

E X E C U T I V E S U M M A R Y



S U S T A I N A B I L I T Y R E P O R T





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## LETTER FROM THE CHAIRMAN

José Manuel Entrecanales  
Chairman of ACCIONA

With this report we take stock of another year. On the one hand, we experienced the optimism generated by the development in record time, thanks to the talent and cooperation, of a vaccine that has allowed us to face one of the most important health challenges in our generation; but, on the other hand, we had bear the pessimism caused by having reached a new record high in CO<sub>2</sub> emissions; the other great threat for humanity in which, for the moment, we haven't been able to succeed.

The consequences of this latest negative milestone are already known to everyone. 2021 has been the sixth hottest year in history; what's more, the last seven years have been the hottest since we have records. The average temperature worldwide was about 1.2°C higher than pre-industrial levels (1850-1900), ceaselessly increasing the severity of fires and extreme climate events.

At the same time, scientists have warned us this year too that, if we want to limit global warming to 1.5°C as we established in the Paris Agreement, we only have 8 years to halve the emissions that we produce today. The estimate is dramatically simple to make: we are now at three tenths of the safe limit pointed out by science.

In ACCIONA we act in order to respond to this urgent sustainable transformation. Infrastructures that respond to the evident climate emergency, which may regenerate the habitats of the planet and create more and better opportunities for everyone, had been a constant in our company's strategic direction. As a centenary company, we are aware that the long-term vision is built from day to day.

This *Sustainability Report 2021* contains the main actions that we implemented to develop this corporate commitment, which is also a personal one, for all of us to build a better planet.



### A COMPANY READY TO LEAD A NEW SECTOR

Of the events occurred in 2021 I would like to highlight three milestones which, despite their different nature, I believe they illustrate the main priorities of our company.

#### Strengthening our capacity to invest in the sustainable transformation of the economy

The initial public offering of ACCIONA Energía, apart from being the fulfilment of a personal goal, is one of the most important, strategic decisions in the recent history of ACCIONA.

This milestone positions us as one of the most competitive companies in the sector and allows us to increase our capacity to carry on investing in mature renewable infrastructures and technologies, and carry on developing opportunities in emerging technologies such as hybridisation, storage and hydrogen.

#### Maintaining an authentic and long-term commitment

In June, the General Shareholders' Meeting agreed to amend the corporate purpose of ACCIONA, including in the Bylaws the present and future alignment of its activities with sustainable development models. In this modification the aim to create value was also extended to the main stakeholders of the company.

This update of the most supreme governance document of the company was approved by 99% of the shareholders, and positions the commitment of sustainable value creation that we have been developing for many years as a basic condition of our activities, now and in the future.

## Equating the management and control of the social and environmental impact with the economic impact of our activity

Last year, ACCIONA integrated the finance and sustainability teams at the management and governance level, under our Chief Financial and Sustainability Officer, and the Audit and Sustainability Committees of the Board of Directors.

In these initial months we managed to verify that a greater integration of the main vectors of value of the company is giving us more efficiency in articulating our sustainable proposal, as well as greater rigour in the breakdown of the financial and non-financial information.

## ACCELERATING OUR POSITIVE IMPACT

This *Sustainability Report 2021* contains, in detail, the first year results of this innovative management instrument: our Sustainability Master Plan 2025.

In 2021 we completed the update of our Human Rights Policy, defining the due diligence strategy, and implementing the Internal Control System for Social Safeguards, which reinforces one of the main pillars of our Plan: to place **People at the Centre**.

Regarding the dimension of **Planet Positive**, increasing the activity reducing greenhouse gas emissions has been a challenge in 2021 and will be to a greater extent in subsequent years. We maintain our reduction pathway compared to base year 2017 by 19% for Scopes 1 and 2, and by 15% for Scope 3, in line with the commitments adopted by ACCIONA with the Science Based Target initiative (SBTi).

Furthermore, we have reached the figure of 75% renewable energy consumption globally and reduced the fossil energy consumption by 83% compared to 2017.

In order to consolidate this trend, we have reinforced the fund that we launched in 2020 for the decarbonisation of the company's processes, with 14 innovative initiatives that will help ACCIONA to carry on progressing in the fulfilment of the emission reduction targets, both ours and of our clients.

In 2021, we also reduced the consumption of municipal, surface water and groundwater by 49% compared to 2017.

Regarding waste, 87% of non-hazardous waste was recovered and we reduced by 22% the generation and despatch of such waste to landfill compared to the previous year. Likewise, we consumed 28% of recycled or renewable raw materials and resources.

As regards innovation, under the pillar of **Exponential Leadership** of the SMP 2025, in 2021 ACCIONA developed advanced instruments of sustainable financing, designed to promote the generation of double impact, on the one hand, at the local level and, on the other hand, at the corporate level. In particular, 3.3 million euros were issued in Sustainability Linked Loans, an operation that received an award from the financial sector to acknowledge the climate leadership that the operation represents.

In terms of governance, the governance rules were changed to adapt their content to the changes introduced in the Capital Companies Act and obtaining the ISO 37100 for Anti-bribery Management Systems and the UNE 19601 Criminal Compliance Management Systems in the water business.

Finally, under the pillar of **Integrate to Transform**, we advanced in measurement and management, increasing by 61% the number of projects with integrated management models of social impact, such as in the integration of high impact solutions. An approximation that reinforces the regenerative capabilities of infrastructures and is applied already to one of the most emblematic projects that we are developing, the construction of Line 6 of São Paulo underground.

## Regenerative infrastructures

Data show that far from closing the gaps created by the traditional development model, they are still increasing. Human prosperity must be built based on the balances that govern the planet and these seem to be increasingly more unstable. Reducing social and environmental damage caused by the economic activity is not sufficient any more to guarantee the long-term viability of companies, the economies and even civilisation as a whole. We don't have any more time to wait until the sustainable approach is generalised in which corporate activities are clean, neutral or do not cause any damage.

The capability to contribute in a practical manner to the regeneration of the natural and social systems has become a strategic priority for ACCIONA. An unprecedented investment effort is not only necessary but we are also responsible for the investment to revert the situation, amplifying and accelerating the positive net impact.

Infrastructures play a central role in this necessary regenerative boost. Projects that may heal the injuries caused, restore the balance, promote real opportunities for people; create, in short, the levers for a new development model that is conscientious, capable of being sustained over time.

Our particular history, that of all the professionals who form part of this company, has led us to take challenges that go beyond what is obvious in the sector. We must act and demonstrate that the business that will record actual progress in this century will be those that see no threat in this transformation, but the driving force of their success.

