CLIMATE

WATER

CIRCULAR ECONOMY

BIODIVERSITY

INTEGRATED ENVIRONMENTAL MANAGEMENT

PLANET POSITIVE

INVEST TO REGENERATE THE PLANET

ACCIONA projects pursue a positive impact on the planet, through business models based on decarbonisation, the conservation of water and ecosystems and the circular use of resources.

	01 CLIMATE	02 BIODIVERSITY	03 CIRCULARITY	04 WATER
RESPONSIBLE	**DECARBONISATION**	**MITIGATION HIERARCHY**	**AIMING TOWARDS ZERO WASTE AND RENEWABLE RESOURCES**	**REDUCTION IN USE**
RESILIENT	**ZERO EMISSIONS SOLUTIONS. MITIGATION**	**DIGITALISATION 100% MAPPING AND EVALUATION**	**MULTIPLY CIRCULAR NATURE OF PROCESSES**	**EFFICIENT MODELS ACCESS AND SANITATION**
REGENERATIVE	**CLIMATE POSITIVE**	**POSITIVE NET IMPACT**	**NEW BUSINESS MODELS**	**INCREASE IN PEOPLE BENEFITTING**
	Extend recognition as main players in the transition towards a decarbonised economy	Generate a net positive natural capital	Ability to develop zero-waste projects	Significantly increase the provision of quality water and its sustainable use with high-tech

KEY MILESTONES 2022

- Reduced GHG emissions by 36% (Scopes 1 and 2) and by 8% (Scope 3*) compared to 2017, in line with the 2030 SBT target of a 1.5ºC reduction, and offset GHG emissions in its direct operations.
- CapEx: 97.96% alignment with eligible figure.
- First pilot phase implemented for the quantification of nature-related risks –TNFD.
- 77% of the waste produced was sent to recovery and 9% of the resources consumed were from renewed or recycled sources.
- Voluntary planting of an aggregate 223,753 trees (2021-2022).
- Surface water, groundwater and municipal water consumption in water-stressed countries decreased by 12% compared to 2020.

MAIN CHALLENGES 2023

- Reduce GHG emissions in line with the 2030 SBT target of a 1.5ºC reduction and offset GHG emissions in its direct operations.
- Invest 90% of the CapEx in sustainable activities according to the EU taxonomy.
- Implement the analysis of nature-related risks in line with the TNFD guidelines.
- Send 85% of waste produced to recovery.
- Achieve 16% consumption of resources from a renewable or recycled source.
- Reduce the use of surface water, groundwater and municipal water in water-stressed areas by 12% compared to 2020.

*Categories "Products, services and raw materials; Capital goods; Activity related to energy consumption (not Scope 1 or Scope 2), Upstream transportation and distribution, Employee commuting and Use of products sold by the organisation" representing more than two thirds of the company's total Scope 3 emissions.

Climate

→ MITIGATION OF CLIMATE CHANGE

ACCIONA SOLUTIONS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	
	RESULT OF THE TOPIC ANALYSED	RISK	OPPORTUNITY
	Critical	• Bigger regulatory burden • Lower asset valuation	• Revenue increase • Higher asset valuation
	Significant	• Lower revenue	• Lower operating costs
	Significant	• Lower asset valuation	• Higher asset valuation
	Important	• Lower asset valuation • Higher operating costsl	• Higher asset valuation
ACCIONA MEDIA: SIGNIFICANT			

→ ADAPTATION TO CLIMATE CHANGE

ACCIONA SOLUTIONS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	
	RESULT OF THE TOPIC ANALYSED	RISK	OPPORTUNITY
	Critical	• Bigger regulatory burden	• Revenue increase • Lower operating costs • Higher asset valuation
	Significant	• Lower asset valuation • Higher operating costs	• Revenue increase • Higher asset valuation
	Significant	• Lower revenue	• Revenue increase
	Significant	-	-
ACCIONA MEDIA: SIGNIFICANT			

ACCIONA offers sustainable infrastructure solutions and renewable energy projects worldwide. Its business strategy is aligned with the activities identified by the EU in its taxonomy as drivers of a decarbonised and sustainable economy.

The organisation fully shares the objectives of economy decarbonisation through public commitments, policies, specific procedures and objectives, and through an economic incentive model linked to achieving GHG emission reductions for executives, managers and technical and support staff.

ACCIONA's strategy against climate change is supervised and adopted by the Board of Directors through the Audit and Sustainability Committee. This is reviewed in line with the corporate standards on the management system, which prioritises becoming leaders in the transition to low-carbon business models.

ACCIONA's climate agenda is embodied in the objectives of the five-year Sustainability Master Plan (SMP), which gathers a series of initiatives and commitments managed by the General Financial and Sustainability Management and reported directly to the Audit and Sustainability Committee.

The main 2025 SMP goals on climate change are substantiated by:

Following the pathway to reduce emissions generated by both the company and the supply chain over the 2017-2030 period, in line with the Science Based Target initiative (SBTi) of not allowing global temperature to rise above 1.5°C and becoming ***Net Zero Carbon*** by 2040 (Scopes 1 and 2; 2050 Scope 3).

Aligning the investment strategy with activities to mitigate and adapt to climate change so that ACCIONA can classify 90% of its CapEx as fitting the EU taxonomy in relation to these two environmental targets.

The company's Climate Change Policy considers it a priority to lead the transition towards low-carbon business models which reduce or mitigate the negative impact of climate change. This includes adopting ambitious global targets in terms of reducing emissions and developing projects, products and services that contribute to reducing GHG emissions and facilitate access to renewable energy.

ACCIONA also encourages adapting to climate change through access to water and to resilient infrastructures under a series of specific principles. Some of the most remarkable ones are:

- Boost savings in energy consumption and improve energy efficiency, from R&D&i to all its products and services, including its supply chain too, with the aim of reducing GHG emissions.
- Foster the decarbonisation of the business model by buying renewable energy, optimising and reducing energy consumption and offsetting its emissions.
- Manage risks and opportunities associated with climate change in the short, medium and long term in order to take the necessary steps to ensure that its businesses can adapt to the expected physical and transitional changes.

CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

ACCIONA promotes the adoption of ambitious global targets to decarbonise the economy and includes them in its business model and in the Risk and Opportunity Management System in connection with climate change. Compliance is reported in accordance with the European Commission's climate reporting guidelines and the recommendations of the Financial Stability Board, through its Task Force on Climate-Related Financial Disclosures (TCFD).

More information: Governance of sustainability and materiality chapter in this report.

Climate-related risk and opportunity management

ACCIONA's management of climate risks is carried out through the application of a specific corporate procedure, which identifies, evaluates, prioritises and reports to the company's executive bodies the risks associated with climate change that might affect the group and its sites.

Based on this, we establish action policies and tolerance thresholds that will secure a reasonable achievement of the targets in the short term (1 year), medium term (5-year Sustainability Master Plans) and long term (10 years) according to the observation of mega trends and pre-set goals such as the Science Based Target initiative (SBTi).

In order to identify risks and opportunities, ACCIONA uses tools such as the digital climate change model that monitors climate variables –history and forecasts– in the different climate scenarios and over the different time periods foreseen in the latest reports by the Intergovernmental Panel on Climate Change (IPCC).

This instrument oversees the variables regarding production, finances, emission generation and energy consumption. It also includes references to the climate policies and the carbon markets in each region. Furthermore, we use other tools outside the digital model to identify legal requirements.

The expertise of the members of the assessment group appointed through the Global Sustainability Department, together with the business units, is essential in the analysis process and for the management of climate change risks. Using the tools mentioned above, the group proposes a series of climate risk scenarios for each centre, group of centres and/or business activities in the company (or its value chain), depending on their location, type of business activity and vulnerability, and these are quantified based on a series of key indicators.

The most common climate scenarios used to identify risk situations are those provided in the latest IPCC reports and those produced within the framework of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). From this last framework, ACCIONA primarily considers the Current Policies scenario (physical risks) and the NGFS Delayed Transition or Divergent Net Zero scenarios (transitional risks) to value its climate risks.

The climate risks with the greatest likelihood of occurrence and of a financial and/or reputational impact are considered material and involve the creation of special treatment sheets that will inform the company's decision-making bodies directly about the current situation and the options available to deal with the risk (mitigate, adapt, transfer or accept the risk and estimated cost).

Once the climate risk situations have been pinpointed and analysed, they become part of ACCIONA's general Risk Management System, where the tolerance threshold is determined based on the hierarchical structure introduced in the Governance section.

Strategy: Climate Risks and Opportunities

Every year, ACCIONA assesses the most significant climate risks and opportunities for the company. In 2022, these were identified considering their potential impact and timeline and their geographical range, by business and by the actions started to manage them.

Taking this into account, it is possible to assure that ACCIONA's business strategy is resilient to climate change, with a moderately low impact in terms of risk and a high impact in terms of opportunities.

→ CLIMATE RISKS

The climate-related risk assessment and management process in 2022 materialised in the assessment of 136 risk situations for all of ACCIONA's businesses. Some of the most important ones are:

No.	BUSINESS	MAIN COUNTRIES	NGFS SCENARIO / TIMELINE	CATEGORY	SUBCATEGORY	DESCRIPTION	LIKELIHOOD OF OCCURRENCE	FINANCIAL IMPACT	RISK MANAGEMENT
1	**All of ACCIONA's businesses**	Those where ACCIONA operates	ACCIONA's own scenario Assessed for 2025	Transitional risk	Reputational. Policy and lawfulness.	Increase of capital costs, decrease in liquidity and/or increase in operating costs due to low opinion from the public in general and the investors in particular on the organisation's performance regarding its decarbonisation target due to failing to meet the target in the company.	Unlikely	Minor [1-2% on the financial result]	ACCIONA allocates a specific budget to execute emission reduction projects in the company. It is constantly tracking the risk of deviations from its target and proposing solutions. The vast majority of ACCIONA's power consumption now comes from renewable sources. The company follows certain procedures to detect risks related to failing to meet its decarbonisation target right from the bidding stage. It passes on to the budget of each project within the 90% of the highest emission range, an expense related to the project decarbonisation.
2	**Construction**	Spain, Mexico, Philippines, Panama, Chile, Peru, USA, Norway, Portugal and Poland	Current Policies scenario Assessed for 2030	Physical risk	Severe	Increase in the division's expense of executing the works due to the need to protect and/or repair damages caused by a higher frequency of certain weather events such as floods, storms, etc.	Likely	Insignificant [<1% of the financial result]	ACCIONA's geographical diversification of its construction work mitigates the impact of this risk. Total or partial transfer of the risk to the client by reviewing, including or improving the contract clauses before signing it, in terms of possibly extending the deadline/ expense due to adverse weather that, should it become extreme, may be considered as *"force majeure"* with the appropriate compensation for the contractor. Taking out insurance policies with better coverage to pass risks on to the insurance companies.
3	**Construction Oceania**	Australia and New Zealand	Delayed Transition scenario Assessed for 2030	Transitional risk	Market	Increase in the operating cost as a result of introducing a price/tax on the carbon produced by the diesel fleet and directly linked to ACCIONA Oceania's carbon footprint.	Possible	Insignificant [<1% of the financial result]	In addition to the measures listed under Risk 1, the risk is managed through: The option of commitments to use renewable power in new tenders to reduce or eliminate Scope 2 emissions and/or offset them by using LGCs. Implementation of measures to maximise efficiency through LEAN assessments and management plans for Linked Site fleets. Transition to hybrid/electric vehicles, alternative fuels and/or new technologies in new installations and equipment.
4	**Energy**	Spain	Current Policies scenario Assessed for 2030	Physical risk	Chronic	Decrease in the production of electricity by hydroelectric stations in Spain due to less water runoff and a lower optimisation of the production due to the seasonal changes.	Likely	Insignificant [<1% of the financial result]	ACCIONA's geographical diversification of its energy activity mitigates the impact of this risk. Managing reservoirs with weather forecasting to enable better planning and management of the reservoirs. Establishment of monitoring and control tools for potential changes in seasonality and production.
5	**Water**	Mexico, Australia, Saudi Arabia, Algeria, Egypt, Panama	Delayed Transition scenario Assessed for 2030	Transitional risk	Market	Higher operating costs due to regulatory changes that demand lower GHG emissions in water harvesting, treatment and/or distribution.	Unlikely	Insignificant [<1% of the financial result]	Implementation of operational improvements in the operated centres (equipment renewal, process improvements, etc.). Inclusion of criteria to assess the efficiency of high-impact equipment and improvement of power monitoring and management with the Business Intelligence tool and management platforms. ACCIONA's geographical diversification of its activity mitigates the impact of this risk.
6	**Energy**	All countries where it operates	Current Policies scenario Assessed for 2030	Physical risk	Chronic	Revenue decrease due to less wind or sun needed to produce electricity due to seasonal changes.	Unlikely	Insignificant [<1% of the financial result]	ACCIONA's geographical diversification of its energy activity mitigates the impact of this risk.
7	**Energy**	All countries where it operates	Current Policies scenario Assessed for 2030	Physical risk	Chronic	Reduction of power production due to damages to infrastructures caused by more extreme weather events.	Unlikely	Insignificant [<1% of the financial result]	There are many adjustment measures in place. E.g.: Raising substations in active power stations to limit the damages caused by extreme weather events, such as floods. Taking out insurance against risks resulting from extreme weather events.

