



Auditor's report on Acciona, S.A. and Subsidiaries

(Together with the consolidated financial
statements and consolidated directors'
report of Acciona, S.A. and subsidiaries for
the year ended 31 December 2020)

*(Translation from the original in Spanish. In the event of
discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Auditor's Report on the Consolidated Financial Statements issued by an Independent Auditor

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Acciona, S.A.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Acciona, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the balance sheet at 31 December 2020, and the income statement, the statement of comprehensive income, the statement of changes in total equity, the statement of cash flows, and the notes, all of them consolidated, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated financial statements pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from infrastructure construction contracts and estimation of margins

See notes 4.2(O) and 27 to the consolidated financial statements

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>A substantial portion of the Group's revenue derives from construction service contracts, whereby revenue is recognised in accordance with the percentage of completion method, which requires the estimation of aspects such as the margin on each contract, the costs to be incurred and the probability of revenue being received in relation to amounts associated with customer claims, negotiations or disputes, if applicable.</p> <p>The recognition of revenue and the profit or loss on these contracts therefore requires a high level of judgement by management and the Directors and an exhaustive control of the estimates made and any deviations that might arise over the contract term. The estimates take into account all costs and revenue directly associated with the contracts, including any additional costs not initially budgeted and any amounts to be recognised as revenue in relation to customer claims, negotiations or disputes. The Group recognises revenue related to amounts being claimed, negotiated or disputed with customers for the amount at which it is considered highly probable will not be subject to significant change once the inherent uncertainty is resolved, either because customer approval has been obtained or because there are technical and/or legal reports that support this circumstance.</p> <p>Due to the uncertainty associated with these estimates and the fact that changes therein could lead to material differences in the revenue recorded, this has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of the key controls related to the process for revenue recognition using the percentage of completion method and the process for budget control, evaluating the methodology used to draw up the contract budgets and in monitor the assumptions used therein. • Based on certain quantitative and qualitative selection criteria, we obtained a sample of construction contracts, for which we evaluated the most significant and complex estimates therein used by the Group for purpose of revenue recognition, having obtained supporting documentation for such estimates and evidence of the judgements made by management and the Directors. • We performed a comparative analysis of the profit/loss on the completed contracts with the budgeted profit/loss, including historical performance and the Group's control over the budget, to evaluate the reasonableness of the estimates made regarding the contracts. • We evaluated the judgement applied by management and the Directors and, in general, the reasonableness of completed work with progress billings pending which are being claimed, negotiated or disputed with customers, and have been recognised as revenue at the reporting date, as well as the judgement applied with respect to the recognition of variable consideration. In this respect, we updated the status of customer negotiations for the main case files and verified the reasonableness and consistency of the documentation supporting such recognition, including, where applicable, the related technical and/or legal reports.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recognition of revenue from infrastructure construction contracts and estimation of margins

See notes 4.2(O) and 27 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none">• We assessed whether the provisions recognised at year end reasonably reflect the main liabilities and the level of risk of the contracts, assessing the judgement of management and the Directors in these estimates. Among other procedures, we analysed the key clauses of a selection of contracts, identifying relevant contractual mechanisms, to assess whether or not such clauses have been appropriately reflected in the amounts recognised in the consolidated financial statements.• We assessed whether the information disclosed in the consolidated financial statements meets the requirements of the financial reporting framework applicable to the Group.

Recoverability of property, plant and equipment of the Energy division

See notes 4.2 (F) and 5 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>At 31 December 2020 the carrying amount of the property, plant and equipment of the Group's Energy division totals Euros 7,039 million, mainly comprising wind farms, solar photovoltaic and hydroelectric power plants in various geographical locations under different regulatory scenarios. At 31 December 2020, the Group has recognised impairment of Euros 612 million.</p> <p>At the end of each reporting period the Group assesses whether there has been any indications of impairment or evidence of changes in the events or circumstances that gave rise to the impairment recognised, and, where applicable, regulatory or other changes that could modify the expected future cash flows.</p> <p>As a result of this assessment, the Group has estimated the recoverable amount of the assets in question and has partially reversed the impairment recognised in prior years.</p> <p>The Group has calculated the recoverable amount by estimating the assets' value in use, which was determined by applying valuation techniques that require the exercising of judgement by management and the Directors, and the use of assumptions. Due to the high level of judgement and the uncertainty associated with these assessments and estimates, as well as the significance of the carrying amount of the Energy division's property, plant and equipment, their measurement has been considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the processes followed by the Group in identifying and evaluating indications of impairment and in estimating the recoverable amount of the Energy division's property, plant and equipment. In addition, we assessed the design and implementation of the Group's key controls over this process. • We evaluated the reasonableness of the methodology and assumptions used by the Group when estimating the recoverable amount, with the involvement of our valuation specialists. Moreover, we assessed the sensitivity of the recoverable amount to changes in the key assumptions, in order to determine their potential impact on the valuation. • We also assessed whether the disclosures in the consolidated financial statements meet the requirements of the applicable financial reporting framework.

Valuation of the investment in Nordex SE

See notes 3.2 (f) and 10 to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The Group has an investment in Nordex SE, an equity-accounted company listed on certain stock exchanges in Germany with a carrying amount of Euros 746 million at 31 December 2020 (Euros 640 million at 31 December 2019), for which indications of impairment have been identified in the past.</p> <p>At 31 December 2020 the Group has estimated the recoverable amount of its investment in Nordex SE based on the estimated value in use, determined as the present value of the expected future cash flows from the investment. This resulted in the reversal of Euros 145 million of impairment recognised in prior years.</p> <p>There is a high level of judgement and complexity involved in determining whether there are indications of impairment and estimating the value in use of the Group's investment in Nordex SE, encompassing, among other things, financial projections that consider the assumptions made regarding macroeconomic trends, internal circumstances of the entity and of its competitors, discount and growth rates, and future business performance.</p> <p>Changes in the key assumptions considered by the Group in its valuation of Nordex SE could entail substantial modifications to the investee's value in use and, therefore, its carrying amount at year end.</p> <p>Due to the uncertainty and judgement associated with these estimates, as well as the significance of the carrying amount of the Group's investment in Nordex SE, we have considered the valuation of the investment a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the processes followed by the Group in identifying indications of impairment and estimating the value in use, including tests of the design and implementation of the key controls defined by the Group in relation to these processes. • We evaluated the reasonableness of the methodology and assumptions used by the Group in estimating the recoverable amount of the investment in Nordex SE, in collaboration with our business valuation specialists. In this respect, we contrasted the information contained in the valuation model with the business plans of Nordex SE used by the Group and the estimated and forecast future performance of the industry in which Nordex SE operates, obtained from external information sources. We also evaluated the growth rates and discount rates that were used as a basis to calculate the recoverable amount, and the sensitivity of that recoverable amount to changes in the key assumptions, in order to determine their potential impact on the valuation. • Lastly, we assessed whether the disclosures in the consolidated financial statements meet the requirements of the applicable financial reporting framework.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information: Consolidated Directors' Report

Other information solely comprises the 2020 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not encompass the consolidated directors' report. Our responsibility regarding the content of the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

- a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.
- b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated financial statements, based on knowledge of the Group obtained during the audit of the aforementioned consolidated financial statements. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated financial statements for 2020, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Financial Statements

The Parent's Directors are responsible for the preparation of the accompanying consolidated financial statements in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated financial statements.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Additional Report to the Audit Committee of the Parent _____

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 18 February 2021.

Contract Period _____

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 28 May 2020 for a period of one year, from the year commenced 1 January 2020.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their general meeting, and have been auditing the financial statements since the year ended 31 December 2017.


KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Borja Guinea López
On the Spanish Official Register of Auditors ("ROAC") with No. 16210
18 February 2021

ACCIONA, S.A.
AND
SUBSIDIARIES
(Consolidated Group)

CONSOLIDATED
FINANCIAL STATEMENTS
AND
DIRECTORS' REPORT
2020



CLARA LOPEZ LOZANO

ACCIONA, S.A. - ACCIONA, S.A. - ACCIONA, S.A.

CONTENTS

CONSOLIDATED BALANCE SHEET FOR FINANCIAL YEARS 2020 AND 2019

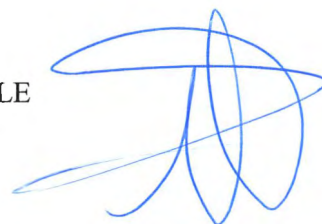
CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEARS 2020 AND 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL YEARS 2020 AND 2019

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR FINANCIAL YEARS 2020 AND 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEARS 2020 AND 2019

1. GROUP ACTIVITIES
2. REGULATORY FRAMEWORK FOR THE ENERGY DIVISION
- 3.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION
 - 3.1 Basis of presentation
 - 3.2 Principles of consolidation
- 4.- MAIN ACCOUNTING POLICIES
 - 4.1 Adoption of new standards and interpretations issued
 - 4.2 Measurement standards
 - 4.3 Accounting estimates and judgements
 - 4.4 Changes in accounting estimates and policies and correction of fundamental errors
5. PROPERTY, PLANT AND EQUIPMENT
6. INVESTMENT PROPERTY
7. LEASES
8. GOODWILL
9. OTHER INTANGIBLE ASSETS
10. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS BOOKED BY THE EQUITY METHOD
11. INTERESTS IN JOINT OPERATIONS
12. OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS
13. OTHER NON-CURRENT ASSETS
14. INVENTORIES
15. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE
16. TRADE AND OTHER RECEIVABLES
17. CASH AND CASH EQUIVALENTS
18. EQUITY
19. PROVISIONS AND LITIGATION



- 20. FINANCIAL DEBT
- 21. RISK MANAGEMENT POLICY
- 22. DERIVATIVE FINANCIAL INSTRUMENTS
- 23. OTHER NON-CURRENT AND CURRENT LIABILITIES
- 24. TRADE AND OTHER PAYABLES
- 25. TAX MATTERS
- 26. GUARANTEE COMMITMENTS TO THIRD PARTIES
- 27. INCOME
- 28. EXPENSES
- 29. SEGMENT REPORTING
- 30. FINANCE INCOME AND COSTS AND OTHER INCOME AND EXPENSES FOR THE YEAR
- 31. PROPOSED APPLICATION OF PROFIT
- 32. ENVIRONMENTAL MATTERS
- 33. EARNINGS PER SHARE
- 34. EVENTS AFTER THE REPORTING PERIOD
- 35. RELATED PARTY TRANSACTIONS
- 36. REMUNERATION AND OTHER BENEFITS
- 37. OTHER DISCLOSURES CONCERNING THE BOARD OF DIRECTORS

APPENDICES

- I. - GROUP COMPANIES
- II.- JOINTLY CONTROLLED ENTITIES
- III.- COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD
- IV. - CHANGES IN THE SCOPE OF CONSOLIDATION
- V. - BREAKDOWN OF THE MAIN CONCESSIONS

DIRECTORS' REPORT



ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET FOR FINANCIAL YEARS 2020 and 2019 (Thousand euros)

ASSETS	Note	31.12.2020	31.12.2019(*)
Property, plant and equipment	5	7,428,975	7,120,440
Investment property	6	45,442	49,524
Right of use	7	496,832	408,958
Goodwill	8	230,445	233,403
Other intangible assets	9	398,940	533,260
Non-current financial assets	12	189,433	210,887
Investments accounted for using the equity method	10	1,227,261	1,116,520
Deferred tax assets	25	909,272	860,906
Other non-current assets	13	472,647	777,400
NON-CURRENT ASSETS		11,399,247	11,311,298
Inventories	14	1,229,836	1,248,116
Trade and other accounts receivable	16	2,252,206	2,090,946
Other current financial assets	12	212,512	198,592
Current income tax assets	25	60,041	85,128
Other current assets		248,759	266,492
Cash and cash equivalents	17	2,407,158	2,148,615
Non-current assets held for sale and discontinued operations	15	458,204	-
CURRENT ASSETS		6,868,716	6,037,889
TOTAL ASSETS		18,267,963	17,349,187

EQUITY AND LIABILITIES	Note	31.12.2020	31.12.2019(*)
Share capital	18.a)	54,857	54,857
Retained earnings	18.b)	3,808,169	3,578,495
Treasury shares	18.c)	(22,049)	(28,633)
Translation differences	18.d)	(436,326)	(183,520)
Interim dividend		-	-
Equity attributable to equity holders of the Parent Company	18	3,404,651	3,421,199
Non-controlling interests	18.f)	365,174	219,490
EQUITY		3,769,825	3,640,689
Preferred shares, debentures and other marketable securities	20	886,098	696,646
Bank borrowings	20	3,985,234	4,599,674
LT lease obligations	7	419,889	346,631
Deferred tax liabilities	25	646,137	577,964
Provisions	19	284,160	399,836
Other non-current liabilities	23	927,168	926,187
NON-CURRENT LIABILITIES		7,148,686	7,546,938
Preferred shares, debentures and other marketable securities	20	1,276,342	1,054,059
Bank borrowings	20	710,688	911,984
ST lease obligations	7	74,260	55,233
Trade and other accounts payable	24	2,953,049	2,604,027
Provisions	28	307,527	311,104
Current income tax liabilities	25	27,545	59,000
Other current liabilities	23	1,617,274	1,166,153
Liabilities held for sale and discontinued operations	15	382,767	-
CURRENT LIABILITIES		7,349,452	6,161,560
TOTAL EQUITY AND LIABILITIES		18,267,963	17,349,187

Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR 2020 AND 2019 (Thousand euros)

	Note	31.12.2020	31.12.2019(*)
Revenue	27	6,472,430	7,190,589
Other income	27	788,906	684,344
Changes in inventories of finished goods and work in progress		193,557	16,426
Cost of goods sold	28	(2,216,122)	(2,021,196)
Personnel expenses	28	(1,550,766)	(1,598,856)
Other operating expenses	28	(2,646,294)	(2,914,707)
Depreciation and amortisation charge and change in provisions	4,5,6,7,8,9,28	(678,133)	(656,709)
Impairment and profit/(loss) on disposals of non-current assets	28	179,927	8,592
Other gains and losses		(9,259)	(7,388)
Equity method profit/(loss) - analogous	10, 4,4	82,195	80,779
OPERATING PROFIT		616,441	781,874
Financial income	30	36,852	33,020
Finance costs	30	(254,166)	(264,932)
Translation differences		14,422	9,382
Profit/(loss) from changes in value of financial instruments at fair value	28	15,265	5,241
Equity method profit/(loss) - non-analogous	10, 4,4	79,258	(19,811)
PROFIT BEFORE TAX, FROM CONTINUING OPERATIONS		508,072	544,774
Income tax expense	25	(97,391)	(147,272)
YEAR'S PROFIT/(LOSS) FROM CONTINUING OPERATIONS		410,681	397,502
Profit/(Loss) after tax from discontinued operations		-	-
YEAR'S PROFIT/(LOSS)		410,681	397,502
Profit/(Loss) after tax from discontinued operations		-	-
Non-controlling interests	18	(30,379)	(45,824)
PROFIT/(LOSS) ATTRIBUTABLE TO THE PARENT COMPANY		380,302	351,678
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	33	6.97	6.46
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)	33	6.97	6.46
BASIC EARNINGS PER SHARE (euros)	33	6.97	6.46
DILUTED EARNINGS PER SHARE (euros)	33	6.97	6.46

(*) Re-stated.

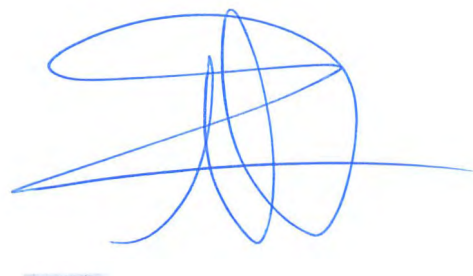
Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL YEARS 2020 AND 2019 (Thousand euros)

	Note	2020	2019
A) CONSOLIDATED PROFIT FOR THE YEAR		410,681	397,502
1.- Profit attributed to the Parent Company		380,302	351,678
2. Non-controlling interests		30,379	45,824
B) ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		(389)	(685)
1.- Revaluation/(Reversion of revaluation) of property, plant and equipment and intangible assets		-	-
2. Actuarial gains and losses and other adjustments	19	(519)	(913)
3.- Tax effect		130	228
C) ITEMS THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT		(295,324)	(21,064)
Income and expense recognised directly in equity:		(327,668)	(53,379)
1.- Revaluation of financial instruments:		(71)	(30)
a) Available-for-sale financial assets	18	(71)	(30)
b) Other income / (expenses)		-	-
2. Cash flow hedges	22	(52,061)	(113,092)
3.- Translation differences		(288,569)	31,462
4.- Other income and expenses recognised directly in equity		-	-
5. Tax effect		13,033	28,281
Transfers to the income statement:		32,344	32,315
1.- Revaluation of financial instruments:		-	-
a) Available-for-sale financial assets		-	-
b) Other income / (expenses)		-	-
2. Cash flow hedges	22	38,745	43,087
3.- Translation differences		3,285	-
4. Other income and expenses recognised directly in equity		-	-
5. Tax effect		(9,686)	(10,772)
TOTAL RECOGNISED INCOME / (EXPENSE) (A+B+C)		114,968	375,753
a) Attributed to the Parent Company		118,900	326,937
b) Attributed to non-controlling interests		(3,932)	48,816

Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.



ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2020 (Thousand euros)

	Equity attributable to the Parent Company						Non-controlling interests	Total equity
	Shareholders' Equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Value adjustments		
Opening balance at 01/01/2020	54,857	3,374,965	(28,633)	351,678	-	(331,668)	219,490	3,640,689
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Adjustments due to errors	-	-	-	-	-	-	-	-
Adjusted opening balance	54,857	3,374,965	(28,633)	351,678	-	(331,668)	219,490	3,640,689
Total recognised income/(expense)	-	-	-	380,302	-	(261,402)	(3,932)	114,968
Transactions with shareholders or owners	-	(145,465)	536	-	-	-	150,088	5,159
Capital increases/(reductions)	-	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(105,599)	-	-	-	-	(10,290)	(115,889)
Treasury share transactions (net)	-	1,031	536	-	-	-	191,707	193,274
Increases/(Decreases) due to business combinations	-	-	-	-	-	-	(6)	(6)
Other transactions with shareholders or owners	-	(40,897)	-	-	-	-	(31,323)	(72,220)
Other changes in equity	-	355,111	6,048	(351,678)	-	-	(472)	9,009
Share-based payments	-	2,979	6,048	-	-	-	-	9,027
Transfers between equity items	-	351,678	-	(351,678)	-	-	-	-
Other changes	-	454	-	-	-	-	(472)	(18)
Closing balance at 31/12/2020	54,857	3,584,611	(22,049)	380,302	-	(593,070)	365,174	3,769,825

Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY AT 31 DECEMBER 2019 (Thousand euros)

	Equity attributable to the Parent Company						Non-controlling interests	Total equity
	Shareholders' Equity							
	Share capital	Share premium, reserves and interim dividend	Treasury shares	Year's profit attributed to the Parent Company	Other equity instruments	Value adjustments		
Opening balance at 01/01/19	57,260	3,410,678	(199,616)	328,030	-	(306,927)	205,713	3,495,138
Adjustments due to changes in accounting policies	-	(16,576)	-	-	-	-	(6,436)	(23,012)
Adjustments due to errors	-	-	-	-	-	-	-	-
Adjusted opening balance	57,260	3,394,102	(199,616)	328,030	-	(306,927)	199,277	3,472,126
Total recognised income/(expense)	-	-	-	351,678	-	(24,741)	48,816	375,753
Transactions with shareholders or owners	(2,403)	(345,363)	164,764	-	-	-	(30,417)	(213,419)
Capital increases/(reductions)	(2,403)	(162,425)	164,828	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(191,819)	-	-	-	-	(17,647)	(209,466)
Treasury share transactions (net)	-	345	(64)	-	-	-	-	281
Increases/(Decreases) due to business combinations	-	17,649	-	-	-	-	4,579	22,228
Other transactions with shareholders or owners	-	(9,113)	-	-	-	-	(17,349)	(26,462)
Other changes in equity	-	326,226	6,219	(328,030)	-	-	1,814	6,229
Share-based payments	-	2,319	6,219	-	-	-	-	8,538
Transfers between equity items	-	328,030	-	(328,030)	-	-	-	-
Other changes	-	(4,123)	-	-	-	-	1,814	(2,309)
Closing balance at 31/12/19	54,857	3,374,965	(28,633)	351,678	-	(331,668)	219,490	3,640,689

Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.

ACCIONA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2020 AND 2019 (Thousand euros)

	Note	2020	2019 (*)
CASH FLOWS FROM OPERATING ACTIVITIES		967,523	787,293
Profit before tax from continuing operations		508,071	544,774
Adjustments for:		393,585	723,668
Depreciation and amortisation charge and change in provisions	5,6,7,8,9,14,28	554,013	629,261
Other adjustments to profit (net)	10,27,28,30	(160,428)	94,407
Changes in working capital		192,666	(305,548)
Other cash flows from operating activities:		(126,799)	(175,601)
Interest paid	30	(223,055)	(241,154)
Interest received	30	23,520	22,873
Dividends received	10	32,065	36,466
Income tax recovered/(paid)	25	(44,523)	(43,990)
Other amounts received/(paid) relating to operating activities	13,23	85,194	50,204
CASH FLOWS FROM INVESTMENT ACTIVITIES	5,6,8,11	(511,302)	(968,388)
Payments due to investment:		(1,059,785)	(1,344,396)
Group companies, associates and business units		(154,047)	(28,042)
Property, plant and equipment, intangible assets, investment property and financial investment	5,6,9,12	(905,738)	(1,316,354)
Proceeds from disposal:		364,275	140,305
Group companies, associates and business units		324,008	38,601
Property, plant and equipment, intangible assets, investment property and financial investment	5,6,9,12	40,267	101,704
Other cash flows from investment activities:		184,208	235,703
Other amounts received/(paid) relating to investment activities		184,208	235,703
CASH FLOWS FROM FINANCING ACTIVITIES		(157,499)	600,295
Proceeds and (payments) relating to equity instruments:	18	-	-
Purchases		-	-
Disposals		-	-
Proceeds and (payments) relating to financial liability instruments:	20	98,215	989,181
Proceeds from issues		2,279,596	2,251,206
Repayments and redemptions		(2,181,381)	(1,262,025)
Principal payments for operating leases	7	(81,242)	(70,951)
Dividends and returns on other equity instruments paid	18	(115,889)	(209,466)
Other cash flows from financing activities		(58,583)	(108,469)
Other amounts received/(paid) relating to financing activities	12,23	(58,583)	(108,469)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(40,179)	12,010
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		258,543	431,210
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	17	2,148,615	1,717,405
CASH & CASH EQUIVALENTS AT YEAR-END	17	2,407,158	2,148,615
COMPONENTS OF CASH AND CASH EQUIVALENTS AT YEAR-END			
Cash on hand and at banks	17	2,218,454	1,934,036
Other financial assets	17	188,704	214,579
TOTAL CASH AND CASH EQUIVALENTS AT YEAR-END		2,407,158	2,148,615

(*) Re-stated.

Accompanying Notes 1 to 37 and the appendices are an integral part of the consolidated financial statements for 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 OF ACCIONA, S.A. AND SUBSIDIARIES**
(Consolidated Group)

1.- Group activities


Acciona, S.A. (“the Parent Company” or “the Company”) and its subsidiaries integrate the Acciona Group (“Acciona” or the “Group”). Acciona, S.A.’s registered office and headquarters are in Alcobendas (Madrid) at Avenida de Europa 18.

The Acciona Group companies operate in several sectors of economic activity, including most notably:

- Energy includes the electric business, encompassing the promotion, construction, operation and maintenance of renewable generation facilities and the sale of the energy produced. All the electricity generated by Acciona Energía is renewable.
- Infrastructure:
 - Construction: includes infrastructure construction activity, as well as turn-key projects for power generation plants and other facilities.
 - Concessions: including the exploitation of mainly transport and hospital concessions.
 - Water: including the activities relating to the construction of desalination plants, water and wastewater treatment plants, as well as the management of the entire water cycle, an activity that covers from the initial water collection to its treatment, including desalination, to its purification and return to the environment after use. It also operates concessions for services related to the entire water cycle.
 - Services: includes urban mobility activities such as rental of all types of vehicles, analysis, design and implementation of energy efficiency and renewable improvement projects in all types of energy-consuming facilities, as well as facility services activities, airport handling, waste collection and treatment and logistics services, among others.
- Other activities include the business of Real Estate, business related to fund management and stock market brokerage, wine production and other businesses.

The accompanying notes include Note 29 “Segment Reporting”, which includes detailed information on the assets, liabilities and operations carried out in each of the business activities developed by Acciona Group.

Acciona, S.A.'s shares are listed on the SIBE (Madrid, Barcelona, Valencia and Bilbao stock exchanges).



2.- Regulatory framework for the energy division

Spain

Royal Decree-Law 9/2013 was published on 12 July, whereby urgent measures to guarantee the financial stability of the electricity system were adopted. This Royal Decree-Law introduced substantial changes in the applicable legal and economic framework and repealed, among others, Royal Decree 661/2007 of 25 May 2007 and Royal Decree 6/2009 of 30 April 2009, governing the remuneration framework supporting renewable energies for most of the Corporación Acciona Energías Renovables Group's power generation facilities located in Spain.

This framework defines that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities can receive a specific remuneration comprising a term per unit of power installed (investment remuneration), covering, where appropriate the investment costs for a standard facility that cannot be recovered through electricity sales and an operating term (operation remuneration) that covers, where applicable, the difference between operating costs and the revenue from the participation of that standard facility in the market.

To calculate this specific remuneration, for each standard facility, the following items are considered throughout its regulatory lifetime and with respect to activities conducted by an efficient and well-managed company:

- a) The standard revenue from the sale of the energy generated valued at market production price.
- b) Standard operating costs.
- c) The standard value of the initial investment.