## 2. BUSINESS AS UNUSUAL

### Boosting the regenerative capabilities of infrastructure

ACCIONA invests in and develops infrastructure assets designed to drive the regeneration of a planet that needs a new model of more sustainable development.

We are living in times of urgency. We are far from achieving the global goals set for 2030, and the health crisis has made them even more difficult to attain.

The infrastructures we develop today determine society's capacity to develop and, to a large extent, also define what we will be like tomorrow. The availability of transport, communications, electricity, clean water, sanitation, and other basic facilities has a transformative impact in terms of improving people's living standards and well-being. Infrastructure's ability to integrate with and restore the natural environment determines whether it will be a solution or the problem a future generations.

We need to accelerate the implementation of infrastructures that facilitate a new model of economic and social development, one that is capable of restoring the lost balance. A different way of doing things that we call the "regenerative" way.

#### ACCIONA in 100 words

ACCIONA is one of the main companies in Spain's IBEX 35 index and it has a presence in more than 40 countries.

Through its activities, the company responds to basic infrastructure, water and energy needs with innovative solutions that generate progress, a new way of doing business, aimed at designing a better planet.

The company operates with a workforce of close to 40,000 professionals, and it reported €8,104 million in revenues and €1,483 million in EBITDA in 2021.

### EXPERTS IN DESIGNING A BETTER WORLD

ACCIONA has developed an extensive portfolio of solutions that provide an end-to-end response to many of the challenges to the sustainable development model that society currently faces.



**ACCIONA Energía:** the world's largest independent renewables-only energy operator. With over 30 years' experience in the industry, the company owns and operates 11GW of onshore wind, photovoltaic, biomass, hydroelectric and solar thermal power generating facilities in 16 countries on 5 continents.



**Transport:** having built over 10,000 km of communication infrastructure, ACCIONA is a leading player in the construction and operation of transport infrastructure for people and goods (roads, bridges, railways and tunnels).



**Water:** ACCIONA is a leader in water treatment, with the capacity to design, build and operate plants for treating drinking water and waste water, tertiary treatments for reuse, and reverse osmosis desalination plants.



**Cities:** the need to provide cities with the capacity to deal with the principal challenges faced by the planet has prompted ACCIONA to design essential urban services. The company is addressing the management of waste and the circular economy, is extending electric and shared mobility, revitalising urban spaces efficiently and increasing green areas.



**Social:** ACCIONA develops infrastructure solutions for health, education and cultural engineering, as well as solutions for preserving ecosystems and cleaning the natural environment, focused on people and the surroundings.



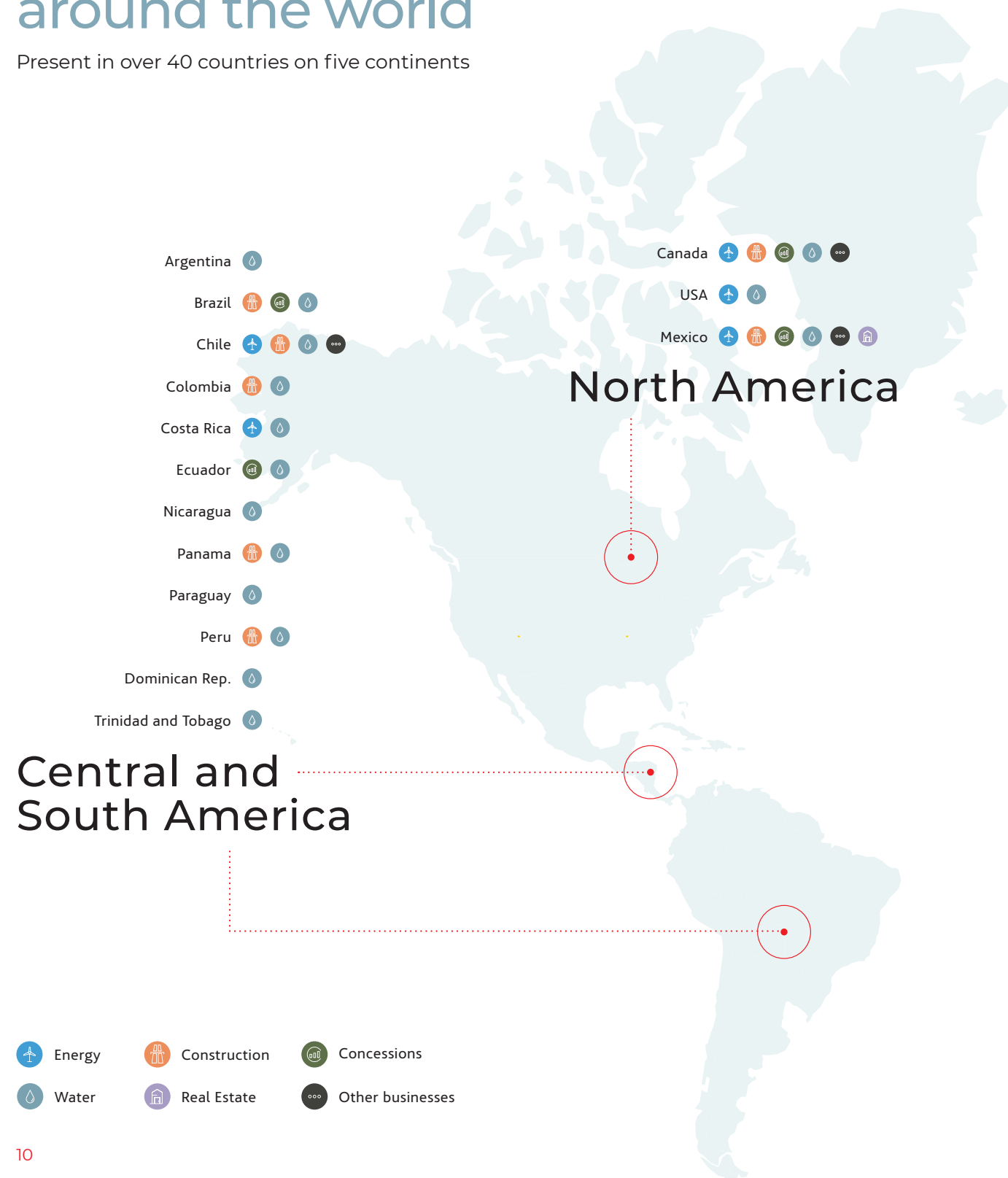
**Real Estate:** the company is committed to real estate development and offers supplemental services designed to support the well-being of the people, in line with global trends. ACCIONA's real estate activity focuses on the development and management of real estate complexes, backed by solid technical and professional experience.