Monitoring the climate change risk in the company's construction projects

Since 2018, the company's construction projects have relied on a tool that regularly tracks risks and opportunities through balanced scorecards that include climate change aspects.

This tool makes it easier to manage the risks in each project. Firstly, describing the risks and establishing the level of interconnection between each other and, secondly, showing the variation of the residual risks (resulting from applying mitigation measures) over time until the work is completed.

Additionally, this tool allows the incorporation of a BIM methodology to integrate risk and opportunity management in the model. It also enables the deployment of important collaborative work with the participation of the project teams and the support areas regardless of where they are.

So far, this tool has been used on 31 projects with more than 250 users who have identified and analysed over 3,300 risks. The data in the tool is integrated into the Business Intelligence (BI) apps used by ACCIONA to help improve its global performance.

Key climate opportunities

The opportunities identified are added to the company's core business, focused on developing activities that will help mitigate and adapt to climate change. These are the most important ones in ACCIONA, identified by business and territory:

No.	BUSINESS	MAIN COUNTRIES	NGFS SCENARIO	CATEGORY	DESCRIPTION	TYPE OF IMPACT	OPPORTUNITY MANAGEMENT
1	**Energy**	USA, Mexico, Chile, Spain, Australia, etc.	*Delayed Transition // Divergent Net Zero*	Products and services	Higher demand for renewable technologies due to amendments to climate change regulations.	Increase in sales (very high)	Commitment to invest in renewable energies at least €7.800M in installed capacity for the 2021-2025 period, by the end of which, ACCIONA intends to operate more than 20 GW of renewable energy. The newly installed MW will mean a revenue increase. This strategy will carry on growing beyond 2025, with a target of installed capacity of >30 GW in 2030.
2	**Infrastructures**	Saudi Arabia, Egypt, UAE, Algeria, Qatar.	*Current Policies*	Products and services	Increase in the demand for water treatment infrastructures in regions where greater shortages are predicted because of climate change.	Increase in sales (high)	Structuring of the water treatment infrastructure portfolio with notable presence in the countries identified, where more than half of the economic activity is generated at present. This opportunity translated into a 30% increase in annual sales in 2022 compared to 2020.
3	**Infrastructures**	Brazil, UAE, Norway, Ecuador, Australia, Spain, etc.	*Delayed Transition // Divergent Net Zero*	Products and services	Increase in the demand for low carbon transport infrastructure because of the expected mobilisation of capital for investment in sustainable activities aligned with the EU taxonomy requirements.	Access to financing (high)	Structuring of the public transport infrastructure projects portfolio with greater weight for projects aligned with the opportunity detected. The taxonomy-compliant turnover for low-carbon infrastructure has increased by 50% compared to 2021.
4	**Mobility**	Spain.	*Divergent Net Zero*	Markets	Higher demand for shared electric mobility services due to consumers' greater awareness of climate change and tighter restrictions on other types of vehicles.	Increase in sales (medium)	Gradual expansion of the shared motorbike fleet in volume and number of cities. This business has grown by 34% its EU taxonomy-compliant turnover compared to 2021.
5	**Energy**	Spain, Mexico.	*Divergent Net Zero*	Markets	Higher demand for energy services by industrial and municipal clients.	Increase in sales (medium)	Investment in innovation for energy solutions in client facilities. Expansion of the service to new locations and countries. Compared to 2021, this opportunity meant a 327% increase in the taxonomy-compliant turnover for this business in 2022.
6	**Energy**	Spain.	*Divergent Net Zero*	Products and services	Industrial and municipal clients demand new charging points for electric cars.	Increase in sales (medium)	Gradual expansion of the Cargacoches business presence. This business has meant an increase of over 560% in the EU taxonomy-aligned turnover compared to 2021.

More information: Risks and Opportunities Report related to Climate Change, aligned with the TFCD recommendations.

CLIMATE TARGETS

Net Zero Target

ACCIONA's ambitious low-emission commitments have been approved by the global Science Based Targets initiative (SBTi).

The company's pathway for the reduction of direct emissions (Scope 1) and those derived from energy consumption (Scope 2 –market-based) is set at 60% for 2030 in absolute terms compared to the 2017 data. The pathway for the reduction of Scope 3[4] emissions is set at 47% for 2030 in absolute terms compared to the 2017 data. According to the *GHG Protocol* methodology, ACCIONA does not use any type of offsetting to meet its emission reduction targets.

In 2022, the yearly target set for the reduction of emissions was 23.07% for Scope 1 and Scope 2 (market-based) emissions and 18.08% for Scope 3 emissions.

ACCIONA signed The Climate Pledge (TCP) in 2021 and reinforced its *Net Zero* commitment in 2022, intending to reach Net Zero by 2040 for Scope 1 and 2 (market-based) emissions and by 2050 for its Scope 3 emissions.

The commitment to reach full decarbonisation in its operations translates into a reduction of Scope 1, 2 and 3 emissions by 90% compared to 2017 and into absorbing residual emissions generated by means of nature-based solutions.

EU taxonomy alignment goals for sustainable activities

As a goal, ACCIONA intends to align its investment strategy with activities to mitigate and adapt to climate change in such a way that the company can classify 90% of its eligible CapEx as EU taxonomy-compliant.

[4] Categories: "Products, services and raw materials; Capital goods; Activity related to energy consumption (not Scope 1 or Scope 2), Upstream transportation and distribution, Employee commuting and Use of products sold by the organisation" representing more than two thirds of the company's total Scope 3 emissions.

MAIN TAXONOMY FIGURES

ACCIONA's sustainable activities are considerably aligned with the EU taxonomy requirements and are especially focussed on mitigating and adapting to climate change, whether this is in the area of renewable energy, construction, water management, transport, housing, or any of its other technical capacities.

The proportion of eligible economic activities according to the taxonomy in 2022 was:

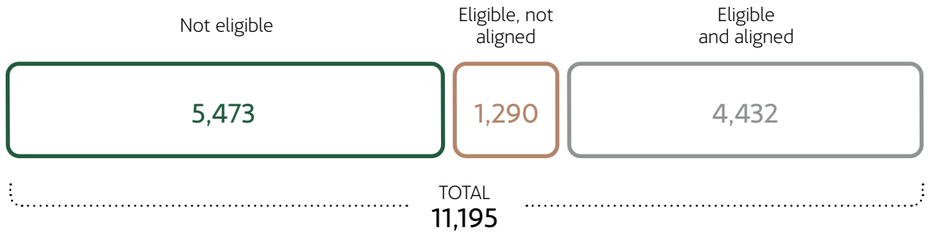
- Turnover: 51.11% eligible.
- OpEx: 63.28% eligible.
- CapEx: 86.29% eligible.

On the other hand, the percentage of taxonomy-alignment out of the eligible figure of ACCIONA's activities in 2022 is as follows:

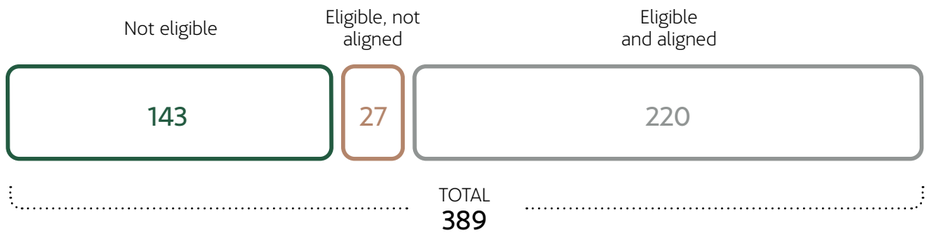
- Turnover: 77.46% alignment with eligible figure.
- OpEx: 89.23% alignment with eligible figure.
- CapEx: 97.96% alignment with eligible figure.

The following graphs schematically show the results of eligibility and alignment of ACCIONA's activities with the taxonomy. For the absolute figures of OpEx and CapEx below, the specific definitions under Annex I of the Delegated Regulation (EU) 2021/2178 were taken into account. This is why they may differ from the figures shown under the same heading in the company's financial statements.

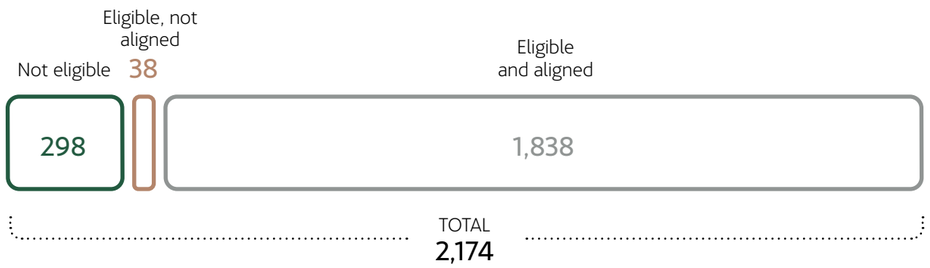
→ EU TAXONOMY-ALIGNED TURNOVER
(€M)



→ EU TAXONOMY-ALIGNED OPEX
(€M)



→ EU TAXONOMY-ALIGNED CAPEX*
(€M)



More information: See the Annexes section below.

More information: The methodology for the estimate and breakdown of data according to Annex II of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, is contained in the Annexes section.

INTERNAL CARBON PRICE

The setting of an internal price for carbon establishes incentives to fulfil ACCIONA's decarbonisation commitment and shift its production and consumption model towards a specific scenario by 2040. In ACCIONA, this price produces a real cost on businesses depending on their greenhouse gas emissions. The revenue arising from those associated costs are used in decarbonisation projects in and out of the company.

In 2022, ACCIONA updated its Guide to Apply the Internal Carbon Price that includes the following main actions:

- **From business to project:** establishment of a low-emission target for each business in the company and for the group's facilities that make up 90% of the company's total emissions.
- **Land price:** mandatory preparation of a carbon budget for all facilities making up the group above. This budget is calculated based on a set internal rate €7.5/ tCO_2e, that acts as a shadow price.
- **Settlement price based on target compliance:** settlement per business of the emissions generated at a variable rate between €7.5/tCO_2e and €190/tCO_2e depending on compliance or non-compliance with the targets established to contribute to the company's decarbonisation fund.