The aim of these parameters is not to exceed the minimum level necessary to cover the costs that enable the facilities to compete on a similar level with the rest of the technologies on the market and make it possible to obtain a reasonable profit. This reasonable profit should be similar, before tax, to the average profit of ten-year Government Bonds on the secondary market after applying an appropriate differential. The first additional provision of Royal Decree-Law 9/2013 set the appropriate differential for those facilities covered by the premium-based economic system at 300 basis points, without prejudice to a possible review every six years.

Law 24/2013 was published in December 2013, replacing Law 54/1997 on the Electricity Sector, which provides a framework for the new situation, making the figure of special regime disappear and introducing the figure of specific remuneration, establishing the criteria for defining the reasonable profit of the facilities.

Royal Decree 413/2014 of 6 June was published on 10 June 2014 to regulate the activities of electricity generation from renewable energy sources, co-generation and waste. As a follow-up to the same, final Ministerial Order IET 1045/2014 was issued on 20 June 2014 and published in the Central Government Gazette on 29 June 2014. This Order contained the final remuneration parameters applicable to all renewable energy facilities, whether already in existence or planned for the future. The resulting new model defines the remuneration of assets applicable from 14 July 2013, as a consequence of Royal Decree Law 9/2013.

As established in Royal Decree 413/2014, remuneration parameters for standard facilities may be reviewed at the end of each regulatory period lasting six years, except for the regulatory useful life and standard value of the initial investment. Revenue estimates from energy sales are reviewed at the end of each regulatory half period lasting three years regarding the specific renewable facility remuneration scheme. The first regulatory half period ended on 31 December 2016.

In December of the same year, the Minister of Energy, Tourism and Digital Agenda forwarded to the CNMC the Order Proposal updating remuneration parameters for renewable facilities, cogeneration and waste for the next regulatory half period, 2017-2019. This Proposal updated pool projections for that period and included adjustment values for market price variations from previous years, which are compensated over the remaining useful life for facilities as appropriate. On 22 February 2017, Order ETU/130/2017 was published and dated 17 February showing the final remuneration parameters for standard facilities applicable to certain electricity production facilities from renewable energy sources, cogeneration and waste, for the purpose of their application to the regulatory half-period which began on 1 January 2017.

In 2019, the main novelty consisted of the approval of Royal Decree Law 17/2019 of 22 November, which adopted urgent measures required to adapt the remuneration parameters affecting the electricity system, and which responded to the process of thermal power plants discontinuing operations. The main points affecting the Corporación Acciona Energías Renovables Group were as follows:

- a) The value of the reasonable return applicable to the specific remuneration system for the period 2020 - 2025 (inclusive) was updated (7.09%).
- b) The owners of facilities with premium remuneration at the time of the 2013 cutback are allowed to maintain the rate of return set in the first regulatory period (7.398%) until 2031, waiving the right to continue with or initiate new legal or arbitration proceedings against the regulations, as well as any possible compensation arising therefrom, i.e., those resulting from the repeal of the premium scheme.
- c) The approval deadline for the parameter Order was extended until 29 February 2020.

This new regulatory amendment allows the Group to maintain the reasonable rate of return until 2031.

On 31 December 2019, the first regulatory period ended, according to Royal Decree 413/2014. Thus, on 28 February 2020, Order TED/171/2020 was published updating the remuneration parameters for standard facilities applicable to certain electricity production facilities from renewable energy sources, cogeneration and waste, for the purpose of its application to the next regulatory half period (2020-2022) and which is retroactive in nature establishing the start date as 1 January 2020.

In addition to the aforementioned regulations, Law 15/2012 on tax measures for energy sustainability impacted all electricity production facilities in Spain since 2013, including the Group's facilities. In relation to the Corporación Acciona Energías Renovables Group's electricity production facilities, all of them were subject to the value added tax applied to electricity production, corresponding to a 7% levy on energy sales revenues. Moreover, that law established a levy on the use of inland waters for the electricity production. This levy accounted for a 22% tax on the economic value of the electricity produced, with a 90% tax reduction for installations of less than 50 MW of power and pump stations. Lastly, Law 15/2012 also established a dual tax on solar thermal plants: on the one hand, the Law eliminated the incentives for power produced using fossil fuels and, on the other, it introduced a tax of 0.65 euros per GJ of gas consumed.

On 10 June 2017, Royal Decree-Law 10/2017 was published in the BOE dated 9 June and applied urgent measures seeking to alleviate the drought impact on certain hydrographic basins and amended the consolidated text of the Water Law, approved by Royal Legislative Decree 1/2001 of July 20, which, among other measures, amends the levy for the use of inland waters for the production of electricity established in Law 15/2012. The new levy, applicable as of 10 June 2017, taxes the economic value of the electricity produced at 25.5%, with a 92% tax reduction on facilities of less than 50 MW of power and 90% of the tax on pump stations.

In October 2018, Royal Decree-Law 15/2018 related to urgent measures for energy transition and consumer protection was published in the BOE on 5 October which includes the temporary "suspension" of the Electricity Production Value Added Tax during the last quarter of 2018 and the first quarter of 2019. For the ACCIONA Group's Energy division, this translates into a lower tax charge of around 22 million euros. Finally, on 22 July 2020, the Ministry of Ecological Transition and Demographic Challenges published order TED/668/2020 in the Official State Gazette which, among other rules, establishes a reimbursement procedure for the amount suspended by the Electricity Production Value Added Tax for those facilities with specific remuneration through tax assessments in the last quarter of 2020 for each of the applicable companies so that, as of 31 December 2020, there is no outstanding amount left for this concept.

Almost all the facilities owned by companies belonging to the Corporación Acciona Energías Renovables Group and operating in the Spanish market, operate freely in the market selling energy to the "pool" through the company Acciona Green Energy Developments, S.L., an entity belonging to the Group and acting solely for intermediation purposes.

In 2015, the Resolution dated 18 December 2015 was published by the Secretary of State for Energy laying down the criteria for participating in the adjustment services system and approving certain testing and operating procedures for its implementation as per Royal Decree 413/2014 of 6 June regulating the electricity production activity from renewable energy sources, cogeneration and waste. This Resolution has been applicable from 10 February 2016 and allows renewable facilities considered eligible and that pass the qualification tests established for each of these services to participate in the system adjustment services, receiving the corresponding revenues.

Since that date, Corporación Acciona Energías Renovables has participated with all its renewable assets in the technical restrictions market. In addition, in 2016 it began to participate in the tertiary regulation and deviation management markets, with a total of 3,372 MW of wind power enabled by the REE (Red Eléctrica de España).

Circular 4/2019 was published in November 2019 amending the remuneration methodology for the electrical system operator as well as the prices to be passed on to agents for financing. For the Group, this new methodology led to a reduction in revenues of around 1.3 million euros per year.

Order ETU/1133/2017 dated November 21 was published in the Official State Gazette on 23 November 2017 amending Order IET/2013/2013 of 31 October which regulates the competitive mechanism for the allocation of the interruptibility demand management service applicable in 2018. This Order modifies the availability service, reducing the application period to the first half of 2018 and excluding all hydraulic facilities from its scope. In addition, Order TEC/1366/2018 of 20 December established electricity access tolls for 2019 while partially repealing regulations governing the availability service which effectively abolishes this service from 2019 onwards.

The CNMC published Circular 3/2020 on 24 January 2020 which establishes the calculation methodology for electricity transmission and distribution tolls and eliminates tolls on electricity generation established up to that time of 0.5 €/MWh. The impact on the Group is estimated annual savings of approximately 6.5 million euros.

As a result of the COVID-19 pandemic and exclusively in the context of the state of alarm, Royal Decree-Law 11/2020 of 31 March published in April 2020 adopted additional urgent social and economic measures to address COVID-19 which enabled flexibility mechanisms to supply electricity for SMEs and self-employed individuals. The effects of these measures have had a very limited impact on the Group, mainly in the marketing business due to the temporary suspension of some supply contracts and the temporary postponement electricity bill payments, which will be recovered after the end of the state of alarm.

Subsequently, in June 2020, Royal Decree-Law 23/2020 of 23 June approved energy and economic improvement measures following the COVID-19 pandemic. One of the most relevant points included in this regulation is the drive given to renewable energies, laying the foundations for a new remuneration framework for future installed capacity through competitive mechanisms, which will coexist with the current specific remuneration regime and which will gradually disappear with the end of the regulatory life established for the MW installed with the right to this remuneration.

The end of 2020 is marked by the approval of the implementing regulations of Royal Decree-Law 23/2020. Royal Decree 960/2020 was published in November 2020, regulating the legal and economic regime of renewable energy for electricity production facilities, based on the long-term recognition of a price for energy. Order TED/1161/2020 dated 4 December regulates the first auction mechanism to grant an economic regime for renewable energy and is published in December while establishing an indicative timetable for the period 2020-2025. A minimum target of 3,000 MW is set for 2020.

The call for the first auction to grant the economic regime for renewable energies under the provisions of this Order, with the specific details thereof, is set out in the Resolution of 10 December 2020, of the Secretary of State for Energy. This first auction was held on 26 January 2021 for a quota of 3,000 renewable MW, with two minimum reserves of at least 1,000 MW in wind and 1,000 MW in solar photovoltaic and for which the Grupo Corporación Acciona Energía Renovables presented a total of 329.5 MW attributable to 79.5 MW in wind and 250 MW in solar photovoltaics.

On 28 January 2021, the Resolution of 26 January 2021 of the Directorate-General for Energy and Mining Policy was published in the Official State Gazette, resolving the first auction held to grant the economic regime for renewable energies under the provisions of Order TED/1161/2020 dated 4 December; in this order, various companies of the Group were granted 106.6 MW in solar photovoltaics that the Group will incorporate into the portfolio of projects for construction and subsequent operation in the coming years.

United States

The “Renewable Portfolio Standard” (RPS) is a market policy freely established by some states which requires that a minimum proportion of the electricity supply comes from renewable sources. The percentages vary between states, with the majority being between 20% and 30% of the supply from 2020 to 2025. The implementation of it is usually done using Renewable Energy Credits (RECs), a system of tradeable certificates that verify that a kWh of electricity has been generated from a renewable source. At the end of a certain year, the electricity generators must have sufficient certificates to cover their annual quota, and sanctions will be applied in the event of non-compliance.

The Production Tax Credits (PTCs) grant the electricity generated with a tax deduction during the first 10 operating years for an amount per MWh which is adjusted annually based on the CPI (regulated by the “Energy Policy Act”).

In 2005, Congress established a 30% ITC (Investment Tax Credit) initially applicable to solar energy projects, although access to other technologies would later be made available with the issuance of the *Bipartisan Budget Act* of 2018.

In 2009, a law was adopted according to which the companies that could access the PTC regime could receive ITC in exchange, or alternatively, could receive payment equivalent to 30% of the investment.

These tax incentives have always needed to be renewed annually, with the associated uncertainty, but in December 2015 a long term extension of the PTC and ITC was approved, for both wind and solar photovoltaic energy, with a gradual decrease in the incentive. In wind, which had the option of choosing compensation through PTC or ITC, the PTC decreases by 20% each year until 2020, which ends with a 0% incentive and, in the same way, the ITC is also progressively reduced until it is eliminated in 2020. In the case of solar PV energy, 30% of the ITC is maintained until 2020 (31 December 2019), from when it will begin to decrease until it is set at 10% after 2022. The milestone that determines the time frames is the start of construction.

In May 2016, the Internal Revenue Service (IRS) clarified what it considers as “start of construction” for wind projects, which can comply with both the defined “beginning of the physical work” or with a “safe harbor” for a certain minimum expense (5%). This matter was confirmed in the implementation guidance issued by the IRS in June 2018.

The possibility of receiving PTC or ITC has been extended for wind technology throughout 2020. The PTC was permitted to “qualify” in 2020 for an even higher PTC value (15\$/MWh, 60% of the original) compared to 2019 (\$10/MWh, 40%) and is granted again for a 4-year period to commission the facility. With regards to the ITC, for which the PTC is allowed to be eligible as an alternative, the PTC would account for 18% of CAPEX by 2020 (40% of the 2016 value) instead of 12% in 2019 (60% of the 2016 value).

President Trump, before the end of his term, signed *The Consolidated Appropriations Act, 2021* on 27 December 2020. This standard allows the extension of the ITC and PTC scheme for 2021. For the wind business in general terms, it extends the programme under the same conditions applicable for 2020; however, a gradual decline of the ITC incentive which started for 2020 projects is extended for the years 2021 and 2022.

There is also another tax benefit in the form of the facility owner's right to take advantage of the accelerated depreciation in most of the capital assets (Modified Accelerated Cost Recovery - MACRs), which can be fiscally transferred to an average depreciation period of five years. This benefit has no expiration date.

In 2019, progress was made to develop policies that promote the use of energy storage technologies. The FERC issued Order 841 in 2018 which requires that all Regional Transmission Operators (RTOs) and Independent System Operators (ISOs) make changes to market rules so that energy storage can become part of all the services. It also requires that market operators consider the physical and technical characteristics of a storage unit on market operations. This order was transposed to various markets in 2019: in December 2018 the six RTOs and ISOs made proposals to comply. States have begun to set storage targets in their climate and energy laws (e.g., Virginia has set a target of 3,100 MW by 2035). Laws are also being discussed and passed at the federal level, such as the one passed in 2019 establishing a research programme, a demo programme and a technical assistance programme.