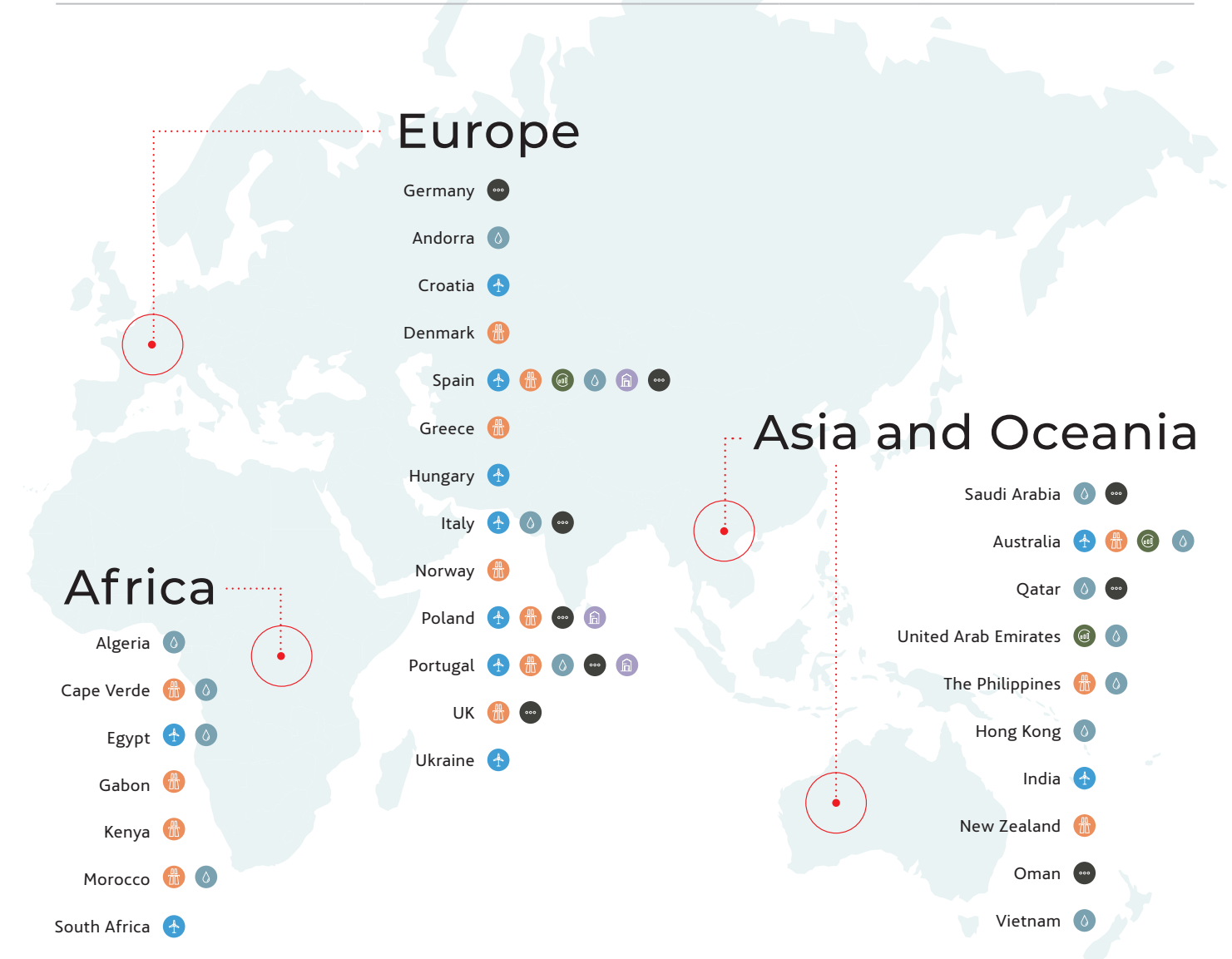
**Financial:** Through Bestinver, ACCIONA offers asset management and capital markets services, channelling savings and investment to companies while providing returns for investors.

# ACCIONA around the world

Present in over 40 countries on five continents



	North America	Central and South America	Spain	Rest of Europe	Asia and Oceania	Africa
REVENUES M€	804	877	3,134	945	2,247	98
ENERGY PRODUCED Total GWh	6,454	2,339	12,218	1,051	1,519	959
WATER TREATED FOR CUSTOMERS hm <sup>3</sup>	53	14	319	139	366	143
R&D&i FIGURE M€	32	54	77	25	56	6
EMISSIONS AVOIDED thousand tonnes of CO <sub>2</sub>	3,305	1,983	5,373	585	1,323	789
WORKFORCE no. of employees	1,088	9,617	20,766	3,759	6,341	92



### 3. DEGREE OF FULFILMENT OF COMMITMENTS

#### Sustainability governance and management

ACCIONA maintains a model focused on transparency and exponential improvement.

