



acciona reports

FOCUS

ACCIONA Windpower
& Nordex, wind
industry leaders

SOLUTIONS

Around the world
with ACCIONA
Concessions



COMMITMENT

Sustainability for
a shared planet

We are now over



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Our ambition

“**O**ur ambition is to be the most sustainable company in the world — in our choice of investments, in the services we deliver, and in the day to day of our business operations.” This was how ACCIONA Chairman José Manuel Entrecanales, speaking at the Paris Climate Summit, summed up the Company's commitment to be carbon-neutral in 2016.

It is ACCIONA's belief that we only improve as a society and achieve greater goals by being ambitious. This is how we came to develop our own wind turbine generators and found the best partner to install them worldwide. These high aspirations now lead us to create a world leader in the wind energy industry in partnership with Nordex.

Then we come to concessions. By designing them well, under the right financing arrangements, we can harness sufficient resources to take on the most ambitious of infrastructure projects — useful to society and sustainable over time. We also break records for size. Consider our building of Latin America's biggest photovoltaic plant, for example, in the Atacama Desert in Chile.

Our dream of winning the Dakar with an electric car also makes us unique — just because we dare to try it again. And the desire to be “the best of the best” drives us on in the quest for new and different technologies and business models. Take 360° recording, for instance, by which we can immerse ourselves in the Fireworks held in honor of the Apostle in Santiago de Compostela earlier this year, as if they were taking place today. The same desire also differentiates the hotels we render exceptionally hospitable through excellent outsourced services. It defines the fine, characterful wines we produce using novel winemaking techniques under the Cosme Palacio label.

Beyond all this, however, we are a company for which the mitigation of climate change is a strategic priority objective — and, as you have come to expect of us, we never let go of our ambitions.

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ACCIONA Windpower and Nordex create a world leader in the wind energy industry

Nordex buys AWP for 785 million euros and ACCIONA becomes the main shareholder in the German wind turbine manufacturer.

ACCIONA and Nordex agreed in October for the German manufacturer to acquire ACCIONA Windpower, the Group's wind turbine subsidiary. For its part, ACCIONA will use almost all the amount it receives in the transaction to buy stock, making it the German

company's main shareholder.

Nordex is to buy ACCIONA Windpower for 785 million euros, part of which will be in cash (366 million) and the rest in 419m euros of newly issued shares, equivalent to 16.66% of the capital of the resulting company.

In parallel, ACCIONA will buy a further 13.3% of existing shares in Nordex from SKion-Momentum, the holding company belonging to the Quandt family, currently the German company's main shareholder.

The transactions, to be rubber-stamped in February or March 2016,



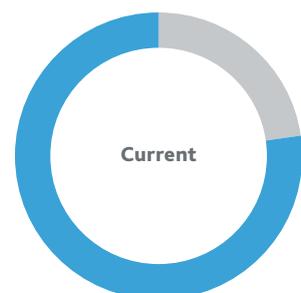


Representatives of ACCIONA and Nordex, following the signing of the merger deal.

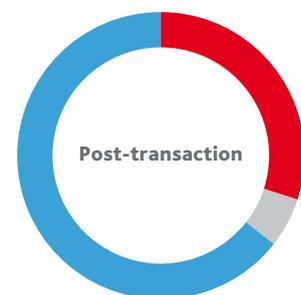
will make ACCIONA the strategic anchor shareholder in Nordex with a holding of 29.9%.

The merger of Nordex and ACCIONA Windpower will create a world leader in the wind energy industry, with the capacity and potential to be one of the five biggest onshore wind turbine manufacturers worldwide. ▶

→ NORDEX SHAREHOLDINGS



● SKion-Momentum 22.8%
● Free float 77.2%



● ACCIONA 29.9%
● SKion-Momentum 5.7%
● Free float 64.4%

→ *“Our investment in Nordex responds to ACCIONA’s strategy of seeking long-term value creation. We are proud to be joining forces with Nordex to create a leading European group in the wind energy industry, with a global footprint and a solid and sustainable market position. At the same time, this operation permits us to maintain the unique business model of our renewable energy division with an integrated offer that covers the whole value chain.”*

*José Manuel Entrecanales,
ACCIONA Chairman*

LOGIC BEHIND THE DEAL

Combining AWP and Nordex (Nx) will generate value and reduce future market risks.



► **COMPLEMENTARITY**

One of the specific features of the operation lies in the geographical and technological complementarity of the companies.

Nordex has a strong market position in Europe, while ACCIONA Windpower is well positioned in the Americas and emerging markets.

ACCIONA Windpower's turbines are designed for large-scale projects in sparsely populated areas that require efficient and sturdy machines, while Nordex's products are well-suited to





CORPORATE GOVERNANCE

- *The Management Board of the new company will be made up of two representatives from Nordex and two from AWP.*
- *The current Nordex CEO will become the head of the new company and AWP's CEO will be his deputy.*
- *The Supervisory Board will be made up of four independent directors and two nominated by ACCIONA.*

MERGER MILESTONES

- **5 October 2015** // Deal announced.
- **1 January 2016** // Agreement comes into force.
- **February-March 2016** // Deal ratified on approval of competent authorities.
- **August-September 2017** // Merger process due to end.

projects in populated areas subject to technical restrictions.

This complementarity will avoid duplication of activities occurring in a few countries, but all the manufacturing and assembly plants in both companies will continue to operate as before.

LEADERSHIP

The fusion between Nordex and ACCIONA Windpower will create a new player in the wind energy industry, with headquarters in Europe and a global presence.

The new company is borne out of an ambition to become one of the five biggest manufacturers of onshore

wind turbine generators in the world, with a sales forecast for 2017 of 3.8 GW, which will give it a market share of 8% in the sector.

VALUE CREATION

The merger will generate important synergies, which could reach 95m euros per year from 2019.

They will be achieved through access to new markets, cost reductions and stronger R&D and product development capacity.

ACCIONA AS STRATEGIC ANCHOR SHAREHOLDER

The resulting company will have the support of ACCIONA as its main

strategic shareholder (almost 30% of the capital, with 64.4% in free float).

ACCIONA keeps its strategic advantage of vertically integrated activity with a presence throughout the value chain. Nordex will benefit from ACCIONA's capacity for growth as a global renewables operator.

ACCIONA Energy will maintain a technological, strategic and commercial alliance with the new company that will bring benefits for both parties. ■

ONLINE INFO

- www.acciona.com/shareholders-investors

The biggest photovoltaic plant in Latin America

ACCIONA Energy has begun building El Romero Solar in the Atacama Desert, in which 343 million dollars is being invested.



Work begins at El Romero Solar in the Atacama desert.

ACCIONA Energy began construction of the El Romero Solar photovoltaic plant in Atacama, Chile, in October — the biggest power plant of its kind to be installed in Latin America to date, and one of the ten largest in the world. The project sees ACCIONA making a significant commitment to photovoltaic technology with this project, which strengthens the Company's presence in Chile.

The figures relating to El Romero Solar speak for themselves. The plant will consist of no less than 777,000 solar panels, which stretched out in a

single line would run for some 111 km. The solar capture surface area will be equivalent to 211 football pitches. Total investment is USD 343 million.

Located in the district of Vallenar in Atacama's 3rd region, 645 km north of the capital Santiago, the plant will produce 500 GWh of clean energy per year, equivalent to supplying 240,000 Chilean homes. It will avoid the emission to the atmosphere of around 473,000 metric tons of CO₂ from fossil fuel stations.

ACCIONA Energy CEO Rafael Mateo points out that "the start of

construction work at El Romero Solar is a milestone for us. It will allow us to meet our commitment to the supply of renewable energy in Chile and strengthen our role in the country's energy sector. We are very satisfied to supply Chile with quality clean energy from what will be our biggest photovoltaic facility worldwide." ■

ONLINE INFO

■ www.accion-energy.com





→ *The solar capture surface area will be equivalent to 211 football pitches*



This is the kind of solar panel that will be installed at the plant.

→ **ELECTRICITY DESTINED FOR DISTRIBUTORS AND GOOGLE**

The production from El Romero Solar is destined to cover demand from electricity distributors in Chile's Central Interconnected System (SIC) and Google's operations center in the country.

ACCIONA signed a contract to supply 600 GWh of electricity to the SIC every year from 1 January 2018 onwards, some of which will come from El Romero Solar.

The plant will also cover electricity demand from Google's data processing center in Chile.

ACCIONA won the contract to build this facility in an international call for tender attracting bids from the sector's top companies. The Company will begin supplying electricity to Google in 2017.

EL ROMERO SOLAR IN FIGURES

Maximum capacity	247 MWp
Nominal capacity	196 MW
N° of photovoltaic modules	777,000
Location	Vallenar (Atacama Region)
Length of fixed structures	111 km
Surface area occupied	280 hectares
Solar capture area	1.5 million square meters
Estimated annual production	492 GWh
Equivalent demand	240,000 Chilean homes
CO ₂ emissions avoided	473,000 metric tons/year
Investment	US\$ 343 million
Construction began	October 2015
Completion date	Mid-2017

Around the world with ACCIONA Concessions

Reputation and experience have made ACCIONA Concessions one of the leading international infrastructure operators, with 24 concessions in its portfolio involving a total investment of nine billion euros. Now the company is analyzing around 50 projects on five continents to continue climbing the concessionaire rankings in 2016.



If Jules Verne imagined it would take 80 days to travel around the world, Juan José Clavería and Alberto Díaz del Río have discovered it can be done in just a week. When, 20 years ago, they got to know each other in South Africa — commissioning a motorway from Johannesburg to Pretoria — neither of them yet worked in ACCIONA, but they were united by their passion for the world of concessions ... as well as transoceanic journeys.