In 2020, the problem caused by the new 30% tariff on imported solar panels, imposed in January 2018, has continued. Certain measures announced throughout the year have eased the tension. For example, these tariffs are expected to decrease by 5% each year, the first 2.5 GW of imported cells are exempt each year, and there are certain innovative products.

Mexico

Until December 2013, the generation, transmission, distribution and sale of electrical energy was reserved exclusively to the Federal Government through the Federal Energy Commission (FEC). The only options for the sale of renewable energy were Independent Energy Production (electricity generation plants that sell their production directly to the FEC) or Self-Sufficiency Contracts (electricity generation plants that sell their production to a load centre plant which has a certain ownership percentage of the generation plant).

On 18 December 2013, a constitutional reform introducing significant changes to the Mexican energy model was published, leading to the market to open up and accepting greater private participation. The new Law on the Electricity Industry (LEI) published on 11 August 2014 defines these substantial changes to the electricity sector: it reduces the role of the State in the sector, which is limited to operating the system and to providing transmission and distribution services; the legal separation of activities is imposed; a wholesale electrical market is created which is operated by the National Centre for Energy Control (CENACE), the bids for which will be based on costs, and establishes an obligations system for generators to cover with Clean Energy Certificates (CECs). In addition, auctions for Electricity Coverage Contracts will take place to cover the supply to Basic Services Users. Clean energy, power and CEC electricity coverage contracts are assigned in the Long-Term Auctions. With regards to the existing contracts from the previous law, the LEI contemplates their continuity.



The first market bases were published in 2015 and must be re-evaluated every 3 years. In January 2016, the Energy Secretary (SENER) published a resolution authorising operations to start in the short-term market in the different interconnected systems, and the National Centre for Energy Control started the Day-Ahead Market (DAM) operations. To date, the DAM and the Real-Time Market (RTM) are still in the first stage of their operation, and the implementation of the hour-ahead market has not yet begun. Also, in February 2017 the Power Balancing Market was opened, which determines the price that supports the capacity of the previous year, the volume and the total amount. It is an annual and ex-post market.

2018 was the first year with CEC obligations, and the certificates had to be delivered until 5% of the electricity sold was reached. The CEC Requirements were published in March 2019, corresponding to the Obligation Periods 2020, 2021 and 2022, (7.4%, 10.9% and 13.9%, respectively) that complement the one published in 2016 for 2019 (5.8%).

To date, three long-term auctions have been held, two in 2016 and one in 2017. The latter already included a clearing house, potentially allowing the participation of suppliers different to the FEC. In 2018, CENACE announced the fourth long-term auction for the purchase and sale of energy, capacity and CECs and for which the first draft was published in March 2018. The prequalification and registration of prospective buyers and the submission of prequalification applications for offers was carried out in August 2018. In December 2018, with the arrival of President Lopez Obrador, it was announced that they would be suspended, and they were cancelled in January 2019.

In addition, the Executive announced that it would review contracts signed with private companies under previous auctions and other mechanisms and cancelled the development of relevant investments to improve the electric transmission system at the national level. As of the closing date of these financial statements, a new auction date remains unclear.

The last PRODESEN (Development Programme of the National Electrical System) published by the Energy Secretary for the period 2019-2033 estimates that by 2033 clean power generation will correspond to 35% of the total generation.

The Agreement was published on 28 October 2019 amending the Guidelines that establish the criteria to grant CECs, which extends the possibility of CECs to be generated for the Federal Electricity Commission's (CFE) plants prior to the LEI (Legacy Power Plants), which would ultimately allow several facilities of the Group to benefit from this right. However, this legislation implies the risk of an oversupply of CEC's in the market as the number of qualifying facilities increased. Several generators rejected this measure and requested its repeal. As a result, the regulation has been suspended until the final ruling is published, which is expected to take place during 2021.

Despite this, the main problem persisted, as the CFE could generate certificates with its old power installations and therefore increase supply and reduce the demand for certificates – with the CFE as the main consumer – exerting a bearish pressure on its price to almost zero. The measure affects both operating facilities and plants in development, as it substantially changes their revenue forecasts.

Using the COVID-19 crisis as an excuse, on 29 April 2020 CENACE proposes a series of modifications that seek to increase the reliability of the system. A resolution suspending new clean energy projects tests indefinitely (without reference to other technologies) was published. In addition, and on the grounds of technical failures in the electrical system, the delivery of manageable plants (fossil fuels mainly) is guaranteed over renewable generation.

The SENER published the Reliability, Safety, Continuity and Quality Policy for the National Electricity System on 15 May 2020 which limited the market share of renewable generation companies, discouraging the delivery of renewables because they are "intermittent". The direct impact is the delay of 28 wind and photovoltaic installations planned for 2020 and 2021 in Mexico. The Supreme Court cautiously suspended this Reliability Policy until a final judgment is issued.

Similarly, at the end of May 2020, the Energy Regulatory Commission (CRE) increased the transmission rates, a measure provisionally suspended by a Federal Court, leaving open a legal strategy for companies to claim the return of transmission benefits.

Finally, both measures (the Reliability Policy and changes in porting fees) were definitively challenged by the Economic Competition Commission (COFECCE) and are now suspended. The sector is awaiting the final ruling.

Chile

Chile amended Law 20.257 (Non-Conventional Renewable Energy Law) of 2008 through Law 20.698 (Law 20/25) in 2013 and established a renewable target on the total power generation of 20% in 2025. The electricity companies must prove that a percentage of the energy that is removed from the system comes from this type of technology. The law also imposes a penalty for breaching the obligation amounting to 0.4 UTM per MWh that is not accredited (approximately 32 USD) and, for companies that continue to breach the obligation in the three years following the first breach, the penalty will be 0.6 UTM/MWh (approximately 48 USD). Likewise, it indicates that those companies that have administrated renewable energy in excess of their obligation may transfer that excess to other companies. However, a green certificate market has not been established, but bilateral contracts are signed between the parties concerned and the transfer certification is made through an authorised copy of the contract.

To achieve the target set, Law 20/25 also introduced annual auctions according to the demand forecasts from the Government for the next three years. The introduction of the auctions provides the possibility to offer differentiated blocks (Block A for the night, Block B during solar hours, and Block C for the remaining hours of the day), facilitating renewable energy.

In April 2016, an Exempted Resolution was published, approving the preliminary tender report which established the values of regulated consumptions (in GWh-year) that should be put out to tender in the next few years. The volumes included a decrease in the energy demand forecast of approximately 10% between 2021 and 2041, which implies a significant decline of what was going to be auctioned that year (from the 13,750 GWh expected to approximately 12,500 GWh).

Up to date 3 auctions have been held. The Chilean Government's objective is for electrical distribution companies to have long-term supply contracts, of 20 years from 2024, in order to meet the consumptions of their customers subject to price regulation.

The Transmission Law was published in July 2016, which establishes a new electrical power transmission system and creates a single independent coordinator entity for the national electrical system. Work on the associated regulations began after the Transmission Law was approved.

In 2017, the regulation to implement a tax on CO₂ emissions was approved (Exempted Resolution 659), which involves all generation companies, including non-polluting companies, making compensation payments.

The Complementary Services Regulation and the Coordination and Operation of the National Electrical System Regulation were withdrawn from the comptroller in 2018, delaying the approval process. In January 2018, the Chilean Government stated that the country would not build new coal-fired power plants without carbon capture and started discussions to replace the existing capacity with cleaner sources.

Following the riots that started in October 2019 and the various economic and political impacts derived from them, the government approved to freeze the tariffs through a *transitional mechanism to stabilise electricity prices for customers subject to tariff regulation* (Law No. 21.185 dated 2/11/2019), which affects the public service distribution concessionaires who will only be able to transfer pre-defined prices to their regulated customers, and to the generators that supply these suppliers, who will be subject to an adjustment factor during a transitional period.

Australia

The "Renewable Energy (Electricity) Amendment Bill 2015" was approved in June 2015, which introduced stability to the green certificate system, setting the Renewable Energy Target (RET) to 33,000 GWh in 2020 and eliminating the target revisions that took place every two years (which are now to be done every four). The first and only case to date of a company that chose to pay a penalty for non-compliance rather than delivering the corresponding renewable electricity certificates took place in January 2017.

The RET scheme encourages additional electricity generation from renewable sources to reduce greenhouse gas emissions in the electricity sector and consists of two schemes: "Large-scale Renewable Energy Target" and "Small-scale Renewable Energy Target". In the case of the Large-scale Renewable Energy Target, the regulator has reported that there are sufficient approved projects to meet and exceed the 2020 target of 33,000 GWh of additional renewable electricity. The target ends in 2020 but will remain at 33,000 GWh until the plan ends by 2030 and these certificates can continue to be used. The "Small-scale Renewable Energy Target" scheme will also end in 2030.

The state of South Australia suffered a large blackout in 2016 and, since that incident, the storage and integration of renewables has become very important in the country. The final version of the government-commissioned Finkel report was published in June with the aim of providing recommendations to increase the safety and reliability of the system and reduce emissions according to the Paris Agreement objective. The report stresses the importance of making the energy transition in an orderly, studied, and planned manner. It also outlines a continuation of the RET after 2020: the Clean Energy Target (CET), which would be based on a green certificate system that would include Renewable Energy Schemes (RES) and technologies that comply with an emissions limit. Some of the recommendations in the report were approved at the Coalition Joint Party meeting on 20 June, although the Minister of Energy announced that the implementation of the CET would be analysed later more calmly.

In March 2017, the state of South Australia launched the SA Energy Plan, which mentions battery storage in the renewable technologies fund and aims to provide large-scale storage for renewable energy.

In April 2017, the Clean Energy Council published a recommendations report to eliminate regulatory barriers to storage and to improve the security of the network (“Policy and regulatory reforms to unlock the potential of energy storage in Australia”), and in August the Victoria Government announced a renewable energy auction of 650MW, which is part of the Victorian Renewable Energy Auction Scheme (VREAS) to achieve the Victorian Renewable Energy Target (VRET) of 40% of renewable energy by 2025.

In October 2017, the government announced the National Energy Guarantee (NEG) scheme to replace the current CET after 2020. Its key aspects are: i) Reliability Guarantee (obligation for retailers to contract a certain amount of “dispatchable” energy - from coal, gas, hydraulic or stored); (ii) Emissions Guarantee (obligation for retailers to reach an emissions intensity level in their energy portfolio that supports Australia's commitment to reduce emissions by 26% by 2030). The Energy Security Board published a document on the design of the NEG which was presented at the Energy Council meeting in April 2018. Australia would then suspend the draft bill which contains the emission reduction target for the NEG.

Victoria’s Labor Government, elected in November 2018, promised to increase the state’s renewable target to 50% by 2030, based on the already legislated target of 40% by 2025. In this regard, the Renewable Energy (Jobs and Investment) Amendment Bill 2019 (Vic) which introduces the VRET 2030 objective into the legislation was approved on 30 October 2019. In the absence of a federal renewable target beyond 2020, investment will continue to be driven by states.

3.- Basis of presentation of financial statements and consolidation principles

3.1 Basis of presentation

The consolidated financial statements for the financial year 2020 of the Acciona Group were prepared by the Directors of Acciona, S.A. at the Board of Directors Meeting held on 18 February 2021, and disclose a true and fair view of the Group’s equity and consolidated financial position at 31 December 2020, and of the results of its operations, the changes in the consolidated statement of recognised income and expenses, the changes in the consolidated equity and the consolidated cash flows in the years then ended.

These financial statements were prepared in accordance with the applicable regulatory financial reporting framework and, in particular, with the principles and criteria contained in the International Financial Reporting Standards (IFRS) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council. The main mandatory accounting principles and measurement criteria applied, the alternative treatments permitted by the relevant legislation in this respect, and the standards and interpretations issued but not yet in force at the date of formal preparation of these financial statements are summarised in Note 4.

At 31 December 2020, there were no material changes in accounting estimates or accounting policies; nor any corrections of errors, except for those described in Note 4.4. with regards to extending the useful accounting lives of wind and photovoltaic assets treated as a change in estimate, and the change in the classification of the profit/(loss) of companies accounted for using the equity method, distinguishing between analogous and non-analogous activities, both changes adopted with effect from 1 January 2020.

These financial statements were prepared on the basis of the accounting records kept by the Parent Company and by the other Group companies. These records include the figures relating to the joint ventures, groupings and consortia considered to be joint operations, in which the Group companies have interests, through the proportional integration system, that is, through the inclusion, based on the percentage of participation, of the assets, liabilities and operations of these entities, after asset and liability balances are appropriately eliminated, as well as operations in the year.

The figures for the previous year are presented in these financial statements for comparative purposes in addition to the figures for 2020. They are presented for each of the items in the consolidated balance sheet, consolidated income statement, consolidated statement of cash flows, consolidated statement of recognised income and expense, consolidated statement of changes in total equity and notes to the consolidated financial statements. The figures for the previous year were obtained by consistently applying IFRS standards as adopted by the EU, although the considerations described in Note 4.4 must be taken into account.

