of action, the Company increased its capacity to generate electricity using renewable

sources, expanded businesses associated with sustainable transport, enhanced efficiency in building construction and built new plants to produce biofuels.

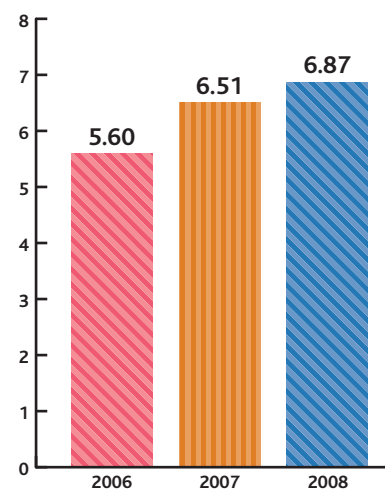
Emissions avoided in 2008 (tonnes of CO₂)

The increase in the volume of CO₂ emissions avoided through ACCIONA's products and services in 2008 (for the third consecutive year) accurately reflects the Company's commitment to designing low-carbon strategies and business models.

In 2008, gross emissions avoided amounted to 6,872,586 tonnes of CO₂, 363,777 tonnes more than in 2007.

Activity	tCO ₂ avoided
Cogeneration	202,064
Renewable electricity	5,455,171
Wind turbine generator (WTG) production	976,541
Transport: modal change	37,802
Biofuels	72,980
Waste	124,265
Eco-efficient building	3,762
TOTAL	6,872,586

Emissions avoided (thousands of t)



ACCIONA electricity generation is based upon using renewable energies and more efficient generation systems, such as cogeneration

Sustainable power generation

Through its energy division, ACCIONA aims to strengthen its position as a global leader in the move towards an innovative, sustainable energy model. ACCIONA's power generation is based on using renewable energies and more efficient generation systems (e.g. cogeneration).

In 2008, ACCIONA increased its installed capacity by 783.29 MW, and it produced a total of 9,659 GWh.

ACCIONA's strategy is based on diversification, in terms of both generation sources and locations. For example, 75% of new wind farm installations in 2008 were outside Spain.

In 2008, ACCIONA generated renewable power from wind, mini-hydroelectric, solar photovoltaic, solar thermoelectric, biomass and cogeneration plants; total installed capacity was 4,871 MW.

It also completed construction of the world's largest solar photovoltaic power plant in Amareleja (Moura, Portugal).

In addition to its operational biomass plants in Sangüesa, Talosa and Pinasa, ACCIONA Energy has two other biomass plants under construction and various projects in different phases of obtaining permits.

ACCIONA Energy's R&D and Innovation efforts focus on developing technological processes and solutions which enable it to offer competitive

products aligned with sustainable energy models. ACCIONA's commitment to renewable technologies is unequivocal: it is currently pursuing various lines of research, from hydrogen to biofuels, as well as solar and wind technologies (onshore and offshore).

ACCIONA Energy's installed capacity at 31.12.2008 (MW)

Wind	4,565.60
Hydro	58.79
Biomass	33.00
Solar thermoelectric	64.00
Solar photovoltaic	48.26
Solar thermal	0.72
Cogeneration	101
TOTAL	4,871.37

CENIT Eolia: offshore deep water wind farms

- ACCIONA Energy heads the Eolia project (part of CENIT), whose goal is to develop offshore wind energy for European industry.
- The project is being developed in view of positive growth projections for offshore wind power in Europe; total installed capacity is expected to reach 35 GW by 2020.
- The project aims to develop the technology, methodology, equipment and construction systems required to implement deep-water wind farms (depths of over 40 metres) profitably and in secure technical conditions.
- This requires special foundations, site selection methodologies, specific wind turbine generators, and grid connection and storage systems which are currently unavailable but which are necessary to guarantee the viability of these projects.

CO₂ Emissions Meter, transparency and commitment

- ACCIONA's CO₂ Emissions Meter has been operating for two years, during which time the Company has fulfilled its dual objective: transparency and social awareness of the importance of renewable energies in mitigating climate change.
- The Meter provides weekly data on emissions avoided by ACCIONA Energy as a result of renewable power generation. The data is sourced from ACCIONA's internal control centre and the system uses emission factors from reliable international sources.

ACCIONA's strategic focus centres upon biofuel production and the search for alternative solutions to road transport

New solutions for sustainable transport

Transport is one of the industries where emissions have risen most in recent years. In 2005, emissions from the transport sector were 83% higher than in 1990, the baseline year used in calculating reduction goals under the Kyoto Protocol.

Aware of this, ACCIONA is working intensely to seek environmentally-sustainable, low-carbon solutions that provide strategic and competitive advantages in the markets in which it operates.

ACCIONA's strategic approach to this area is focused on two areas: biofuel production and the search for alternatives to road freight.

ACCIONA and biofuels

In 2008, ACCIONA completed construction of the second biodiesel plant at Bilbao Port; it can produce 200,000 tonnes per year, with the result that ACCIONA as a company can now produce 270,000 tonnes of biodiesel and 26,000 tonnes of bioethanol per year.

The biofuels produced in these facilities avoided 72,980 tonnes of CO₂ emissions in 2008.

The biodiesel is produced from canola, soy and palm oils. ACCIONA is firmly committed to ensuring that the raw materials used in its manufacturing processes are produced by sustainable farming practices. To this end, ACCIONA Energy requires that its suppliers make an explicit commitment to sustainable production practices.

ACCIONA only buys soy from companies belonging to the Round Table on Responsible Soy (RTRS)⁴ and palm oil from companies belonging to the Round Table on Sustainable Palm Oil (RSPO)⁵. Both organisations aim to guarantee sustainable production of these raw materials. ACCIONA sources canola oil from Europe and it is therefore subject to all of the EU's environmental and social requirements.

Sea Highways

In terms of CO₂ emissions, road haulage generates much more pollution than cargo ships. A survey by Grimaldi for the European Climate Change Programme, as set out in the White Paper on Transport, showed that an intermodal option based on short-sea shipping produced 2.5 times less pollution, in the form of CO₂ emissions, than the road option.

⁴ Round Table on Responsible Soy: <http://www.responsiblesoy.org>

⁵ Roundtable on Sustainable Palm Oil: <http://rspo.org>

For that reason, ACCIONA is working on developing short-sea shipping routes (also known as "Sea Highways") which, through intermodal transportation, contribute significantly to improving logistics costs. Routes between source and destination are optimised in terms of viability, profitability, sustainability and delivery times, when compared with shipping by road.

