

H1 2021

SUSTAINABILITY

REPORT

RESULTS FIRST SEMESTER 2021

Highlights

LAUNCH OF THE SUSTAINABILITY MASTER PLAN (SMP) 2025

The new plan focuses on strengthening the sustainable competitive advantage of all our projects and activities, implementing innovative “regenerative measures” that create value by multiplying the positive impacts of our activities. It adds “regeneration” to the “responsibility” and “resilience” areas of the two former plans, raising the ambition and scope of our sustainability targets.

The SMP 2025 is a complete tool kit that allows us to act on the main processes of the company to reinforce our sustainable differentiation. It is rolled out through 4 basic pillars:

- PEOPLE CENTRIC: our people are our advantage.
- INTEGRATE TO TRANSFORM: creating a sustainable difference in each project.
- EXPONENTIAL LEADERSHIP: we are not neutral; we pursue a goal.
- PLANET POSITIVE: beyond net-zero, positive impact on natural capital.

This plan contains more than 80 transformation levers that will make a decisive contribution to the group by maintaining its leadership as a global corporate benchmark in decarbonisation and in the development of sustainable infrastructures.

The following pages of the report detail the evolution of the indicators in this period and the actions of the Sustainability Master Plan (SMP) 2021-2025 developed in this area.

SUSTAINABLE FINANCE INNOVATION

ACCIONA basically uses two sustainable financing mechanisms: those aimed at projects or activities with sustainable goals, whose objective is to promote specific positive impacts linked to financing, and corporate financing that entails commitments to improve its ESG performance. In both types of financing, the company's investment is linked to the company's vocation to develop the sustainable agenda, such as renewable energies, access to water and sanitation, sustainable mobility, circular economy and adaptation to climate change.

In May 2021, we signed a new sustainability-linked finance operation worth EUR 800 million, over two stages: EUR 200 million and a revolving credit line of EUR 600 million, both at five years and extendible to seven. The funding is structured around an innovative “double impact” ESG scheme, which links cost reductions to corporate sustainability goals and, for the first time, to pledges to generate positive local impacts. At corporate level, our pledge is to reduce greenhouse gas emissions by 60% by 2030. As regards additional local positive impact, we have included targets such as training for vulnerable groups and giving isolated rural communities access to clean energy.

ACCIONA Energía, of which the group holds 82.75%, has used a similar funding scheme. In May 2021, the company signed a €2.5 billion ESG-linked finance contract. The commitments are to

align 95% of its investment with the European taxonomy of low-carbon activities and to absorb emissions from the activity by planting and preserving trees.

ACCIONA ENERGÍA OBTAINS THE HIGHEST ESG CREDENTIALS

ACCIONA Energía has received the best environmental, social and corporate governance (ESG) rating in the global energy sector in a cross-sector assessment by S&P Global Ratings.

With a score of 86 out of 100, ACCIONA Energía is the sector leader and the fifth-ranked company in the world across all sectors.

S&P Global Ratings highlights its position as the world's largest 100% clean energy company, with a successful track record of innovation in green technologies that position the company at the forefront of the low-carbon transition. The newly created Board of Directors is also positively rated for its diversity in terms of "gender, background and skills" and "robust values framework".

Progress of key indicators

	1S 2019	1S 2020	1S 2021	Variación 2020-2021
Social				
Workforce (no.)	37,871	35,741	38,967	9%
Women in managerial and executive positions (%)	20.40%	20.90%	21.60%	3%
Employees with disabilities (Spain) (%)	ND	ND	3.50%	-
Accident frequency rate, employees and contractors	2.6	1.9	2.2	16%
Accident severity rate, employees and contractors	78.6	68.9	60.1	-13%
Projects with Social Impact Management (No.)	124	114	114	0%
Beneficiaries of Social Impact Management (million people)	-	-	6.4	-
Environmental				
CAPEX aligned with European taxonomy of sustainable activities (%)	ND	85%	84%	-1%
Renewable energy production (GWh)	11,245	12,104	12,557	4%
Avoided emissions (million tCO ₂ e)	6.3	6.9	6.8	-1%
GHG emissions scope 1+2 (million tCO ₂ e)	0.082	0.063	0.088	40%
Renewable and recycled resources (%)	8%	9%	18%	100%
Waste sent to landfill (million tonnes)	0.32	0.55	0.89	61%
Percentage waste recovered (%)	80%	70%	74%	6%
Water consumption (hm ³)	1.1	2.2	2.7	22%
Water production (hm ³)	508	466	504	8%

* Emissions from the airport handling business have been estimated at 3,700 tonnes of CO₂ equivalent.

HIGHLIGHTS OF THE COMPANY'S SOCIAL PERFORMANCE IN THE FIRST HALF OF THE YEAR

| HEALTH AND SAFETY

The frequency rate increased due to the reactivation of workplace activity, which had fallen of over March-June 2020 due to the COVID-19 pandemic. In spite of the increase in the number of accidents, their severity (days lost) decreased in our infrastructure business. There was an increase in our energy business, due to the reduction in the number of hours worked, because of the curtailment of construction activity.