Decarbonisation fund

Since 2016, ACCIONA has had a fund and the budget of this fund comes from charging the internal price of carbon in its activities. The fund is used to acquire carbon credit to offset the emissions generated from its direct action, but since 2020 it has also been used to invest in projects to reduce its carbon footprint. In 2022, the fund amounted to €1.3 M.

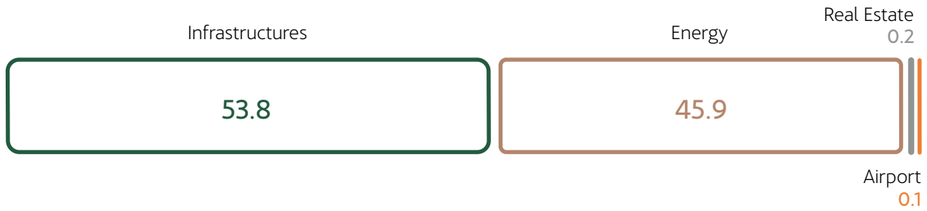
The funding of decarbonisation initiatives through the fund is awarded by means of an internal bidding mechanism. Firstly, a selection committee decides which proposals are a priority according to their impact and return, until lastly, a committee comprising members of senior management determines the allocation of funds to the projects with highest potential.

In 2022, a total of 17 initiatives were financed by the decarbonisation fund, with a potential to reduce emissions by about 16,000 tCO_2e and a development period of more than a year for some projects.

These are some of the projects coordinated based on the decarbonisation fund:

- Pilot project to enrich biogas with green hydrogen produced by the anaerobic digestion of wastewater treatment sludge.
- Analysis of technical viability of the use of concrete substitutes with low CO_2 emissions at the building site.
- Pilot project to implement a geolocation tool for ground support equipment (GSE) in airport operations.
- Development and testing of an integrated balanced scorecard to monitor and manage electricity and fuel consumption at the building site.
- Electrification of equipment of the machinery fleet.
- Building a brine concentration pilot plant implementing a process that is more energy-efficient.
- Pilot project to install green H2/NH3 portable power generator sets.
- Pilot project to reduce CH_4 and N_2O emissions in biomass combustion plants by continuously monitoring the levels of combustion and the adjustment of associated parameters.

→ EMISSIONS REDUCED THROUGH THE FUND BY DIVISION
(%)



GHG EMISSIONS. SCOPE 1, 2, 3 AND TOTAL EMISSIONS

GHG emissions

GHG emissions are calculated according to the criteria defined in the GHG Protocol, under the financial control scheme, consolidating as CO_2 equivalent emissions corresponding to all the GHGs that are relevant for the company: CO_2, CH_4, N_2O, HFC and SF_6. The criteria for the consolidation of energy consumption and other emissions follow the same accounting criteria.

THE CONVERSION FACTORS USED ARE THOSE INDICATED BY THESE INITIATIVES:

- Intergovernmental Panel on Climate Change (IPCC), in the 2006 IPCC Directives for GHG inventories.
- National Inventory of Greenhouse Gases (GHG) of Spain.
- International Energy Agency.
- Red Eléctrica de España (the Spanish grid operator).
- ACCIONA Green Energy.
- The UK Department for Environment, Food and Rural Affairs.
- The European Environment Agency.

Scopes 1 & 2

In 2022, ACCIONA's Scope 1 emissions were 159,652 tCO_2e and its Scope 2 market-based emissions were 7,520 tCO_2e. The total Scope 1 & 2 emissions were 36% less than in 2017, which means that the company is on track for its decarbonisation pathway and for its science-based target for 2030. On the other hand, its Scope 2 location-based emissions were 139,733 tCO_2e.

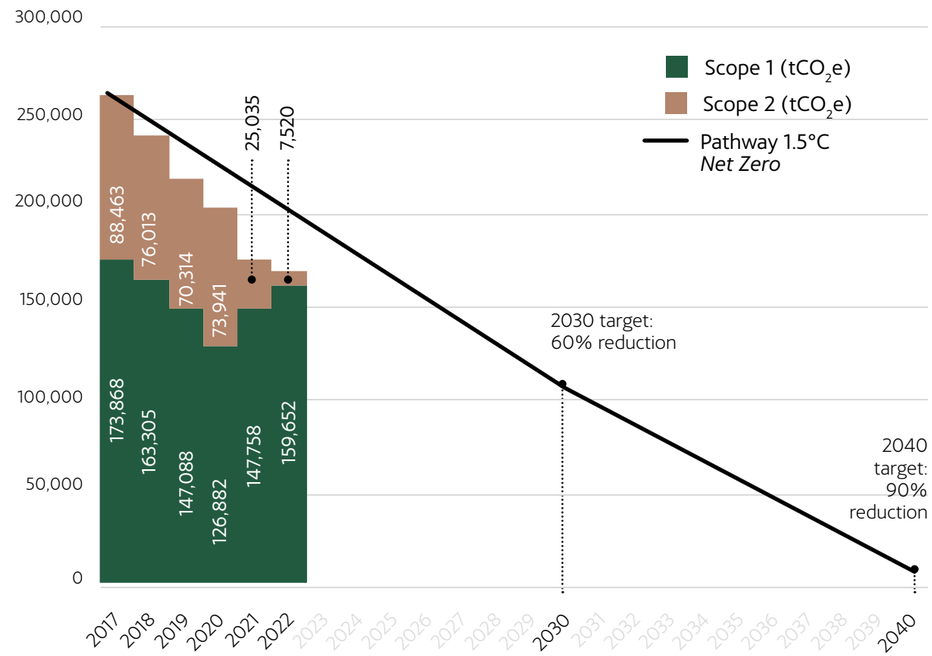
The intensity of the Scope 1 & 2 emissions was 14.9 tCO_2e/sales in 2022.

In 2022, biogenic emissions amounted to 482,890 tCO_2e as a result of the biofuel combustion.

None of ACCIONA's operations are subject to schemes that foresee the use of emission rights.

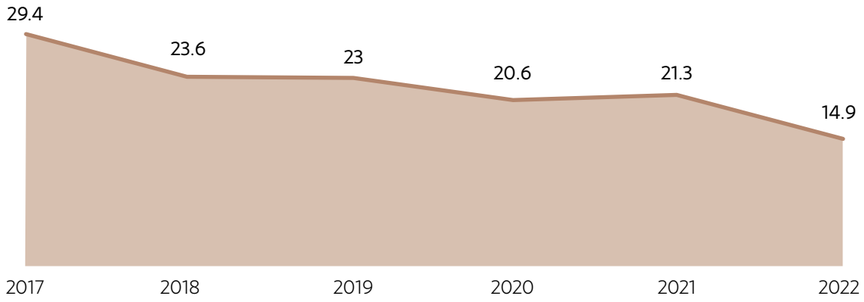
In 2022, the emissions of the 2017 base year were re-calculated due to a structural change in the company's scope of consolidation in accordance with the GHG Protocol. Therefore, the past emissions have been re-calculated too. This update was taken into account when reviewing the SBTi target. The emissions of the base year are 262,332, where 173,868 are Scope 1 and 88,463 are Scope 2 (market-based, figures calculated with decimals and rounded off).

→ EVOLUTION OF SCOPE 1 & 2 EMISSIONS GENERATED (tCO_2e)



As for the 2021 data, the GHG emissions have dropped considerably due to a dramatic fall in Scope 2 emissions that makes up for the slight rise in Scope 1 emissions. This drop in Scope 2 emissions was thanks to acquiring power from renewable sources.

→ INTENSITY OF SCOPE 1 & 2 GHG EMISSIONS
(tCO_2/sales)



Scope 3

In 2022, ACCIONA set a science-based target to reduce Scope 3 GHG emissions by 18.08% compared to base year 2017 for the following set of categories: Products, services and raw materials; Capital goods; Activity related to energy use (not Scope 1 or Scope 2) and Upstream transport and distribution, employee commuting and use of products sold by the organisation.

The Scope 3 emissions for these six categories have decreased by 8.44% compared to 2017 (2017 data: 1,995,590 tCO_2e), while the aggregate Scope 3 emissions rose by 8%, mostly due to a greater generation of emissions in assets leased to the organisation.

As for last year, its Scope 3 emissions rose given the increase in purchases as the company's operations grew. However in 2022, the company continued to implement measures to reduce Scope 3 emissions: use of life cycle analysis tools in project design, inclusion of the risk of climate change (MA/CO_2 variables) in the supplier risk map[5] and sustainability training courses available to suppliers.

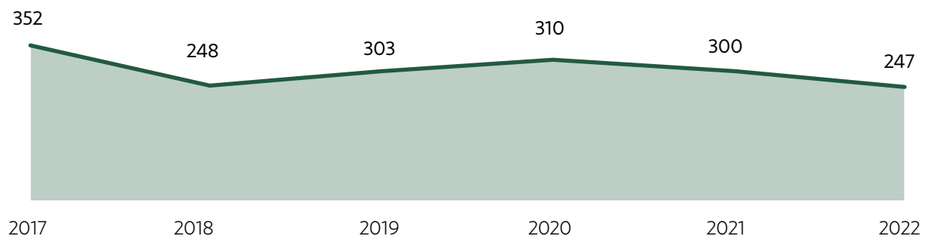
[5] **More information:** in the chapter Exponential leadership-Supply chain

→ SCOPE 3 EMISSIONS IN RELEVANT CATEGORIES FOR ACCIONA
(tCO_2e)

CATEGORY	2017	2018	2019	2020	2021	**2022**
Products, services and raw materials	947,033	764,918	948,031	993,471	945,462	**1,005,761**
Capital goods	630,764	299,156	400,978	255,640	338,729	**522,997**
Activity related to energy consumption (not Scope 1 or Scope 2)	147,461	25,109	26,626	23,375	16,210	**75,272**
Upstream transportation and distribution	203,034	48,443	37,179	27,976	35,312	**120,934**
Waste generated in operations	14,861	10,451	3,764	6,189	8,234	**9,641**
Business travels	17,190	17,785	14,336	3,973	6,153	**10,592**
Employee commuting	55,568	61,957	61,487	60,198	65,009	**64,188**
Assets leased to the organisation	486,985	557,942	649,565	589,267	962,694	**823,312**
Use of products sold by the organisation	11,730	57,252	18,347	25,658	31,768	**38,009**
Waste from products sold by the organisation	144	191	155	161	91	**107**
Investments	39,040	19,346	26,775	29,804	27.022	**94,076**
TOTAL (tCO_2e)	**2,553,810**	**1,862,551**	**2,187,243**	**2,015,714**	**2,436,684**	**2,764,889**

The headings "Downstream transportation and distribution", "Processing of sold products", "Assets leased to the organisation" and "Franchises" are considered irrelevant for ACCIONA because these activities are not carried out or their emissions are now included in Scopes 1 and 2 or in another Scope 3 category.The Use of products sold by the organisation category has been re-calculated for previous years in order to include the Silence motorbike sales.

→ INTENSITY OF SCOPE 3 GHG EMISSIONS
(tCO_2/sales)



Other emissions generated

Global emissions of NOx in 2022 were 2,542 tonnes, SOx 198 tonnes, PM_{10} 111 tonnes and SF_6 0.024 tonnes.

The company set as target to reduce this type of emissions by 2.5% compared to the 2017 figures (discounting activities no longer attributable to ACCIONA). The target was met for SF_6.