ACCIONA currently has two short-sea shipping routes in operation: between Vigo (Spain) and Saint-Nazaire (France), and between Barcelona and the Canary Islands (both in Spain). These "Motorways of the Sea" reduce road traffic congestion by replacing 30,000 trucks and 125,000 other vehicles, and 25,000 trucks and 7,000 other vehicles, respectively, for the two routes above. In 2008, the two

shipping routes avoided 37,802 tonnes of CO₂ emissions to the atmosphere.

In Spain, ACCIONA Rail Services continues to operate a rail connection between the port of El Musel (Gijón) and the La Robla (León) coal power station, thus avoiding the passage of 80 trucks per day through the Pajares mountain pass.

ACCIONA Trasmediterranea Energy Efficiency Plan

- Late in 2008, ACCIONA Trasmediterranea launched an Energy Efficiency Plan with the aim of considerably reducing fuel consumption and, consequently, CO₂ emissions. The plan addresses fuel consumption and activity levels.
- Reducing specific fuel consumption:
 - Adoption of the most economical speed (fuel consumption/nautical mile) on scheduled routes.
 - Use of the ETAPILOT system, which optimises engine usage on the basis of weather conditions.
 - Changes in sailing times to respond to travellers' actual needs.
 - Rigorous control of sailing schedules.
 - Improvements in scheduled maintenance.
- Reduction of activity:
 - Reducing the number of miles travelled by cutting round trips and improving occupancy.
- This initiative, which will be expanded in 2009, complements the Energy Efficiency Plan at office buildings and represents considerable progress towards the goal of adopting energy efficiency measures in ACCIONA's production activities.

3,762
FEWER TONNES OF
CO₂ EMITTED

Eco-efficient buildings as a means of reducing emissions

ACCIONA's sustainable construction activities reduced CO₂ emissions by 3,762 tonnes in 2008. ACCIONA is a pioneer and innovator in this field, since it allocates considerable R&D resources to developing new materials and technologies that make it possible to increase productivity and efficiency and reduce natural resource intensity, energy consumption and CO₂ emissions.

Buildings developed by ACCIONA Real Estate follow strict eco-efficiency guidelines, and they integrate renewable energies and the principles of bioclimatic architecture. These homes are built in line with sustainability parameters which include technical measures for obtaining savings and innovative

solutions geared towards adapting buildings to the local climate and to the resources available in the areas where the buildings are located.

The search for sustainable energy solutions in building continued in 2008. Notable examples are the installation of renewable energy facilities (solar photovoltaic and solar thermal) on buildings. Services include energy audits, the design and engineering of these types of projects, and execution of works and equipment installation.

A total of 752 eco-efficient homes in over 30 separate developments were handed over to customers in 2008.

The eco-efficient homes delivered by ACCIONA Real Estate to date have avoided the emission of 309 tonnes

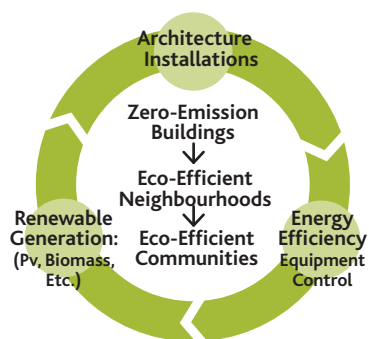
of CO₂ per year. They have also saved 35,656 m³ of water per year due to the use of water-saving taps and cisterns.

Eco-efficient solutions business

As part of its commitment to taking the lead in energy efficiency, ACCIONA has created a division for developing, designing, engineering and installing eco-efficient solutions in new building projects. This business, under the newly-formed ACCIONA Installation Services, supplements the Company's range of services in the energy efficiency field, which got under way with the development of eco-efficient housing at ACCIONA Real Estate and with renewable energy installations in buildings by ACCIONA Energy.

ACCIONA Installation Services' projects revolve around three fundamental lines: saving in design, energy efficiency, and renewable energy generation.

Saving by design



The main goal of ACCIONA Installation Services (a recently-created division) is to integrate

eco-efficiency in residential and tertiary buildings, thus addressing one of the main challenges facing the building industry. ACCIONA is also progressing with heat and power production facilities, using more affordable renewable energies and adapting them to the circumstances of individual projects, such as solar thermal and solar photovoltaic, and generation/cogeneration/trigeneration using biomass, as well as geothermal energy facilities.

By implementing savings solutions through bioclimatic design, efficient equipment, intelligent control systems and renewable energy, homes and entire neighbourhoods can be designed with zero net CO₂ emissions.

To complement this offering, all projects include actions to improve water use efficiency and enhance waste management.

These ideas have already been implemented at ACCIONA Solar's headquarters in Sarriguren (Navarre). Built in 2006, it was Spain's first zero CO₂ office building.

What is a "zero-emissions" building?

- A building which is neutral in terms of CO₂ emissions on the basis of the annual balance of fuel and primary energy consumption. This can be attained in two ways: by using only energy generated from renewable sources that do not emit CO₂, or by producing energy from renewable sources to offset, in the course of the year, the primary energy consumed from other non-renewable sources. A building's consumption is calculated by counting all the equipment inside: both domestic appliances in homes and computer hardware in offices.

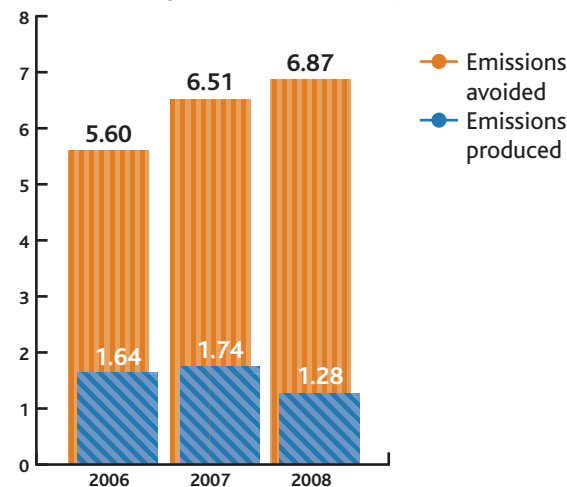
Eco-efficient neighbourhood - government-sponsored homes in Sant Cugat

- ACCIONA has signed an agreement with the municipality of Sant Cugat and the Institute for Advanced Architecture of Catalonia to study the possible development of the first zero CO₂ emissions residential neighbourhood in Spain. The complex will comprise 150 government-sponsored rental homes.
- ACCIONA's proposal involves combining energy-savings and efficiency measures with power generation from renewable sources, enabling the complex to supply its own energy needs and avoid CO₂ emissions. Advanced climate control and lighting equipment, combined with a rigorous bioclimatic architecture approach, will enable the homes to cut energy use by 30-50%.
- Additionally, a trigeneration (cooling, heating and electricity) system using biomass from autochthonous sources is being considered, which would make the project even more self-sufficient. The project envisages photovoltaic panels integrated into the buildings' architecture and a novel, advanced control and billing system to encourage energy savings.
- In addition to measures to improve energy efficiency and generate electricity from renewable sources, the project also has a greywater recycling system.
- Once it is built, the residential complex will avoid 139 tonnes of CO₂ atmospheric emissions per year.