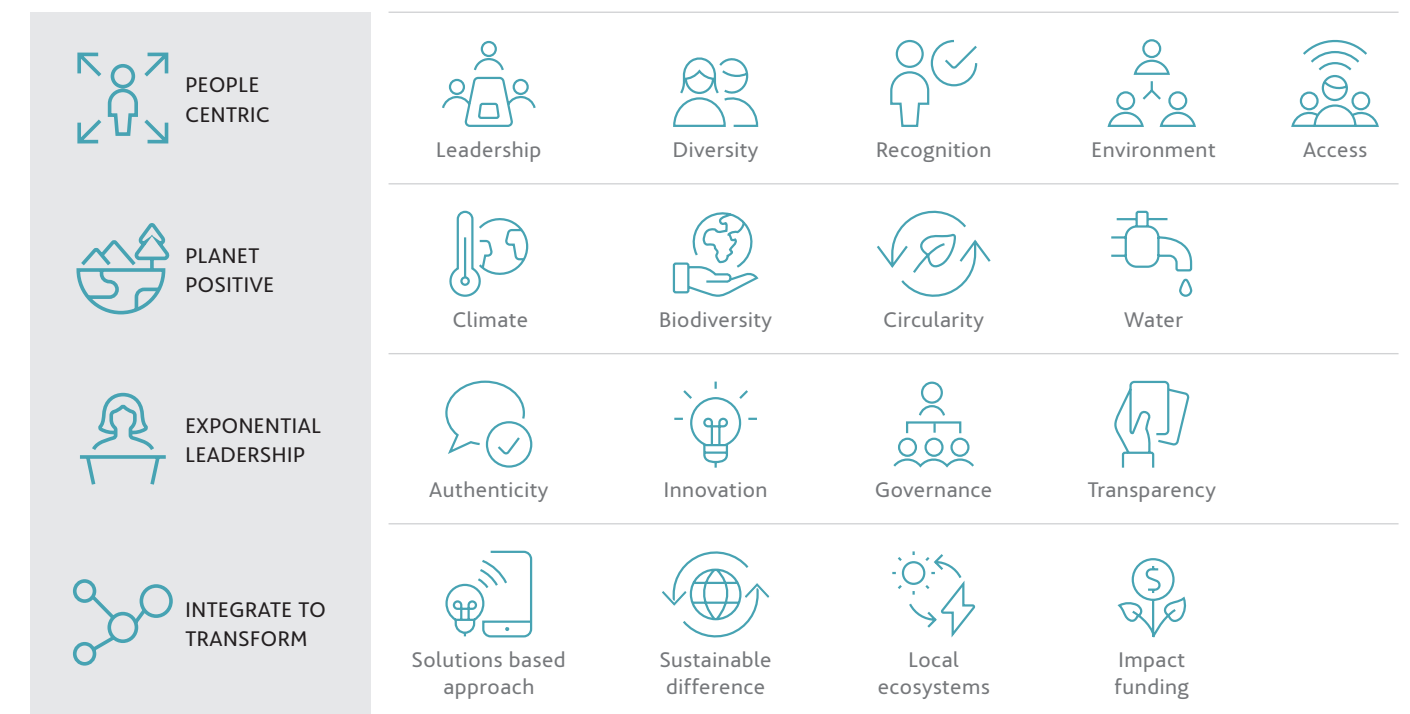
#### SMP 2020-2025: WE NEED TO ACCELERATE AND WE HAVE A PLAN

ACCIONA's sustainability strategy is articulated through five-year Sustainability Master Plans (SMP). The actions and objectives set out in these plans are promoted, approved and supervised by the Board of Directors' Audit and Sustainability Committee.

Variable remuneration for executives, managers and some technical and support staff is partly tied to the degree of implementation of the company's sustainability strategy and the fulfilment of its commitments. The annual assessment addresses the attainment of sustainability objectives (such as the reduction of greenhouse gas emissions and of the workplace accident frequency rate), as well as objectives related to gender equality.

The purpose of the SMP 2025 is to drive ACCIONA to reimagine infrastructure. ACCIONA invests in, develops and operates infrastructure assets that can make our planet more sustainable. The goal is put us in an acknowledged position of leadership in developing core infrastructure assets with additional value for people and the planet — in short, regenerative infrastructure.

Each of the four pillars of the SMP 2025 has several areas of action and a roadmap that covers from responsible to resilient activities, including those with a regenerative impact. These pillars are as follows:



#### PROGRESS IN THE SMP 2025 IN 2021

The strategic lines take shape in the form of transformation levers and improvement indicators proposed by each area with direct responsibility for them. The 2025 targets will be reviewed to raise the level of ambition if necessary.

In 2021, the first year of the SMP 2025, 33% of the levers were fully activated. 48% of them were partially activated and action is planned on the remaining 19% in 2022.

## 4. PEOPLE CENTRIC

### QUALITY OF LIFE, INCLUSIVE FUTURE OUR ADVANTAGE COMES FROM PEOPLE

ACCIONA seeks to become the value proposal centred around people.



#### KEY MILESTONES IN 2021

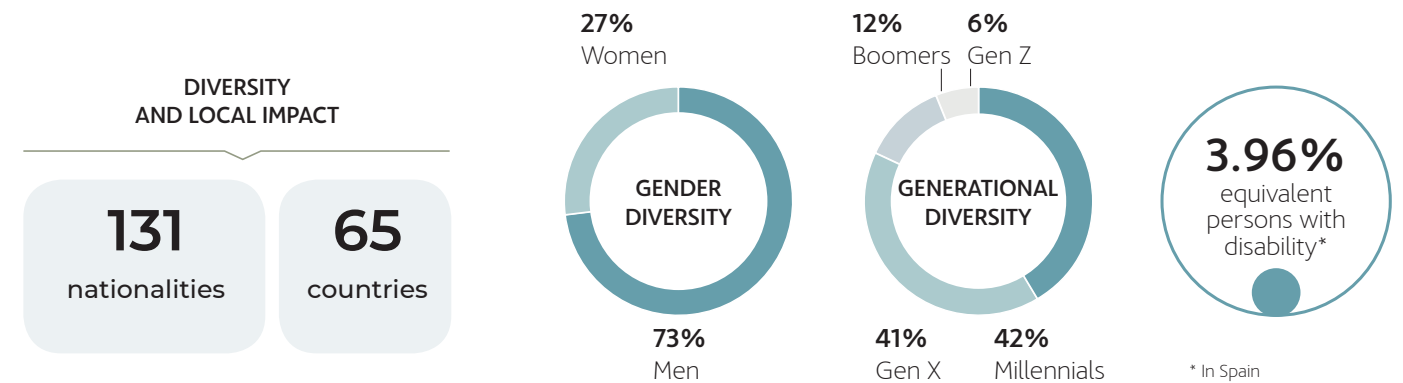
- > Deployment of functionalities in the internal employee life cycle support tool.
- > "Top Employer 2021" certification in Spain for outstanding people management.
- > A 16% reduction in the accident frequency rate among own and contractor personnel with respect to 2019.
- > Approval of a Diversity and Inclusion Policy.
- > Update of the Human Rights Policy, which defines the due diligence strategy.
- > Implementation of the Internal Control System for Social Safeguards.

In 2020, the company outlined a global strategy called **People** with the aim of putting people at the center through five fundamental pillars: recognition of merit, diversity and inclusion, transformative work environment, leadership, and access to rights. In 2021, a year in which the pandemic disrupted people's lives, the People strategy became firmly established as a value proposition for employees and society and is part of the new Sustainability Master Plan 2025, configured as the first of its strategic lines, with defined objectives and ranking at the same level as the economic and environmental objectives.

The post-pandemic situation promises to be challenging in the coming years, when the company will be required to operate in increasingly global and complex environments. The People strategy invests in people to include and empower the best diverse talent that will make the company stronger and more agile to face new challenges and opportunities and lead change.

### THE SUSTAINABLE DIFFERENCE

ACCIONA is made up of 41,664 people



### DIVERSITY AND INCLUSION

The "**Sostenibl@s 50:50**" initiative aims to actively enhance women's participation and leadership in projects and production sites, by promoting their full inclusion in sectors where they are underrepresented, such as the construction and energy industries:

- > **Palma de Mallorca project:** a team made up of 50% women, some of them holding traditionally male positions such as works supervisor.
- > **Marga Marga hospital neonatal unit, Chile.** Pioneering project to train 120 women workers. First public infrastructure construction project in Chile with a gender focus.
- > **Sao Paulo Metro L6:** Women in Construction program to attract female talent and promote their leadership. In 2021 the dovelas factory was launched in which 70% of the positions are occupied by women.
- > **Grid Code Conecta 50:50 project, Spain.** Women account for 50% of the team developing the grid code for connecting energy projects.
- > **Equipo Rosa. Puerto Libertad, Sonora, Mexico.** Programme to create long-term jobs for women in vulnerable situations in the community where the wind farm operates. 40 women trained and hired.