The Acciona Group's consolidated financial statements for 2019 were approved by the shareholders at the Annual General Meeting on 28 May 2020. The consolidated financial statements for 2020 of the Acciona Group have not yet been approved by the shareholders at the Annual General Meeting. However, the Parent Company's Board of Directors considers that the aforementioned financial statements will be approved without any material changes.

Unless otherwise indicated, these consolidated financial statements are presented in thousands of euros. Foreign operations are accounted for in accordance with the policies established in Notes 3.2.g) and 4.2.q).

3.2 Consolidation principles

a. Consolidation methods

The companies over which control under IFRS 10 is exercised were fully consolidated. These companies are considered subsidiaries and they are listed in Appendix I, and their consolidation method is explained in section d. of this same note.

Entities managed jointly with third parties as a joint operation are proportionately consolidated when it is concluded that the participating company has direct rights and obligations for its share percentage in the assets and liabilities under the agreement. This is explained in section e. in this note. The agreements that confer joint control by means of separate vehicles are listed in Appendix II.

Finally, the companies not included in the paragraphs above, where significant influence is held in their management or they are a joint venturer or associate, and they are measured by applying the equity method (Appendix III). This consolidation method is explained in section f. in this note.

b. Eliminations on consolidation

All material balances and effects of the transactions performed between the subsidiaries and the associates and joint operations, and intra-subsidiaries, were eliminated on the consolidation process.

The gains on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's share percentage in their capital. Exceptionally, and according to applied standards, the profit and loss on internal transactions with Group companies, jointly controlled entities, or associates in connection with certain concession-related activities were not eliminated.

c. Uniformity

The accounting policies of the subsidiaries have been adapted to the Group's accounting policies for transactions and other events which, being similar, have occurred in similar circumstances. All material adjustments required to adapt the separate financial statements of subsidiaries to International Financial Reporting Standards and/or make them compliant with the Group's accounting policies were considered in the consolidation process.

The separate financial statements of subsidiaries used in the consolidation process refer to the same reporting date and the same reporting period as those of the Company.

d. Subsidiaries

"Subsidiaries" are defined as companies over which the Company has the capacity to exercise effective control; control is generally seen in three elements that must be complied with: having authority over the subsidiary, exposure or the right to variable returns from its investment, and the ability to use said authority to influence the amount of these returns.

The financial statements of the subsidiaries are fully consolidated with those of the Company. Accordingly, all material balances and effects of the transactions between consolidated companies were eliminated on consolidation.

When a subsidiary is bought, its assets, liabilities and contingent liabilities are measured at their acquisition-date fair values, as provided for in IFRS 3, Business Combinations. Any excess in the cost of acquisition over the fair values of the identified net assets is recognised as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets, the difference is credited to profit or loss on the acquisition date.

For subsidiaries acquired during the year, only the results generated from the date of acquisition are included in the consolidation. Similarly, for subsidiaries disposed of during the year, only the results generated up to the date of disposal are included in the consolidated income statement.

The interest of non-controlling shareholders is stated at their proportion of the fair values of the assets and liabilities recognised.

The share of third parties in the equity of investees is disclosed within the Group's equity under "Non-Controlling Interests" on the consolidated balance sheet. Similarly, their share in the profit or loss for the year is disclosed under "Non-Controlling Interests" on the consolidated income statement.

e. Joint operations

Joint arrangements are deemed to be ventures in which the investee is managed by a Group company and one or more unrelated third parties, all of whom act jointly to manage the relevant activities and where strategic decisions require the unanimous consent of the parties.

Joint arrangements where the investing company is deemed to hold direct rights and obligations for its share percentage in the assets and liabilities under the arrangement are considered joint operations.

The financial statements of joint operations are proportionately consolidated with those of the Company, and therefore, the aggregation of balances and subsequent eliminations are only applied in proportion to the Group's share in the assets and liabilities, as well as in the income and expenses of these operations, provided that they are considered to be carried out with third parties or with the other operator.

The assets and liabilities relating to operations are recognised on the consolidated balance sheet classified according to their specific nature. Similarly, the income and expenses from joint operations are disclosed in the consolidated income statement on the basis of their nature.

If the percentage share in a joint operation were to increase, then the previous share in the individual assets and liabilities is not subject to revaluation, provided the Group maintains joint control.

f. Associates and joint ventures

In the consolidated financial statements, investments in associates and joint ventures (joint arrangements giving a right to the net assets of the arrangement) are recorded by applying the equity method, i.e., at the Group's share in net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

The value of these investments on the consolidated balance sheet implicitly includes, where applicable, the goodwill arising on their acquisition.

When the Group's investment in associates results in losses and the net investment is reduced to zero, only the additional amount from constructive obligations assumed by the Group, if any, in the subsidiaries are accounted for by the equity method and are recognised under *Non-current provisions* caption on the consolidated balance sheet.

In order to disclose results uniformly, the Group's share in the profit or loss of associates is disclosed on the consolidated income statement before and after tax.

The Group recognises the results of joint ventures and associates which carry out activities that fall under the Group's operating purpose and in which the Group has a high level of involvement under *Equity method profit/(loss)- analogous*, which is considered an integral part of operating profit or loss. The results of investments in joint ventures and associates which are more closely related to financial investments for the Group as they carry out activities unrelated to the Group's business are recognised under operating profit or loss, specifically under *Equity method profit/(loss)- non-analogous*.

g. Translation differences

The assets and liabilities of Group companies with a functional currency other than the euro are translated to euros at the exchange rates prevailing on the balance sheet date as part of the consolidation process. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly. Capital and reserves are translated at the historical exchange rates. Translation differences, if any, are classified as equity. Such translation differences are recognised as income or as expenses in the year in which the investment is made or disposed of.

h. Changes in the scope of consolidation

Appendices I, II and III to the accompanying consolidated financial statements contain relevant information about the Acciona Group's subsidiaries, joint operations, and associates and joint ventures, and Appendix IV shows the changes in consolidation scope in the year.

On 19 December 2019, the Group signed a number of agreements for the acquisition of certain Lendlease Engineering contracts, personnel and equipment with the aim of strengthening its presence in the Australian construction market. The last novation of these agreements occurred in June 2020, incorporating a number of previous terms and conditions seeking to facilitate the transaction and which were fulfilled on 9 September 2020.

Since then, the Group has 100% control of a Group of Companies through its 100% equity owned Acciona Infrastructure Asia Pacific Pty Ltd, whose holding company is Acciona CEI Australia Holdings Pty Ltd (formerly Lendlease and Construction Holdings Pty Ltd and, hereinafter, the "CEI Subgroup"), for an adjusted price according to the terms of the contract of 123.1 million euros (200.4 million AUD).

This price includes (i) the delivery of a cash amount to be paid in three instalments (September 2020, January 2021 and June 2021), (ii) an initial price adjustment for the difference between the consolidated equity estimated at the effective acquisition date and the reference equity agreed in the contract and (iii) a post-price adjustment based on the review of the estimated equity at the effective date of acquisition (this adjustment is under negotiation in accordance with the time limits set out in the contract).

After this transaction, the Group acquires control of the CEI Subgroup which will now be fully consolidated. The breakdown of the business combination is as follows (in thousand euros):

Company	Acquisition cost	Percent acquired	Fair value of assets acquired and liabilities assumed	Goodwill/NCD
CEI Subgroup	123,104	100%	133,120	(10,016)

The table below shows the breakdown of the fair value of the CEI Subgroup's assets acquired and liabilities assumed at the time control was taken over (in thousand euros):

CEI Subgroup	09.09.2020
Provisional detail of assets:	
Other intangible assets	43,235
Property, plant and equipment	123,003
Right of use	4,550
Other non-current assets	3,624
Non-current assets	174,412
Current assets	395,344
Total provisional assets	569,756
Deferred tax liabilities	4,307
Other non-current liabilities	7,247
Advances from clients	78,645
Non-current liabilities	90,199
Current liabilities	346,437
Total provisional liabilities	436,636
TOTAL PROVISIONAL NET ASSETS	133,120

At the time of acquisition, as indicated by IFRS 3, the Group carried out an analysis of the acquired Subgroup's assets and liabilities at fair market value for purchase price allocation purposes ("Purchase Price Allocation" or PPA).

As part of the PPA process, an asset attributed to the backlog acquired on a firm basis from the Australian subgroup at the time of purchase has been recognised and has been assigned a total pre-tax value of EUR 43.2 million (70.4 million AUD). This amount was recognised under *Other Intangible Assets* in the consolidated balance sheet and is amortised on the basis of the profit or loss generated by the associated construction contracts. At 31 December 2020, the impact of the amortisation of the allocated intangible asset amounted to 16.9 million euros and was recognised under *Depreciation and Amortisation Charge and Changes in Provisions* in the accompanying consolidated income statement.

In addition, as a result of the review of the fair value of the property, plant and equipment acquired, in accordance with generally accepted valuation techniques and in accordance with IFRS 13, a gain of 10.3 million euros (16.8 million AUD) was recognised as a result of the difference between the fair value assigned and the net book value at the acquisition date, which was partially realised in the last quarter of 2020 through a sale transaction.

In addition, also as part of the PPA process, the Group has recognised liabilities assumed at the acquisition date which mainly relate to various obligations it is obliged to satisfy as a result of the acquisition amounting to 14.6 million euros (23.7 million AUD) and provisions for potential contingencies amounting to 26.5 million euros (43.1 million AUD).

As a result of the above process, and as a consequence of the difference between the fair value of the net assets acquired and the acquisition cost, a negative consolidation difference of 10 million

euros (16 million AUD) was recognised under *Other gains and losses* in the accompanying consolidated income statement. According to applicable accounting regulations, the allocation of assets and liabilities identified shall be deemed final once twelve months have passed since the acquisition date.

The main assets and liabilities contributed by the CEI Subgroup are identified in the notes to these consolidated financial statements. The revenue and the after-tax result provided by the Subgroup from the effective acquisition date until 31 December 2020 amounted to 226,725 thousand euros and 9,031 thousand euros, respectively.

The functional currency of the CEI Subgroup is the Australian dollar.

In April 2020 an additional percentage was acquired in the subsidiary "ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation)", increasing its ownership stake in this company from 88% to 100%. The purchasing price of these shares amounted to 22.8 million euros (see note 18(f)).

On 10 April 2020 an agreement was entered into whereby Acciona Energía, S.A., Bestinver, S.A. and AXA Investment Managers-RealAssets (AXA) acquired from Kohlberg Kravis Roberts & Co. LP (KKR) their 33.33% stake in the share capital of Acciona Energía Internacional, S.A. (AEI, the parent of the Acciona Energía Internacional subgroup), as well as the assignment of KKR's creditor position vis-à-vis AEI in relation to the subordinate loan agreement. Pursuant to this transaction, Acciona Energía acquires an 8.33% stake in the share capital of AEI, Bestinver, S.A. a 5% stake, and AXA a 20% stake, and KKR assigns 25% of its creditor position in the subordinate loan to Acciona Energía, 15% to Bestinver, and 60% to AXA. The effectiveness of the transaction was subject to compliance with certain precedent conditions.

The AEI Subgroup was created in 2014, with most of the international power generation assets presented by the Acciona Group at the time. The AEI Subgroup currently owns 52 renewable energy assets, mainly wind farms, with a combined generating capacity of 2.3 GW in countries such as the United States, Mexico, Canada, Italy, Portugal, South Africa and Australia. The 5% stake acquired by Bestinver is classified under the non-current asset held for sale as it will be part of the Bestinver Infra venture capital fund and which is currently in a placement period (see note 15). With the 8.33% acquired by Acciona Energía, the Acciona Group increases its effective shareholding in AEI from 66.66% to 75% and this subsidiary becomes part of its Spanish tax consolidation group.

The transaction was completed on 29 December 2020, once the precedent conditions had been met, at which point Acciona Energía received the shares representing 8.33% of AEI's share capital in exchange for a consideration of 113,230 thousand euros which includes the subrogation of the subordinate debt and for which payment was made on 4 January 2021. Bestinver received 5% of the shares in exchange for a consideration of 67,938 thousand euros which includes the subrogation of the subordinate debt and for which payment was also made on 4 January 2021 (see note 23).

As a result of this transaction between shareholders and without a change of control, there has been a decrease in the Group's consolidated reserves of 34 million euros. In addition, the amount attributed to non-controlling interests has decreased by 15 million euros (see note 18(f)).

On 29 November 2020, the Acciona Group reached an agreement with Meridiam Infra Invest SLP, Meridiam Infrastructure Fund III SLP (hereinafter Meridiam) and Bestinver, S.A. for the sale of its entire stake in a portfolio of eight concessional assets as part of its asset rotation strategy:

Concession Assets	% of sale	
	Meridiam	Bestinver
Autovía de los Viñedos (Consuegra - Tomelloso Section)	75%	25%
Hospital Infanta Sofia (Madrid) and the hospital's operating company	80%	20%
Autovía de la Plata (Benavente - Zamora Section)	100%	--
Gran Hospital Can Misses (Ibiza) and the hospital's operating company	88%	12%
Novo Hospital de Vigo (Galicia) and the hospital's operating company	100%	--
Nuevo Hospital de Toledo and the hospital's operating company	100%	--
Ampliación Facultad de Derecho (Barcelona)	100%	--
Canal de Navarra	100%	--

The value of the transaction is 484 million euros of which the price of the shares is 357 million euros and the associated debt is 127 million euros. In December 2020, 234 million euros, equivalent to 65% of the total agreed price of the transaction, was collected in advance.