In terms of prevention against exposure to the coronavirus, we carried out 8,750 medical tests for early detection and follow-up of suspected cases or possible contacts with a confirmed case.

| DIVERSITY

The increase in the number of women in management and executive positions is due mainly to greater recruitment of women, particularly in our energy division.

50:50 Sustainability Projects

These projects actively promote female participation and leadership in production centres. To make this possible, we identify local female talent and give women training in specialised tasks. The programme makes them more attractive to employers and boosts local employment, while generating models that can be replicated for other women. To date, 8 projects have been developed: 4 in our energy division and 4 in our infrastructures division. One outstanding example is the neonatal unit at Marga Marga hospital in Chile, which was built by a team of 35 women. Training was offered to more than 200 women, 120 of whom were awarded trade certification. It was given the “Woman Builds 2021” award by the Chilean Chamber of Construction.

The figure for employees with disabilities is shown as a percentage of direct recruitment. It does not include indirect recruitment via alternative measures (purchases and donations), which is calculated annually.

| ACCESS TO RIGHTS

In the first half of 2021, we continued to work on updating our Human Rights Policy, rolling out a series of responsible business conduct principles and an array of commitments that allow us to conduct due diligence processes to identify, evaluate, prevent, mitigate, stop, supervise, communicate, post, deal with, remedy and report the real or potential adverse effects of our activity on human rights. We also encourage our commercial partners, including suppliers, contractors, customers and shareholders, to apply these responsible business conduct principles.

HIGHLIGHTS OF THE COMPANY'S ENVIRONMENTAL PERFORMANCE IN THE FIRST HALF OF THE YEAR

| CLIMATE

The alignment of CAPEX with the European taxonomy of low-carbon activities is 84%, based mainly on investment in renewable energy and electric mobility. This also applies to 89% of EBITDA and 39% of revenues, in which our rail infrastructure construction business, efficient water services, efficient building and waste separation services also played a part.

Alignment with the European taxonomy of low-carbon activities		
Climate change mitigation		
CAPEX	84%	ELIGIBILITY: 84%
EBITDA	82%	ELIGIBILITY: 91%
REVENUES	37%	ELIGIBILITY: 61%

Scope 1 and 2 emissions increased by 40%, due to the consolidation of new construction businesses in Australia, which generated 28,000 tonnes of CO₂. Half of these were generated in the Western Sydney Airport project. ACCIONA launched the second edition of our decarbonisation fund, which will have a budget of EUR 1.1 million, to be used to reduce direct emissions at our facilities.

The increase in the production of renewable energy is mainly due to the commissioning of wind and solar farms in the USA, Mexico and Chile. Avoided emissions are the fossil fuel emissions averted as a result of renewable energy generation. They are calculated as renewable production multiplied by the corresponding fossil emission factor. They remained steady over the half year, in spite of the increase in production, due to the drop in fossil emission factors.

| CIRCULARITY

The amount of waste sent to landfill grew by 340,000 tonnes up on 2020. There was also a drop in the recovery rate, due to the fact that the Forum Municipal Oerias project and the Calle Santander logistics centre project both involved excavating potentially contaminated soils (220,000 tonnes and 180,000 tonnes, respectively), not reusable by law.

The increase in renewable resources is due to the increase in the use of recycled soils in construction projects, particularly the Relleno Zorrotzaurre project, in which 200,000 tonnes were used. Furthermore, for the construction of the E6 Ranheim-Værnes highway, we used waste paper sludge ash in stabilisation of quick clay surfaces.

| WATER

Water consumption increased, largely due to a series of water-intensive projects, including the Ranheim-Vaernes E6 highway in Norway (155,710 m³) and Australia's Western Sydney Airport. Water production grew by 8% up on 2020, due to an increase in our water treatment activity in New Cairo.

Water management over the period focused on prioritising initiatives in water-stressed areas, with an emphasis on ultra-efficiency. The Umm Al Houl desalination plant in Qatar uses the “Maestro” AI platform to process operating data in real time, enabling predictive, autonomous, continuous optimisation. This is expected to culminate in lower operating costs, while also maximising production, plant reliability and water quality.

HIGHLIGHTS IN SUSTAINABLE GOVERNANCE IN THE FIRST HALF OF THE YEAR

The company's bylaws were amended by the 2021 Annual Meeting of Shareholders to underscore ACCIONA's pledge to its stakeholders, placing them all on the same level: “The activities that comprise the corporate object will be performed for the purpose of promoting more sustainable models of company. In the search for long-term value creation, ACCIONA will safeguard the legitimate interests of shareholders, employees, suppliers, clients and other stakeholders, with the positive social and environmental impact of its activities benefitting the community and the planet.”

The Annual Meeting of Shareholders approved the appointment of María Dolores Dancausa Treviño as an independent board member, for the statutory three-year period. This brings the number of board members to twelve, of which four are women (María Dolores Dancausa, Ana Saiz de Vicuña, Sonia Dulá and Christiana Figueres), making up 33% of the total and ensuring that we comply with the most demanding requirements of good corporate governance.