Now they are an essential part of the team that has taken the company into the Top 20 infrastructure operators in the world, with a portfolio of 24 concessions distributed across three

continents and involving investments totaling 9,000 million euros and including 1,250 km of roads and 3,500 hospital beds.

The volume of work associated with all the concessions ACCIONA has been involved in throughout its history now amounts to almost six billion euros, projects half of which were built by the

→ *ACCIONA has a significant competitive advantage in complex works with a big design element*

Company's own Construction division.

Financial results also testify to the quality of ACCIONA Concessions. The latest quarterly return reflects a revenue increase of 4.7% and, more importantly, 22.9% growth in Gross Operating Profit (Ebitda).

The key to success

The key to this success could be the ideal combination of engineers and economists that make up the team, the reputation the company has earned in the sector, its global character and the capacity to develop big infrastructure projects, and so on.

Juan José Clavería, director of Concessions, sums it up as follows: "The figure of the concessionaire-

AUSTRALIA & ASIA,

CONSOLIDATION AND NEW CHALLENGES

In Australia, the last two bids by the company were both successful: the Sydney Light Rail, and the Toowoomba motorway. But we will have to wait a while now for new projects to come up again in the country. Now there is an opportunity in New Zealand. “There we are pre-qualified for a highway worth some 600 million dollars and we hope to present an offer for it in March 2016,” explained ACCIONA Concessions director Juan José Clavería, for whom South-East Asia, mainly Singapore and Philippines, could also offer interesting alternatives for the future.



constructor is changing into what we call a developer. Pension and infrastructure funds have the capacity to invest, but not to manage. We — the concessionaire-constructor groups — have both.” According to Mr Clavería, although finding the financing in the concessions world continues to be an important challenge, “today the most important thing is the capacity to develop projects, to move them forward.”

Juan José Clavería believes that ACCIONA also has a significant competitive advantage in complex works with a big design element. “Wherever there is design, you will find us, and good design often allows you to optimize the price for the

construction and operation.” A secret of Concessions’ success, adds Alberto Díaz, the company’s global business development head, “is to invest a little, and build a lot... and doing that for many clients in many countries.”

The company should grow again in 2016, as it sticks to this successful globalized model and opts to pitch for the best and biggest projects wherever they are in the world. Indeed, ACCIONA has earmarked some 50 new concession project opportunities worldwide for the coming year. All will be analyzed and offers made for many. “We are pre-qualified for half of the calls for tender we bid for. And, historically, we end up winning every one out of

two of those,” says the Concessions team. Not a bad success ratio in a sector where competition is increasing by the day. To the big Spanish construction groups — which enter the fray for the majority of contracts — one must add the sector’s giant French players and other strong European and Latin ►

➔ *It is essential in concessions projects to have the capacity both to develop and manage them*



- American companies. And then there are the local companies that often end up being partners in the projects.

A complete portfolio

ACCIONA currently has many roads and hospitals in its portfolio. The most important road projects include several in Canada: the South East Stoney Trail highway in Calgary, which involves an investment of some 430 million euros; Windsor Essex Parkway in Ontario, more than 1.1 billion; and the A-30 in Quebec, over 1.5 billion. In Australia, the Sydney Light Rail Project stands out at over 1.1 billion euros and, in

consortium, Toowoomba highway, over a billion euros too. In Latin America, Route 160 in Chile and the BR-393 in Brazil are the best known.

As for hospital concessions, the portfolio contains Fort Saint John in Canada, Bajío in Mexico, and the Toledo, Vigo and Ibiza hospitals in Spain.

Also in ACCIONA's domestic market, we have the Infanta Sofía Hospital and the Hospital del Norte, the latter becoming one of the best hospital centers in the whole Madrid region, and which Mr Clavería cites as one of the most important concessions

in the history of the Company. "It is emblematic, our demonstration to the rest of the world, magnificently managed," he declares. Sydney Light Rail will be another milestone in his opinion: "We are building it in George Street, the Calle Serrano (Madrid) of the Australian capital." But he believes that the best project in ACCIONA's history will go down as being the Vespucio Sur motorway in Chile. "The whole project from start to finish was a total success," he enthuses. ■

ONLINE INFO

■ www.accionainfraestructura.com

NORWAY & OTHERS

ALTERNATIVES IN EUROPE

Excluding Spain, where ACCIONA has had a high percentage of success with recent bids and where "in the short term there is almost nothing new", the concessionaires have gone back to studying the rest of the European market, which is picking up again after the past five or six years of stagnation. "In the United Kingdom — including each of the separate countries that make up the kingdom — there are various projects in the pipeline and ACCIONA has signed collaboration agreements with local partners to present offers for opportunities as they are published", explained the ACCIONA Concessions director. He believes the Dutch and German markets could present opportunities, too, "although the two difficulties we have is that the calls for tender are in their languages and it

is complicated finding local partners". Another market where opportunities might emerge is the Czech Republic, although there are few projects in Poland at the moment.

Another market that could offer interesting possibilities is Norway, where ACCIONA won, in consortium with Italy's Ghella, a contract for the design and construction of 20 km twin tunnels on the Follo Line, one of the biggest infrastructure projects in the country's history. The first quarter of 2016 will see the publication of Norway's concessions programme, for which ACCIONA is currently positioning itself to bid for contracts. "Following the success of the Follo Line, Norway welcomes us with open arms," Mr Clavería said.

FROM PPPS TO PRIVATE INITIATIVES IN LATIN AMERICA

Public-Private Partnership (PPP) projects are sometimes unfairly and erroneously described as signifying “All the Risk for the Private Sector”. Rest assured, this is just an anecdote. “The reality,” explains Juan José Clavería, “is that, when you talk about Public-Private Partnership, the risk has to be balanced.” In his opinion, “there are risks you can assume and others that you clearly cannot. The partnership must be based on the principle of economic and financial balance in the contract.”

“There are, in essence, three risks to a concession: construction, operation and financial,” points out Alberto Díaz. In his opinion, “although financing is more expensive in theory for the private than public sector, if the two first risks are transferred to the private sector, we all win in the end”. Another advantage of PPP projects, said Mr Clavería, “is that, in the short term, there are certain projects in which the Administration could not otherwise invest.”

“There'll be a big PPP push in Chile this year, a total of six projects,” Mr Clavería pointed out. Among them, Vespucio East, the joining up of the Santiago de Chile ring. “Generally, it will consist of big road projects, since the hospital sector no longer wants concessions,” ACCIONA Concessions' director explained.

As well as PPP, ACCIONA Concessions recently began exploring what is known as the “Private Initiative” option. “This is a model in which the private company is the one that proposes the project to the Administration; if it accepts, it is put out to tender and, in certain cases, you can have a competitive advantage in terms of score,” the director explains.

The most active market for this model is Peru, for which ACCIONA has presented six proposals. Three roads that were rejected by the Peruvian Government and three projects which could be accepted during 2016: one includes a hospital; another two hospitals, and; a third consists of an irrigation project.

The most advanced project, however, is the Cayetano Heredia Hospital, which might be agreed upon within the next few months.

Another Private Initiative currently proposed by ACCIONA involves a hospital in Mexico. Other opportunities for this model lie in the Colombian market. As well as Private Initiatives, there are other types of tenders. “There was a boom in calls for roads, which we analyzed at the time and weren't convinced, but a third wave is foreseen and we will study it,” declared Mr Clavería.

A RICH VEIN IN CANADA

Canada is one of the ACCIONA Concessions' star markets to date. The company's portfolio there currently includes top projects such as the South East Stoney Trail highway in Calgary; the Windsor Essex Parkway in Ontario; the A-30 in Quebec, and; Fort Saint John Hospital in British Columbia. Together these add up to a total investment of almost 3.3 billion euros.

The company has also just received pre-qualification for the Finch Light Rail in Toronto and has applied for pre-qualification for two other projects it should find about in the weeks to come: the Gordie Howe International bridge that will join Canada with the United States, in which 2.2 billion euros is being invested, and; Highway 427, also in the Toronto district.

“On top of all this, there will be more opportunities now that the Government that won the recent Canadian elections clearly favors public-private collaboration,” said the director of ACCIONA Concessions. He believes “the main challenge in the Canadian market is that it is very mature, complicated, and with lots of competition.”



UNITED STATES, A COMPLEX MARKET

The United States is new territory for ACCIONA Concessions, but a market it intends to study with great interest. “We are analyzing opportunities mainly in three states: Florida, Texas and Virginia,” commented Juan José Clavería. Nevertheless, he sees the US as “a complicated market, in which projects have a very long period of maturity, up to five or six years.”

That instability means some projects are placed on the back burner for a considerable time prior to launch. Another difficulty: “It is complicated finding local partners, because there are no big constructors and few industrials, just lots of financial players”, Mr Clavería pointed out. However, “if we choose carefully”, ACCIONA can enter the US concessions market gradually.



*The BR-393/RJ toll motorway in Rio de Janeiro.
Length of concession: 25 years.*

Director of ACCIONA Concessions

Juan José Clavería

He considers himself to be a frustrated engineer, travels 100 days a year and has no time at all to improve at his favorite hobbies, golf and cars. Nevertheless, Juan José Clavería admits that if he is to be reincarnated: “I would like to do exactly the same as I’m doing now”. He’s passionate about his job, a combination of engineering, finance, globalization, and getting to know people as different as the places they come from... And this is a vocation he’s always had.

My first memories go back to my father when he was working on the “Motorway of the Mediterranean”. I was eight or nine at the time and when I was asked to do a project at school it always had to have something to do with a motorway... a toll road to be more exact!