→ EVOLUTION OF OTHER EMISSIONS
(t)

	2017	2018	2019	2020	2021	2022
NOx	14,683	1,767	1,673	1,539	2,040	2,542
SOx	3,351	248	193	141	135	198
PM_{10}	958	76	74	51	77	111
SF_6	0.094	0.050	0.059	0.055	0.032	0.024

The 2018 data for NOx include activities that are no longer attributable to the company. Discounting these activities, the figures would be: 1,762 tonnes. Discounting the activities that are no longer attributed to ACCIONA, the 2017 figures are (NOx: 1.797t; SOx: 185t; PM10: 79t; SF6: 0,094t).

CLIMATE-CHANGE INDICATORS

Own energy consumption

In 2022, ACCIONA consumed 2,432,669 MWh of energy, 73,37 % of which came from renewable sources.

The company's GHG emission reduction goal (reduce by 23.07% compared to 2017) intrinsically implies a non-renewable energy reduction target. This goal was attained in the same sense as the Scope 1 & 2 emission targets.

→ ENERGY CONSUMPTION AND MIX
(MWh)

CATEGORY	2017	2018	2019	2020	2021	2022
Renewable	**1,594,417**	**1,582,844**	**1,508,909**	**1,517,395**	**1,843,960**	**1,784,884**
Biomass	1,189,752	1,220,269	1,179,469	1,249,749	1,271,356	**1,287,921**
Biogas	27,920	87,134	102,484	2,200	2,217	**29,642**
Bioethanol	0	0	0	0	0	**1,626**
Biodiesel	187	1,621	1,627	10,099	3,757	**15,676**
Hydrogen	-	-	-	-	-	**14**
TOTAL RENEWABLE FUELS	**1,217,859**	**1,309,024**	**1,283,580**	**1,262,048**	**1,277,330**	**1,334,879**
Electricity	376,558	273,819	225,329	255,347	566,630	**450,005**
Non-renewable	**3,703,120**	**1,246,577**	**559,234**	**505,682**	**630,333**	**647,785**
Diesel	2,328,900	406,516	384,702	294,627	481,586	**535,693**
Fuel oil	5,281	9	1,317	3,779	0	**1,913**
Natural gas	79,388	43,923	39,293	26,485	42,716	**40,235**
Petrol	23,003	19,516	25,648	25,941	31,448	**26,967**
Propane	4,324	23	41	14	27	**11**
LPG	0	0	0	0	2,939	**827**
TOTAL NON-RENEWABLE FUELS	**2,440,896**	**469,987**	**451,001**	**350,846**	**558,716**	**605,646**
Electricity	1,262,224	776,589	108,233	154,836	71,617	**41,750**
District Heating	-	-	-	-	-	**389**
TOTAL (MWh)	**5,297,537**	**2,829,421**	**2,068,143**	**2,023,077**	**2,474,293**	**2,432,669**

The 2017 and 2018 figures include activities that are no longer attributable to the company. Discounting these activities, the figures would be:

- Renewable 1,562,568 (2017) and 1,521,103 (2018)
- Renewable electricity 344,709 (2017) and 212,079 (2018)
- Non- renewable 727,538 (2017) and 599,270 (2018)
- Non-renewable fuels 528,401 (2017) and 445,529 (2018)
- Non-renewable electricity 199,137 (2017) and 153,741 (2018)
- Total 2,290,105 (2017) and 2,120,373 (2018)

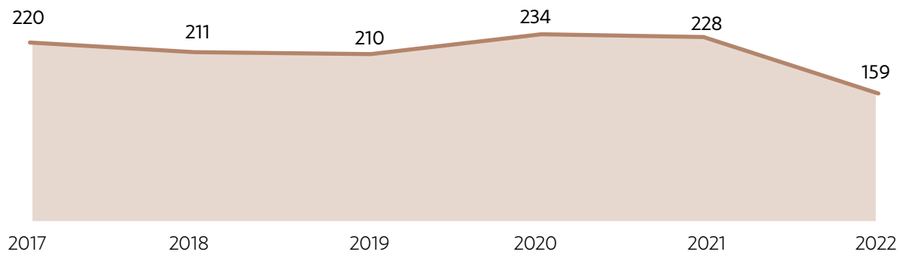
Energy intensity

The company's fossil-fuel energy intensity stood at 58 MWh/€M sales, while energy intensity from renewable sources was 159 MWh/€M sales.

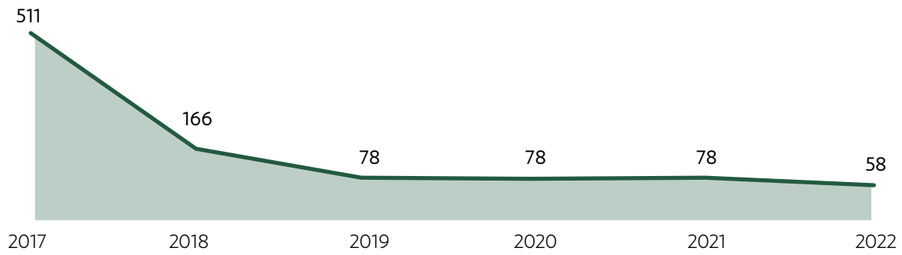
The total energy intensity, resulting from the sum of the two intensities above is 217 MWh/€M sales.

→ ENERGY INTENSITY BY NET REVENUE
(MWh/€M sales)

Renewable energy intensity



Non-renewable energy intensity



Third-party energy consumption

Below is the most relevant energy consumption outside the organisation, calculated according to the company's Scope 3 categories.

The company's GHG emission reduction goal for Scope 3 intrinsically implies an outsourced energy reduction target.

→ OUTSOURCED ENERGY CONSUMPTION
(MWh)

CATEGORY	2018	2019	2020	2021	2022
Products, services and raw materials	3,146,573	4,042,020	4,088,407	4,428,129	**4,550,349**
Capital goods	1,175,302	1,582,766	1,002,310	1,381,229	**1,902,354**
Activity related to energy consumption (not Scope 1 or Scope 2)	143,618	151,082	140,601	81,819	**335,521**
Upstream transportation and distribution	183,085	139,819	103,463	128,672	**403,963**
Waste generated in operations	38,583	13,896	22,847	30,400	**35,591**
Business travels	69,933	56,434	16,002	24,642	**42,098**
Employee commuting	236,978	236,219	236,757	255,676	**252,022**
Assets leased to the organisation	40,404	1,684,416	1,476,799	2,193,532	**2,194,444**
Use of products sold by the organisation	184,604	87,414	114,339	129,052	**113,872**
Waste from products sold by the organisation	707	573	596	336	**395**
Investments	117,670	173,801	189,593	139,576	**268,194**
TOTAL (MWh)	**5,337,457**	**8,168,440**	**7,391,714**	**8,793,063**	**10,098,803**

The headings "Downstream transportation and distribution", "Processing of sold products", "Assets leased by the organisation" and "Franchises" are considered irrelevant for ACCIONA either because these activities are not carried out or their consumption is now included in the company's consumption or in another category of external energy consumption.

The Use of products sold by the organisation category has been re-calculated for previous years in order to include the Silence motorbike sales.

The 2018 figures include or exclude activities whose attribution to the company as third-party energy consumption has changed. With the current attribution, the figures would be:

- Assets leased to the organisation: 1,284,962 (2018)
- Total: 6,582,010 (2018)

Renewable energy production and emissions avoided

By the end of 2022, ACCIONA had 11,826 MW of renewable capacity installed, generating 23,910 GWh. This renewable production avoided[6] the emission into the atmosphere of 13.2 million tonnes of CO_2e, 9,065 tNOx, 25,086 tSOx and 226 tPM_{10}.

→ EMISSIONS AVOIDED PER COUNTRY BY GENERATING RENEWABLE ELECTRICITY

COUNTRIES	INSTALLED CAPACITY (MW)	PRODUCTION (GWh)	EMISSIONS AVOIDED (tCO_2e)
Australia	603	1,075	953,931
Canada	181	524	347.935
Chile	922	2,137	1,802,236
Costa Rica	50	226	210,994
Croatia	30	70	33,146
United States	1,493	2,160	1,292,379
Egypt	186	435	190,204
Spain	5,796	11,720	5,118,497
Hungary	24	40	20,934
India	164	354	322,199
Italy	156	240	106,194
Mexico	1,480	3,723	1,877,789
Poland	101	217	168,223
Portugal	165	364	144,492
Dominican Republic	58	0	0
South Africa	232	484	497,369
Ukraine	100	74	67,534
Vietnam	84	67	65,507
TOTAL	**11,826**	**23,910**	**13,219,563**

*Totals are calculated taking into account all the decimals on each row in the table, which means that the sum of the rows may differ slightly from the total.

[6] These emissions correspond to what would have occurred if ACCIONA's electricity production in each country had been generated using the electric-fossil fuel mix.

Water

→ SCARCITY OF WATER

ACCIONA SOLUTIONS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	
	RESULT OF THE TOPIC ANALYSED	RISK	OPPORTUNITY
	Significant	• Lower asset valuation	• Revenue increase
ACCIONA MEDIA: INFORMATION			

Water is not only a limited natural resource, it is also irreplaceable. ACCIONA develops its water management strategy taking into account its role as a manager of the end-to-end water cycle and as a consumer, as well as the availability of the resource, its quality and the balance of the ecosystems it is in.

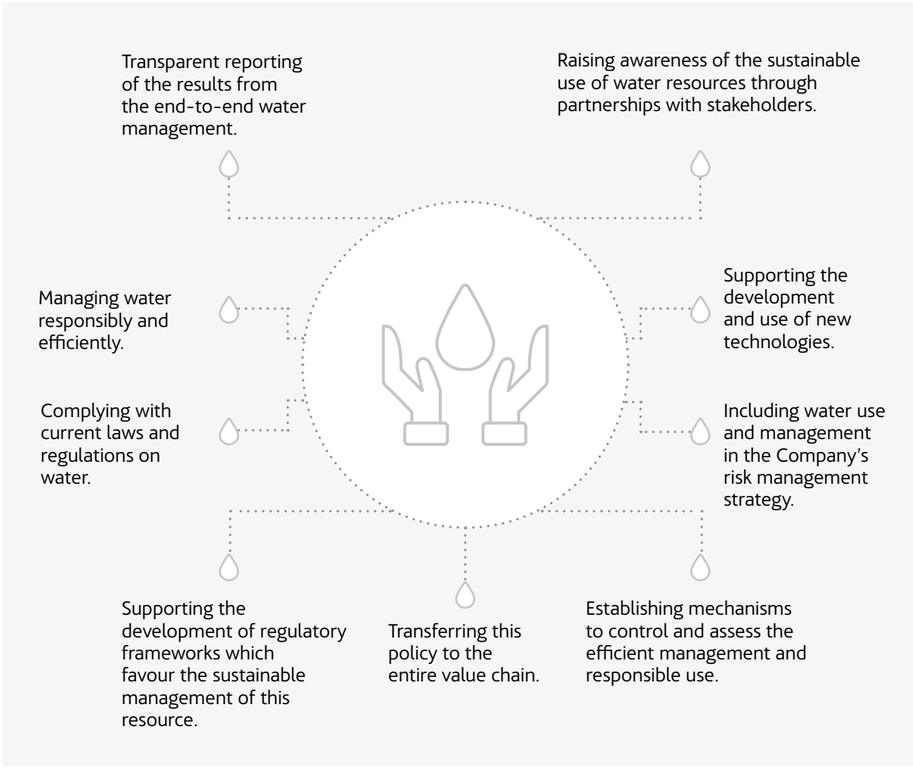
The company is a leader in the water treatment industry through its involvement in the design, construction and operation of drinking water treatment plants, wastewater treatment plants, reverse osmosis desalination plants and tertiary treatments for water reuse. It does so strengthening its focus on services to cities.

ACCIONA explores innovative solutions and applies the latest water treatment technology whilst boosting the digitalisation of the sector, which it deems essential to achieve more efficient and sustainable water treatment processes.