Impact financing

Finance type	No. of ongoing transactions	No. of new transactions or extensions as of 30 June 2021	Amount currently ongoing (MM€)
Green finance	27	15	2,129.9
Finance linked to sustainable commitments	6	2*	6,739.4
TOTAL	33	17	8,869.3

**On 26 May 2021, ACCIONA signed two syndicated ESG operations for a joint amount of EUR 3,300 million. They include two conditions precedent: 1) The IPO of our subsidiary Corporación Acciona Energías Renovables and 2) the amortisation of our current finance instruments, including three sustainable operations for a total of EUR 3,415 million, cancelled on 8 July.*

| GREEN FINANCE

ACCIONA has in place a *Green Finance Framework*, available for activities that align with the low-carbon economy goals. It was reviewed by Sustainalytics, which issued a second, independent opinion which confirmed that it aligned with both the Green Bond Principles and the Green Loan Principles. As a result, ACCIONA finance instruments covered by the Green Finance Framework added up to more than EUR 2 billion at 30 June 2021.

FINANCE WITH SUSTAINABILITY COMMITMENTS

The group also receives finance linked to compliance with environmental, social and corporate government performance goals. In this regard, ACCIONA has in place a *Sustainability-Linked Finance Framework*, reviewed by DNV GL, which issued a second opinion confirming that they are aligned with the Sustainability Linked Bonds Principles and Sustainability Linked Loans Principles.

ACCIONA has 6 active operations where the interest rate of this financing has been linked to various objectives such as:

- Score in S&P Global's Corporate Sustainability Assessment (targets met).
- 60% reduction in greenhouse gas emissions by 2030.
- Local target: training for vulnerable groups or access to clean energy for isolated rural communities.

External evaluations

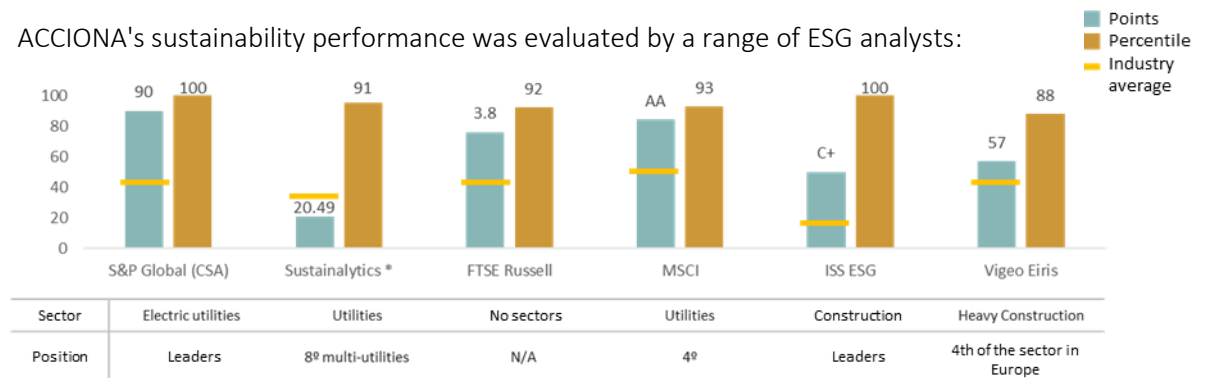
SUSTAINABILITY RANKINGS AND AWARDS

ACCIONA received the following awards during the six months:

Award	Organisation	Ranking	Details
ISS Quality Score	ISS	Leader	For the first time, ACCIONA was ranked first on the ISS Quality Score in environment, social and governance.
Europe's Climate Leaders 2021	Financial Times	Among the 300 lowest-carbon companies	Ranking of companies having most reduced the intensity of their GHG emissions between 2014 and 2019.
2021 Global 100 Most Sustainable Corporations	Corporate Knights	31st in the world	For the fourth year in a row, ACCIONA was selected as one of the world's 100 most sustainable companies, out of 8,080 companies with revenues of over US\$1 billion, thanks to our performance in economic indicators and ESG, rising from 70th to 31st in the ranking.
Gold Sustainability Yearbook Award 2021	S&P Global	World's No. 1 utility	ACCIONA is the top-ranked electric utility, scoring 90 out of 100, having formerly occupied 3rd place. The evaluation is based on a wide-ranging concept of sustainability, that includes financial and environmental performance and social and human resource variables.

ESG RATINGS

ACCIONA's sustainability performance was evaluated by a range of ESG analysts:



*The Sustainalytics ESG Risk Rating gives lower scores to the companies with the least exposure to and best management of ESG risks.

CONTACT INFORMATION

GLOBAL SUSTAINABILITY DEPARTMENT

- Avenida de Europa, 18
Parque Empresarial La Moraleja
28108 Alcobendas (Madrid)
- mail: responsabilidadcorporativa@acciona.es
- Tel +34 91 623 10 52