



COMMITMENT TO BIODIVERSITY: **BIODIVERSITY MANAGEMENT** **IN ACCIONA**

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1. INTRODUCTION

The fight against Climate Change, sustainable use of natural resources and protecting biodiversity are the main foundations of ACCIONA's environmental strategy..

ACCIONA, aware of the fact that biodiversity is in itself a key natural asset of high value and with large importance, promotes its improvement and conservation as a necessary measure for economic development and social progress.

ACCIONA's activities could have a direct or indirect impact on biodiversity. Land occupancy is one of the principal potential impacts, giving rise to a direct impact on biodiversity from changes in land use and habitat fragmentation. That is why ACCIONA carries out a specific assessment of its effects on species and ecosystems to prevent and correct them. ACCIONA prioritises the **Mitigation Hierarchy** of biodiversity impacts, which involves identifying and preventing the potential impacts that may occur, minimising those that could not be avoided, taking restoration actions and, finally, developing actions that offset these impacts in order to reach a Net Positive Impact.

The direct and indirect effects of our energy and water business are globally positive for biodiversity. ACCIONA Energy, having presence in more than 20 countries, works in 5 clean energies. This energy decreases dependence on oil and other fossil fuels, and thus helps alleviate the production of greenhouse gases which is causing severe problems for the conservation of species across the planet. The ACCIONA Agua line of activity also works to purify hundreds of thousands of litres of waste water which, if dumped into the water system, would cause significant harm to biodiversity.

In addition, the Company designs and executes compensation mechanisms that generate a positive footprint on the natural environment, through its *Biodiversity Offsetting and Improvement Programme*.

2. INTEGRATION OF BIODIVERSITY INTO THE COMPANY'S MANAGEMENT

ACCIONA has a **specialised Environment and Biodiversity unit** within the organisation that works on compliance with the principles defined in the company's [Biodiversity Policy](#), promoting harmony between species and natural area conservation and the development of its productive activities.

The company's specific biodiversity management is developed within each line of business, reflecting the public commitments it has indicated in its Biodiversity Policy. In addition, the effects of the Company's activities on biodiversity are controlled and tracked in order to identify, assess and coordinate all of the efforts made in this regard.

ACCIONA also integrates biodiversity into its management systems and its corporate decision making processes. The Company's biodiversity management is thus included in its global environmental management system.

ACCIONA'S commitment regarding World Heritage areas and IUCN Category I-IV protected areas.

ACCIONA commits to adopt the necessary measures to prevent or minimize as far as possible the affection to **World Heritage areas**, as well as areas protected by the **IUCN with category I-IV**.

3. BIODIVERSITY MONITORING AND MANAGEMENT

At ACCIONA, direct responsibility for biodiversity matters is given to the highest levels, the **Board of Directors**, the Company's top governing body, which is a reflection of the importance it places on its commitment with the **No Net Loss** of biodiversity.

The **Global Sustainability Area** which reports directly to the Sustainability Committee of the Board of Directors, sets the strategic priorities in biodiversity. To this regard, the new Sustainability Master Plan (SMP) 2020, the roadmap for the Company's sustainability aspects, set the objective of Neutral Biodiversity Footprint, which shows its commitment to this matter.

One of the main objectives is to ensure that the company's environment and biodiversity strategy remains aligned with business development, thus guaranteeing the company's success. In addition, a regular monitoring of the following aspects in relation to biodiversity, among others, are carried out:

- Monitoring of the Company's strategic objectives, ensuring compliance at all levels of the organisation.
- Follow-up and control of environmental incidents/accidents.
- Identification and assessment of the Company's most significant environmental actions in relation to biodiversity.
- Environmental risk management.

MANAGEMENT TOOLS

The Biodiversity Offsetting and Improvement Programme, consists of initiatives that go beyond administrative environmental requirements and on a voluntary basis, on the matter of the compensation of impacts generated by the activity of the businesses. These actions encourage biodiversity and social progress, and globally represents a genuine differentiation that demonstrates ACCIONA's effective commitment to Sustainability.