The stake acquired by Bestinver, S.A. is intended for the Bestinver Infra venture capital fund, which, as noted, is currently in the placement period. These shares are valued at acquisition cost under *Non-current assets and liabilities held for sale* (see note 15).

The transaction was subject to compliance with the conditions precedent and agreed suspensions corresponding to (i) customers authorisations for each Company, (ii) authorisation by the financial institutions of each Company and in the case of certain shares in Associate, (iii) communication related to the exercise of preferential acquisition rights held by the shareholders of the companies in which Acciona does not hold a 100% stake, and (iv) authorisation from the competition authorities if applicable.

At 31 December 2020, the Group considered that the transfer was not effective for six of the concession assets, since they were subject to substantial conditions precedent, and the transfer for the two assets in which the Group held a 100% ownership interest has been recognised (assets managed by the subsidiaries Sociedad Concesionaria Hospital del Norte, S.A., Acciona Servicios Concesionales, S.L. (operator) and Autovía de los Viñedos, S.A.U.), since the risks and rewards associated with the ownership interest and effective control were considered to have been transferred. For this sale, the Group has derecognised a total amount of assets amounting to 296,197 thousand euros and liabilities totalling 197,312 thousand euros, recording a capital gain under the *Impairment and profit/(loss) on disposal of non-current assets* line for 78,680 thousand euros in the consolidated financial statements.

At 31 December 2020, the net investment in associates related to the other concession assets to be disposed of is recognised under *Non-current assets and liabilities held for sale*, the effective transfer of which is expected to take place in the first half of 2021 (see Note 15).

In 2019, the Group was obliged to submit a public tender offer to all shareholders of Nordex SE, after exceeding the regulatory limit of 30% of the investee's share capital. The public tender offer was made at a price of 10.34 euros per share, calculated as the average price per share based on the market price of Nordex SE in the three months prior to launching the bid. It ended on 8 January 2020 and a total of 149,399 shares were accepted, representing 0.14% of the shareholding.

On 1 December 2020 Nordex, SE, with the approval of the *Supervisory Board*, carried out an accelerated capital increase of 10% through a bookbuilding process excluding subscription rights, for a total of 10,668,068 shares at a price of 18.90 euros per share. Acciona, S.A. subscribed 5.76% of the capital increase, i.e., an amount lower than its previous ownership interest. As a result of this dilution, the shareholding in Nordex, SE decreased from 36.41% to 33.63%.

On 17 December 2020, Kley Operaciones, S.L.U. acquired 100% of the shares held by the subsidiary Acciona Inmobiliaria, S.L.U. in Acciona Campus España, S.A., the main Group company in which the rental property activity related to student residences located in Spain was concentrated. The sale price amounted to 30,850 thousand euros, and the Group recognised gains of 17,327 thousand euros under *Impairment and profit/(loss) on disposals of non-current assets* line in the income statement (see Note 6).

On 28 December 2020, the rights recognised in favour of the Executive Chairman and Executive Vice-Chairman of Acciona, S.A. under the Long-Term Incentive Plan were settled through the delivery of 3,564,794 shares representing 81.47% of the share capital of Grupo Bodegas Palacio 1894, S.A.U. valued at 26,357 thousand euros (32,350 million euros at 100% ownership interest) (see Note 36). At 31 December 2020, the 18.53% of the share capital of Bodegas Palacio 1894, S.A.U. retained by the Acciona Group was classified under *Other non-current financial assets* in the consolidated balance sheet at a fair value amounting to 5,995 thousand euros (see Note 12). A loss of 10,700 thousand euros on this transaction was recognised under the *Impairment and profit/(loss) on disposals of non-current assets* line in the income statement.

In financial year 2020 no significant additions to or removals from the scope of consolidation took place, apart from those described in the paragraphs above.

4.- Main accounting policies

4.1 Adoption of new standards and interpretations issued

Standards and interpretations applicable in this financial year

In financial year 2020, the following accounting standards, amendments and interpretations came into force and, accordingly, were considered in the preparation of the accompanying consolidated financial statements.

Standards, amendments and interpretations	Description	Mandatorily applicable in annual periods beginning on or after:
<u>Approved to be applied in the EU</u>		
Amendments to IAS 1 and IAS 8 - Definition of "materiality"	Amendments to IAS 1 and IAS 8 to align the definition of "materiality" with that contained in the conceptual framework.	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform - Phase I	Amendments to IFRS 9, IAS 39 and IFRS 7 related to interest rate benchmark reform.	1 January 2020
Amendment to IFRS 3 Business definition	Clarifications on business definition.	1 January 2020

Standards, amendments and interpretations	Description	Mandatorily applicable in annual periods beginning on or after:
Amendment to IFRS 16 Leases – Rent concessions	Amendment to allow lessees to account for rent concessions related to COVID-19.	1 June 2020

With regards to IFRS 9, IAS 39 and IFRS 7, the IASB has amended certain requirements for hedging relationships in order to be able to continue applying benchmark interest rates on which the cash flows of the hedging instruments and the hedged items are based are not affected by the uncertainties generated by the reform of interest rates offered on the interbank market (IBOR indices). As of 31 December 2020, Phase I of this amendment is now complete and it has not been significant for the group.

The Acciona Group has chosen to apply the practical solution provided for in the “Amendment to IFRS 16 Leases - Rent concessions” which came into force on 1 June 2020 and which simplifies accounting for a rent concession related to COVID-19. The amendment exempts lessees from having to reassess lease agreements if rent is pardoned or deferred rent payments are renegotiated during 2020, provided the conditions described in the amendment to the standard are met. This amendment allows these concessions to be recorded as variable rental income. The impact on the Group was not material since the contracts most affected by the decrease in activity linked to COVID-19 did not comply with the conditions envisaged in the amendment or ended up being cancelled early or renegotiated in such a way that the future cash flows from the contract or the agreed rental period were modified.

The remaining standards have been applied without significant impacts on either the reported figures or the presentation and breakdown of the information, either because they do not pose significant changes, or because they refer to economic events that do not affect the Acciona Group.

Standards and interpretations issued but not in force

At 31 December 2020, the following were the most significant standards and interpretations published by the IASB, but they have not come into effect yet, either because their effective date is later than the date of the consolidated financial statements, or because they have not been adopted by the European Union yet:

Standards, amendments and interpretations	Description	Mandatorily applicable in annual periods beginning on or after:
<u>Approved to be applied in the EU</u>		
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform - Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to interest rate benchmark reform (second phase).	1 January 2021
Amendment to IFRS 4- Deferred application of IFRS 9	Deferred application of IFRS 9 until 2023	1 January 2021
<u>Not approved for use in the EU</u>		
Amendment to IFRS 3- Reference to the Conceptual Framework	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework	1 January 2022
Amendment to IAS 16 - Proceeds before Intended Use	The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use	1 January 2022

Amendment to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract	The amendment explains that the direct cost of fulfilling a contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.	1 January 2022
Improvements to IFRS Cycle 2018-2020	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022
Amendment to IAS 1 - Presentation of Financial Statements	Classification of liabilities as current and non-current.	1 January 2023
IFRS 17 - Insurance Contracts	Replaces IFRS 4, and incorporates the principles of recognition, measurement, presentation and disclosure of insurance contracts with the aim that the entity provides relevant and reliable financial information that enables users of the information to determine the effect that insurance contracts have on the financial statements.	1 January 2023

With respect to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16, the IASB continues to develop guidance and amendments to address the various accounting considerations that may arise when the various IBORs are amended or replaced by others. In this second phase, certain practical solutions, clarifications and exceptions are proposed, aimed at reflecting financial assets and liabilities and lease liabilities in the financial statements of the entities as a consequence of the IBOR reform in the best possible way.

The Group's Directors do not anticipate any significant impacts to arise as a result of this amendment and those summarised in the table above that have been published but not yet in force, since they are applications to be applied prospectively, amendments related to presentation and disclosure issues and/or matters that are not applicable or significant to the Group's operations.

4.2 Measurement standards

The main measurement standards applied in the preparation of the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, were as follows:

A) Property, plant and equipment

Property, plant and equipment acquired for use in the production or supply of goods or services or for administrative purposes are stated on the consolidated balance sheet at the lower of acquisition or production cost less any accumulated depreciation and their recoverable amounts.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised. Acquisition cost includes professional fees and borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. The finance costs relating to this funding used for the construction of these assets are entirely capitalised during their construction.

The acquisition cost of elements acquired before 31 December 2003 includes any asset revaluations permitted in the various countries to adjust the value of the property, plant and equipment due to the effect of inflation until that date.

The balances of assets retired as a result of modernisation or for any other reason are de-recognised from the related cost and accumulated depreciation accounts.

In-house work done by the Group on its own property, plant and equipment is recognised at accumulated cost (external costs plus internal costs calculated on the basis of in-house consumption of warehouse materials and manufacturing costs incurred).

Upkeep and maintenance costs are charged to the consolidated income statement for the year in which they are incurred.

Generally, depreciation is calculated using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; it is understood that the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated. The Group companies depreciate their property, plant and equipment over the years of estimated useful life. The annual depreciation rates applicable in 2020 were as follows:

Annual depreciation rates	
Buildings	2 - 10%
Special facilities:	
Wind farms (*)	3.33%
Hydroelectric power plants	1 - 4%
Biomass plants	3% - 4%
Solar thermal plants	5%
Solar PV (*)	3.33%
Remaining plant	5%-33%
Machinery	5%-40%
Furniture	5%-20%
Computer hardware	13%-30%
Transportation elements	10%-32%
Other PPE	6%-33%

(*) Modified following the change in the estimated useful life described in Note 4.4.

The consolidated companies recognise in the books any loss that may have occurred in the registered value of these assets due to their impairment, and the heading *Impairment and profit/(loss) on disposal of non-current assets* on the consolidated income statement is used as balancing entry. The criteria to recognise the impairment losses of these assets and, if appropriate, the loss recoveries that might occur subsequently are detailed in section F) in this note.

B) Investment property

“Investment Property” on the accompanying consolidated balance sheet reflects the net accumulated depreciation and value adjustments of the land, buildings and other structures held either to earn rentals or for capital appreciation on their sale.

Investment property is stated at acquisition cost and for all purposes the Group applies the same policies as those used for property, plant and equipment of the same kind.

Each year the Group determines the fair value of its investment property with the support of appraisals undertaken by independent experts (see Note 6).

Investment property is depreciated on a straight-line basis over the years of estimated useful life of the assets, which constitutes the period over which the Group companies expect to use them. The average depreciation rate is as follows:

Annual depreciation rate	
Buildings held for rental	2%-3%

C) Leases and right of use

A contract is deemed to contain a lease if there is a transfer of the right to manage the use of an identified asset for a period of time in exchange for a consideration.

Right of use identified in lease contracts:

At the date the lease contract begins, a liability will be recorded for the future lease payments, including any highly probable extensions, and an asset that will represent the right to use the underlying asset for the duration period of the lease.

The Group measures lease liabilities at the present value of the lease payments outstanding at the start date. The Group discounts lease payments at the appropriate incremental interest rate unless it can reliably determine the lessor's implicit interest rate.

Outstanding lease payments are comprised of fixed payments, less any receivable incentive, variable payments that depend on an index or rate (initially measured at the index or rate applicable at the start date), amounts expected to be paid for residual value guarantees, the price to exercise a purchase option (when it is highly probable that it will be exercised), and lease termination indemnity payments, provided that the lease term reflects this termination option. Variable payments that have not been included in the initial measurement of the liability are recognised in profit or loss in the period in which they accrue.

Subsequent to initial recognition, the Group values the lease liability by increasing it by the accrued interest expense, decreasing it by the payments made, and re-estimating the carrying amount for lease modifications or to reflect updates to fixed payments.

The asset for the right of use is initially recognised at the present value of the lease liability, plus any lease payments made on or before the start date, less incentives received, initial direct costs incurred, and an estimate of decommissioning or restoration costs to be incurred. Assets are recognised under *Right of use* caption and are classified according to the nature of the underlying asset.

Assets for the right of use are subsequently measured at cost, less accumulated amortisation and impairment losses (see section F). These assets are amortised on a straight-line basis over the life of the contract, except when the useful life of the asset is shorter or when it is estimated that a purchase option will be exercised on the asset, in which case the amortisation period is the same as the useful life of the asset.

The liability is revalued, generally as an adjustment to the asset for the right of use, whenever there are subsequent modifications to the contract, such as in the following cases: changes in lease term period, changes in future lease payments due to index rate update as defined in the contract, changes in future payments, changes in the expectation to exercise the purchase option, among others. In the event of changes that alter the lease term period or substantial amendments to the scope of the lease, the liability under the contract is revalued considering an updated discount rate. The Group records re-estimates of the liability as an adjustment to the asset for the right of use until it is reduced to zero and subsequently in profit or loss.