ACCIONA's carbon footprint over time

- ACCIONA's carbon footprint continued to shrink for the third consecutive year. In 2008, the Company avoided the emission of 5.6 million tonnes of CO₂ net, i.e. 17% more than in 2007.

Climate footprint (million TCO₂)



New situations, new businesses, new management models

ACCIONA believes that it essential to anticipate the changes inherent in the process of climate change, some of which are unavoidable.

The main consequences of climate change in Spain include higher temperatures and a reduction in water availability.

For 2030, simulations of a 1°C increase in temperature and a 5% decrease in precipitation indicate average decreases in water availability of between 5% and 14%. The worldwide average loss in water resources could exceed 22% by the end of the century⁶.

⁶ Spain's National Plan for Adaptation to Climate Change

ACCIONA tries to anticipate these changes and its projections and plans factor in any changes that may affect its business performance. For that reason, the Company takes action to reduce internal resource consumption and it develops sustainable commercial products that enable customers to face risks with a greater chance of success.

Desalination may be a solution

Since water shortages will be one of the most pressing problems that Spain faces in the future, ACCIONA wishes to offer products to ease the situation.

Principal among the solutions contributed by ACCIONA is seawater desalination. A total of 59 million m³ (or 59 hm³) were desalinated in 2008.

ACCIONA considers the need to anticipate possible changes inherent in the phenomenon of climate change, which in some cases is unavoidable, to be as indispensable

A major challenge facing desalination is to reduce energy consumption at the facilities. To that end, ACCIONA is focusing major R&D and innovation efforts on optimisation and efficiency improvement and on developing and applying renewable technologies to desalination.

Through its R&D&I activity, ACCIONA intends to reach even higher quality levels for purified water

All of ACCIONA's desal plants, which are based on reverse osmosis, are designed to minimise energy consumption while also maximising energy recovery through advanced Yield Recovery Systems (which recover hydraulic energy to offset consumption). Some desal plants also obtain a certain amount of energy from solar panels.

New technology in waste water reuse

Reuse of treated water for agricultural or municipal applications is a major avenue for improving water management.

Through R&D&I activities, ACCIONA seeks to improve treated water quality and extend the use of treated water to all the applications allowed by law. Technologies under development include bio-membrane reactors (BMR), which are being tested at the Sudeste sewage plant in Gran Canaria (Spain) and whose results are being analysed to ascertain the viability of using the water for municipal purposes and irrigation. The results to date have fulfilled expectations; the filtered water quality is better than after conventional treatment, with a reduction of 98% in the five-day biochemical oxygen demand (BOD5) to 8 mg/l, 99.6% in turbidity, 93% in nitrogen, and almost complete elimination of micro-organisms.

Systematically minimising water consumption

ACCIONA Infrastructure has adopted a plan to optimise the use of process water as one of the main avenues for addressing the challenge of the water deficit. Based on experience of reusing water in specific projects, ACCIONA is developing a manual to disseminate and standardize water saving practices throughout the business line. Water is one of ACCIONA's main inputs; it used 1.2 hm³ in 2008.

THE CLEAN DEVELOPMENT MECHANISM (CDM), PROGRESS AND TECHNOLOGY

GHG emissions are not a local problem; their impact is global, regardless of where they are produced. The problem of climate change requires immediate solutions worldwide, regardless of where emissions are reduced.

Transferring clean technologies to developing countries is a key mechanism for building a low-carbon economy. The international community must respond to these challenges with efficiency and commitment. One opportunity is the Clean Development Mechanism (CDM) system, one of the flexible mechanisms envisaged in the Kyoto Protocol.

CDMs⁷ make it possible for developed countries to fulfil their

emission reduction commitments while fostering sustainable development using innovative, clean technologies in developing countries that would not otherwise have access to these technologies.

For a project to qualify as a CDM, it must make a proven contribution to sustainable development and an unimpeachable contribution to environmental and social progress. The local country's legislation must be complied with strictly, and there must be a public information process.

ACCIONA is working on wind projects in Mexico, India and South Korea which qualify as Clean Development Mechanisms (CDMs) under the Kyoto Protocol.

⁷ CDM – Clean Development Mechanism:
<http://unfccc.int/2860.php>

SUPPORTING CLEAN DEVELOPMENT MECHANISMS

- In 2008, ACCIONA Energy registered two wind farms in Karnataka (India) with the United Nations; their combined 30 MW of capacity reduce annual emissions of CO₂ by 88,240 tonnes.
- And in Yeong Yang (South Korea), it is developing a 61.5 MW wind farm that will cut CO₂ emissions by an estimated 112,812 tonnes.
- Once again, ACCIONA exceeded regulatory requirements and included voluntary improvements in its CDM projects, such as applying the wind farm operating procedures from its Spanish facilities within the internal quality system.

About this Report

Principles defining content and scope

This Report was prepared according to the G3 Guidelines of the Global Reporting Initiative

This Report aims to provide reliable, impartial information regarding ACCIONA's role in facing the main challenges of sustainable development. The Company also produces the following reports: the Annual Report, the Corporate Governance Report and Financial Statements, in addition to the information available on the website, www.accion.es, and the 2005, 2006 and 2007 Sustainability Reports.

This Report has been drafted in accordance with the Global Reporting Initiative's G3 guidelines and the AA1000 standard since 2003 (hereinafter AA1000).


The G3 Guidelines address such issues as the content, scope, and subject matter of the Report, and ensure the quality of the information. The G3 Guidelines may be viewed at www.globalreporting.org.

In line with the GRI criteria, ACCIONA has self-declared an A+ score in applying the G3 Guidelines. Additionally, ACCIONA's self-declaration was checked independently by KPMG Asesores S.L., and submitted for a level check by the GRI.

Annexes to this Report include a GRI index to identify G3 principles and indicators in the text.

This Report also utilised the AA1000 to align the information with the expectations and concerns of ACCIONA stakeholders.

More information on this standard is available at www.accountability.org.uk.

	C	C+	B	B+	A	A+
Self-declaration					→	✓
External assurance					→	✓
GRI level check					→	

ACCIONA IS DESIGNING ITS NEW CORPORATE RESPONSIBILITY STRATEGY

APPLICATION OF THE AA1000, AND SCOPE LIMITATIONS

ACCIONA is committed to identifying and understanding the social, environmental and economic impacts of its activity and stakeholders' vision of them. These are the principles that guide the Company's strategic approach to corporate responsibility. In particular, ACCIONA is designing a new Corporate Responsibility Strategy to guide the Company in this area to 2012. In defining this new strategic approach, ACCIONA seeks a framework of action that is suited to the actual situation of each of its businesses and markets.