But you didn’t go on to study engineering?

No. I went to Civil Engineering School, but I left it. I’m a frustrated engineer. I am, actually, an economist; I have a Master’s in Financial Management. I began working for Dragados in the planning and management control area. Then I went into project finance, worked on projects in South Africa and the United Kingdom, which gave me the opportunity to get to know the Anglo-Saxon model in detail. Afterwards, I joined Caja Madrid and from there, in 2001, I took the leap to ACCIONA and the Concessions area. Four years later, I moved to Ahorro Corporación, and rejoined ACCIONA as Director of Concessions in January 2013.



In figures

24

concessions in six countries

5,800

million euros under construction

15

transport projects

1,250

kilometers of highways

6

hospitals

3,500

hospital beds

52%

pre-qualification

Is it difficult to leave and come back?

It was a good experience. There is a before and after with these things. The change ACCIONA went through was important, going from a constructor-concessionaire group to an infrastructure and energy group. And before I walked the corridors and knew everyone. This time it's different.

The world of concessions has always attracted you and your training is finance. How do you combine these elements?

The concessions business is predominantly financial. We orchestrate the capital, the debt, in order to build a project, and operate and maintain it over time, but in truth it's a financial business, in which you need to find the money to undertake a project. In the end, you end up having a mix of people in your team between engineers and financials. And I think this is good.

Do you travel a lot? Do you get time to do other things?

Well, you lose touch with everything. When I think about how I used to play padel, golf... a thousand things. Now, I've got no time to spare. The diary is full and I travel over 100 days a year. In 2013, no sooner than I rejoined ACCIONA, I was travelling around the world. Here, that takes about a week. I've known us get to New Zealand, Australia and Canada all in the same week.

That's a tough schedule, but supposedly it is essential in your line of work. What do you get out of it?

One of the things I like — and we speak about it a lot between us — is the global nature of the work. You're building a tramway in Australia, a hospital in Peru and a road in Canada all at the same time. This is of incalculable professional and personal added value. And, of course, the number of people you get to know in places all over the world, and they are so different. If someone asked me tomorrow, what I would like to be reincarnated as, I'd reply: the same as I am today. I would like to do the same thing. ■

ACCIONA defends the planet at COP21

The European Union and representatives from 195 states gathered at the Paris Climate Change Summit (COP21) in December and reached a historic agreement on climate, which seeks to keep global warming of the planet to less than 2°C this century. ACCIONA was present at COP21 during various forums in which it called for the fight against climate change to be treated as a strategic priority.



Twenty years ago, the United Nations organized the first climate summit in Berlin, the Conference of the Parties (COP), and since then it has held 21 such gatherings, but with slower-than-expected progress. The last of these was in Paris (COP21) in December, where 195 countries signed an ambitious agreement to limit global warming under the UN Framework Convention on Climate Change.

ACCIONA arrived at Paris with one thing clear: climate change is a global problem that needs compromise from everybody to strike a solution.

COP21 final agreement

On 12 December, 195 countries approved the Paris Agreement to tackle climate change. As such, these nations have committed themselves to the same path, with the common objective of reducing greenhouse gas emissions.

They agreed to keep the global temperature increase “well below 2°C”, which will require profound changes in current energy systems and presumes the promotion of renewable energies and a reduction in the use of fossil fuels.

The Paris Agreement covers crucial areas in the fight against climate change, such as mitigation, transparency, adaptation, losses and damages, financial and technological support for developing countries, etc.

ACCIONA sees climate change as its main challenge. Global warming is provoking a scarcity of basic resources and the migration of the population to large towns and cities.

The new needs of the planet point to a growing demand for core services:

World energy demand will increase by 32% between 2013 and 2040.

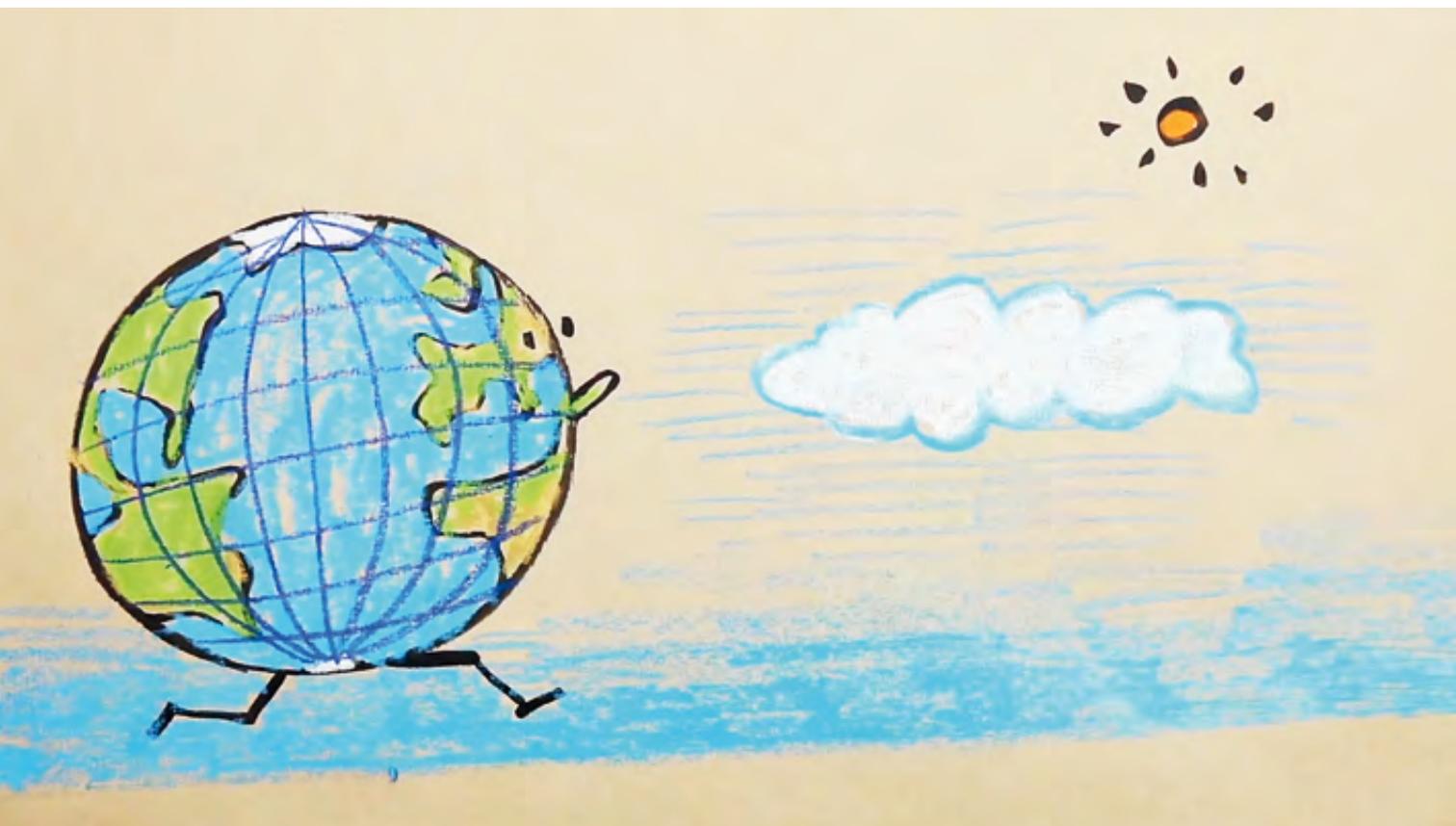
Global water demand will be 55% greater by 2050 than it was in 2000.

Global infrastructure investment needs will amount to approximately 53 trillion euros between now and 2030.

The Company, as it is today, has been responding to the needs brought about by climate change. Its main businesses help to reduce emissions and the dependency of the economy on carbon, supply water in regions suffering from hydrological stress and have the capacity to create sustainable infrastructure for the future. ■

ONLINE INFO

■ www.accionacom/COP21



ACCIONA, AN ACTIVE PARTICIPANT AT COP21

ACCIONA demonstrated its firm commitment to the planet in Paris by taking part in different forums, platforms and initiatives. These were the highlights:

- ACCIONA was present at COP21, taking part in forums held by the WBCSD (World Business Council for Sustainable Development), the United Nations Global Compact Caring for Climate Business Forum, and the Prince of Wales's Corporate Leaders Group (CLG), among others.
- We were the principal sponsor of the "Energy for Tomorrow" conferences organized by the International New York Times, at which political leaders, business people, entrepreneurs and academics met to discuss successful technologies, strategies and investments for a low-carbon economy.
- We sponsored the sculpture, *Climatesaurus*, by Cristina Finucci (founder of the Garbage Patch State movement), a gigantic dinosaur made from plastic bottle tops.
- The sculpture was complemented by an exhibition of the first fully electric, zero-emissions car to take part in the Dakar Rally: the ACCIONA 100% EcoPowered, and
- We took to the streets of Paris with a campaign denouncing the consequences of climate change.

ACCIONA COMMITS TO CARBON NEUTRALITY IN 2016

The Company plans to invest USD 2.5 billion in renewable energy generation between now and 2020. The aim is to increase installed capacity to 10,500 MW, which will mean the avoidance of over 20 million metric tons of CO₂ per year.



ACCIONA formally presented its commitment to achieve carbon neutrality in 2016 while taking part in COP21, also known as the Paris Climate Summit. “Our ambition is to be the most sustainable company in the world — in our choice of investments, in the services we deliver, and in the day to day of our business operations,” declared ACCIONA Chairman José Manuel Entrecanales in making public the commitment. “The mitigation of climate change will become ACCIONA’s top strategic objective, and we will achieve this by investing in new renewable energy capacity and by building resilient infrastructure for 21st century societies,” he added.