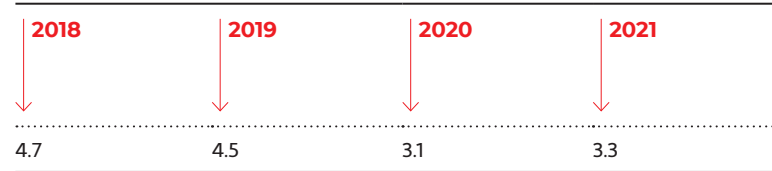


## TRANSFORMATIVE ENVIRONMENTS

The health and safety strategy is articulated around the Human Resources and Workplace Safety Policy, while the action plan defining its objectives is aligned with the SMP 2025. The Health and Safety Management System was adapted to the global pandemic situation in 2021.

The accident frequency rate was reduced by 27% with respect to 2019, the last year which is comparable in terms of activity. This improvement is due to the health and safety policies and programmes that have been implemented.

Accident frequency rate — own and contractor personnel



## ACCESS TO RIGHTS

In 2021, the company updated the Human Rights Policy contained in the ACCIONA Policies Book, which reflects the commitments and principles of action applicable to all group companies. In 2021, this approach was reinforced to design a rigorous and truthful preventive mechanism that enables the company to identify, assess, prevent, mitigate, halt, monitor, report, address, remedy and account for actual or potential adverse impacts of its activities on human rights. The strategy comprises eight milestones:

1. Identification and assessment of real or potential impacts
2. Integration of the results of the impact assessments in internal processes
3. Reporting and complaint mechanisms
4. Remediation
5. Report
6. Follow-up of the efficacy of measures, and continuous improvement
7. Promotion and training
8. Supervision and collaboration with the authorities

Key issues	Principles of the Human Rights Policy	High-risk countries where ACCIONA operates	Income in high-risk countries
<b>Workers' fundamental rights and principles</b>	<ul style="list-style-type: none"> <li>&gt; Fair, dignified and respectful treatment of people</li> <li>&gt; Free employment relationship</li> <li>&gt; Commitment to the right to freedom of association, unionisation and collective bargaining and fair defence</li> <li>&gt; People's rights</li> </ul>	Saudi Arabia, United Arab Emirates, Vietnam, Nicaragua and Gabon	<b>5-10%</b>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>&gt; Safe and healthy working conditions</li> </ul>	Saudi Arabia, India, Paraguay	<b>5-10%</b>
<b>Working and recruitment conditions</b>	<ul style="list-style-type: none"> <li>&gt; Ethical, fair and equitable working and hiring conditions</li> </ul>	Saudi Arabia, United Arab Emirates, Qatar, Panama, Egypt, India, Vietnam, Oman	<b>10-15%</b>
<b>Right to privacy</b>	<ul style="list-style-type: none"> <li>&gt; Privacy and communications</li> </ul>	Saudi Arabia, United Arab Emirates, Egypt, Vietnam, Oman, Algeria, Nicaragua	<b>5-10%</b>
<b>Respect for communities and land rights</b>	<ul style="list-style-type: none"> <li>&gt; Respect for the communities where we operate</li> <li>&gt; Skill development</li> <li>&gt; Sustainable contribution</li> </ul>	Brazil, India, Vietnam, Algeria	<b>0-5%</b>

## 5. PLANET POSITIVE

### TOWARDS A POSITIVE CONTRIBUTION INVEST TO REGENERATE THE PLANET

ACCIONA's projects seek to have a positive impact on the planet through business models based on decarbonisation, water and ecosystem conservation, and the circular use of resources.



#### KEY MILESTONES IN 2021

- > GHG emissions down with respect to the 2017 baseline by 19% (Scopes 1 & 2) and 28% (Scope 3 categories in SBT), in line with science-based targets. Carbon neutrality maintained in direct operations.
- > 93% CapEx aligned with sustainable activities according to the European taxonomy.
- > Voluntary planting of 74,947 trees.
- > Reduction by 24% in the amount of waste sent to landfill compared to 2020.
- > 27% of raw materials and material resources used were recycled or renewable.
- > Approval of a new Circular Economy Policy.

## CLIMATE

### A LOW-CARBON BUSINESS STRATEGY

ACCIONA is a leading supplier of sustainable infrastructure solutions and renewable energy worldwide. It is a special case because it invests in the projects it builds and operates.

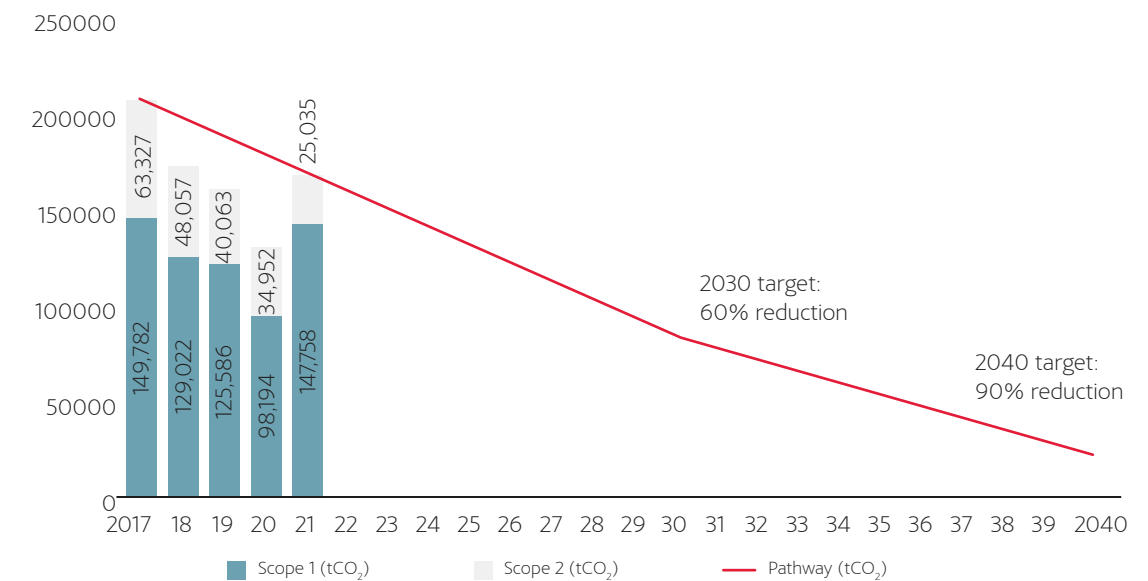
The company's business model is based on sustainable activities that are strongly aligned with the requirements of the European taxonomy, focused particularly on climate change mitigation and adaptation in the fields of renewable energy, construction, water, transportation, housing, and any of its other technical capabilities.