There are two exceptions to the recognition of the lease asset and lease liability for which the expense is recognised in the income statement on an accrual basis:

- Low-value leases: These refer to insignificant leases, i.e., contracts for which the underlying asset is attributed a value as new that is not significant. The Group has set the upper limit of this value at 5,000 euros as a reference amount.
- Short-term leases: Contracts with an estimated rental term of less than 12 months.

Lessor's perspective:

The accounting for lease contracts where the Group acts as lessor has been affected by the following criteria:

Finance leases:

In those lease contracts where the lessor retains ownership of the asset and transfers substantially all the risks and rewards of the leased asset, the lessor must derecognise the asset subject to lease and recognise an account receivable for an amount equal to the net investment in the lease at the start date, considering the implicit interest rate in the contract.

A lessor shall recognise finance income over the term of the lease on the basis of a pattern that reflects a constant rate of return on the lessor's net investment in the lease.

D) Goodwill

As part of the process carried out in a business combination, the existing excess between the given consideration, plus the allocated value to non-dominant stake holdings and the net amount of the assets acquired and the liabilities assumed measured at fair value are recognised as goodwill. If applicable, the shortcoming after measuring the given consideration, the value assigned to non-dominant stake holdings and the identification and measurement of the net amount of the assets acquired at fair value is recognised in the profit/(loss).

The assets and liabilities acquired are measured provisionally at the date on which control is acquired, and the resulting value is reviewed no later than one year from the date of acquisition.

Goodwill is not amortised, but impairment is verified each year, or before then if there are signs of a potential loss of asset value. For these purposes, the goodwill resulting from the business combination is assigned to each of the Cash-Generating Units (CGU) or groups of CGUs that belong to the Group which are expected to benefit from the synergies of the combination. After the initial recognition, goodwill is measured at its cost less the accumulated impairment losses.

Goodwill generated internally is not recognised as an asset. Goodwill is only recognised when it has been acquired for a consideration and represents, therefore, a payment made by the buyer in anticipation of future economic benefits from assets of the acquired company that are not individually and separately identifiable and recognisable.

Goodwill arising in the acquisition of companies with a functional currency other than the euro is translated to euros at the exchange rates prevailing at the date of the consolidated balance sheet.

E) Other intangible assets

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less, if applicable, any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over those useful lives using methods similar to those used to depreciate property, plant and equipment. The amortisation rates, which were determined on the basis of the average years of estimated useful life of the assets, are basically as follows:

Annual depreciation rate	
Development	20%
Administrative concessions	2 - 25%
Computer software	10 - 33%
Other intangible assets	10 - 33%

The consolidated companies recognise any impairment loss in the carrying amount of these assets with a charge to *Impairment and profit/(loss) on disposal of non-current assets* on the consolidated income statement. The criteria to recognise the impairment losses of these assets and, if appropriate, the loss recoveries that might occur subsequently are detailed in section E) in this note.

Research and development

As a general rule, expenditure on research activities is recognised as an expense in the year in which it is incurred, except in development projects in which an identifiable asset is created, it is probable that the asset will generate future economic benefits, and the development cost of the asset can be reliably measured. The Group's development expenditure, basically related to the development of renewable energy generation projects, is only recognised as an asset if it is probable that it will generate future economic benefits and the development cost of the asset can be reliably measured.

Development expenditure is amortised on a straight-line basis over its useful life. Unless the aforementioned conditions for recognition as an asset are met, development expenditure is recognised as an expense in the year in which it is incurred.

Administrative concessions

The “Administrative Concessions” line item includes concessions that have been acquired by the Group for a consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the Government or from a public agency. Administrative concessions are amortised on a straight-line basis over the term of the concession. Appendix V details the duration (and, therefore, amortisation) of the main concessions.

Intangible assets in infrastructure projects

Since the adoption of IFRIC 12, the Acciona Group has included under “Intangible Assets in Infrastructure Projects”, the intangible assets associated with concessions in which the demand risk is borne by the operator. This type of concession-related activity is carried out through investments mainly in transport and water supply infrastructure that is operated by subsidiaries, jointly controlled entities or associates (concession operators), the main characteristics being as follows:

- The concession infrastructure is owned by the grantor in most cases.
- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed over to the concession grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant accounting criteria applied by the Acciona Group in relation to these concession arrangements are as follows:

- Capitalisation of the borrowing costs incurred during the construction period and non-capitalisation of the borrowing costs subsequent to the entry into service of the related assets.
- Amortisation of the concession infrastructure on a straight-line basis over the concession term.
- Concession operators amortise these assets so that the carrying amount of the investment made including the obligations to restore the infrastructure or maintain it with a certain service capacity is zero at the end of the concession term.
- Practically in all the concessions of the Acciona Group, the construction work was carried out by Group companies. In this regard, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at their gross amount (recognition of the sales and the cost of sales on the consolidated financial statements of the Acciona Group), with the construction margin recognised on the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales on the consolidated financial statements. No adjustment was necessary in 2020 for this reason.

Computer software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recognised at acquisition cost with a charge to *Other Intangible Assets* on the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

F) Impairment of non-current assets

At the closing date of each balance sheet, the Group reviews the carrying amounts of its property, plant and equipment, investment property, right of use, intangible assets and investments accounted for using the equity method to determine whether there is any indication that those assets might have sustained an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the value impairment loss (if any). When the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the smallest identifiable cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in previous years.

At the end of each reporting period, goodwill is reviewed for impairment (i.e., a reduction in its recoverable amount to below its carrying amount) and any impairment is written down with a charge to *Impairment and profit/(loss) on disposals of non-current assets* on the consolidated income statement. Impairment losses recognised for goodwill do not reverse in a subsequent period.

Recoverable amount is the higher of fair value less costs to sell and value in use. The methodology used to estimate the recoverable amount varies on the basis of the type of asset in question. For these purposes, the Group considers three types of assets: investment property (assets held to earn rentals and inventories), goodwill of companies and assets of a limited duration (primarily assets related to electricity production and infrastructure concessions); the way they are measured is explained below.

Real estate assets (assets held to earn rentals and inventories)

The Group's real estate investment relates to properties earmarked for lease. The recoverable amount of assets is the higher of fair value less costs to sell and value in use. The Group determines the recoverable amount of its real estate investment based on estimates of its fair value at 31 December 2020 according to the valuations performed by the independent experts Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U. (report issued on 8 February 2021) and CB Richard Ellis, S.A. (report issued on 5 February 2021).

These valuations are carried out in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of Great Britain and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC).

Assets of this type are measured by updating the rents at rates that vary on the basis of the type of building earmarked for lease and of the specific characteristics of the buildings. In proportion to their carrying amounts, the assets held to earn rentals may be classified as residential for rent (9.44%), offices (66.70%) and other property (23.86%) (shopping centres, car parks, etc.). The updated rates used for each type of property lie in the following ranges: residential property for rent (5.50%-6.50%), offices (7.25%-9.25%) and other property (8-12%).

The method used to calculate the market value of real estate investment consists in preparing ten-year forecasts for the income and expenses of each asset that will then be updated at the balance sheet date, through a market discount rate. The residual amount at the end of the tenth year is calculated by applying a yield rate ("exit yield" or "cap rate") from the forecasts for net income in the eleventh year. The market values thus obtained are analysed through calculation and analysis of the capitalisation of the yield implicit in these values. The forecasts are used to reflect the best estimate of income and expenses of property assets over the future. The yield rate and the discount rate are defined according to the domestic market;

To calculate the fair value of land and developments in progress, the residual method was applied. This method consists in estimating the value of the final product on the basis of the comparison or cash flow discount method, and the development costs are taken off this value. Development costs include the cost of urbanisation, construction, fees, levies and all the costs needed to carry out the projected development. Revenue and costs are distributed over time according to the development and sale periods estimated by the appraiser. The update rate used is the rate representing the annual average yield of the project, and the external financing that would be required by an average developer for a development of the characteristics of the development analysed is not taken into account. This update rate is calculated by adding the risk premium (determined through the risk assessment of the development, with the type of property asset to build, its location, liquidity, term of construction and amount of required investment being taken into account) to the free-risk rate. Where in the determination of the cash flows external financing is taken into account, the risk premium mentioned above increases depending on the percentage of said financing (leverage level) attributed to the project and on the usual interest rates on the mortgage market.

The comparison or cash flow discount method has been used to calculate the fair value of completed developments.

The carrying amount of real estate assets is adjusted at the end of each year through the corresponding provision for impairment, in order to adjust the carrying amount to the recoverable amount or to the net realisable value, when this value has been lower than the carrying amount, adjusting the provision with additions or reversals.

Valuation adjustments for asset impairment and the reversal thereof when the circumstances giving rise to them no longer exist, are recognised as an expense or an income, respectively, in the income statement.

Based on the valuations made, the corresponding impairment losses are recognised, where appropriate, under *Impairment and profit/(loss) on disposals of non-current assets* in the consolidated income statement in the case of Investment Property and Non-Current Assets (see note 6) and under *Changes in Inventories of Finished Goods and Work in Progress* and *Procurements* in the case of Inventories.

Goodwill of companies

The impairment test takes into consideration the cash-generating units' overall capacity to generate future cash flows.

The Group prepares five-year forecasts of projected cash flows, including the best available estimates of income and expenses for the cash-generating units, using industry projections, past experience and future expectations.

Also, a residual value is calculated on the basis of the normalised cash flows of the last year of the forecast, to which a perpetuity growth rate is applied which under no circumstances exceeds the growth rates of previous years or those estimated in the long term for the market where the cash generating unit is located. The cash flow used to calculate residual value takes into account the replacement investments required for the continuity of the business in the future at the estimated growth rate.

The weighted average cost of capital (WACC) is used to discount cash flows, which will depend on the type of business and on the market in which it is carried on. The average leverage during the projection period is taken into account in the calculation of the WACC.

Other items calculated include: i) the effective cost of borrowings, which takes into account the tax shield that they give rise to, based on the average tax rates in each country; and ii) the estimated cost of equity based on a risk-free interest rate, (generally using as a benchmark the return on a ten-year bond in each market), the beta (which factors in the leverage and the risk associated with the asset), and a market premium (estimated on the basis of historical yields on the capital markets). These variables are tested using recent studies on premiums required at long term, comparable companies in the industry and rates habitually used by investment banks.

At 31 December 2020 the impairment tests implemented did not show the need to register impairment (see Note 8).

Non-current assets in projects

This line item includes concession assets and projects with a limited duration and characterised by having a contractual structure that makes it possible for the costs incurred in the project to be clearly determined (both at the initial investment stage and at the operating phase) and the related revenue to be reasonably projected over the life of the project (basically property, plant and equipment from the energy division). They are registered under property, plant and equipment (mainly under electric power generation facilities) and in other intangible assets under intangible concessions (IFRIC 12).

To calculate the value in use of assets of this nature, the expected cash flows are projected until the end of the life of the asset. Therefore, it is assumed that there is no terminal value. This is possible because:

- These assets have a stable long-term production, thus making it possible for reliable long-term estimates to be made.
- There are extensive series of historical data from reliable external sources.
- In connection with the energy division, the estimates of prices used by the Acciona Group for revenue determination are based on a profound understanding of the market and on the analysis of the parameters determining pool prices.
- The operating costs are known and with scant variability.
- A large part of them have been financed with long-term debt with known and constant terms and conditions that make it possible to forecast easily the necessary outflows of cash to cover the debt service.

The projections include both known data (based on project contracts) and basic assumptions supported by specific studies performed by experts or by historical data (on demand, production, etc.). Also, macroeconomic data, such as inflation, interest rates, etc., are projected using data provided by independent specialist sources (e.g., Bloomberg).

The discounted cash flows are those obtained by the shareholder after servicing the debt. The rates used to discount these cash flows are based on the cost of equity, and in each case they include the business risk and the sovereign risk relating to the location where the operation is being performed.

At 31 December 2020 and 2019, the Acciona Group has not recognised significant amounts in the accompanying consolidated income statement for this concept.

G) Non-current receivables and other non-current assets

Non-Current Receivables and Other Non-Current Assets includes the non-current trade receivables, mainly from public authorities, and withholdings from trade receivables, mainly from the Infrastructure division.

Since the Acciona Group adopted IFRIC 12, it has recognised financial assets associated with concessions in which the grantor guarantees the payment of a quantified or quantifiable amount, and where, therefore, the operator does not bear any demand risk under *Non-Current Receivables and Other Non-Current Assets*.

This type of concession-related activity was carried on through investments mainly in transport, water supply and hospital infrastructure operated by subsidiaries and joint operations, the detail being as follows:

- The concession infrastructure is owned by the grantor in most cases.
- The concession grantor, which can be a public or private sector entity, controls or regulates the service offered by the concession operator and the conditions under which it should be provided.

- The infrastructure is operated by the concession operator as established in the concession tender specifications for an established concession term. At the end of this period, the assets are handed over to the concession grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenue for the services provided either directly from the users or through the concession grantor.