The commitment to be carbon neutral will see the Company reduce CO₂ emissions associated with its

operations to a minimum — and offset them through own activities or the acquisition of CO₂ emission rights.

Renewables investment

ACCIONA, recently chosen as the world’s leading green power generator by Energy Intelligence, is one of the biggest producers of renewable energy in the world, with an installed capacity of 8,614 MW in 15 countries.

Mr Entrecanales also revealed that ACCIONA would invest 2.5 billion US dollars in renewable energies over the next five years, mainly in developing countries, to increase its installed capacity to 10,500 MW. This will allow the avoidance of over 20 million metric tons of CO₂ emissions per year, equivalent to those generated by over four million cars.

Since ACCIONA began investing in renewables 25 years ago, the Company has avoided the emission of 125 million tonnes of CO₂, an amount equivalent to the total CO₂ released by Denmark, Norway and Sweden in 2014.

Along with its commitment to renewables, ACCIONA will relieve the Earth’s water stress and scarcity by building drinking water treatment plants for five million people and sewage treatment plants serving eight million by 2020.

The Company will continue to contribute to the UN Sustainable Energy for All initiative through the ACCIONA Microenergy Foundation,

→ OBJECTIVES

- Invest USD 2.5 billion in renewable energies over the next 5 years.
- Avoid the emission of 20 million metric tons of CO₂ per year.
- Relieve water stress by building drinking water purification and sewage treatment plants.
- Continue providing domestic photovoltaic systems in Peru and Mexico.

→ *“Our ambition is to be the most sustainable company in the world — in our choice of investments, in the services we deliver, and in the day to day of our business operations.”*

*José Manuel Entrecanales,
ACCIONA Chairman*

which provides photovoltaic electricity generating systems in remote areas of Peru and Mexico. The commitment of ACCIONA to be carbon neutral in 2016 was made following the completion of the Company’s five-year Sustainability Master Plan, which achieved, among other objectives, a reduction of CO₂ emissions of 46% and avoided the emission of 68.5 million tonnes of CO₂ thanks to renewable energy production. ■

// ACCIONA'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

ACCIONA contributed to the definition of the United Nation's recently approved Sustainable Development Goals through the Global Compact LEAD group of companies, demonstrating its commitment to sustainability in the interests of social progress, environmental balance and economic growth. Four of the goals adopted — water, affordable and clean energy, resilient infrastructure, and climate action — are in agreement with the basis of the Company's business model.

GOAL 6. Ensure access to water and sanitation for all. ACCIONA is leader in the water treatment sector with the capacity both to manage the end-to-end water cycle and intervene at any of its different stages.

GOAL 7. Ensure access to affordable, reliable, sustainable and modern energy for all. ACCIONA has positioned itself in the sector as a global leader in the promotion, construction, operation and maintenance of renewable energy assets with a business model characterized by its presence throughout the value chain, dedicated exclusively to renewable energies.

GOAL 9. Build resilient infrastructure, promote sustainable industrialization and foster innovation. The Company uses innovation to build more resilient and sustainable infrastructure, with special emphasis on biotechnology, composite materials, construction process improvements and eco-efficient building.

GOAL 13. Take urgent action to combat climate change and its impacts. The fight against climate change is a strategic priority for ACCIONA. This is why its activities are based on a portfolio of low-carbon projects which allow for the reduction or mitigation of the adverse effects of climate change, cutting greenhouse gas (GHG) emissions to the atmosphere mainly through renewable energy generation, promoting energy savings, and responding to the world demand for renewable energies, sustainable infrastructure, water and services.

Our commitment to the Global Compact is unwavering: ACCIONA is a member of the Global Compact LEAD steering committees and the Caring for the Climate initiative. We also form part of the Advisory Board of the Sustainable Energy for All initiative and participated in the launch of the Decade of Sustainable Energy for All (2014-2024) in Latin America and the Caribbean.

If you would like to consult the goals and other connected initiatives, you can find more information at: <http://www.un.org/sustainabledevelopment/>.



ONLINE INFO

■ www.accionacom/sustainability



ACCIONA'S ACTIVE COMMITMENT

ACCIONA Chairman José Manuel Entrecanales took part in the meeting between the Spanish business sector and UN Secretary General Ban Ki-moon, organized by the Spanish Network of the UN Global Compact. At the meeting, Ban Ki-moon formally presented the Sustainable Development Agenda launched in September and urged the Spanish companies to assume a leadership role in complying with it.

José Manuel Entrecanales was one of the company representatives who intervened in the conference, highlighting the importance of the recently approved Sustainable Development Goals and the numerous challenges and opportunities before the private sector. He also called on the companies to assume an active commitment to the Goals and cited several examples of ACCIONA's contribution to them with respect to water, infrastructure, energy and climate change, and the incorporation of the fight against climate change as a priority in the Company's strategy.

The Global Compact is the largest public-private pro-development partnership, in which 12,500 companies from 145 countries are united in promoting the Ten Principles, based on universal declarations and conventions related to human rights, labor standards, the environment and fighting corruption.



We're back! Recharged and ready to go!

After making history by becoming the first zero-emission vehicle to take part in 38 years of the Dakar Rally, we're back — recharged and ready to compete in the next one from Argentina to Bolivia.

Participating in the Dakar again is another statement of our vision for the scope and feasibility of renewable energies in hostile environments.

And we are competing at a time when the reduction of CO₂ emissions and the effects of climate change is high on the agenda, following the world's climate change summit, COP21, held in Paris in December.



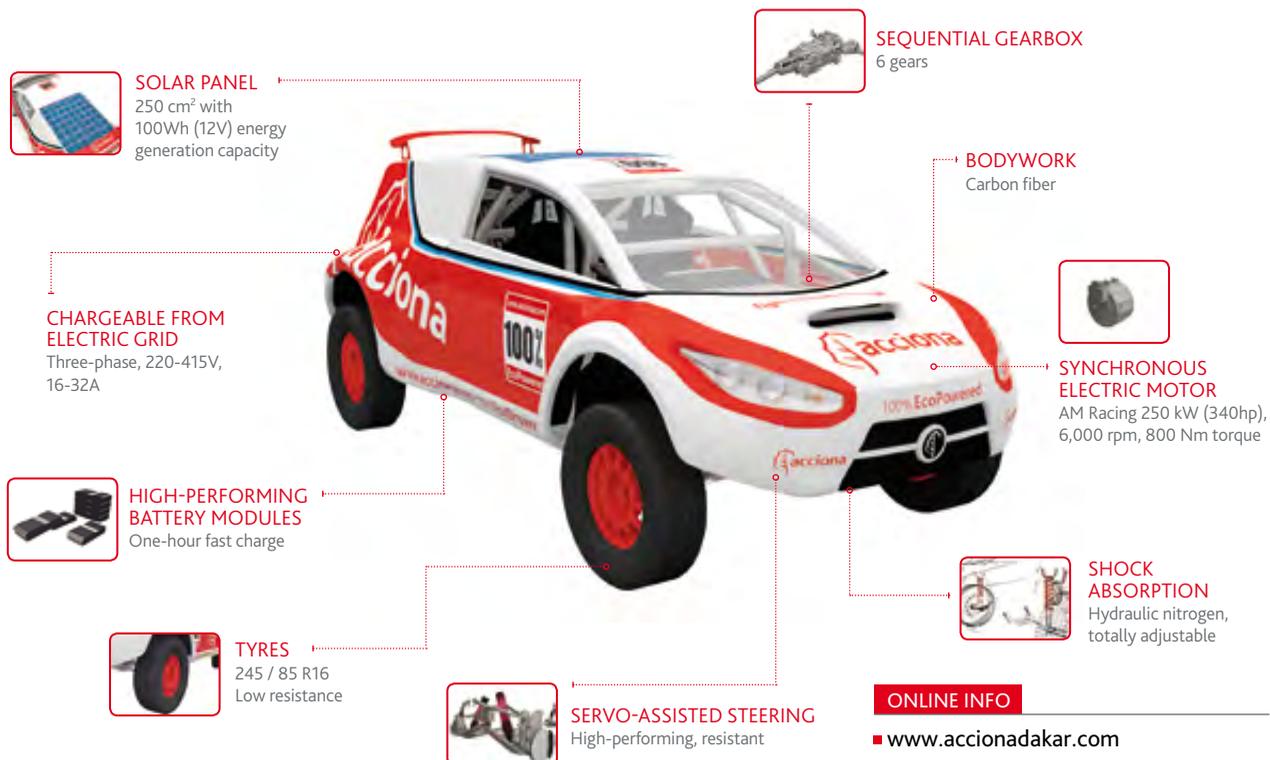
DAKAR 2016 ARGENTINA-BOLIVIA

- 31/12 - 01/01** | Administrative and technical checks
- 02/01** | Starting podium in Buenos Aires | Prologue | Link with Bivouac "0" near Rosario
- 03/01** | Buenos Aires - Villa Carlos Paz
- 04/01** | Villa Carlos Paz - Termas de Río Hondo
- 05/01** | Termas de Río Hondo - Jujuy
- 06/01** | Jujuy - Jujuy
- 07/01** | Jujuy - Uyuni
- 08/01** | Uyuni - Uyuni
- 09/01** | Uyuni - Salta
- 10/01** | Rest day in Salta
- 11/01** | Salta - Belén
- 12/01** | Belén - Belén
- 13/01** | Belén - La Rioja
- 14/01** | La Rioja - San Juan
- 15/01** | San Juan - Villa Carlos Paz
- 16/01** | Villa Carlos Paz - Rosario



THE CAR AND THE TECHNOLOGICAL CHALLENGE

The ACCIONA 100% EcoPowered is a racing car in the NRJ OPEN category, designed fully according to FIA/ASO technical and safety regulations, but with the difference that it will be the first 100% electric car to have competed in the 2015 Dakar that will now take part in the 2016 rally (Argentina-Bolivia).