POLICIES ON WATER AND SEA RESOURCES

ACCIONA has a Water Policy, approved by the Board of Directors' Audit and Sustainability Committee. The main objective of this policy is to contribute to the fundamental human right of access to drinking water and sanitation.

The outline of the principles in this policy is:



ACCIONA's water management strategy stands out for its strict compliance with the law, responsible and efficient management, the establishment of specific objectives through the Sustainability Master Plan, the development of and investment in new technologies, the integration of water into risk management, the extension of its principles to the value chain and transparent communication.

Also, ACCIONA establishes prevention measures to minimise possible impacts on species that might be found in river ecosystems and other bodies of water, and also creates standards to respect the environmental flow system and the technical requirements set by the appropriate environmental administration.

The company uses prevention measures, such as water treatment prior to discharge or the installation of systems that improve the connectivity between river sections. The purpose of this is to minimise any potential impacts on species living in aquatic ecosystems.

The processes that guarantee compliance with the requirements for water harvesting and discharge are part of the environmental management systems implemented, verified and certified by the company according to the ISO 14001 international standard.

TARGETS FOR WATER AND SEA RESOURCES

ACCIONA's target for water and sea resources, set forth in the 2025 Sustainability Master Plan focuses on making the most of the water resource and reducing the company's consumption in countries suffering from water stress due to low water availability.

In 2022, this target translated into an 11% cut in the consumption of surface water, groundwater and municipal water in water-stressed countries compared to 2020.

WATER CONSUMPTION

ACCIONA's use of water

In its operations, ACCIONA uses water in three different ways:

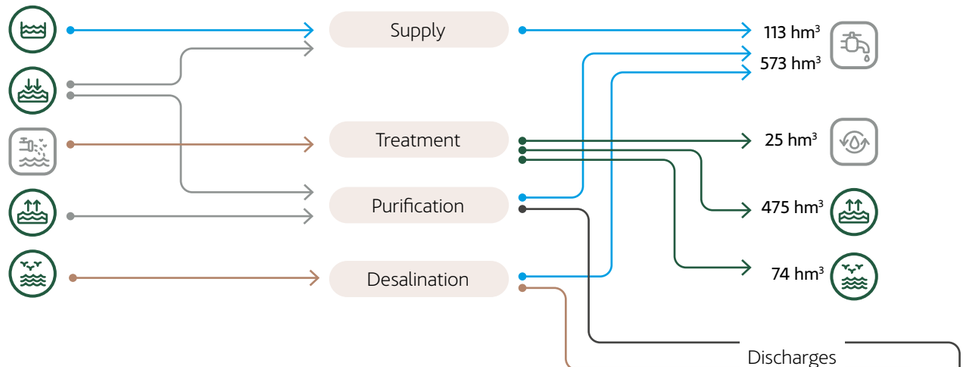
1. **Treatment and distribution of water for customers:** this includes water that is collected in desalination, drinking water and water treatment plants or services operated by the company to cover its customers' demand for water. The principal characteristic of these waters is the fact that the quality levels must be fit for human consumption or compliant with the legally established decontamination levels.

2. **Water for internal consumption:** this is water used by the company at its own facilities. This use includes *freshwater* type water harvesting such as municipal, surface and groundwater. The water sources that do no deplete the natural reserves available, such as rainwater, recycled water from the mains and water reused or recycled on site, supplement the water used for its own facilities.

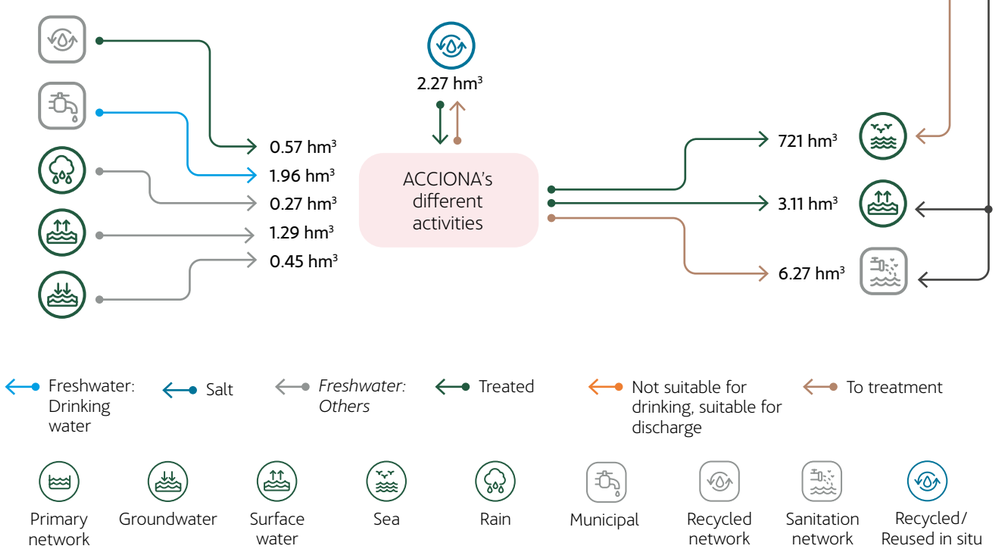
3. **Discharge:** this refers to the residual water from internal consumption that has not evaporated or been used in any company assets and that is removed from the facilities as specified in the relevant discharge permits. All wastewater discharged by the company complies with the specifications in the relevant discharge permits.

→ WATER USAGE IN 2022

Water treatment and distribution for customers



Water for internal consumption



Water treatment and distribution for customers

In 2022, the amount of water treated by ACCIONA was 1,149 hm^3, which is more than the previous year, largely because of the opening and maintenance of the wastewater treatment plant in Gabal el Asfar, in Egypt, that grew the production of treated water by over 52%.

On the other hand, the water distributed from primary networks and groundwater sources amounted to 113 hm^3 compared to last year. This is a 23% increase.

Water for internal consumption

The amount of water for internal consumption increased, especially the water recycled and reused on site, as a result of the operations at the Gabal el Asfar plant in Egypt, which uses part of the treated water for its own maintenance.

Furthermore, ACCIONA has calculated the water consumption (surface and groundwater) associated with its suppliers, resulting in just over 16 hm^3 for its direct suppliers and 62 hm^3 for its entire supply chain.

In 2022, 46% of the water consumed by ACCIONA came from rainwater, recycled water from the mains and water reused or recycled on site.

Discharge and bodies of water significantly affected by water harvesting

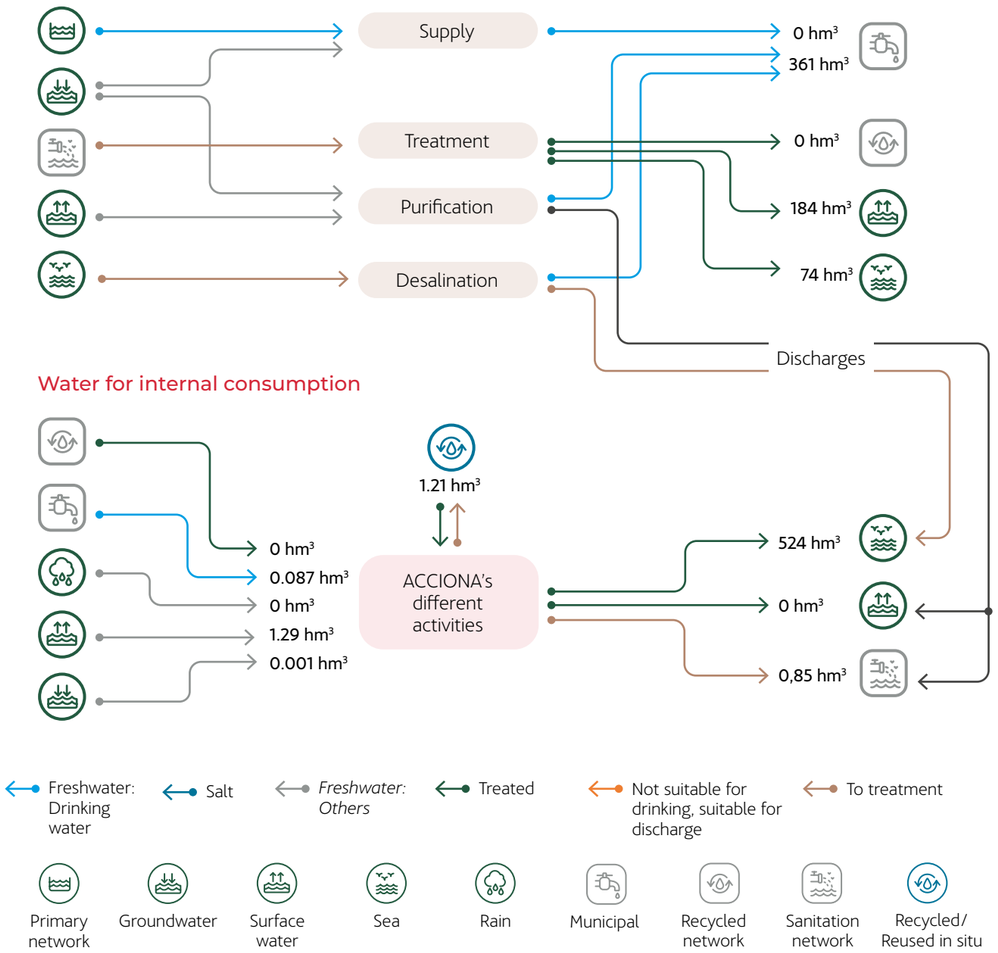
ACCIONA needs to collect and discharge water for certain activities:

- Production of renewable electric power in hydroelectric power plants, where the water is sent back to the riverbed without altering its composition after going through the power plant.
- Drinking water supply through special treatment plants (DWTP) and seawater desalination facilities.
- Executing works.

The waste generated was 730,692,712 m^3, which is less than last year due to the end of the Al-Khobal 1 project. This section includes brine discharged from the desalination plants which accounts for the highest percentage of its discharges.

→ WATER CONSUMPTION IN WATER-STRESSED COUNTRIES

Water treatment and distribution for customers



Water treatment and distribution for customers

In 2022, the amount of water treated by ACCIONA in water-stressed countries was 545 hm^3, which makes up 47% out of the company's total water treatment for customers. Water production processes in water-stressed countries focus on seawater desalination in Saudi Arabia, Algeria, Qatar and United Arab Emirates, (UAE) and the treatment and purification in Egypt.

In 2022, the amount of water treated grew compared to the previous year, largely because of the opening and maintenance of the wastewater treatment plant in Gabal el Asfar in Egypt, that grew the production of treated water by nearly 50%.

Water for internal consumption

The amount of water used for ACCIONA's own consumption in water-stressed countries was 1,294,230 m^3, of which 93% came from rainwater, recycled water from the mains and water reused or recycled on site.

This amount has increased, especially in the on-site recycled and reused category, as a result of the operations at the Gabal el Asfar plant in Egypt, which uses part of the treated water for its own maintenance.

In 2022, ACCIONA's target to reduce the use of surface water, groundwater and municipal water in water-stressed countries was set at 11%. The actual cut was as much as 12%.

Discharge (significantly affected bodies of water)

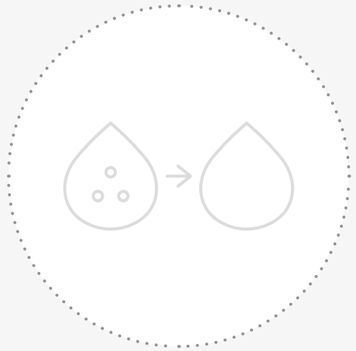
Discharges in water-stressed areas have decreased in 2022 compared to the previous year. The discharge of brine by desalination plants make up 97% of all discharges, as this is the largest part of their waste.