• **Materiality** Information is material if its omission or misrepresentation in the Report could influence the decisions and actions of the Reporting Organisation's Stakeholders. Materiality refers to the importance or relevance for the business of the various aspects related to sustainability.

In drafting this Report, ACCIONA identified and selected the material aspects of its activities within the broad scope of corporate responsibility. The Company followed the GRI G3 Guidelines and, based on them, expanded upon each issue in accordance with stakeholder feedback obtained by a range of channels.

ACCIONA updated the 2007 materiality study based on the AA1000. As a supplementary measure, in 2008, the Company analysed a series of potentially relevant issues that are addressed by the Dow Jones Sustainability Index, the Company's scores and their relative weights in each category, and conclusions from the Committee of Independent Experts, which evaluated the adequacy of the information contained in ACCIONA's 2007 Sustainability Report. The goal was to obtain relevant information and thus focus the Report on issues that might jeopardise ACCIONA's reputation directly. The challenge was to identify and justify which issues are of interest to stakeholders and, therefore, pose a risk to the Company's reputation.

ACCIONA is committed to identifying and understanding the social, environmental and economic impacts of its activity

The conclusions from the analysis confirmed the importance of specific issues for ACCIONA's reputation, including: adaptation of its internal regulations to the recommendations in the Unified Corporate Governance Code; inclusion of the clause requiring compliance with the 10 Principles of the UN Global Compact in orders and contracts; progress in consulting stakeholders in markets outside Spain; the use of risk management maps; progress in the production of biofuels; energy efficiency; the definition of environmental objectives; progress in environmental indicator management models; progress in diversity and equality, etc. Moreover, a special effort was made to align ACCIONA's corporate responsibility strategies with the current global economic and financial uncertainty.

ACCIONA manages projects on the basis of the risks they entail.

• **Project management is carried out from the perspective of the risks that can be generated**
 • **ACCIONA also analyses, the expectations of all stakeholder groups**
 • **In 2007, a self-assessment process was launched for the management systems**

This approach must meet the expectations of all the Company's stakeholders. ACCIONA's projects and society as a whole will only benefit mutually if these expectations are analysed in detail.

In order to identify and manage the risks that threaten the attainment of ACCIONA's goals, risk maps for each line of business were used, which together create a risk map for the entire Group. The risk maps for each business area address the probability of each risk, the economic consequences, the impact on the Company's image, the Company's ability to manage the risk and the approach adopted to manage each risk.

• **Completeness** The completeness principle requires that the assurance process evaluate the extent to which the reporting organisation can identify and understand its sustainability performance associated with activities, products, services, sites and subsidiaries for which it has management and legal responsibility.

This Report aims to properly reflect the implications, risks and challenges inherent in each of the Company's business lines. To ensure completeness, this Report also rounds out relevant specific aspects with case studies and concrete examples.

In 2007, management systems in all of ACCIONA's divisions were self-assessed in an effort to ascertain the level of excellence. Five areas for assessment were identified, including a specific section on management of environmental aspects.

The Métrica project manages all ACCIONA's environmental indicators

Given the diversity of ACCIONA's businesses and the markets in which they operate, it is necessary to use a common action framework defined in line with the socioeconomic characteristics of key markets. In this vein, the principles underlying ACCIONA's strategy are transparency as well as understanding and meeting stakeholder expectations.

For greater readability and accessibility, graphs are used to illustrate control and management mechanisms, action plans and commitments in relevant areas.

Scope

Since 2005, the information in ACCIONA's Sustainability Reports has been structured into divisions. The scope is identified for each indicator. The data in the chapter "Efficiency in processes and excellence in management" includes the Company's international activity for the first time.

The Métrica Project, launched in 2007, aims to manage all of ACCIONA's environmental indicators appropriately.

In 2008, Métrica strengthened its position as the tool for monitoring and tracking the environmental performance of ACCIONA's processes and activities. The Company thus has mechanisms that guarantee reliable data collection and transparency.

Ninety-five percent of production centres participated in the Métrica project in 2008, including locations in other countries for

the first time. One of the Métrica project's main goals in 2008 was to increase the participation rate.

The information in the Report refers to all of ACCIONA's business lines.

Only Endesa financial figures have been included within the scope of this Report, so as to avoid variations within the consolidation perimeter that could alter data traceability and tracking.

ACCIONA sold its entire 25.01% stake in Endesa to Enel S.p.A. on 20 February 2009, with the result that Endesa will be excluded from the consolidation scope in 2009.

• Responsiveness

The responsiveness principle requires that the reporting organisation disclose what actions it has taken in response to stakeholder concerns and interests and also what indicators are included to reflect associated changes in sustainability performance.

Dialogue with stakeholders

An ongoing transparent relationship with its primary stakeholders is a key aspect of ACCIONA's corporate responsibility strategy. Knowing the expectations of its stakeholders is fundamental for designing and implementing strategies in line with ACCIONA's vision.

ACCIONA identifies and categorises stakeholders and defines stable communication channels with them. In 2007, ACCIONA commenced identification of the main socioeconomic and environmental aspects and stakeholder expectations

in its key markets, the final goal being to disseminate its commitment to sustainability and ascertain those markets' expectations of the Company. The main markets in the study were Canada, the US, Mexico, Brazil, Chile and Poland; Australia was added in 2008.

Committee of Independent Experts

In line with its commitment to transparency, and in an effort to directly include information received from stakeholders, ACCIONA engaged a Committee of Independent Experts to represent the expectations of its main stakeholders. To that end, the Committee was commissioned to draft a report with conclusions regarding the adequacy of the information contained in the Sustainability Report in relation to the main issues to which the Company should respond.

The committee is chaired by Jesús Lizcano (President of Spain's chapter of Transparency International and Professor at the Madrid Autonomous University), and comprises Juan Carlos

del Olmo Castillejo (WWF/Adena), María González de Asís (World Bank Institute), Aurelio García Loizaga (the ECODES ecological and development foundation), Ana Etchenique Calvo (CECU, the Spanish Confederation of Consumers & Users), Elena Arengo (Social Accountability International) and Edgardo García Larralde (Living Earth Foundation).