MAIN CHARACTERISTICS

- **CATEGORY:** NRJ OPEN
- **ENERGY SYSTEM:** 200 km autonomy under road conditions
- **BATTERY RECHARGE SYSTEM FROM ELECTRIC GRID:** domestic supply (220V), industrial supply (400V) and fast recharge (50 kWh)
- **TOTAL LENGTH:** 4.6 m/total width 2 m (FIA maximum 2.2 m)/wheelbase 2.9 m
- **HEIGHT:** 1.80 m (variable, based on suspension compression)
- **MAXIMUM WEIGHT:** 2,100 kg
- **BODYWORK:** carbon fiber with photovoltaic cells incorporated
- 250 kW, electric motor
- **MOTOR TORQUE:** 800 Nm
- 150 kW high performance **BATTERIES**, one-hour fast charge
- Carbon fiber **photovoltaic panel** built into chassis
- **MAXIMUM SPEED:** 150 km/h, electronically self-limiting
- **ENERGY CONSUMPTION (kWh):** 20-45 kWh/100 km (based on type of terrain)
- **CO₂ EMISSIONS ON ROAD:** 0 g



Ariel Jatón

Driver/mechanic who has already participated several times in the Dakar Rally, Ariel has great motor racing experience.

He is the Argentine Cross Country Rally champion and has been helping develop and build the ACCIONA 100% EcoPowered since the idea was conceived.

Why is ACCIONA 100% Eco-Powered such a special vehicle?

Just look at the data. Unlike our competitors, altitude won't be a factor for us, since the electric motors don't need oxygen to function. Also, the power delivery is a constant whatever the car is doing, which will help us enormously when we are driving off-track. Most importantly, however, is not to pollute the environment.

How has the development of the vehicle gone with ACCIONA?

Our collaboration has been a very satisfactory process. ACCIONA researchers have participated to incorporate

photovoltaic cells in the carbon fiber bodywork and in building in the ACCIONA solar panel, which contributes up to 12V.

What improvements have been made to the vehicle since Dakar 2015?

- Better traction by incorporating it into four wheels.
- Off-road performance is better by installing a six-gear sequential gearbox.
- The weight-power ratio has been improved by cutting down the total weight of the car.
- Handling is better due to the shorter length and narrower width of the car.
- Battery recharge time has been reduced from five hours to one.
- Energy is regenerated using electric braking.
- A new body design has improved aerodynamics.

How is the system for recharging the batteries?

Recharging is done via four chargers that connect to the eight batteries, subdivided into four pairs of two batteries each.

As a top rally driver, what difference do you find behind the wheel of a 100% electric vehicle, compared to one running on a combustion engine?

It feels different from the moment you sit in the car. You just connect the

current by switching it on and the car is ready. There's not a sound from the motor or other components. Although the gearbox is manual, there's no clutch. You only need to press the accelerator to move. Another importance difference comes when braking. You have to combine different ways of braking: electric, hydraulic, or both together. Once we are away, another big difference is that you have to manage the energy, being very careful to cover the kilometers until you can recharge. In everything else, ACCIONA 100% EcoPowered is a vehicle like all the others.

What do you want to achieve at Dakar 2016?

Our objective is to achieve the feat of ending the most difficult race in the world in a 100% electric vehicle. I can assure you that, now we know the journey kilometer by kilometer, this will be a far from easy task — but we will work very hard to complete the race.

Do you believe you are making history with this vehicle?

I believe so. I am totally convinced that electric vehicles are the future. All racing drivers in the world will come to realize this. It is very important for us to race without polluting the environment. It's not easy to make the change, but we are leading the way with this project and I hope, in time, other teams will follow us down this road.



Gastón Scazzuso

Co-driver of the ACCIONA 100% EcoPowered, navigation expert and highly experienced mechanical and electronics engineer, Gastón has been interested in rally cars since he was young. He took an active part in the design and building of the electronics system for this first zero emissions car to compete in the Dakar Rally.

How do you feel to be part of the only zero emissions project in the motor racing world?

I am delighted and very committed to the project. It allows me to apply many years of experience in the sector and to investigate this new technology further.

As a mechanical and electronics engineer, how do you weigh up the ACCIONA 100% EcoPowered?

It has always been dependable, but we have made some improvements and are more convinced than ever of its reliability. As well as having fewer mobile components than a fossil-fueled combustion car, we can solve technical problems quicker when they occur. The car does not need an air filter, so you are neither affected by the dust you get in rallies, nor by high temperatures.

How important a development is the ACCIONA 100% EcoPowered?

It goes beyond the rally world. I'm convinced that in several years' time

we will see electric cars as the preferred choice of urban drivers.

What's it like for the co-driver of an electric car during a rally stage?

At first, it feels like any other Cross Country Rally car. It's the details that strike you: it doesn't make any noise and the power of the electric motor is different. For navigation, Ariel and I take time on the long and straight stretches to monitor and check the most important parameters of the electric motor control system.

Are you making any special preparations for Dakar 2016?

Of course, both physically and mentally, to be able to get through the challenge of Dakar. We want to be the first to pilot an electric car across the finishing line.

A new era for desalination in the Middle East

ACCIONA Agua is leading the technological shift towards reverse osmosis in a region looking for new sources of drinking water to underpin development.

The United Nation's 2015 World Water Development Report shows that 75% of the population of the Arabian Peninsula lives below the water scarcity level of 1,000 cubic meters per capita per year, and that the region needs more water to ensure sustainable development. Desalination can be considered as an alternative water source, the report points out, but the desalination technology currently used in the region must reduce its dependence on oil. ACCIONA Agua is contributing fundamentally to this process by replacing the old thermal desal processes, Multi-Stage Flash (MSF) distillation and Multiple-Effect Distillation (MED), with reverse osmosis technology.

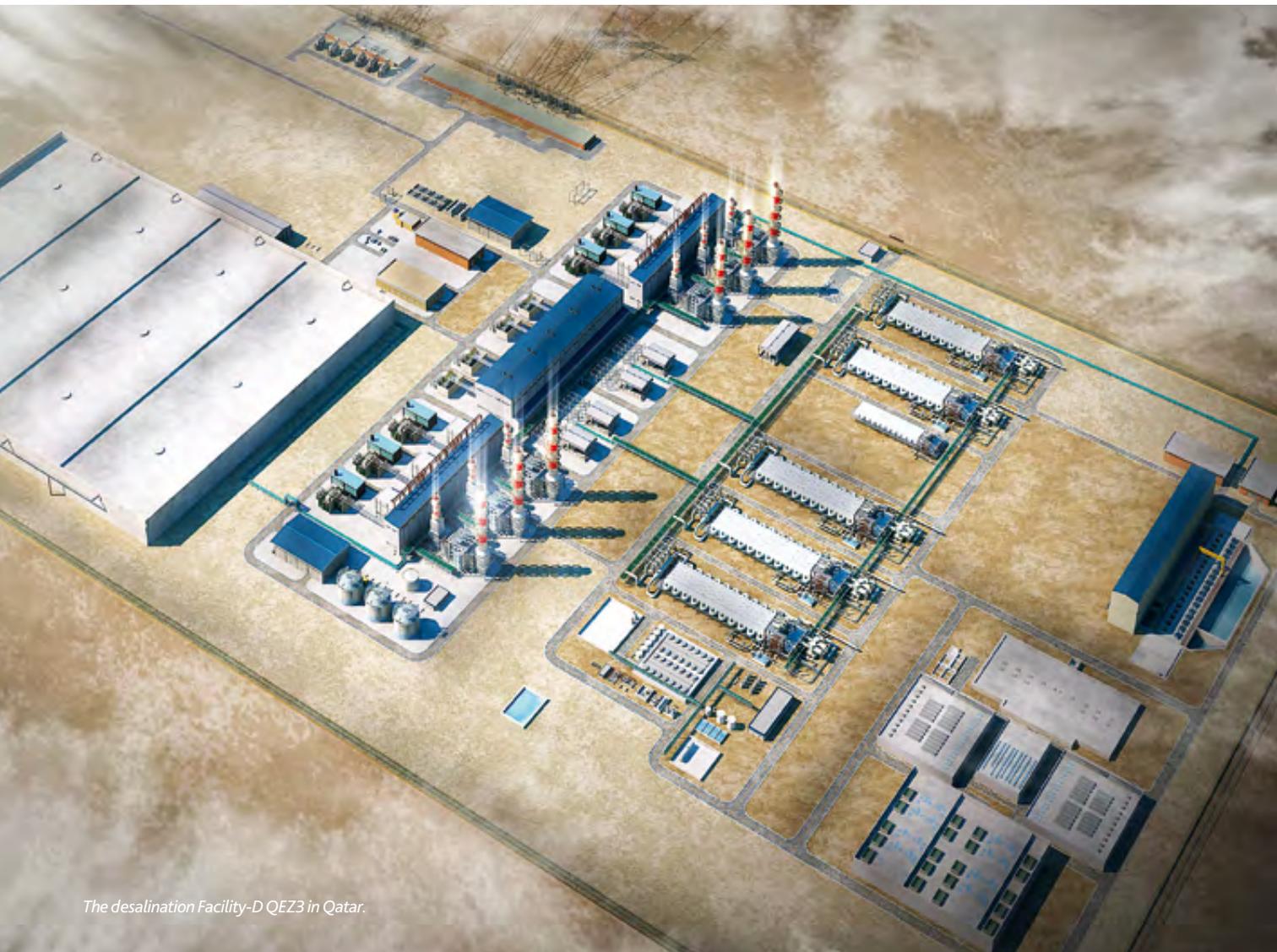
Building work on the Ras Abu Fontas 3 desal plant in Qatar began in mid-November. ACCIONA

Agua is participating in the design and construction of the plant's reverse osmosis desalination unit, selected by the consortium building the plant, formed by Mitsubishi Corporation and TTCL Public Company Limited. The plant, with a capacity of 164,000 m³/day constitutes a milestone in the desalination field, since this is the first time reverse osmosis technology will be used to produce drinking water on a large scale in Qatar. And it will not be the only plant. ACCIONA is working on a second "desal" with this technology in Qatar: Facility-D QEZ3.