For further information:

<https://www.acciona.com/sustainability/environment/biodiversity/>

Identification, analysis and evaluation of best practices and outstanding actions in the field of biodiversity developed by the various business areas, with the aim of evaluating, recognising and making known those that are most significant both within and outside the organisation. Each Business line identifies the main tasks it is carrying out in the field of biodiversity. These “best business practices” are those that stand out either because of their clearly positive effect on the environment, their innovative nature, or their scientific and/or social interest. They are communicated internally so that they are made known to the whole organisation and can be replicated if necessary. In addition, some are publicised externally in various media, thus sharing knowledge, techniques and methodologies to help the protection of biodiversity with the aim of encourage other companies to replicate it.

Communication and awareness with our stakeholders.

Making **ACCIONA’s commitment to the Environment and Biodiversity** public forms part of the company’s role within society, communicating the importance of preserving the environment from a business point of view. Company’s most relevant actions to this regard are disclosed using various means of external and internal communication: **ACCIONA’s web and intranet, social networks, ACCIONA Magazine, specialised press, radio, environment-related websites**, etc. In this regard, the company has recently published the report “*Acciona, global commitment to biodiversity*”, which highlights the most significant actions in biodiversity related to Acciona’s activities, along with those included in the Biodiversity Offsetting and Improvement Programme.

ACCIONA communicates its strategies, policies, objectives and environmental goals and performance to stakeholders. For example, **public administrations** involved in company’s projects and activities at both national and international level with the objective of maintain a constructive dialogue and coordinate therefore the minimisation of the impacts generated by the company’s activities on the environment. Communication channels are also maintained with members of **social and academic organisations and local communities** that serve to deepen awareness of environmental problems and assist in the implementation of measures designed to ensure continuous improvement in this area.

Moreover, with aim to raise environmental consciousness and sensibilisation among society, ACCIONA carries out several **education campaigns**.

By involving stakeholders from various sectors in the company’s activities and projects, projects are endowed with a **multidisciplinary focus** and a **global vision** of the existing environmental situation is obtained.

4. RISK MANAGEMENT

Risk Management is a process **led by ACCIONA's Board of Directors** which consists on identifying and assessing potential incidents which could affect the company, managing the risks within appropriate tolerance thresholds and providing the highest security that the objectives will be achieved.

ACCIONA's Risk Management Policy is intended to ensure the integration of risk management within the company's strategy, establishing the framework and principles of the **Risk Management System (RMS)**. This policy covers all the risks associated with the activities carried out by the ACCIONA divisions in all the geographic areas where it operates. The RMS establishes the necessary management mechanisms to assist in achieving the objectives of the company within the agreed risk thresholds. The principles of ACCIONA's risk management policy are materialised through the RMS by means of the definition of roles and responsibilities, as well as the development of methodologies, procedures and tools.

Under this framework and with a preventive approach, ACCIONA promotes the integration in their productive activities of **risks management with regards to the impacts on the environment and biodiversity**, with the aim of improving their mitigation capacity.

Since 2011, ACCIONA has had a **Corporate Environmental Crisis Management System** in place, which sets out the measures to implement and the responsibilities and resources that are necessary to ensure the correct management of a crisis situation in their own facilities or operated by the company which causes an affection to the environment. Additionally, the **Corporate Standard of Crisis Management** allows the company to identify those risks that could cause and environmental incident and define processes, lines of action and responsibilities in the event of a crisis. ACCIONA considers essential the internal knowledge of those actions that may result in environmental damage. Therefore, this regulation sets the obligation to communicate and report immediately incidents and potential environmental crisis, as well as the prohibition of concealing or hiding environmental risks and felonies.

Over the past few years, ACCIONA has developed specific **environmental risk management** initiatives. Thus, it has performed **environmental risk audits** consisting on the identification and evaluation of the main environmental risks derived from the company's activities. This analysis, performed by an evaluation group composed of more than 100 members, enabled the prioritisation of risks by specific activities, facilitating a specific response for treating and controlling each one, establishing the most appropriate measures for prevention and mitigation.