Desalination plants in water-stressed countries

ACCIONA continues to carry out its activity to respond to the demand for water treatment infrastructure in regions with water stress or with predicted water shortages due to the climate change.

Over 2022, ACCIONA finished building and began to operate the desalination plant of Shuqaiq 3 in Saudi Arabia, with a production of 450 million litres of drinking water.

It has also begun to build the Jubail 3B desalination plant that is expected to produce 570 million litres of drinking water per day once it begins to operate.



Circular economy

→ CIRCULAR ECONOMY

ACCIONA SOLUTIONS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	
	RESULT OF THE TOPIC ANALYSED	RISK	OPPORTUNITY
	Important	• Higher raw material costs	• Lower raw material costs
	Important	• Higher raw material costs • Higher operating costs	• Reduced raw material costs
	Important	• Loss of market share • Lower operating costs	• Revenue increase

ACCIONA MEDIA: INFORMATION

A circular economy model aims to keep up the value of the products and materials as long as possible, minimise waste and preserve resources in the economy, and once the product reaches the end of its useful life, use it repeatedly and continue to create value.

As for infrastructure, the transition to a circular economy will not only reduce considerably the use of natural resources and the environmental impact, it will also entail a financial opportunity arising from the competitive edge and, if the right processes are put in place, it will enable a better restoration and regeneration of the natural capital.

OUR CIRCULAR COMMITMENT

Since 2021, ACCIONA has been following its Circular Economy Policy which establishes an action framework focused on regenerating environments and creating positive renewable energy balances by eliminating virgin materials. The aim is to enable the full circularity of materials used in the processes.

The ambition to make progress with these goals means giving priority to reducing the use of resources and increasing the use of renewable and recycled materials, recycled water and renewable energy in the company's processes. This gives a new life to waste understood as potential raw materials, integrating circular economy into the ESG risk management.

More information: ACCIONA's Circular Economy Policy

OBJECTIVES FOR THE CIRCULAR ECONOMY AND THE USE OF RESOURCES

Under the 2025 Sustainability Master Plan, ACCIONA has resolved to increase its efforts in the area of the circular economy, and to halve the amount of non-recovered waste compared to 2020, and also double the percentage of renewable/recycled resources used by the company.

In 2022, this commitment has translated into the following objectives:

1. A 20% reduction in the hazardous and non-hazardous, non-recovered waste generated compared to 2020.
2. Use of at least 14% resources from recycled/renewable sources.

ACTIONS AND RESOURCES FOR THE CIRCULAR ECONOMY AND THE USE OF RESOURCES

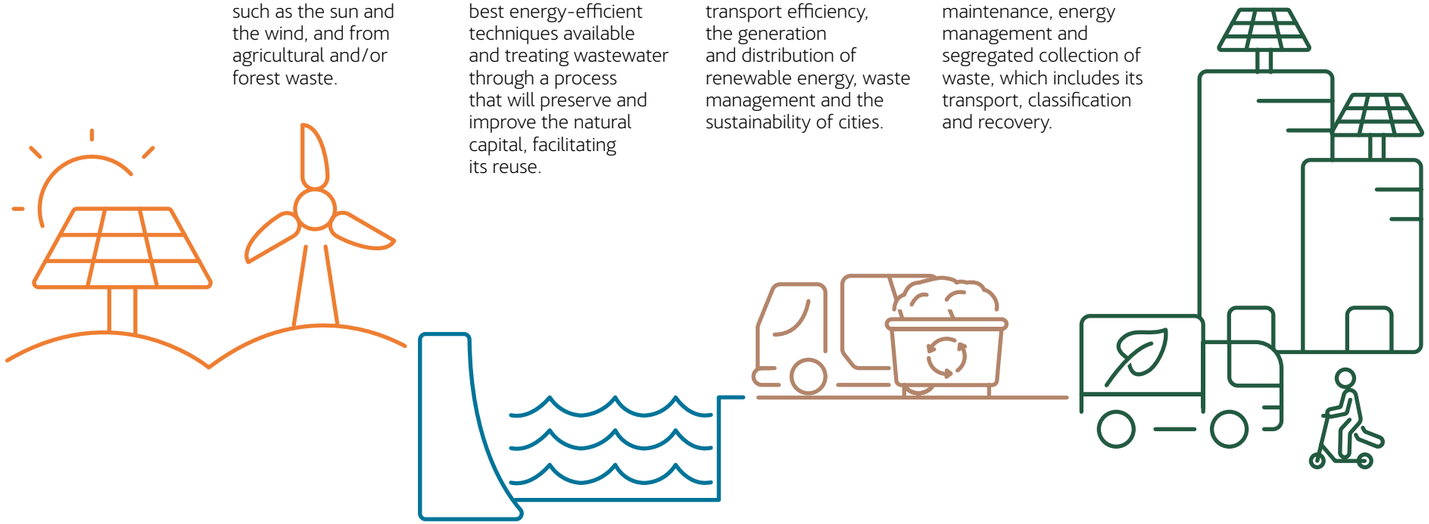
ACCIONA's environmental policies seek to boost changes in processes that will help the company leave a positive footprint with its activities. Some of the actions carried out by ACCIONA that are proof of its performance in this area are:

1
Generating renewable energy from inexhaustible sources such as the sun and the wind, and from agricultural and/or forest waste.

2
Producing drinking water from sea water in water-stress areas through the best energy-efficient techniques available and treating wastewater through a process that will preserve and improve the natural capital, facilitating its reuse.

3
Developing infrastructure that benefits and improves transport efficiency, the generation and distribution of renewable energy, waste management and the sustainability of cities.

4
Providing services in shared electric mobility, infrastructure maintenance, energy management and segregated collection of waste, which includes its transport, classification and recovery.



ACCIONA also optimises the circularity of its processes in the following way:

- It uses life cycle analysis (LCA) tools, to assess and reduce the impact of its developments, and also its consumption of materials and energy. In 2022, ACCIONA ran 7 LCAs.
- It minimises its fossil fuel energy use.
- It rationalises its water use and makes use of alternative water sources that do not deplete the existing resources.
- It gives a second life to the waste and subproducts deriving from its processes: soil, rubble, ash, slag, plant remains and sewage sludge.
- It maximises the usefulness of the materials and uses sustainable resources such as recycled aggregates, renewable materials such as FSC (Forest Stewardship Council) certified wood and biomass, or advanced materials such as composites, which minimise the amount of components used.
- It carries out intensive R&D&i work in all its business areas, improving the efficiency of its processes and the performance of the resources used.
- It uses digitalisation as a catalyst for circular opportunities in construction, through technologies such as Building Information Modelling (BIM), machinery automation and 3D printing.
- It works closely with its stakeholders in raising awareness and giving courses about the circular economy.

Principles of the circular economy applied to building the State-Owned Primary School in Torrevieja

The design of the State-Owned Primary School (CEIP) in Torrevieja is based on sustainable criteria that sets it as a benchmark for decarbonisation:

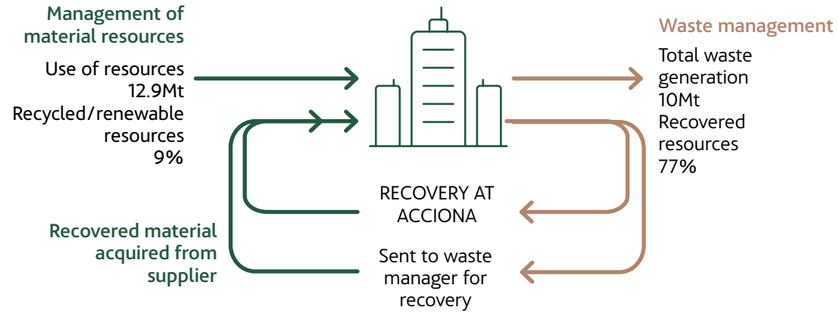
- Use of green steel with 93% recycled content and, potentially, generating 36% less CO_2 than the industry average.
- Buy green concrete that generates 40% less emissions than traditional concrete but with the same structural properties.
- Recover the material extracted during the digging phase and reuse it as fill for building work.

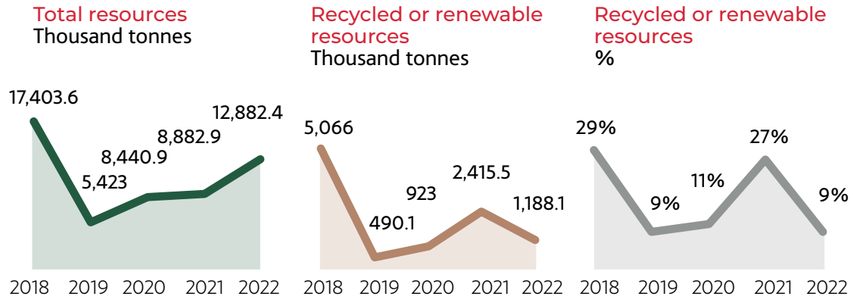
RESOURCE CONSUMPTION AND WASTE GENERATION

The following diagram shows, as in the Circle Economy[7] circularity gap chart, the flows of materials at ACCIONA in 2022.

[7] **More information:** The Circularity Gap Report:

→ MATERIAL FLOWS AT ACCIONA





Resource consumption

In 2022, ACCIONA consumed a total 12,882,454 tonnes of resources, which is more than the previous year. The percentage of materials from renewable sources was 9% in 2022.

→ EXTERNAL ENERGY CONSUMPTION
(MWh)

	2018	2019	2020	2021	2022
TOTAL RESOURCES (tonnes)	**17,403,599**	**5,452,965**	**8,440,914**	**8,882,855**	**12,882,454**
Recycled or renewable resources (tonnes)	5,065,995	490,135	923,038	2,415,460	1,188,065
Recycled or renewable resources (%)	29%	9%	11%	27%	9%

Recycled or renewable: biomass, certified wood (FSC or similar), soil, aggregates, steel, recycled paper and cardboard

Waste generation and management

In 2022, the company generated a total of 72,330 tonnes of hazardous waste. This means a large increase compared to the 2021 figure (25,880 tonnes), which is mainly owed to the use of asbestos-contaminated materials in works in Oceania. On the other hand, 9,897,906 tonnes of non-hazardous waste were generated, of which 2,248,899 were sent to landfill and 7,649,007 were recovered (reuse, recycling or other means). The latter figure means 77% of the total non-hazardous waste generation. The increase in waste generation compared to last year is due to the greater earth movement at sites, such as the building work for line 6 in the Sao Paulo underground (Brazil).

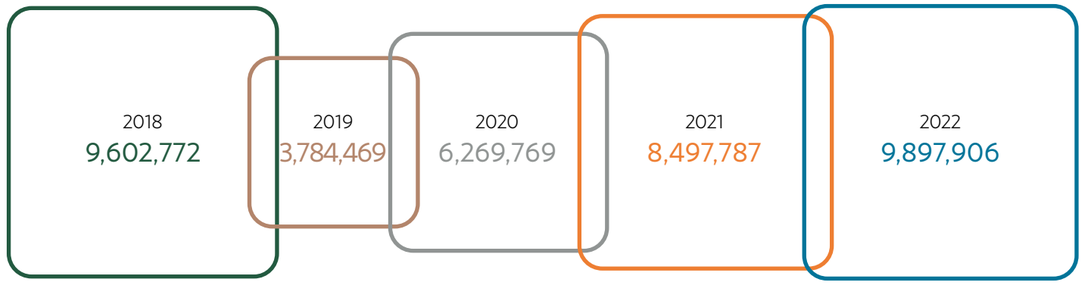
It is worth mentioning the reuse of 29,107 tonnes of slags and 3,012 tonnes of ashes, making up 100% of legally recoverable slags and ashes generated in ACCIONA's biomass plants.