"Some of the Gulf countries are already building nuclear plants," said Jesús Sancho, ACCIONA's Middle East director. "This will favor reverse osmosis technology even more, because reverse osmosis



Al Jubail desalination plant in Saudi Arabia.



The desalination Facility-D QEZ3 in Qatar.



only needs electricity to desalinate, whereas thermal desalination needs electricity and a fuel.’ ACCIONA Agua’s experience with reverse osmosis is an excellent business visiting card in this respect. In addition to the two Qatar contracts, the company will soon start operating the Al Jubail desal in Saudi Arabia (137,000 m³/day), being built by ACCIONA Infrastructure. Last year, ACCIONA also won management of operation and maintenance for the Sohar

desalination plant in Oman, which has a daily capacity of 20,000 m³.

ACCIONA Agua presently has a pipeline full of desalination projects in the Middle East. Together, these would generate over 700,000 cubic meters of water per day. These contracts make ACCIONA a leading player in the region. ■

ONLINE INFO

■ www.acciona-agua.com

➔ *Reverse osmosis uses less energy and needs less investment per cubic meter of desalinated water compared to thermal desalination*



Middle East director,
ACCIONA Infrastructure

Jesús Sancho

PROFILE

Jesús Sancho Carrascosa is an aeronautical engineering graduate from Madrid Technical University (UPM) with an Executive MBA from IESE Business School. He is currently Middle East director for ACCIONA Infrastructure.

He began his career in the aeronautical and airport infrastructure sector. His involvement in tender processes for water facilities spans 15 years and he has managed the growth of several companies in the sector. Jesús has been responsible for developing for ACCIONA Agua large water and seawater desalination projects in the Middle East for the past five years. He has been head of ACCIONA Infrastructure in the region for two years.

ACCIONA Agua began working in the Middle East eight years ago. In 2010, ACCIONA Construction arrived and later Facility Services, Productions & Design and Engineering. How has ACCIONA evolved in the region during that time?

ACCIONA has been consolidating its presence in the Middle East during this period and has won contracts and opened permanent offices in five of the six countries belonging to the Gulf Cooperation Council (GCC): the United Arab Emirates (UAE), Saudi Arabia, Oman, Qatar and Kuwait. Now we have decided to establish a platform for our expansion in the Middle East in Dubai in the UAE.

We have succeeded in becoming a benchmark in areas such as reverse osmosis (RO) desalination and the operation and maintenance of water treatment plants, but we also have a presence and good prospects in other business areas. ACCIONA Service is established in Qatar with several Facility Management contracts for schools, hospitals, embassies and hotels, although its aim is to grow in the region as a whole. In Oman, for example, it already has its first services contract, for the Salalah Airport passenger terminal. ACCIONA Producciones y Diseño (APD) has obtained various contracts in the UAE, Qatar, Oman and Kuwait.

ACCIONA Construction is currently building a desalination facility at Fujairah and is analyzing important opportunities such as the Dubai metro, railways in Qatar and Oman, and Bahrain Airport.

What is the economic outlook for the region?

Although it's true the present price of crude could affect GCC development plans, its six countries are in a process of economic expansion, infrastructure building and privatization of operation and maintenance and service activities, which means lots of opportunities for a group like ACCIONA. While the GCC is in a strong and stable region, we must study the specific characteristics of each project and client with respect to the local legal, fiscal and financial framework. It is also essential to select local and international partners carefully.

Which are the specific opportunities in the short term for ACCIONA's distinct business areas?

The GCC countries have economic growth of around 4-5% per year and high population growth. This needs to be accompanied by all kinds of new infrastructure, especially relating to water, transport, healthcare, housing, services and electricity generation, both renewable and conventional. ACCIONA's core business is to serve all these sectors. The economic situation caused by the falling oil price could favor public-private partnership tenders, in which ACCIONA has valuable experience and a very good track record through ACCIONA Concessions.

The GCC is currently immersed in building railways and metros, and modernizing and constructing airports and electricity generation plants, on an unprecedented scale. The Middle East is also clearly receptive to the privatization of services in which ACCIONA specializes.

There are many competitors here, but the specialization and experience of ACCIONA is enough to overcome the competition, particularly when projects are tendered out in a Design and Construction format. With the short deadlines, it is increasingly important to have the

→ *“The Middle East is receptive to privatizing services in which ACCIONA specializes”*

What challenges does ACCIONA face when it is building and managing infrastructure in such an environment?

As with any other region, it is essential to know and understand the religious and cultural customs of Middle Eastern countries, since these define the way of doing business and working.

capacity to mobilize equipment and resources quickly and flexibly. How a project starts is often the key to success, which is why from Dubai we are able to offer the support needed for an efficient and effective transition between the development of a project and its execution. ■



Ras Abu Fontas 3 plant, under construction in Qatar.

Immersive experience

ACCIONA is demonstrating its innovation excellence once again — this time in the immersive technology field. The Company has developed the ACCIONA Virtual Experience app and made its first large-scale 360° video.

Immersive technology is becoming a powerful tool for businesses in areas such as training, accident prevention, marketing, works monitoring, etc. Its origins go back to the mid-1980s, but it is only recently that technological advances in image processing, and the development of powerful portables, have made virtual reality a less-expensive and thus accessible technology. As a result, immersive technology can now be used in a wide range of industrial sectors.

Immersive virtual reality is the representation of a real or fictitious environment through Head Mounted Displays (HMDs), which simulate the physical presence of the user, allowing her or him to interact with re-created surroundings.

Content can range from 3D digital models to real-life capture via photos and 360° spherical videos and scanning of spaces and objects. Thanks to these new

Fireworks in honor of the Apostle of Santiago de Compostela. See video at <http://bit.ly/20QRcfl>



developments, ACCIONA has been able to create the following projects to support the business activities it carries out:

ACCIONA Virtual Experience

ACCIONA took part in the 10th Asia Pacific Cities Summit & Mayors' Forum in July 2015, developing a mobile app using HMDs to demonstrate projects carried out by ACCIONA in the region. The app has three functions: a virtual hall with a map and list of projects that can be visited via immersive technology,

such as the Hong Kong Ting Kau bridge, Adelaide desalination plant, Waubra wind farm and the Legacy Way tunnel. The app incorporates a virtual cinema containing the videos and a game that tests user knowledge of ACCIONA.

360° Experience: the 2015 Apostle Fireworks

ACCIONA Producciones y Diseño this year put on a fantastic spectacle to commemorate the Feast Day of St James, the Apostle of Spain's Santiago de Compostela. It used immersive technology for the

first time, projecting scenes onto the façades of Obradoiro Square, combining lighting effects with fireworks, audiovisual and live music.

These features allowed people their first glimpse of 360° video, as a spherical recording camera in the center of the square shot the whole spectacle from every possible angle. It's now possible to relive this moment wearing virtual reality glasses, as if you were in the center of the square enjoying the projections and fireworks live and without losing any detail. ■

IMMERSE YOURSELF IN INNOVATION WITH ACCIONA VIRTUAL EXPERIENCE!

All information at:
www.acciona.com/acciona-experience





OUTSOURCING IN THE HOTEL SECTOR

Hotel sweet hotel

Half a million rooms ready for nearly a million guests a year, cared for by 600 ACCIONA Service staff in 30 hotels in four countries. These are the impressive figures behind the company's work as a supplier of auxiliary services in the hotel sector.

Whether its servicing rooms or reception duties, catering, cleaning or repairs and maintenance, hotel owners and managers are increasingly tendering out auxiliary services. Over 30% of staff in hotels are estimated to belong to outside companies and this percentage is predicted to double in the next five years at an

increase of 10-15% a year. Auxiliary services depend not only on the relationship with the direct client, however, but also the satisfaction of the guest paying for the stay.

What is a hotel looking at when it considers outsourcing services that could ultimately determine the success of its business? Emilio Arce, general manager of ACCIONA Facility Services, explains: "It is

not the same as servicing an office or a factory. In a hotel, it's not just the commercial client (the owner or manager of the hotel or chain) who must be satisfied; the guest must enjoy the services he or she is receiving as part of the stay."

ACCIONA Service, which has over 30 clients in the hotel sector in Spain, Portugal and Qatar, believes in specialization, offering the



MANAGING THE UNEXPECTED

Management excellence is one of ACCIONA's competitive advantages. Every hotel needs to manage its services well and can benefit from a single supplier coordinating all the outsourced services. ACCIONA Service employs one manager for five or six hotels, depending on their size and requirements, and this person is responsible for the quality of all the services provided.