The continuous and transparent relationship with the main stakeholder groups is a fundamental element of the corporate responsibility strategy

Committee of Independent Experts

COMMITTEE OF INDEPENDENT EXPERTS

Report of conclusions

Chairman

Jesús Lizcano Álvarez

Transparency International-Spain
and Professor at Madrid Autonomous University

Experts

Juan Carlos del Olmo Castillejo

WWF/Adena

María González de Asís

World Bank

Aurelio García Loizaga

ECODES, Ecology and Development Foundation

Ana Etchenique Calvo

CECU, Confederation of Consumers and Users

Elena Arengo

Social Accountability International

Edgardo García Larralde

Living Earth Foundation

We were commissioned by independent auditor KPMG to draw up a Report of Conclusions on the adequacy of the information contained in the Sustainability Report and Corporate Governance Report of ACCIONA with regard to the issues which, in the opinion of the Committee members, are the

main matters which the Company must address in its public disclosures regarding its commitment and performance in pursuit of sustainable development.

To that end, we asked Company management the following questions independently:

QUESTIONS ASKED OF ACCIONA'S MANAGEMENT COMMITTEE

1. ACCIONA's Sustainability Report for 2007 refers to the Group's Climate Strategy, whose basic objective is to "reduce its Carbon Footprint". However, we find no quantification of this reduction target or of the degree of attainment and, therefore, the Committee wishes to know if there are quantified referenced objectives for reducing the Company's carbon footprint. If there are, it is recommended that those targets be presented in a clearly quantified form, explicitly mentioning the baseline year for the reductions and the target deadline, and referring to absolute emissions; information is also requested about the degree of compliance with those objectives.

2. In connection with greenhouse gas (GHG) emission by companies in the ACCIONA group, the Report

states that ACCIONA Logistics & Transport Services generates 70% of those emissions. If that is the case, the development of more efficient systems and modes of transport would clearly have an enormous impact on reducing GHG emissions by the ACCIONA companies. However, despite ACCIONA's efforts in research, development and innovation, as described in the Report, the Table of GHG emissions avoided by ACCIONA companies reveals that the transport sector accounts for less than 2% of avoided emissions (99,139 out of 6,508,809 t CO₂). What is ACCIONA's medium-term goal in connection with the advisable improvement of the transport sector from the standpoint of reducing GHG emissions?

3. The corporate environmental objectives for 2008 set out in ACCIONA's report include: To increase the percentage of businesses that have certified quality and

environmental management systems; to redefine and improve the management indicator system; to organise "improvement groups" at corporate level and in all the business lines to set out actions aimed at increasing process efficiency; and to improve environmental performance by setting out objectives for each business line and at a corporate level. In this respect, we ask: Do the environmental performance objectives include the identification of impacts on areas of high biodiversity, follow-up and correction in all phases of the project, and final assessment of performance and the degree of correction that is applicable? Does the Company undertake specific monitoring of projects (its own and those of subsidiaries) conducted in areas of tropical forest?

4. In the Annual Report, the Chairman of ACCIONA states that the Company, as the largest shareholder of Endesa: "leads the transition towards a sustainable energy model"; since Endesa is a key player in reducing CO₂ emissions from power generation, what measures does ACCIONA plan to implement to effect this change in the Company towards sustainability? And, since hydroelectric is one of ACCIONA's priorities: What is its position regarding Endesa's plans to build a number of dams in Chilean Patagonia which may substantially alter some of the planet's most valuable rivers and have apparently aroused considerable rejection at a local level?

5. As for the policy applied with regard to suppliers and customers: ACCIONA wishes to convey its commitment to the principles of the Global Compact to its suppliers, to which end it assesses and grades the suppliers: How many suppliers and/or contracts have been turned down due to failure to fulfil the requirements? Additionally, given the limited number of suppliers with environmental certification, what goal has ACCIONA set to increase the proportion of certified suppliers? And, regarding customers, ACCIONA declares that it actively encourages its customers to adapt their behaviour to the guidelines set out in the Code of Conduct: What specific measures are taken to promote responsible environmental practices among customers?

6. A number of questions arise with regard to the information about Efficiency: There are a number of factors that limit the analysis of the information: whereas consumption data is given in terms of absolute figures and efficiency indicators, only absolute figures of waste production are given, which makes it difficult to analyse trends. Regarding the consumption of materials, why does ACCIONA Logistics & Transport Services disclose figures for paper and lubricant, but not fuel? ACCIONA has also defined a three-year Energy Efficiency Plan: What are the specific improvement commitments it has made for that period?

7. ACCIONA's Sustainability Report discloses that the Group owns a biodiesel plant with an annual production capacity of 70,000 tonnes; the feedstock is canola, soy and palm oil; in connection with the latter two, it states that it only acquires raw materials from companies that belong to the Round Table on Responsible Soy and the Round Table on Sustainable Palm Oil. Given these fuels' impact on the environment, can the Company give information about the tonnes of each material that it imports, and the countries and specific regions from which they come?

8. In connection with ACCIONA Energy's water consumption, the table giving the breakdown of water consumption by source in the Report notes that, whereas total water consumption and the efficiency indicator have improved considerably, ground water consumption by

ACCIONA Energy increased significantly in 2007 with respect to 2006 (from 124,116 to 373,188 m³). What is the reason for such a large increase? Given the proven sensitivity of many aquifers to over-exploitation, what are the projections for the future use of ground water by ACCIONA Energy?

9. A clear accounting of the Company's contribution to the community, with monetary values, is an acknowledged best practice as regards companies' environmental and social transparency. Pages 173 and 175 of ACCIONA's Sustainability Report detail its commitment to the communities where it operates. However, the monetary amounts allocated to community action are not clearly explained, since some are approximate figures and others refer to commitments over several years and the contribution in the year in question is not specified; in other cases, no amount is disclosed for a particular action.

Therefore: Could the Company give more detail of the monetary amounts of the Company's community action for the year in question, i.e. the business resources allocated to socioeconomic development projects to support the most disadvantaged, mainly in the area of social services, healthcare, education, professional training and employment (including the value of monetary contributions and donations in kind)?

10. The information about ongoing litigation (Financial Statements) appears to suggest there is more attention to the response of the shareholders as stakeholders, as compared with consumers/customers. The Committee would like to know the reasons for the litigation and the complaints that gave rise to them, at least the most important ones, and the measures that ACCIONA will take to avoid - or at least minimise - situations of this type.

11. On page 88, the Report says that the Company "has a number of protocols in place to prevent harassment" and that it "fosters awareness-raising and training for executives and managers in equality and in discrimination prevention". How does the Company assess the effectiveness of the protocols and the activities to raise awareness and prevent discrimination? Apart from executives and managers, how does the Company inform lower-level staff about these mechanisms and the channels available to make complaints without suffering reprisals?

12. Although ACCIONA's Report states that 78% of its companies have ISO 9000 quality certification, there is no information about the regulations on consumer rights in the

various countries where they operate. Likewise, there is no information about customer health and safety regulations and their compliance or otherwise in the countries where the group companies operate. Please provide information and details.