→ WASTE GENERATION AND MANAGEMENT

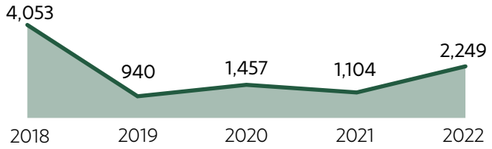
	2018	2019	2020	2021	2022
Total non-hazardous waste (tonnes)	**9,602,772**	**3,784,469**	**6,269,769**	**8,497,787**	**9,897,906**
Non-hazardous waste to landfill (tonnes)	4,053,423	940,177	1,457,220	1,103,724	2,248,899
% Non-hazardous waste to landfill	42%	25%	23%	13%	23%
Non-hazardous waste recovered (tonnes)	5,549,349	2,844,293	4,812,549	7,394,063	7,649,007
% Non-hazardous waste recovered	58%	75%	77%	87%	77%
Total hazardous waste (tonnes)	**8,633**	**2,761**	**5,071**	**25,880**	**72,330**
Hazardous waste to landfill (tonnes)	-	-	4,380	10,228	53,191
% Hazardous waste to landfill	-	-	86%	40%	74%
Hazardous waste recovered (tonnes)	-	-	691	15,652	19,138
% Hazardous waste recovered	-	-	14%	60%	26%

→ FLOWS OF MATERIALS IN ACTION

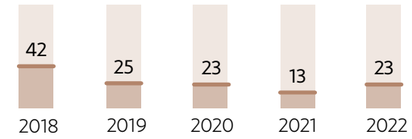
Total non-hazardous waste (t)*



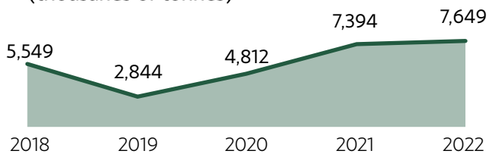
Non-hazardous waste to landfill (thousands of tonnes)*



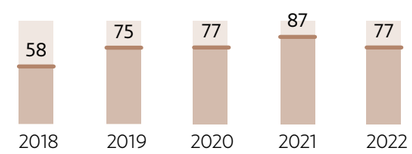
% Non-hazardous waste to landfill



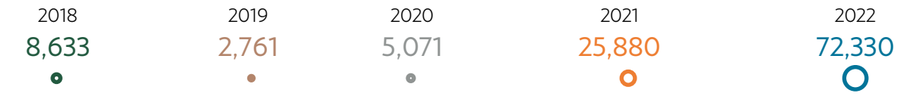
Non-hazardous waste recovered (thousands of tonnes)*



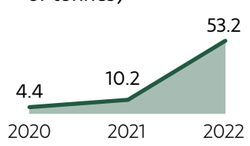
% Non-hazardous waste*



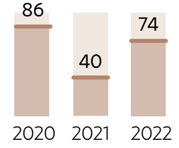
Total hazardous waste Tonnes*



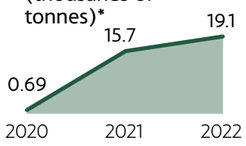
Hazardous waste to landfill (thousands of tonnes)*



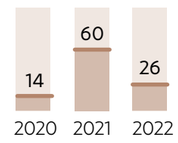
% Hazardous waste to landfill*



Hazardous waste recovered (thousands of tonnes)*



% Hazardous waste recovered*



*Rounded values

Biodiversity

→ BIODIVERSITY AND CONSERVATION

ACCIONA SOLUTIONS	IMPACT MATERIALITY	FINANCIAL MATERIALITY	
	RESULT OF THE TOPIC ANALYSED	RISK	OPPORTUNITY
	Significant	• Lower revenue • Bigger regulatory burden	• Higher asset valuation
	Significant	• Higher raw material costs • Bigger regulatory burden • Lower revenue	• Higher asset valuation
	Important	• Higher operating costs • Bigger regulatory burden	• Lower raw material costs

ACCIONA MEDIA: INFORMATION

The Sustainability Master Plan (SMP) lays down ACCIONA's commitment to protect and restore biodiversity, aspiring to generate a Net Positive Impact across all the company's projects by applying the mitigation hierarchy and nature-based solutions.

ACCIONA is committed to reaching the No Net Loss objective (medium term) and the Net Gain or Net Positive Impact goal (medium-long term) in biodiversity and ecosystemic services. Strict compliance with the laws on environmental impact ensures minimising these impacts and the mechanisms of ACCIONA's certified environmental management systems strengthen and even surpass this compliance. Nevertheless, the existence of certain unavoidable residual impacts may escape the existing legal requirements in some territories. In this regard, ACCIONA works on the evolution of its environmental management systems so that this type of impact is also avoided, reduced, restored or offset, extending its commitments to suppliers, contractors and collaborators.

In line with the commitment above, ACCIONA has a No Gross Deforestation goal, understanding the need to reduce global deforestation, including those associated to the basic products and services the company produces, markets and/or sells.

This commitment translates into the planting of a million trees (besides those already planned to offset some of its projects) over the 5-year SMP period. This way, ACCIONA aims to reach the No Net Deforestation objective offsetting the loss of biodiversity with future voluntary tree-planting.

BIODIVERSITY AND ECOSYSTEM POLICY

ACCIONA, through its Biodiversity Policy promotes conservation and a responsible use of our natural heritage, not only as a necessary means for economic development and social progress, but also as a key, high value asset in itself.

The principles laid down in the policy are part of the following topics:

Conserving, protecting and improving the environment through specific actions.

Controlling and offsetting the impacts caused by the company's business activities.

Disseminating and promoting knowledge and courses on biodiversity conservation, highlighting and announcing the actions developed and encouraging best practices.

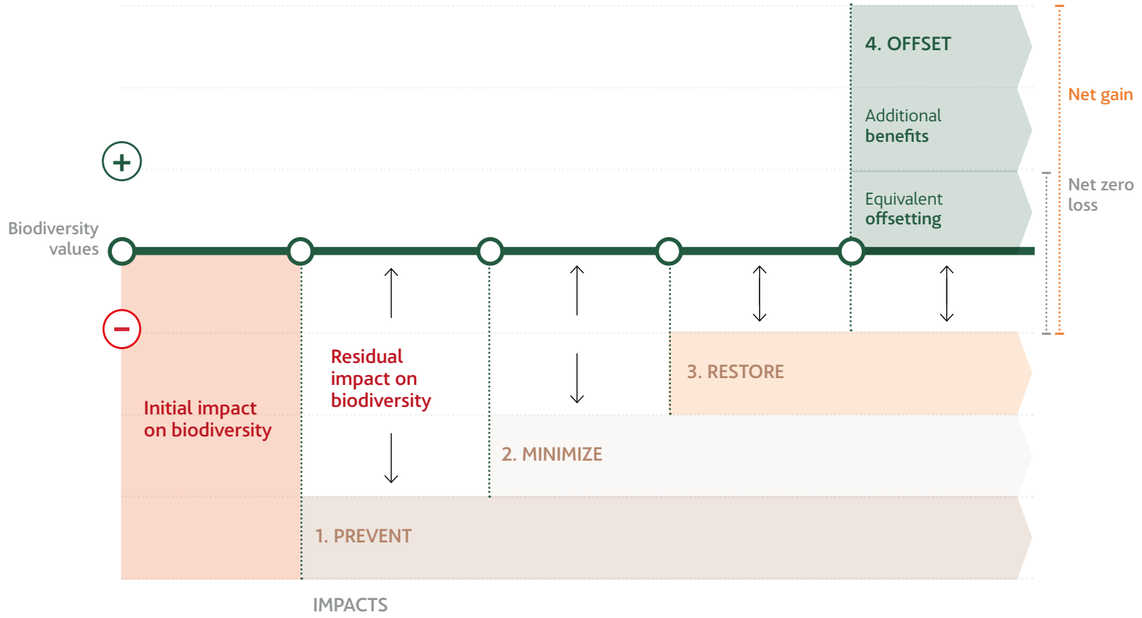
Collaborating with public administrations, local communities, social organisations and other stakeholders in the development of biodiversity conservation, raising awareness and researching matters related to biodiversity.

Hierarchy of mitigation in biodiversity

ACCIONA prioritises the mitigation hierarchy strategy against negative impacts on biodiversity. To do so, it identifies and prevents potential negatives effects, minimises those that cannot be avoided, applies restoration actions and takes steps to offset the impacts according to its Biodiversity Policy.

Furthermore, the company develops environmental monitoring plans to control and monitor the initiatives implemented.

→ HIERARCHY OF MITIGATION DIAGRAM



Biodiversity and ecosystem risk management

The company's Risk Management System includes the biodiversity variables and risks through the specific ESG Risk Management procedure. From this procedure we conclude the following:

- Out of the total risks and centres assessed, 16% of the risk score comes from the ESG "Biodiversity and Protected Areas" variable.
- The countries with the highest risk average for the ESG "Biodiversity and Protected Areas" variable in ACCIONA's sites are: Costa Rica, Hong Kong, Croatia and Portugal.

The ESG "Biodiversity and Protected Areas" variable is formed by the existing biodiversity level, the protection offered by certain conservation designations and the level of scrutiny associated to them in connection with the geolocation of the installation assessed.

Also, in 2022, ACCIONA led four pilot projects to assess nature-related risks following the methodology developed within the framework of the Taskforce on Nature-related Financial Disclosures (TNFD).

TNFD framework: Nature-related risk management in four pilot projects led by ACCIONA

The Taskforce on Nature-related Financial Disclosures (TNFD) is a global initiative driven by the need to integrate nature-related risks in financial and business decisions.

To do so, the TNFD suggests a series of developments to be completed by the end of 2023 and coordinated through the LEAP methodology based on four phases: *Locate* (locate activities and ecosystems where the activities will take place), *Evaluate* (identify impacts and dependencies), *Assess* (analyse risks and opportunities) and *Prepare* (report results to investors).

In 2022, ACCIONA led four pilot projects where it tried to implement the nature-related risk management principles from the information published by the TNFD. This provided a first draft of the internal methodology to be applied to its activities.

For these pilot projects, the four phases mentioned above were followed:

LOCATE

For this phase, the company aimed to identify the four facilities that should be reasonably analysed. To do so, the location of the company's +1,000 projects was intersected with up to 10 layers of geographic information related to the identification of biomass, the level of protection or the level of environmental degradation in each location. Then, more information was added from public databases that quantify the potential impact/dependency of different economic activities on/of different environmental aspects, producing a point-based classification system that prioritises the selection of projects. For this pilot, we also took into account the identification of projects that would bring together the diversity of activities carried out in the company and the speed and accessibility to detailed information.

The projects used in the pilot were:

- **Wind Farm in Gouda, South Africa,** with over 46 wind turbines.
- **Solar Farm in Amaraleja, Spain,** with a capacity of 45.78 MWp.
- **The building of the Bunbury Out Ring Road (BORR) in Australia,** to connect different highways.
- **Inverse osmosis desalination plant in Copiapó, Chile.**

EVALUATE

For this phase, the company assessed the possible dependencies of services provided by nature, as well as potential impacts on nature –direct ones and those produced by the supply chain– for each project.

The dependency assessment was based on the analysis conducted in the previous phase, selecting for each project the ecosystem services with highest potential importance. Then it identified the natural elements that those ecosystem services would provide. After this, a series of metrics were allocated to assess (quantitative and qualitative approach) the elements identified that will indicate the level of dependency. This analysis was also conducted on the supply chain with a more qualitative approach.