"Our job is 24/7 satisfying the needs of the client, and in the case of hotels, this client is double: the owner of the establishment and the guest. So we have to be always prepared, anticipating needs and proposing improvements," explains David Pradillo, ACCIONA Service manager for hotels in Madrid. "If an employee goes sick, the service has to be covered. If guests arrive at the last minute, a room has to be ready. If the client asks us to do something, we must be able to respond to his or her request," he adds. "This is what we mean when we talk about the flexibility of outsourcing. The problem is no longer the client's; ACCIONA assumes responsibility for it and we have the tools to respond efficiently."

➔ *Executives, tourists and families with children... the rhythm of each hotel is different and ACCIONA must adapt to the needs of each. The one common denominator is round-the-clock service*

full range of services, continuous training, and, above all, end user satisfaction as being essential in its business model. For this, it offers to manage auxiliary services for hotels as a single supplier and in an integrated way, whether that be cleaning, waiting on, porters, catering, pool attendants, gardening, technical maintenance, security, energy efficiency, waste management,

laundry or shows and events.

The first thing ACCIONA does when it starts work at an establishment is to perform a detailed analysis of the hotel's features (location, category, target public, distribution and size of rooms, rotas, etc.). Data in hand, it tailormakes measures to allow the hotel to optimize costs by standardizing activities and simplifying processes, ►

► eliminating ‘dead time’, planning purchases and improving inventory efficiencies. “Optimizing the movements of cleaners between the rooms, for example, can reduce the monthly distance they have to walk by several kilometers. This minimizes the time and effort needed to carry out the same tasks. Identifying improvements to such items is one of the added values ACCIONA offers its clients,” explains David Pradillo, ACCIONA Service manager for hotels in the Madrid area.

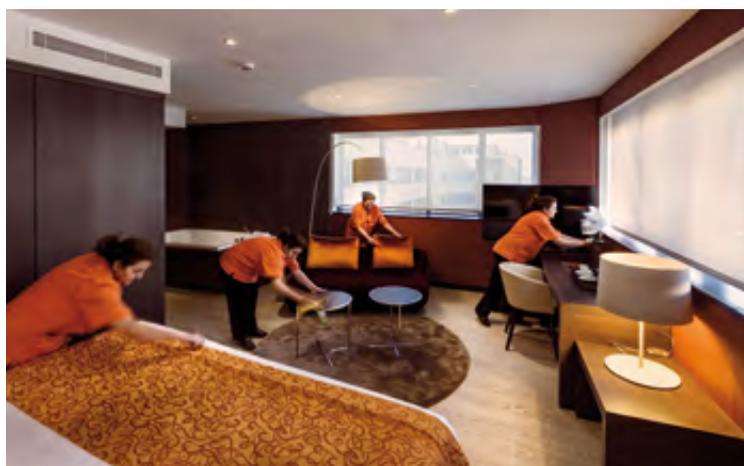
To implement these changes, when ACCIONA Service assumes responsibility for a service, it creates an ‘integration team’ that, in close coordination with the hotel management, selects appropriate personnel and organizes

their technical training. Then an ACCIONA Service manager takes responsibility for coordinating relations with the client so that the latter has a single, constantly available contact person for all the outsourced services.

Evaluation of the quality of these services is another key factor. Modern as well as traditional analytical methods are used for this: Internet portals, forums, social networks, etc. Online sources gather the feelings of travellers directly and instantly and should be monitored and understood as a constant source of useful information in the interests of continuous improvement. ■

ONLINE INFO

■ www.acciona-service.com



Before 7am, the cleaning products need to be ready so cleaners can begin their tasks without delay — work that will go on until 4pm.



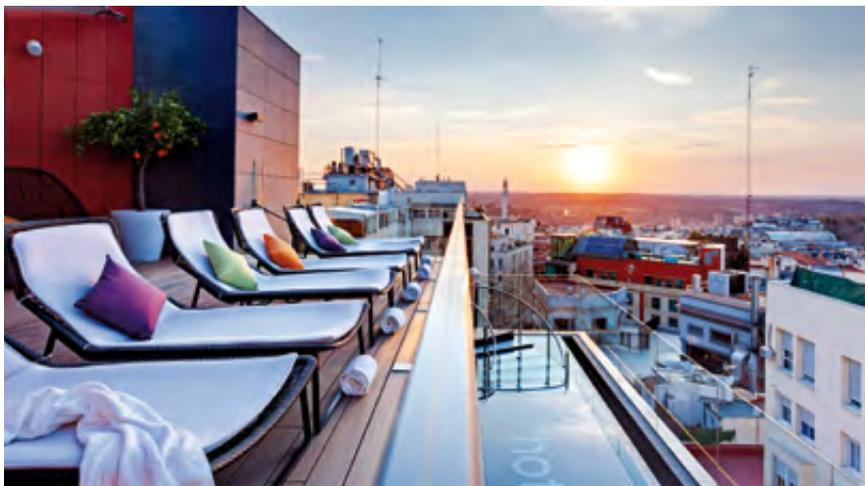
Breakfast tasks begin well before dawn. All the service points in the restaurant, food bar and terraces have got to be prepared down to the last detail.

KNOWING WHAT A GUEST WANTS

It is essential to understand that offering quality services is different at a hotel by the beach than one in the city. Similarly, catering for a family is not the same as for a business-man or woman. “In a beach hotel, catering staff must be friendly and the rooms must be done before siesta time. In a city center hotel, the guest appreciates pajama folding and a newspaper in the room, etc. This has nothing to do with cost. It is about knowing the sector and how these things directly affect customer satisfaction. If the guest is happy, our client the hotel manager is happy,” says Emilio Arce, general manager of ACCIONA Facility Services.



Meanwhile, servicing the rooms, repairing and maintaining fixtures, gardening and reception duties, continue apace. At night, security and night porters take over.



HOTEL ÍNDIGO, OUR TRAVEL PARTNER FROM DAY ONE

The Hotel Índigo in Madrid signed up ACCIONA Service for its auxiliary services before it opened the doors to its first clients. Manager Rafael Ramirez highlights the reasons for the success of our collaboration: “For outsourcing to work well, as it does here, both parties need to integrate with one another, since the satisfaction of the traveller depends on our good relationship with ACCIONA and the quality of ACCIONA’s service. This benefited from us establishing the operational rules for the hotel together — as one team.” Working in this way rubbed off immediately in terms of increased customer satisfaction, for example by changing breakfast hours. ACCIONA employees suggested this after noticing guests wanted earlier service than the hotel had foreseen.

Mr Ramirez says the services supplied by ACCIONA are constantly receiving improved ratings on online travel portals and in hotel quality surveys from when the hotel first opened. “In the last guest survey, ACCIONA’s services obtained 98 out of 100 points.” David Pradillo, ACCIONA Service manager for hotels in the Madrid area, said this data was “due to the hard work of the employees, who feel they are part of a team, they are listened to and their opinions taken on board”. “The good ratings motivate us to keep improving the services we offer,” he enthuses.

Innovative down to our roots

Cosme Palacio pursued a dream. A quest to find the best aroma, the best taste and the most delicate pleasure, using centuries-old learning and exhaustive techniques, based on the selection of vines and varieties of fruit that continue to yield incomparable intensity to this day. Now his name adorns one of the top vineyards in Spain, which owes its success to selecting the best places to grow vintage-producing vines, a mastery of the weather and pioneering long macerations that bring balance and density to wines elaborated using innovative methods. These include the use of new barrels made from French oak, introduced in the 1980s, until then practically unknown in the Rioja D.O. appellation region.





Historic vineyards, high beneath the baking Rioja sun, varieties and subtleties delivering a range of distinguished wines under brands that have evolved through time alongside the personality of the company growing and refining them. Cosme Palacio blends tradition and modernity to perfection.

These are the reasons behind the company producing such fine wines over the years and Cosme Palacio's way of emphasizing one of the great secrets of its winemaking tradition: the meticulous selection of the right raw materials. Look no further than this company's origins to discover more about the unique character of the Rioja Denominación de Origen (D.O.) appellation. A leading brand in the Álava province, Cosme Palacio is constantly reinventing itself in order to maintain its place on the podiums of the national and international wine scene.

The tempranillo grapes used for the new Cosme Palacio 2012 Crianza, for

example, come from carefully selected vine stock more than 40 years old and planted on the highest ground in Álaves at 640 meters. The effect of altitude on the vine is the lengthening of the vegetative cycle of the grape and the result is a unique technical and polyphenolic ripening of the fruit.

Another recent new wine is the Cosme Palacio 2010 Reserve, considered to be on a higher rung on the company's ladder of products. Elaborated from tempranillo vines over 70 years old, the right soil care yields a harvest of greater concentration and equilibrium in terms of the qualities of the grape and fine winemaking techniques do the rest.

The company's venture into new wines has been accompanied by a redesign of the Cosme Palacio label. The new design pays homage to a style of wines in which the Palacio *bodega* was always a pioneer with its emphasis on elegance before strength. It draws on the original 1899 Cosme

➔ *“We identify with the country around us. We select its best fruit. We are dedicated to elaborating unique wines. We make decisions based on aroma, taste and pleasure. These are the factors that define Cosme Palacio, in the Rioja province of Álava, and make us special.”*

Roberto Rodríguez, enologist at Bodegas Palacio

PIONEERS FROM THE ROOTS UPWARD

1894

Beginnings

Cosme Palacio y Bermejillo was a man of his time, an important figure in the political and social life of Bilbao at the end of the 19th Century. Founder of Bodegas Palacio in 1894, he created the most advanced wine producer in the Álava Rioja by introducing vinification techniques from Bordeaux, thus helping to change the way wine was made in Rioja.