### ALIGNMENT WITH THE EUROPEAN TAXONOMY OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

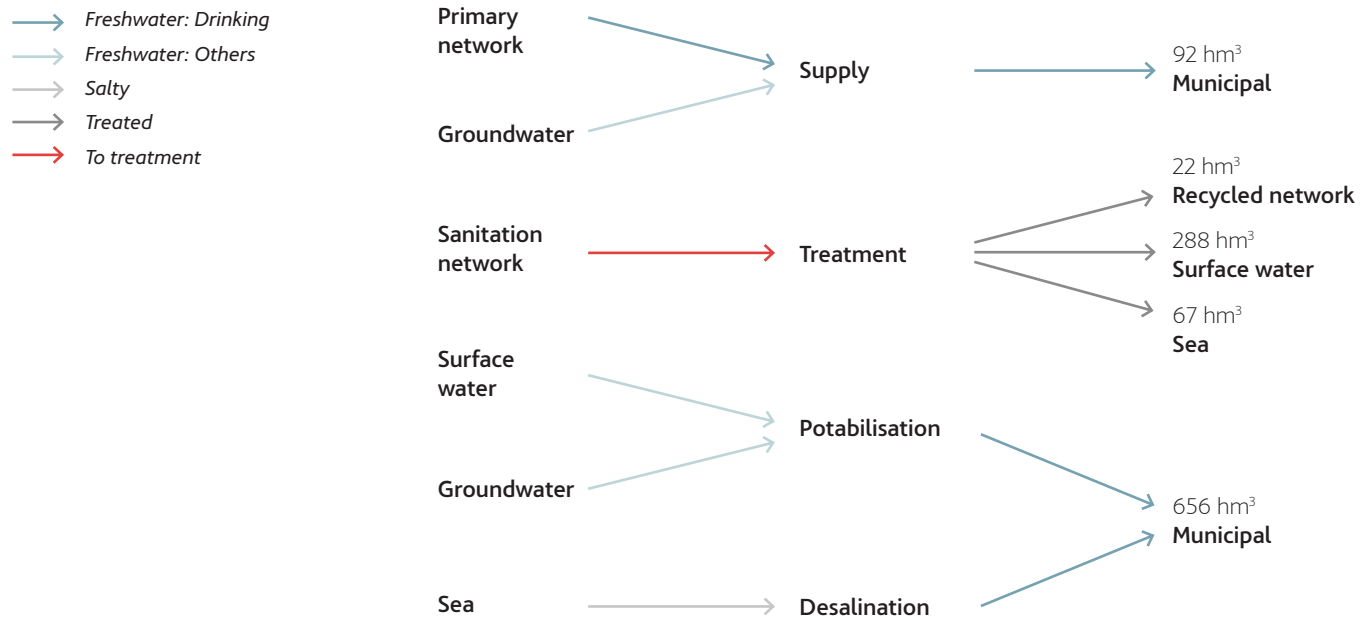
The EU Taxonomy Regulation (Regulation 2020/852) established the world's first 'green list', a classification system for sustainable economic activities that develops a common language for investors and companies when financing projects or goods and services with a substantial positive impact on the climate and the environment. Although reporting activities' degree of alignment with the taxonomy with respect to the eligible figure is not mandatory in 2022, the company has performed this analysis and submitted it for verification, with the following results:

- > Business Turnover: 54.98% of eligible activities are taxonomy aligned.
- > OpEx: 71.05% of eligible activities are taxonomy aligned.
- > CapEx: 93.15% of eligible activities are taxonomy aligned.

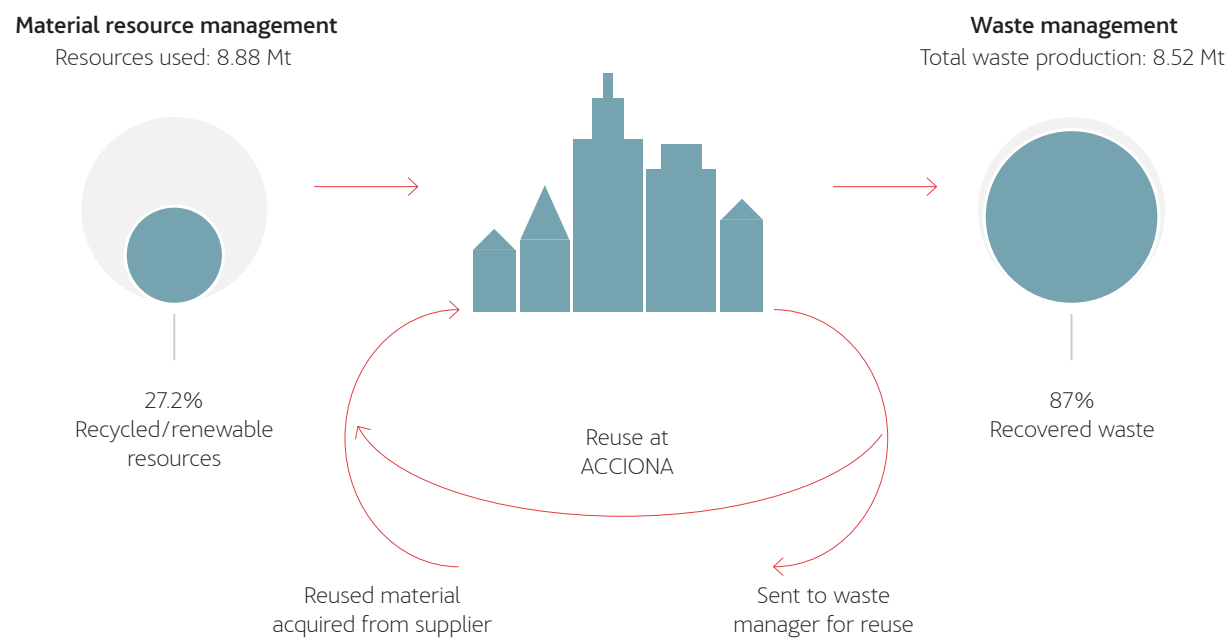
### Evolution of emissions generated and net zero target (tCO<sub>2</sub>e)



## WATER USAGE IN 2021



## CIRCULAR ECONOMY Material flows at ACCIONA



## 6. EXPONENTIAL LEADERSHIP

### AUTHENTICITY, TRANSPARENCY WE PURSUE A PURPOSE

ACCIONA is not neutral. It is deeply committed to playing a key role in the sustainable transformation this decade.