To assess direct impacts, ACCIONA also used the analysis from the previous phase, selecting for each project the impacts with highest potential importance. Then a series of impact scenarios were generated to create a direct-impact scoring and classification system, using project activity metrics related to the use of elements in the environment, specification metrics on the state of the environment and indicators related to the degree of environmental management of the project.

TNFD Framework: A new biodiversity reporting structure for companies

As for the appraisal of indirect impacts produced by the supply chain, the specification was based on input-output models limited to two types of environmental pressure (use of land and climate change) combined with a model converting environmental pressure into impact indicators on species abundance (MSA).

In the pilot, three projects initially showed relevant dependencies of services for land stabilisation services, erosion control and climate regulation, mainly related to the land transformation they would entail. As for direct impacts, the highest potential impact came from the building project, followed by the desalination project, especially the potential impacts regarding the degradation of protected areas and water quality. As for impacts by the supply chain, the impacts derived from the climatic effect are rated as negligible compared to those affecting the use of land, with similar impact results in the renewable generation plants and in the building project.

ASSESS

During this phase we identified and quantified the physical and transitional risks related to nature for each of the projects in the short, medium and long term. Additionally, the company explored opportunities that were not connected to a specific project.

The different risk scenarios put forward were based on output from the previous phase, but we also used information from the environmental evaluations for each project. As a general rule, for the dependencies, the company assessed the physical risk scenarios whereas the impacts derived into transitional risks.

As for each risk scenario suggested, we assessed the likelihood of occurrence over three different periods in accordance with ACCIONA's existent methodology for risk assessment, considering the severity of each scenario with a quantitative approach according to the importance of the associated dependency or impact. The combination of likelihood and occurrence determined the inherent risk of each scenario considered, which in a subsequent phase was compared and adjusted following the interviews with the leaders of each project.

After the process carried out under the company's risk assessment standards, none of the 96 risk scenarios analysed were relevant for ACCIONA (either because the impact was negligible or because the environmental management in place minimised the likelihood of occurrence or severity).

Nevertheless, and only considering the inherent risk, it is worth mentioning the following scenarios:

- In the short term, an increase in costs derived from greater reporting requirements due to ACCIONA's presence in protected ecosystems. This applies especially to the wind farm and the potential regulatory violations affecting protected species.
- In the medium to long term, the transitional risks related to law violations due to the emergence of new protection designations (that would not apply to the building work) continue to stand out. As for physical risks, it is worth highlighting a greater exposure to extreme events in the wind farm, caused by the loss of vegetation in the area.

PREPARE

Regarding this phase in the project, the goal was not as much about characterising the information gathered under the TNFD requirements, but rather analysing the existing gap in the company in the face of those requirements. In this regard, a series of improvement opportunities were identified. Some of them were determined as to be easily implemented: the ones related to governance, reporting results and tracking target performance. Others, such as implementing new monitoring metrics by project and standardising processes to identify dependencies, impacts, risks and opportunities, are deemed as harder to implement.

ACTION PLANS AND RESOURCES OF THE BIODIVERSITY AND ECOSYSTEM POLICIES

ACCIONA's projects consider the conservation, protection and restoration of habitats and ecosystems that could be affected by its facilities.

In 2022, ACCIONA protected and recovered 90 hectares as part of its conservation, protection and restoration actions, which entail a net increase of the natural capital. Likewise, the services business has carried out the restoration, cleaning and environmental maintenance of 1,209 hectares of high environmental value.

These habitat restoration and protection actions, as well as other work in landscape integration or reforestation in degraded areas or those lacking in vegetation, in 2022, translated into the planting of 1,014,907 trees in total, of which 145,564 were voluntary reforestation (in addition to the 78,189 trees already planted voluntarily in 2021).

With this voluntary reforestation, ACCIONA makes further progress with its commitment in the Sustainability Master Plan on planting and monitoring the growth of a million trees over the five-year SMP period. This action will boost the management and mitigation of deforestation risks among partners, suppliers and other stakeholders.

Improvement of the aquatic ecosystem on the E6 Ranheim - Vaernes road.

ACCIONA's actions in the project to upgrade the E6 road along the Ranheim - Vaernes stretch have improved the aquatic ecosystem in the Trondelag region in Norway.

The restoration work focused on:

- **Recovering the continuity of the riparian ecosystems on 8 riverbeds affected by the existent highway, allowing eels and other water species to use it.**
- **Promoting the colonisation of species that had left the area, relocating them to special areas in some riverbeds such as, for instance, releasing mussels into the Homla river stretch, listed as one of the 390 protected rivers in Norway.**
- **Improving the habitat for the salamander in areas where they have been spotted.**

Additionally, the company adopted measures to re-adapt the end part of the Hoybbybekken river (listed as an important habitat) to create a new reproduction and breeding space for sea trout (listed species).

Biological pest control in Madrid

In 2022, ACCIONA carried out five biological pest controls in several historical parks in the city of Madrid.

The pests spreading in those parks were damaging and threatening the local ecosystem and biodiversity. To get it under control, we installed nest boxes for birds and insect-eating mammals, which is a biological control method that minimises the use of pesticides and therefore means a pest control method with no impact on native plants or animals.

These actions have resulted in a rise in the occupancy rate of control species by up to 70%, far above that observed in other nesting projects, as well as a 45% increase in the presence of birds and bats since 2021. Also, other species, including geckos, spiders and other insects, have increased their occupancy rate to as much as 90%.

IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS

Biodiversity performance indicators

→ LOCATION WITH RESPECT TO THE PROTECTED AREA

LOCATION WITH RESPECT TO THE PROTECTED AREA	SURFACE (ha)
Internal	2,325
Partially internal	1,706

Every ACCIONA site that may affect protected areas and the surrounding biodiversity relies on special environmental impact studies and environmental monitoring plans. In 2022, we counted 216 sites that are fully or partially located in protected areas.

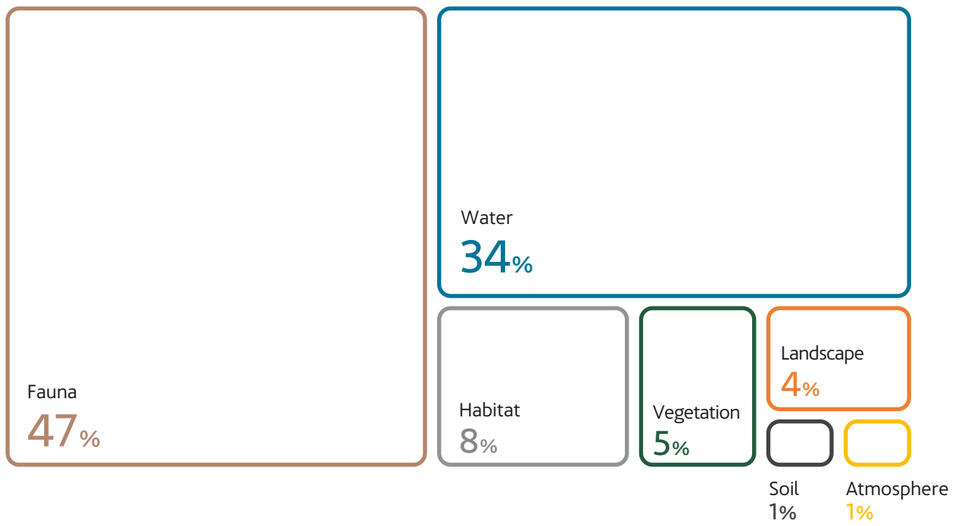
Identification and assessment of the most significant impacts

ACCIONA identifies and assesses the most significant impacts of its facilities located in protected and non-protected areas that are of great value for biodiversity. Also, 100% of the company's operational assets are assessed for their potential impact on biodiversity and protected areas and included in the ESG Risk Management System.

In 2022, the most significant impacts were detected on fauna (47%) and water (34%), and, to a lesser extent, on habitat (8%), vegetation (4%) and landscape (4%).

This assessment took into account the species affected, the surface area of the facility within the protected area, the duration of the impacts, and whether they were reversible or irreversible.

→ MOST SIGNIFICANT ENVIRONMENTAL IMPACTS BY AREA
(%)



Protected species

The company identifies the species affected by its facilities according to the Red List of Endangered Species prepared by the International Union for Conservation of Nature (IUCN) or included in national conservation listings.

The table below shows the number of species and the degree of protection according to the IUCN Red List. Furthermore, it takes into account the species that are not on this list but are protected by national listings.

→ PROTECTED SPECIES AFFECTED BY ACCIONA FACILITIES

	IUCN RED LIST PROTECTION CATEGORY	No. OF SPECIES
Extinct	EX	0
Extinct in the wild	EW	0
Critically endangered	CR	6
Endangered	EN	10
Vulnerable	VU	19
Near threatened	NT	14
Least concern	LC	158
Data deficient	DD	0
Not evaluated	NE	2
Other national listings	-	14
Total		223

Integrated environmental management

ACCIONA centres its business model on the design, construction and operation of resilient and sustainable infrastructures, on the decarbonisation of the energy mix through the generation of renewable energy and the mitigation of water stress in large areas on the planet through different processes, including water desalination and wastewater treatment.

In 2022, ACCIONA allocated €146.3 million to managing (preventing, reducing or correcting) the environmental impacts caused by its operations (€139.4 million on expenditures and €6.9 million on investments).

ACCIONA's staff is highly qualified in each of the functional, hierarchical and geographical areas and always contributes the maximum quality and experience required to carry out the company's activities adhering to the strictest environmental standards.

The company continues to further its commitment to environmental training and the development of skills in that area. In 2022, ACCIONA's employees received a total of 6,081.3 hours of training in areas such as climate change, environmental management systems, waste management and environmental restoration of degraded areas, among other subjects.

Inherently, the industrial business involves an environmental impact. Consequently, ACCIONA prioritises the precautionary principle in all its business activities: managing all environmental, climate and water risks comprehensively, reducing and offsetting emissions, boosting circular economy and preserving biodiversity are all actions included in the company's business model.

Principles of successful environmental management

ACCIONA bases its environmental management model on the principles of improving environmental performance. This model establishes a common action framework to coordinate the different management procedures in each unit identified in the company and defines the aspects linked to the environment from the point of view of the life cycle, identifying risks and opportunities as a way of ensuring improvement.

Through its Environmental Management Systems, the company identifies, assesses and minimises the potentially negative impacts produced by carbon and other harmful gas emissions, discharges and waste, or the consumption of resources, as well as noise and light pollution. At the same time, it maximises the positive impacts that materialise throughout the project, from the facilities design to their operation.

The verification and certification of these Environmental Management Systems are done by independent official bodies following the international ISO 14001 standard.

The management model follows these practices as basic principles:

Evaluation and monitoring of the environmental impact

In 2022, 101 of the projects promoted by ACCIONA were subject to the Environmental Impact Assessment (EIA). Ten of these received positive reports on their environmental impact. The EIAs for these projects were published in the corresponding official gazettes and platforms were set up by the government to channel citizen participation and obtain their feedback in this regard.

In addition, ACCIONA tracked 366 Environmental Monitoring Plans (EMPs) at centres and facilities that were under construction, up and running or under maintenance.

Environmental incidents

ACCIONA registered and identified 891 environmental incidents in 2022. Six of these involved considerable spills (> 0.5 m^3 in water / > 3 m^3 on soil) with a total volume of discharge of approximately 44 m^3.

The management of the incidents and their subsequent repair, mitigation and/or offsetting was done in accordance with the company's environmental management.

Environmental fines and penalties

In 2022, €9,874 were paid in total for seven environmental fines.

Provisions relating to likely or certain liabilities, litigations in progress and compensation or outstanding obligations of an undetermined amount of an environmental nature, not covered by the insurance policies taken out, are made at the time when the liability or obligation determining the indemnity or payment arises.