1985

Expansion

In the mid 1980s, the dedication of enologists Jean Gervais and Michel Rolland, accompanied by the young Roberto Rodríguez (who still works in the company), led the enterprise to recover its pioneering spirit with the creation of a new wine, made as a tribute to the founder. These gentlemen also brought a global vision to the company and were able to differentiate Palacio wines from those of their Rioja competitors.

1989

Innovation

The Eighties ended with the wine named after the founder, Cosme Palacio, and it just had to be unique. It was produced from a rigorous selection of the best raw material: intense, fruity grapes with a strong capacity for ageing. The wine proved to be an innovation in winemaking due to the combination of techniques used to create it: fastidious temperature control, longer macerations, and the virgin French oak barrels, all bringing new subtleties to the product.

Palacio & Brothers identity, reworking the artwork linking history and brand values with the coat of arms of Laguardia town and that of the founder himself, and redrawing the fonts on the original label.

Informative notes indicate the location and characteristics of the stock, as well as details of the elaboration process, and a dialogue is established in this way with the consumer, in order to enrich his or her experience.

This modern, elegant new look seeks to promote wine that is a pioneer in its category, a symbol of the effort to unite tradition with audacity. ■

ONLINE INFO

- www.bodegaspalacio.es
- www.cosmepalacio.com
- cosme@bodegaspalacio.com

100 YEARS OF TRADITION

The pioneering nature of Cosme Palacio begins with the vine and the rigorous selection of the best vintage stock. Production is deliberately limited and the fruit obtained is consequently exceptionally balanced and complex. The grape is controlled down to the last detail so that it reaches perfect ripeness to be harvested manually in 15 kg boxes for the most complete preservation. These are kept for several hours in the vineyard buildings at low, uniform temperature to conserve the qualities of aroma and taste.

The grapes are then separated according to the vine they came from and hand picked for fermentation, after which they are macerated for an unusually long time. This careful maceration brings out distinguishing features, such as equilibrium, roundness and a proud fleshiness in the fruit.

Bodegas Palacio reinvented itself in the 1980s by changing to new barrels, made from French oak, a practice until then unknown in the Rioja D.O.

Decades later, the company continues to demand the best in barrel-making by using only the best French coopers and a range of "toasting" methods which contribute to the suaveness of the wines.

► **Cosme Palacio Crianza**

High-altitude stocks, 2012



Variety: 100% tempranillo

Stock over 40 years old in calcareous clay soils at over 600 m altitude. Aged (crianza) for 12 months in 225-liter, gently toasted, cleaved, French oak barrels and bottled for a minimum of 10 months.

► **Cosme Palacio Reserve**

Vintage stocks, 2010



Variety: 100% tempranillo

Stock over 70 years old in low-production, calcareous clay soils around Laguardia. Aged for 18 months in 225-liter, gently toasted, cleaved, French oak barrels and bottled for a minimum of 28 months.

► **Cosme Palacio Blanco Crianza**

Selected harvest, 2013



Variety: 100% viura

Stock over 40 years old, scattered around Laguardia at over 600 m altitude. Aged for six months in 500-liter, medium-toasted French oak barrels.

► **Cosme Palacio 1894**

High expression, 2012



Variety: 100% tempranillo

Seventy- to 85-year-old stock in poor, tiny-production, calcareous clay soils, south facing, at 600 m altitude, around Laguardia. Aged for 15 months in one-, two- and three-year-old French oak barrels.



→ *“We understand our vines and are introducing new techniques so that the wine from Álava Rioja is full of life and deserves to be considered one of the best in the world.”*

Cosme Palacio y Bermejillo, 1894

► **Cosme Palacio 1894**

Fermented in barrel, 2009



Variety: 92% viura and 8% malvasía

Seventy- to 85-year-old stock with limited production. Seven months in 500-liter, one-, two- and three-year-old, medium toasted, French oak barrels. Oak barrels chosen from the best French coopers. This is a white wine with body and volume, great texture, a long aftertaste, with an elegant and highly individual character.

News roundup

- ACCIONA signed contracts after winning the tender process for the Toowoomba Second Range Crossing motorway in Queensland, Australia. The project includes the design, construction, financing, operation and maintenance of the 41 km bypass around the city of Toowoomba.

- ACCIONA Energy began commercially operating its first wind farm in South Africa. The Gouda facility can generate 138 MW (135.2 MW net). The company has two renewable plants operating in the country and will also be bidding in the next round of renewable energy contracts.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

- ACCIONA was selected for the ninth year running — third time in the Electric Utilities sector — to form part of the Dow Jones Sustainability World Index (DJSI World), following the 2015 evaluation carried out by RobecoSAM. ACCIONA increased its total score from 2014, as well that in the economic, social and environmental dimensions, consolidating thus its improvement since forming part of the Electric Utilities sector of the index.

- ACCIONA Agua inaugurated Los Tajos sewage treatment plant in Costa Rica. The facility will relieve the pollution burden in the María Aguilar, Tiribí and Torres rivers. It is the biggest such plant in the country and ACCIONA Agua's most important project there to date.

- Over 15,000 people now have electricity thanks to the Oaxaca 'Light at Home' Program in Mexico. The Public-Private Partnership for Development formed by ACCIONA Microenergy Mexico, Oaxaca State Government and the Spanish International Cooperation for Development Agency (AECID) reached an important milestone in Summer 2015 with the supply of 2,272 Third Generation Solar Home Systems (3GSHS) to low-income families in 175 Oaxacan villages. ▼



SEPTEMBER

- The Museum of Islamic Art in Doha, Qatar, opened a new temporary exhibition to the public, called "THE HUNT: Princely Pursuits in Islamic Lands", the design and curation of which was entrusted to ACCIONA Producciones y Diseño (APD). ▼



- ACCIONA Windpower opened a Service Center in the city of Mossoró to cater for wind farms located in northeast Brazil, where the company has signed contracts for the supply of 264 turbines with a total capacity of 792 MW.

- ACCIONA was selected to build the Los Angelinos Drinking Water Treatment Plant in Colombia, which will serve the municipalities of Bucaramanga, Floridablanca and Girón, which suffer from the high risk of drought during long dry summers.

- ACCIONA won the contract to supply electricity to 18 museums and galleries managed by Spain's Culture Ministry. The award includes the supply of 10 GWh of certified renewable energy, up to 31 July 2016, avoiding the emission to the atmosphere of 9,619 t of CO₂ from fossil fuel stations.

- ACCIONA topped the annual ranking of 100 green energy generation companies. Top 100 Green Utilities, by the US publishing group Energy Intelligence, ranks both the CO₂ emission indices of companies and their installed renewable energy capacity. This is the first time a uniquely renewable energy operator has reached the world ranking's No.1 spot.



- ACCIONA will manage cleaning services for CNH Industrial's plants in Spain. A two-year contract with the industrial group — which manufactures the Iveco Stralis, Trakker and Furgón Daily heavy lorry brands — includes technical and industrial cleaning of facilities and production lines.

- ACCIONA Agua was awarded a 420 million reais (97m euros) contract for the end-to-end management of a sewage system in Divinópolis in Minas Gerais state in southeast Brazil. The company is to build a 400 l/s plant to serve 228,600 residents in the municipality as part of the project.

- ACCIONA and the Mexican Federal Electricity Commission (CFE) signed a Memorandum of Understanding (MoU) to promote the joint undertaking of renewable energy electricity generation projects in the country. ▼



- For the fifth successive year, ACCIONA gained the highest possible score at world level for transparency and leadership in action against climate change. The Company forms part of "The Climate A" list in which only 113 companies from over 2,000 analyzed worldwide are recognized for their efforts to reduce emissions and offset climate change. ACCIONA also scored highest in environmental transparency with 100 out of 100.



- ACCIONA announced it had measured the water use of all its suppliers. The pioneering initiative makes the Company one of the first in the world to measure water consumption throughout its supply chain. It also measured greenhouse gas emissions associated with the 28,000 suppliers' activities.

OCTOBER

- ACCIONA Service won a three-year contract for the mechanical maintenance of Michelin's production workshops in Aranda del Duero, Spain.
- ACCIONA was awarded the 1.4 billion euro contract for the Quito metro in Ecuador. It includes building a 22 km tunnel containing three new stations, depots, workshops and the facilities needed to operate the line.
- Msheireb Properties, a subsidiary of the Qatar Foundation, inaugurated the Doha Heritage Houses museum project, designed and curated by ACCIONA Producciones y Diseño. The four restored traditional houses occupy a surface area of almost 3,000 sq m between them.

NOVEMBER

- ACCIONA signed a letter from the Prince of Wales's Corporate Leaders Group on Climate Change and nine other international business organizations asking the economic and financial ministers of the G20 countries to establish a common legal, fiscal and financial framework to favor a low-carbon economy. The signatories highlighted the importance of progressing towards the fixing of a "strong" price for CO₂ and eliminating "perverse subsidies such as those for fossil fuels".
- ACCIONA received two CEMEX Works Awards for development and innovation in the construction of the 252 MW Ventika wind farm complex in Mexico. With the awards, the cement company recognizes the most outstanding projects in different countries. ▼



ACCIONA 100% EcoPowered Objective Dakar 2016

The ACCIONA 100% EcoPowered shows off the reliability of renewable energy under the most extreme of conditions. After being the first zero-emissions vehicle at the starting line in 2015, we want to make history again, returning to Dakar charged with energy.

With this vehicle, we are opening up the road to the future of electric cars that don't pollute.



100% Eco
Powered  Acciona