13. A number of questions arise in connection with the Company's actions with regard to workplace safety: a) Can the improvements to the frequency and severity indices of ACCIONA Infrastructures, disclosed in the Sustainability Report, be extrapolated to the Company's other business units? b) Are the Company's suppliers and contractors required to have similar safety protocols? c) What measures has the Company adopted to implement a policy of improvement in working conditions and workplace safety in

developing countries where it operates? What are the current accident and severity rates in those countries? d) And as a result of the implementation of the "Frágil" campaign: has any change been observed in workers' attitudes towards a culture of safety?

14. ACCIONA's Report describes pilot projects to integrate immigrant workers, consisting of training programmes in their countries of origin (Senegal) and placement in jobs in Spain. Do these immigrant workers enjoy the same wages and benefits as Spanish workers performing the same tasks? Does the Company offer these immigrant workers any additional benefits to ensure their families integrate during their period of employment in Spain?

15. Based on the Code of Ethics approved by ACCIONA: a) Is the information about the Code of Ethics Committee's actions made public? b) Is there any information about cases of corruption or bribery? If so: Where did it occur, in what business segment, and what actions were taken? Was this information disseminated throughout the Company and/or were these actions reported publicly?

After considering ACCIONA's replies to our questions and examining the content of its public disclosures, our opinion on the way in which the questions raised above have been addressed is as follows: This opinion does not, in any case, form part of the process of external verification by an independent external verifier.

CONCLUSIONS OF THE REPORT

The purpose of this Committee is to evaluate the different social, ethical, environmental and labour aspects of this entity that are most relevant for its stakeholders and other segments of society, and their treatment in the Sustainability and Corporate Governance Reports, in order to disclose both the positive aspects and the drawbacks, shortcomings or matters susceptible to improvement with regard to this company's situation and activities within the aforementioned framework. Accordingly, this Committee states as follows:

Of the replies and disclosures analysed in connection with our

fifteen questions above, we can distinguish three groups in terms of their degree of responsiveness to this Committee's wishes:

- There is a group of questions which have been answered adequately and coherently, with high-quality answers plus related and supplementary information. They are the following twelve questions: 1, 3, 4, 5, 6, 7, 9, 11, 12, 13, 14 and 15. Despite this high level of quality and responsiveness, the Committee members wish to make specific comments on five questions:

- As regards question 1, although the Company provided sufficient information, it is recommended that it quantify the basic Climate Strategy

targets, just as the Carbon Footprint data is monitored quantitatively.

- Regarding question 3, it is recommended that the Company expand and be more specific about the impact of subsidiaries on diversity, and that it provide more information about management of development projects in areas of tropical forest.

- As for question 4, although the Company decided in 2009 to sell its stake in Endesa, the response does not clarify how ACCIONA promoted the transition towards a sustainable energy model through Endesa itself in the preceding period.

- Regarding question 7, although the Company's reply is generally adequate, it fails to provide a specific breakdown of the materials' provenance by country and region, nor is any justification given for this omission.

- As for question 12, the Company provided detailed and relevant information about Prevention of Risk at Work in the various facets of its activity, but it did not respond about its customers' health and safety. It is recommended that this additional information be included in the reply.

- There is a second group of questions where we consider the answers and/or information provided is insufficient to a degree; to that end, we make the following recommendations: We refer to questions 2 and 10.

- The reply to question 2 provides some details about the fuel consumption optimisation measures envisaged in ACCIONA Trasmediterranea's Energy Efficiency Plan; however, there should be broader information about ACCIONA Logistics & Transport Services, which is what the question referred to; the

Committee recommends that specific data be given about the objectives on a broader level, and the emission reduction targets for Logistics & Transport Services overall.

- In its reply to question 10, the Company does not reveal the reasons for litigation against consolidated companies (2007 Financial Statements); although the subsequent final answer reveals that there are no risks or provisions at 2008 year-end, this reply ignores the specific aspects of the question raised by the Committee in connection with the preceding period.

- Finally, the Committee considers the answer to question 8 to be clearly insufficient, for the following reasons.

- The Company's reply is a terse statement which fails to respond to the Committee's question. The Company provides a series of specific

data on water consumption trends, but fails to give the reasons for the increase to which the question referred, and it also fails to provide the Company's projections for future usage of ground water. In this respect, it is recommended that, in future Sustainability Reports, the Company expand the content and explanations of the data in this area sufficiently.

Apart from the opinions, shortcomings and recommendations set out above, the Committee welcomes the fact that a Company such as this one is willing to be subjected to a detailed critical evaluation by a Committee of Independent Experts such as this one, comprising members of non-profit, academic and supranational entities, which serve as representatives of

broad civil society, which is increasingly acting as a watchdog for compliance by companies with ethical, social and environmental rules. We consider, moreover, that the transparency evidenced by some companies may serve as an example to other companies to provide the social and economic transparency that a modern society demands.

Signed by the Committee Chairman on 7 May 2009.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Signed: Jesús Lizcano Álvarez

Report of Verification



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Review Report of the Acciona 2008 Sustainability Report according to the ISAE 3000 Standard

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the management of Acciona, S.A. (hereinafter Acciona)

Introduction

We have been engaged by Acciona to review the non-financial information corresponding to the year 2008, included in its 2008 Sustainability Report (hereinafter the Report) which is available to the general public and whose scope is described in the chapter entitled About this report.

The contents, preparation and maintenance of the information systems that provide the data, as well as the integrity of the Acciona Report, are the responsibility of Acciona Management.

Scope

In the Report, Acciona describes the efforts and progress it has made towards a more sustainable development. Our responsibility has been to review the aforementioned Report, assure appropriate application of the AA 1000 Assurance Standard (2003) (AA1000 AS) and the Global Reporting Initiative Version 3 (GRI G3) Guidelines based on Acciona's level of self-declaration and offer readers limited level of assurance in relation to the verification of non-financial information, according to the ISAE 3000 (International Standard for Assurance Engagements) that:

- The quantitative data has been reliably obtained
- The qualitative information is adequately supported by internal or third-party documentation
- The AA1000 AS (2003) standard has been applied and that the Report follows the GRI G3 Guidelines for A+ level of application, whose self declaration has received the confirmation from Global Reporting Initiative.

Quantitative data and qualitative information reviewed includes the Company's responses to the Independent Committee of Experts, which are identified in the Report in the chapter entitled Questions by the Independent Committee of Experts.

Review criteria

Our work has been carried out in accordance with ISAE 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), and the Guidelines for Engagements in the Revision of Corporate Responsibility Reports from the Spanish Institute of Registered Auditors (ICJCE). Among other requirements, compliance with these norms requires the following:

- The engagement has been carried out with a team specialised in assurance and corporate sustainable development. In accordance with the aforementioned norms, this engagement complies with KPMG's independence policy, which is based on the IFAC Code of Ethics for Professional Accountants.