#### KEY MILESTONES IN 2021

- > Development of the open innovation programme to promote projects with an impact on the SDGs.
- > Integration of the Audit and Sustainability Committee in one.
- > Modification of the governance rules to adapt them to changes in the Capital Companies Act.
- > Certification of the water business to ISO 37001 and UNE 19601 on compliance systems.
- > Communication of the benefits of the regenerative approach in the main international discussion forums.
- > 94% of contracts with local suppliers.

## GOVERNANCE

### A NEW SUSTAINABLE ORIENTATION FOR OUR NEW CORPORATE OBJECT

#### Amendment of the Articles of Association.

The 2021 General Shareholders' Meeting approved a change in the company's Articles to underline ACCIONA's commitment to all stakeholders, placing them on the same level: "The activities that comprise the corporate object will be performed for the purpose of promoting more sustainable models for society. In the search for long-term value creation, ACCIONA will safeguard the legitimate interests of shareholders, employees, suppliers, clients and other stakeholders, with the positive social and environmental impact of its activities benefitting the community and the planet."

**Integration of financial and non-financial governance.**

To fulfil the new corporate object, it was decided that the indicators on the company's sustainability policies should be overseen and executed with the same discipline and rigor as the financial indicators. In 2021, management of the sustainability policies was integrated into the new Economic-Financial and Sustainability Department, which reports to the Board of Directors new Audit and Sustainability Committee.

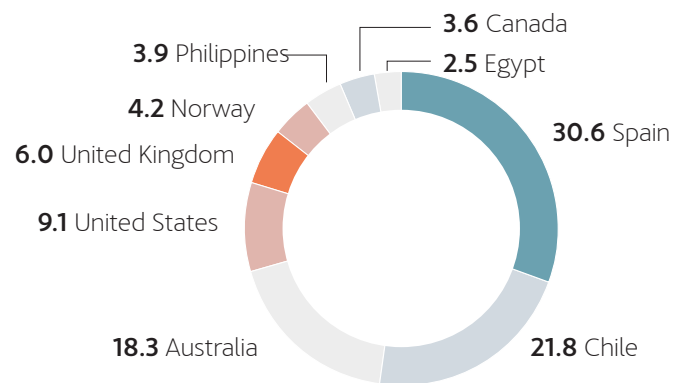
The changes to the Articles of Association in 2022 will be implemented as follows:

- > Evolution of the statement of the company's purpose.
- > Introduction of a new leadership and compensation model.
- > Updating the Code of Conduct.
- > Development of new "ACCIONA Well" workspaces.

**TRANSFORMATIVE SUSTAINABLE INNOVATION**

In 2021, ACCIONA's spending on innovation increased by 5.3% year-on-year to €250.2 million. There were 185 projects: 57 in research and 128 in innovation. The company carried out 14 projects outside Spain amounting to €173.5 million, which represents 69.3% of total reported innovation spending.

**Innovation spending, by country (%)**



**CUSTOMERS**

**Customer satisfaction**

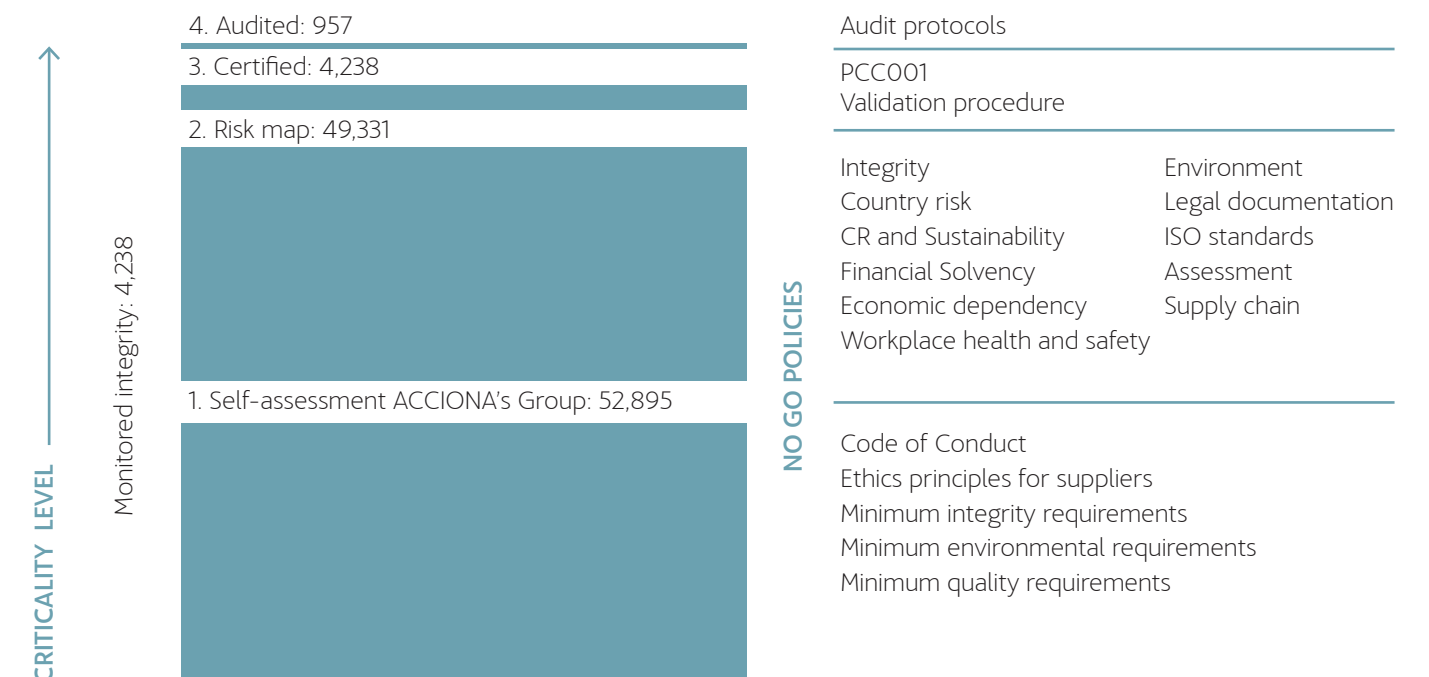
	2018	2019	2020	2021
Customer	99.8%	97%	97%	99%

**SUPPLY CHAIN**

**Distribution of suppliers by type**

	Total no.	Outside Spain	Critical	Local
Suppliers	22,131	12,106	1,657	20,723

**SUPPLY CHAIN OVERSIGHT**



## 7. INTEGRATE TO TRANSFORM

### CONNECT TO IMPACT DIFFERENCE IN EVERY PROJECT

ACCIONA has the ability to create a unique sustainable difference through a portfolio of solutions aligned with the sustainable transformation.