In 2016 ACCIONA approved the Corporate Standard of Environmental Risk Management. This standard impulse and extend to all businesses an environmental risk management model with object to prevent potential damages to the environment and biodiversity in any of the phases of the design, construction, operation, management and dismantling of any facility or service. Besides, this standard unifies under a common methodology the environmental risk management, based on internal technical documents and international standards.

Along with this standard, there are **three specific procedures** regarding Environmental Risk Management related to **Climate Change, Water Resources and Environmental Responsibility**.

Concurrently, ACCIONA annually develops two documents related to **risk analysis associated to climate change and water resources**, aiming to go in depth in these aspects of great relevance in today's world and in the Company.

5. IMPACT ASSESSMENT

ACCIONA is aware that its activities can generate an impact on biodiversity. For this reason, at each of the company's activities, and especially in those locations that contains globally or nationally important biodiversity, the company identifies and assess the potential affection to biodiversity through the application of the **Mitigation Hierarchy** (avoid, minimize, restore, offset) so as to carry out their appropriate management. (See specific graphic in the Conclusions section).

Environmental impact assessment is a key tool for the minimising of the impact of project development, together with the company's integrated risk management system and the resulting mitigating elements.

In the case of the Environmental Impact Studies, once the impacts arising from the aspects considered have been identified and assessed, preventive and corrective measures are established, as well as compensatory measures to mitigate them, if necessary. The company works with experts from different areas, and the implantation of the preventive and correctives measures are controlled within Environmental Monitoring Programs.

Before a final decision is made on the location of the activities or projects, the area of the site is analysed so as to produce the smallest possible impact on the environment. This involves taking into account if the site includes a protected area, its proximity to water bodies, the presence of protected flora or fauna, etc.

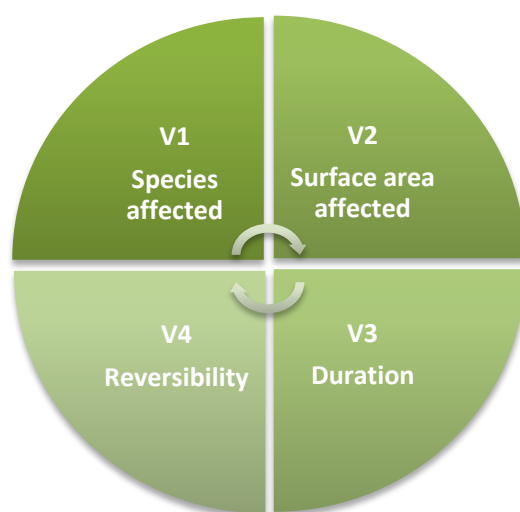
5.1 Periodic identification and evaluation of impacts

In addition to the control of impacts carried out from the business lines, the corporate area performs an identification and assessment of the most significant impacts of each of the company's facilities that are adjacent to or are located within legally protected areas, or in areas that are not protected but which are of great value to biodiversity. This analysis is compiled annually.

The impacts are quantified on the basis of the following criteria:

- Species affected.
- Surface area affected.
- Intensity of the impacts.
- Duration of the impacts.
- Reversibility or irreversibility of the impacts.

The final impact evaluation takes into account the combination of the following indicators as shown on the chart:



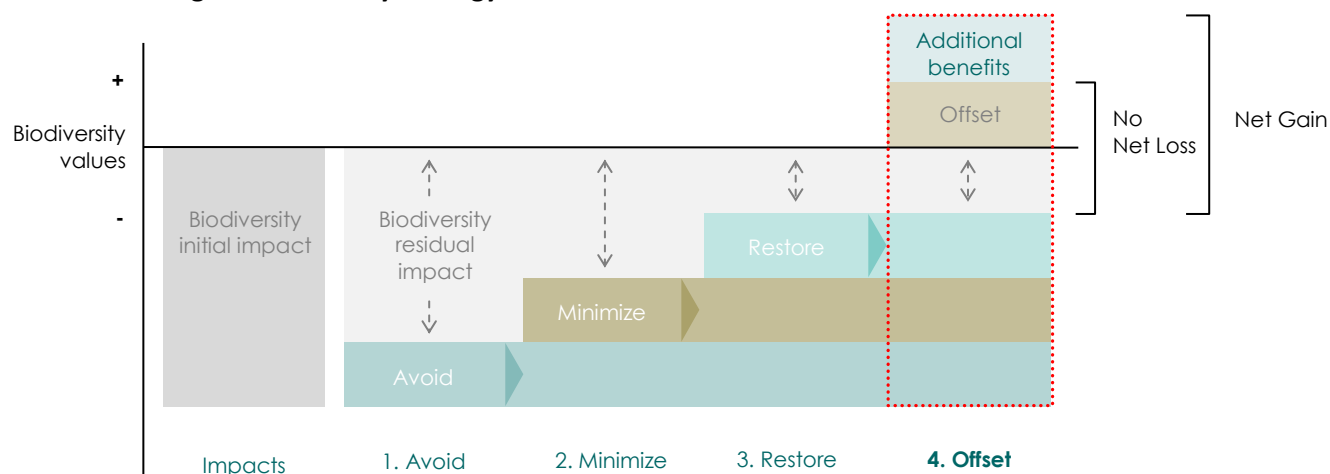
Therefore a process of evaluation of the impacts of the different activities of the company is done, which make it possible to follow up on the company's activities and their effects on biodiversity over the years and also to establish improvement and learning mechanisms across its various lines of business.

6. CONCLUSIONS

The main objective of ACCIONA's biodiversity management is to determine the real impact on biodiversity derived from its activities, to improve prevention and mitigation measures and establish a continuous improvement mechanism in order to diminish the impacts generated and identify those measures successfully implemented that could be replicated in other areas or projects.

Additionally, ACCIONA voluntarily carries out environmental and biodiversity compensation plans with the target of No Net Loss of biodiversity or even global positive impact for species and ecosystems.

Mitigation Hierarchy strategy



Source: modified from IUCN 2015

Annex

COMMITMENT TO NO DEFORESTATION

Context

Biodiversity loss and ecosystem collapse are among the greatest threats facing humanity over the next decade. They also jeopardize the foundations of our economy, and the costs of inaction are high and set to rise.

Within the scope of its Sustainability Master Plan to 2025 and consistent with broader international ambitions on biodiversity and climate neutrality, ACCIONA has set targets to deliver a positive material result on the environment and biodiversity through solutions based on the science of nature.

In this sense, ACCIONA's ambition is to generate net positive natural capital. For the company, this means increasing the natural capital we share by investing in the protection, conservation and regeneration of natural ecosystems.

Therefore, ACCIONA sets as a goal to implement nature-based solutions, equal or equivalent to planting and monitoring the growth of 1 million trees in 5 years, which will contribute to neutralizing its carbon footprint in 2025.

This target is aligned with the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda, and in particular with SDG 15, Life of Terrestrial Ecosystems, which reminds us that 13 million hectares of forests are lost every year, and nature-based climate solutions can contribute more than a third to the CO2 reductions needed by 2030.

No gross deforestation commitment

Aware that a significant reduction in global deforestation is needed to mitigate climate change and biodiversity loss, ACCIONA is committed to stop or reduce deforestation associated with the commodities and services it generates, markets and/or sells. Its objective is to contribute to the end of deforestation, collaborating in the recovery of degraded forests and increasing afforestation and reforestation as a measure to recover ecosystems and combat climate change. It is also committed to extending this commitment throughout its value chain.

Monitoring and Compliance

At ACCIONA, direct responsibility for biodiversity matters, is managed by the Board of Directors, the Company's top governing body, which is a reflection of the importance it places on the No Gross Deforestation commitment.

To fulfill the objective, the Global Sustainability Area, ensures group-wide compliance and monitors all biodiversity initiatives through a business analytics platform adapted to the company's operational sites.

Additionally, ACCIONA collaborates with government, local communities, civil organisations and other stakeholders in the development of biodiversity conservation, awareness and research programs. The company takes into account best practices, international standards and treaties to achieve the no deforestation commitment, always in adherence to local laws and working alongside pioneer frameworks specific for each country to generate net positive natural capital.