- The procedures undertaken are substantially fewer than those of a reasonable assurance procedure, and consequently the assurance provided is also lower. Under no circumstances may this report be understood as an audit report.

In our review we have followed Acciona's criteria for application of the AA1000 AS (2003) standard and GRI G3 principles, as described in the chapter entitled About this report.

Work performed

a) Quantitative data and other qualitative information included in the Report

We have reviewed the reliability of the quantitative data and other qualitative information included in the Report as described in the scope, basing our review on the following activities:

- Interviews with personnel responsible for the systems providing information included in the Report.
- Review of the systems used to generate, aggregate and facilitate the data.
- Analysis of the scope and manner in which information is presented.
- Review by sampling of the calculations carried out at corporate level and their consistency.
- Verification that other information included in the Report is adequately supported by internal or third-party documentation.

b) Review of the alignment of criteria and principles for defining the contents of the Report and its scope based on AA1000 AS (2003) and GRI G3 Guidelines

Documentation of the criteria and procedures used to define the contents of the Report has been reviewed in accordance with the scope described.

The criteria for presentation of the aforementioned information in terms of scope, including possible scope limitations, significance, and data integration and aggregation methods based on Acciona's interests in the different Group companies, are described in general in the About this report chapter and specifically in the different sections on the presentation of non-financial information.

Conclusions

Based on the work described above, we have not observed circumstances indicating that the data included has not been obtained by reliable means, or that the information is not fairly stated. We have also not identified any significant omissions or differences in the information reviewed.

KPMG ASESORES, S.L.

(Signed)

Julián Martín Blasco

13 May 2009

GRI Content Index

GRI Content Index

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1.1	Statement from the most senior decision-maker of the organization		3 and 4
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2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		13 and 18
2.4	Location of organization's headquarters.		208
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		20
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Profile Disclosure	Description	Global compact	Page / Explanation
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	Report Scope and Boundary		
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3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		178
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).		178
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		175-178
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.		175-178

Profile Disclosure	Description	Global compact	Page / Explanation
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		178
GRI Content Index			
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Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		42
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.		42
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		42
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		107

Profile Disclosure	Description	Global compact	Page / Explanation
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		40 140-141, 257 and 260 Consolidated Financial Statement and Director's Report 2008. 302 Consolidated Financial Statement and Director's Report 2008. (Remuneration Policy Report)
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		39-41
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.		39-42 270-271 Consolidated Financial Statement and Director's Report 2008.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		43, 108 and 120
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		39-41
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		39-41 290 Consolidated Financial Statement and Director's Report 2008.
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		45-47
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		113-114

	Profile Disclosure	Description	Global compact	Page / Explanation
	4.13	"Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: •Has positions in governance bodies; •Participates in projects or committees; •Provides substantive funding beyond routine membership dues; or •Views membership as strategic.		113-114
		Stakeholder Engagement		
	4.14	List of stakeholder groups engaged by the organization.		26-28 and 106-107
	4.15	Basis for identification and selection of stakeholders with whom to engage.		26-28 and 106-107
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		26-28 and 106-107
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		28, 35-37 and 175
	ECONOMIC			
		DISCLOSURE ON MANAGEMENT APPROACH		6-7 and 22-23
		Economic Performance		
PRINCIPAL	EC.1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		36-37
	EC.2	Financial implications and other risks and opportunities for the organization's activities due to climate change.		155-157

	Profile Disclosure	Description	Global compact	Page / Explanation
PRINCIPAL	EC.3	Coverage of the organization's defined benefit plan obligations.		79
	EC.4	Significant financial assistance received from government.		108 Consolidated Financial Statement and Director's Report 2008
		Market presence		
	EC.5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.		78
PRINCIPAL	EC.6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		53
	EC.7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.		96.4% of ACCIONA's management team is in Spain (293 persons). In the rest of Europe there are 3 (1%). In North America there are 4 (1,3%). In Latin America there are 2 (0.7%) and in Asia and Oceania another 2 (0,7%).
	EC.8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.		11-37
	EC.9	Understanding and describing significant indirect economic impacts, including the extent of impacts.		37
ENVIRONMENTAL				
		DISCLOSURE ON MANAGEMENT APPROACH		58-59 and 119-120
		Materials		
PRINCIPAL	EN.1	Materials used by weight or volume.	GC8	133-141
	EN.2	Percentage of materials used that are recycled input materials.	GC8	133-141
		Energy		
PRINCIPAL	EN.3	Direct energy consumption by primary energy source.	GC8	159-161
	EN.4	Indirect energy consumption by primary source.	GC8	159-161

	Profile Disclosure	Description	Global compact	Page / Explanation
	EN.5	Energy saved due to conservation and efficiency improvements.	GC9	164-165
	EN.6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	GC9	164-173
	EN.7	Initiatives to reduce indirect energy consumption and reductions achieved.	GC8	162-164
		Water		
PRINCIPAL	EN.8	Total water withdrawal by source.	GC8	138-141
	EN.9	Water sources significantly affected by withdrawal of water.		138-141
	EN.10	Percentage and total volume of water recycled and reused.	GC8	138-141
		Biodiversity		
PRINCIPAL	EN.11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	GC8	Questions Independent Committee of Experts
	EN.12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	GC8	Questions Independent Committee of Experts
	EN.13	Habitats protected or restored.		Questions Independent Committee of Experts
	EN.14	Strategies, current actions, and future plans for managing impacts on biodiversity.		Questions Independent Committee of Experts
		Emissions		
PRINCIPAL	EN.16	Total direct and indirect greenhouse gas emissions by weight.	GC8	161

	Profile Disclosure	Description	Global compact	Page / Explanation
PRINCIPAL	EN.17	Other relevant indirect greenhouse gas emissions by weight.	GC8	ACCIONA does not monitor indirect emissions because the Company considers that most GHGs are generated directly by its activities, and that they are not a material aspect for this report.
	EN.18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	GC9	161-174
PRINCIPAL	EN.19	Emissions of ozone-depleting substances by weight.	GC8	ACCIONA does not monitor activities that give rise to the emission of gases that deplete the ozone layer. Bearing in mind ACCIONA's activities, the Company believes that this is not a material indicator for ACCIONA, and it is not reported in this Report.
	EN.20	NOx, SOx, and other significant air emissions by type and weight.	GC8	152
	EN.21	Total water discharge by quality and destination.	GC8	149-151
	EN.22	Total weight of waste by type and disposal method.	GC8	142-149
	EN.23	Total number and volume of significant spills.	GC8	146 No significant spillages. All ACCIONA management systems envisage measures for action.
	EN.25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		Independent Committee of Experts
PRINCIPAL	Products and services			
	EN.26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	GC8	58-66, 120, 125-126 and 162-167
	EN.27	Percentage of products sold and their packaging materials that are reclaimed by category.	GC8	Given the nature of ACCIONA's activity, and on the basis of the materiality analysis carried out, the Company considers that for the time being this indicator is not material and that it does not need to be reported in this Report.