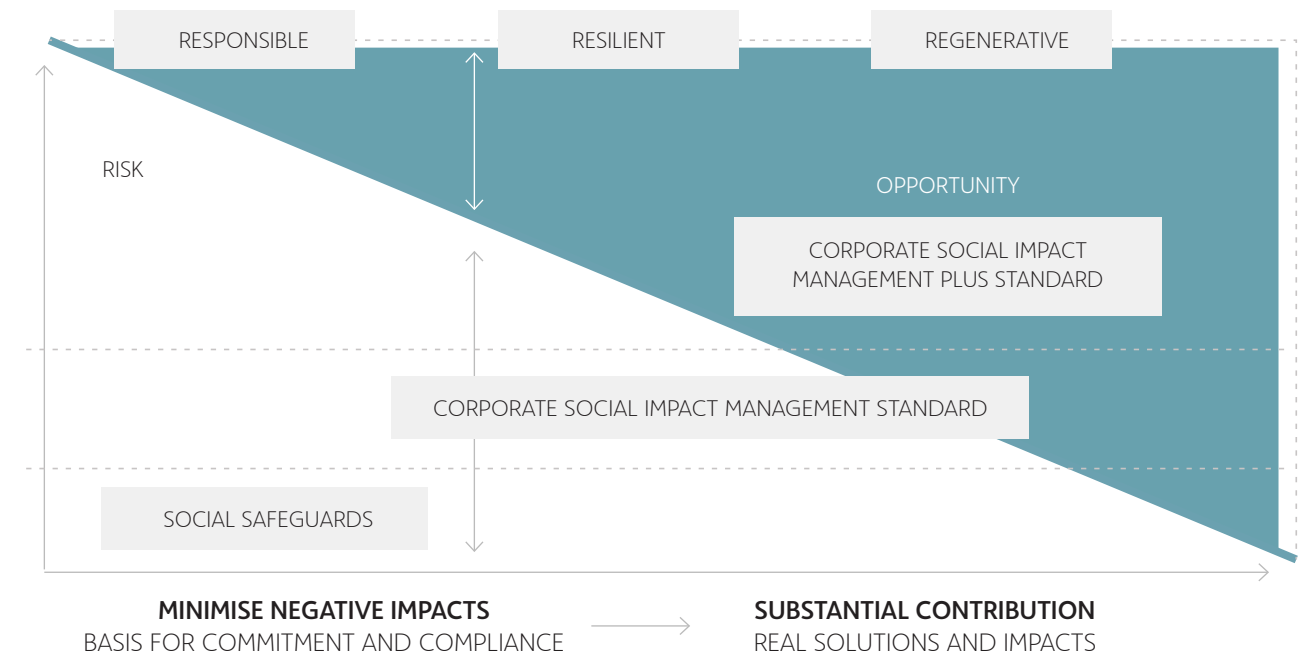
#### KEY MILESTONES IN 2021

- > Improved social-economic impact analysis of 68 projects.
- > Launch of the High Impact Solutions in Line 6 of the Sao Paulo underground.
- > 61% increase in the number of projects with Social Impact Management.
- > Over €12.2 million and 2 million beneficiaries of social initiatives.
- > Pioneer funding of € 3,300 million under the ESG “double impact” scheme.
- > Be awarded the Gold Sustainability Yearbook Award 2022 from S&P Global.

#### SOLUTIONS APPROACH

The value proposition in this area of the SMP 2025 is based on integrated infrastructures designed to maximise their contribution to the Sustainable Development Goals.

#### Social management evolving towards a regenerative approach



#### A SUSTAINABLE DIFFERENCE IN EVERY PROJECT

##### HIGH IMPACT SOLUTIONS

ACCIONA seeks to enhance the transformative effect of its projects by maximising their effect in terms of local impact, return on investment and acceleration of sustainable development. To this end, it has designed the High Impact Solutions: by aggregating adjacent projects, they contribute to improving people's living standards and/or the environment in the vicinity of the company's projects.

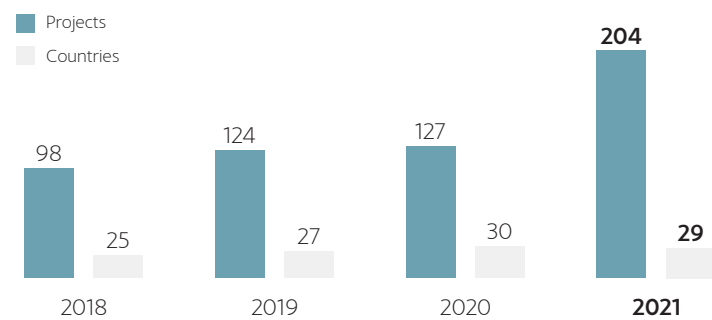
### Benefits of High Impact Solutions



### LOCAL ECOSYSTEMS

ACCIONA's Social Impact Management in its projects and services is a strategic component of its business model. The number of projects covered rose to 204 in 2021 (61% more than in 2020).

#### Implementation of the Social Impact Management (SIM) methodology



### COMMITMENT TO THE COMMUNITY

ACCIONA understands that it must take the lead in the economic development of the communities in the countries where it operates and drive an improvement in living standards.

- > Over €12.2 million of social investment in the community.
- > Nearly 2 million people have benefited from the company's social initiatives.

### SUSTAINABLE FINANCING

ACCIONA uses two sustainable finance mechanisms: one aimed at projects or activities with sustainable goals intended to create specific positive impacts associated to financing, and corporate financing that involves undertakings to improve the ESG performance of the whole company.

#### Sustainable financing operations

Type of funding	No. of active operations	No. of new deals or extended operations in 2021	Current outstanding amount (M€)
Funding intended for projects	39	22	2,126.8
Corporate funding linked to sustainable commitments	2	2	3,300.0
<b>Total</b>	<b>41</b>	<b>24</b>	<b>5,426.8</b>

### ACCIONA, world leader in sustainability according to S&P Global

ACCIONA ended 2021 as the most sustainable electric utility in Spain and #2 in the world, according to the *Sustainability Yearbook 2022* published by S&P Global. ACCIONA scored 90 points out of 100.

2021

EXECUTIVE SUMMARY