	Profile Disclosure	Description	Global compact	Page / Explanation
PRINCIPAL		Compliance		
	EN.28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	GC8	152-153
		General		
	EN.30	Total environmental protection expenditures and investments by type.		153
SOCIAL: LABOR PRACTICES AND DECENT WORK				
		DISCLOSURE ON MANAGEMENT APPROACH		72, 91-92 and 105-106
		1. Labor practices and ethics in the workplace		
		Employment		
PRINCIPAL	LA.1	Total workforce by employment type, employment contract, and region.		75 63.29% of the ACCIONA workforce has an Indefinite Term Contract.
	LA.2	Total number and rate of employee turnover by age group, gender, and region.		Employment for women: 25.83% of the workforce is made up of female employees. NB: The whole of the ACCIONA Facility Services workforce has been included with comparable calculation criteria. The average turnover rate is 6.54%. The average time of service is 8.09 years.
	LA.3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.		79
		Labor/Management relations		
PRINCIPAL	LA.4	Percentage of employees covered by collective bargaining agreements.	GC3	88
	LA.5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	GC3	88

	Profile Disclosure	Description	Global compact	Page / Explanation
		Occupational Health and Safety		
	LA.6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.		88
PRINCIPAL	LA.7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.		In 2008, there were no fatal workplace accidents in ACCIONA' direct workforce in Spain.
	LA.8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		96-97 and 99-101
	LA.9	Health and safety topics covered in formal agreements with trade unions.		88
		Training and Education		
PRINCIPAL	LA.10	Average hours of training per year per employee by employee category.		80-81 and 97
	LA.11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		80-81 and 97
	LA.12	Percentage of employees receiving regular performance and career development reviews.		76-77
		Diversity and Equal Opportunity		
PRINCIPAL	LA.13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	GC6	42 and 74-75
	LA.14	Ratio of basic salary of men to women by employee category.		The male-female worker pay gap at ACCIONA occurs at management level (gap = 4%) Pages 83-85

	Profile Disclosure	Description	Global compact	Page / Explanation
		2. Human Rights		
		DISCLOSURE ON MANAGEMENT APPROACH		33 y 105
		Investment and Procurement Practices		
PRINCIPAL	HR.1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	GC1-GC2	48-49
	HR.2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	GC1-GC2	48-49 and 55
		Non-discrimination		
PRINCIPAL	HR.4	Total number of incidents of discrimination and actions taken.	GC1-GC6	All possible discrimination incidents are detected via the Company's Ethical Channel. For information on all communications received through this channel and all investigations opened.
		Freedom of Association and Collective Bargaining		
PRINCIPAL	HR.5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	GC3	88
		Abolition of Child Labour		
PRINCIPAL	HR.6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	GC5	In 2008, to the best of the Company's knowledge, there have been no cases of child exploitation at ACCIONA. The Company carries out repeatedly materiality analysis in order to evaluate possible social risks that might arise in the main markets where it operates. It should be remembered that in 2007 the Company approved the new ACCIONA Code of Conduct and that a Code of Conduct Committee is in place.

	Profile Disclosure	Description	Global compact	Page / Explanation
PRINCIPAL	HR.7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	GC4	In 2008, to the best of the Company's knowledge, there have been no cases of forced labour at ACCIONA. The Company carries out materiality analysis on a regular basis in order to evaluate possible social risks that might arise in the main markets where it operates. It should be remembered that in 2007 the Company approved the new ACCIONA Code of Conduct and that a Code of Conduct Committee is in place.
	Security Practices			
PRINCIPAL	HR.8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		All ACCIONA orders and/or contracts include a clause requiring suppliers to comply with the 10 Principles of the Global Compact and current Spanish law on gender equality. It should be remembered that the companies accepted by Spain's Ministry of the Interior as suppliers of this kind of services are required to provide their employees with training on the basic rights of citizens as laid down in the Spanish Constitution.
	Indigenous Rights			
PRINCIPAL	HR.9	Total number of incidents of violations involving rights of indigenous people and actions taken.		In 2008, to the best of the Company's knowledge, there have been no cases of violation of the rights of natives at ACCIONA. The Company carries out materiality analysis on a regular basis in order to evaluate possible social risks that might arise in the main markets where it operates. It should be remembered that in 2007 the Company approved the new ACCIONA Code of Conduct and that a Code of Conduct Committee is in place.

	Profile Disclosure	Description	Global compact	Page / Explanation
		3. Society		
		DISCLOSURE ON MANAGEMENT APPROACH		33 and 105
		Community		
PRINCIPAL	SO.1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.		108
		Corruption		
	SO.2	Percentage and total number of business units analyzed for risks related to corruption.	GC10	45-47
PRINCIPAL	SO.3	Percentage of employees trained in organization's anti-corruption policies and procedures.	GC10	45-47
	SO.4	Actions taken in response to incidents of corruption.	GC10	Possible cases of corruption are detected through the Company's Ethical Channel. For information on all communications received through this channel and all investigations opened, please see pages 43 and 44.
		Public Policy		
PRINCIPAL	SO.5	Public policy positions and participation in public policy development and lobbying.		ACCIONA's participation in public policy making is in line with the Company's sustainability policies and objectives. Participation of this kind in the USA is registered in the corresponding Senate data base. 106
	SO.8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		102

Profile Disclosure		Description	Global compact	Page / Explanation
		4. Product responsibility		
		DISCLOSURE ON MANAGEMENT APPROACH		58 y 119
		Customer Health and Safety		
PRINCIPAL	PR.1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		Bearing in mind the nature of ACCIONA's activities, and on the basis of materiality studies carried out, the Company considers that this indicator is not material. The Company carries out regular analysis and will report advances when it is considered opportune.
		Product and Service Labeling		
PRINCIPAL	PR.3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.		Bearing in mind the nature of ACCIONA's activities, and on the basis of materiality studies carried out, the Company considers that this indicator is not material. The Company carries out regular analysis and will report advances when it is considered opportune.
		PR.5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	122-123
		Marketing Communications		
PRINCIPAL	PR.6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		ACCIONA does not adhere to any particular voluntary code or communication standard, but all its communication and advertising actions comply with the required standards in force.
	PR.9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		In 2008, to the best of the Company's knowledge, there have been no cases of non-compliance with the regulations governing the use of ACCIONA products and services. Bearing in mind the nature of ACCIONA's activities, and on the basis of materiality studies carried out, the Company considers that this indicator is not material. The Company carries out regular analysis and will report advances when it is considered opportune.



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