The most significant accounting criteria applied by the Acciona Group in relation to these concession arrangements are as follows:

- The account receivable is recognised as the amortised cost at the present value of the amount receivable from the grantor, applying the effective interest rate.
- Borrowing costs are not capitalised, either during the construction phase or after the concession has started to operate.
- The Group recognises interest income earned on the financial asset, even during the construction phase, by applying the effective interest rate of the financial asset. This income is recognised as revenue.
- Practically in all the concessions of the Acciona Group, the construction work was carried out by Group companies. In this regard, the income and expenses corresponding to infrastructure construction or upgrade services are recognised at their gross amount (recognition of the sales and the cost of sales on the consolidated financial statements of the Acciona Group), with the construction margin recognised on the consolidated financial statements. If construction were not carried out by the Group itself, this fact would be taken into account for the purpose of recognising sales and the cost of sales on the consolidated financial statements.
- There is no depreciation or amortisation charge since the arrangements constitute a financial asset.
- Annual billings are divided into a financial asset component recognised on the balance sheet (and therefore not recognised as sales) and the component relating to services provided, which is recognised under operating income in accordance with IFRS 15.

H) Financial instrument disclosures

The qualitative and quantitative disclosures in the financial statements regarding financial instruments and risk and capital management are detailed in the following notes:

- Financial asset and liability categories, including derivative financial instruments and accounting policies are detailed in Note 4.2 I).
- Classification of the fair value measurements of financial assets and for derivative financial instruments consistent with the fair value hierarchy established in IFRS 7, detailed in Note 4.2 I).
- Disclosure requirements (qualitative and quantitative information) regarding the capital are detailed in Note 17 g).
- Risk management and accounting policies are detailed in Note 21.
- Derivative financial instruments and hedge accounting are detailed in Note 22.

- Transfers from equity to the year's profit or loss, for settlements of hedging derivative financial instrument transactions, are detailed in Note 30.

I) Financial instruments

Non-current and current financial assets excluding hedging derivatives

The financial assets held by the Group companies are classified into two large blocks based on the subsequent valuation method:

- Financial assets carried at amortised cost: corresponds to assets that are expected to retain contractual cash flows, which consist of collecting principal and interest (if applicable). These items are measured at amortised cost, which is basically the initial market value, less principal repayments, plus the accrued interest receivable calculated using the effective interest method. The types of assets comprised by this classification are:

- Loans and receivables: those originated by the companies in exchange for supplying cash, goods or services directly to a debtor. This category is comprised practically in its entirety of the assets recorded under the heading *Trade and other accounts receivable*.
- Cash and other cash equivalents: this item comprises both cash and bank deposits on demand. Other cash equivalents comprise short-term investments, with maturity under three months, and not subject to a relevant risk of change in value.
- Other financial assets: assets with fixed or quantifiable payments and fixed maturity. The Group has the intention and ability to hold them from the date of purchase to the date of maturity. The category mainly includes loans granted to companies consolidated by the equity method, short-term deposits, and deposits and guarantees.

The Group has determined an impairment model based on the forecast losses arising from defaulting payments during the next 12 months or throughout the entire lifespan of the financial instrument to be recognised, depending on the nature of the financial asset and the evolution of its associated credit risk from the initial recognition date. The model is carried out by considering the division, type of customer (public entity, large customers, etc.) as well as the historical experience regarding credit risk over the past five years. No significant amount for this concept has been recognised in the income statement for 2020.

- Financial assets designated at fair value with changes in profit or loss: these relate to securities acquired that are not classified in the other categories; almost all of them relate to financial instruments in the capital of companies. They are measured:

- At cost when there is insufficient information to measure them reliably or when there is a wide range of valuations and the associated derivative instruments must be settled in order to deliver these instruments. However, if a reliable measurement of the asset or contract is available to the Group at any time, the asset or contract is recognised at the fair value at that time, with gains or losses recognised in profit or loss or in other comprehensive income if the instrument is designated at fair value through other comprehensive income.
- At fair value when it is possible to determine it reliably, either through the market price or, in the absence thereof, using the price established in recent transactions or the discounted present value of the future cash flows. The gains and losses from changes in fair value are recognised directly in the consolidated income statement.

In financial years 2020 and 2019, no financial assets were reclassified among the categories defined in the foregoing paragraphs.

Purchases and sales of financial assets are booked using the trade date method.

Transfers of financial assets

Although the objective of the Group's business model is to hold financial assets to receive contractual cash flows, this does not mean that the Group holds all instruments to maturity. Therefore, the Group's business model is to hold financial assets in order to receive contractual cash flows even when these assets have been sold or are expected to be sold in the future. The Group considers this requirement to be met, even if the sales are due to an increase in the credit risk of the financial assets. In all other cases, at the individual and aggregate level, sales must be insignificant, whether frequent or infrequent.

The Group de-recognises financial assets when they expire or when the rights to the cash flows from the financial asset and substantially all the risks and rewards of ownership have also been transferred, such as in the case of firm sales, factoring of trade receivables in which the company does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinate financing or award any kind of guarantee or assume any other kind of risk.

Bank borrowings other than derivatives

Interest-bearing bank loans are recognised at the amount received, net of direct issue costs. Borrowing costs, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. In subsequent periods, these obligations are measured at amortised cost using the effective interest method.

In specific cases where liabilities are the underlying of a fair value hedge, they are measured, exceptionally, at fair value for the portion of the hedged risk.

The Group writes off financial liabilities or part of them when the obligations contained therein expire, or when it is legally released from the main responsibility of the liability through a legal process or by the creditor.

The exchange of debt instruments between the Group and the counterparty, or substantial modifications to the liabilities that had initially been recognised are accounted for as the cancellation of the original financial liability and the recognition of a new financial liability, whenever the instruments have substantially different terms.

The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange is accounted for as an extinguishment of the original financial liability then any costs or fees incurred are recognised as part of the profit or loss. Otherwise, the cash flows are discounted at the original effective interest rate and any difference with the previous carrying amount is recognised in profit or loss. In addition, the costs or fees adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Group recognises the difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to a third party and the consideration paid, including any non-cash assets transferred or liabilities assumed in the income statement.

With regards to the North American wind farms, facilities with tax credits (PTC or ITC) and accelerated tax depreciation (see Note 2.2), investment partners are incorporated through financing structures known as "Tax Equity Investments" with a share in the economic interest of the projects obtained from the use of the tax credits thereof and until a rate of return is obtained on the investment made, which depends on the performance of the projects themselves. The investment thus held is treated by the Group Corporación Acciona Energías Renovables as a debt with related entities. Repayment is made as the tax benefits are realised, as well as with a minority percentage of the annual free cash generated by the project. The expected maturity of these debts is associated with the tax credit obtained by the facility. In the case of the Group's North American projects, all of them have PTCs and an expected maturity of 10 years.

Derivative financial instruments and hedge accounting

Because of its activities, the Group is mainly exposed to the financial risks derived from fluctuations in foreign exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Electricity price and supply hedging transactions are also arranged. The Group does not use derivative financial instruments for speculative purposes.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors.

Accounting policies:

Derivatives are recognised at fair value (see measurement bases below) at the consolidated balance sheet date under *Other Current Financial Assets* or *Other Non-Current Financial Assets* if positive and under *Current or Non-Current Bank Borrowings* if negative. Changes in the fair value of derivative financial instruments are recognised on the consolidated income statement as they arise. If the derivative has been designated as a hedge which is highly effective, it is recognised as follows:

- Fair value hedges: these hedges are arranged to fully or partially reduce the risk of fluctuations in the value of assets and liabilities (underlying) recognised on the consolidated balance sheet. The portion of the underlying for which the risk is being hedged is measured at fair value, as is the related hedging instrument, and changes in the fair values of both items are recognised under the same heading on the consolidated income statement. At 31 December 2020, the Group had no fair value hedges.

- Cash flow hedges: these hedges are arranged to reduce the risk of potential changes in the cash flows associated with the interest payments on non-current floating-rate financial liabilities and exchange rates. Changes in the fair value of derivatives are recognised, with respect to the effective portion of the hedge, in *Reserves - Value Adjustments* under equity. The cumulative gain or loss recognised in this heading is transferred to the consolidated income statement to the extent of the impact of the underlying (resulting from the risk hedged) on the consolidated income statement; thus, this effect is netted off under the same heading on the consolidated income statement. Gains or losses on the ineffective portion of the hedges are recognised directly on the consolidated income statement.

The Group has also entered into energy purchase and sale contracts for which it performs an analysis in order to classify them for accounting purposes appropriately. In general, contracts that are settled net in cash or another financial instrument are considered to be derivative financial instruments and are recognised at fair value at the end of the year as indicated above, except for those that were entered into or are held for the purpose of receiving or supplying energy in accordance with the Group's purchase, sale, or utilisation requirements based on the Group's strategy.

Other derivative financial instruments

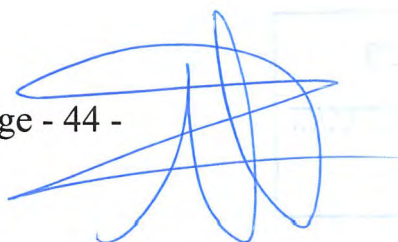
As part of their operations, Group companies seek to enter into long-term energy sales contracts for part or all of the energy produced by their facilities in order to partially or fully mitigate the risks of fluctuations in sales at market prices. These contracts, depending on the regulatory framework in which the facilities operate, can be entered into based on a physical supply of energy (the so-called Power Purchase Agreements or PPAs), or through financial derivatives in which the underlying asset is the market energy price and the difference between this and the contractually established production price is settled on a regular basis.

In this case, the Group recognises the market value of the derivative provided that it cannot be demonstrated that it has been contracted in accordance with the energy sales strategy established for the facility. In addition, it is designated as a hedge or with changes recognised through the income statement depending on the characteristics of the contract and the manner in which it is settled.

Group policy on hedging:

At the inception of the transaction, the Group designates and formally documents the hedging relationship and the objective and strategy for undertaking the hedge. Hedges are only recognised when formal documentation regarding the hedging relationship is available and all effectiveness requirements are met; this means that if an economic relationship between the hedged item and the hedging instrument is proven to exist, if the credit risk effect does not dominate value changes arising from this economic relationship, and if there is a reason for the hedge through which the hedging relationship is the same as that arising from the amount of the hedged item without any imbalance between the weights of the hedged item and hedging instrument which could cause the hedge to be ineffective.

The Group does not hedge projected transactions, but rather only firm financing commitments. If the cash flows from projected transactions were hedged, the Group would assess whether such transactions were highly probable and whether they were exposed to changes in cash flows that could ultimately affect the year's profit or loss.



If the cash flow hedge of a firm commitment or projected transaction results in the recognition of a non-financial asset or a non-financial liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in recognition of a non-financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period as that in which the hedged item affects net profit or loss.

Compound financial instruments with multiple embedded derivatives

The Acciona Group does not have any compound financial instruments with embedded derivatives.

Measurement and adjustment for credit risk bases

The Group measures derivatives not traded on an organised market (OTC) by discounting the expected cash flows and using generally accepted option pricing models based on spot and futures market conditions at the closing date of every financial year. The fair value calculations for each type of financial instrument are as follows:

- Interest rate swaps are valued by discounting future settlements between fixed and floating interest rates to their present value, in line with implicit market rates, obtained from long-term interest rate swap curves. Implicit volatility is used to calculate the fair values of caps and floors using option pricing models.
- Foreign currency hedging and option contracts are valued using the spot exchange rate, forward spots of the related currencies and, in the case of options, implicit volatility until maturity.

In order to determine the adjustment for credit risk in the measurement of derivatives at 31 December 2020, the technique applied was based on a calculation through simulations of the total expected exposure (incorporating both the actual and the potential exposure) adjusted in line with the probability of default over time and the severity (or potential loss) assigned to the Company and to each of the counterparties.

More specifically, the adjustment for credit risk was obtained from the following formula:

$EAD * PD * LGD$, where

- EAD: Exposure at default at any given moment. This is calculated through the simulation of scenarios with market price curves.
- PD: Probability of default, i.e., that one or other of the counterparties may fail to fulfil its payment obligations at any given moment.
- LGD: Loss given default with a severity = 1- (recovery rate): The percentage of losses ultimately occurring when one of the counterparties has incurred default.

The total expected exposure from derivatives is obtained using observable market inputs, such as interest curves, exchange rates and volatilities depending on the market conditions on the measurement date.

The inputs applied to obtain credit risk and counterparty risk (determination of the probability of default) are mainly based on the application of credit spreads of the Company or other comparable businesses currently traded on the market (CDS curves, IRR of debt issues). In the absence of credit spreads of the Company or other comparable businesses and in order to maximise the use of relevant observable variables, the listed references taken into account are those considered most suitable in each case (listed credit spread indices). For counterparties with credit information available, the credit spreads used are obtained from the Credit Default Swaps (CDS) listed on the market.

Furthermore, for the fair value (adjustment of the market value to the bilateral credit risk), consideration has been given to the credit enhancements in terms of collateral or guarantees when determining the severity rate to be applied to each position. Severity is considered to be unique over time. If there are no credit enhancements in terms of collateral or guarantees, a standard market recovery rate has been applied which corresponds to a senior unsecured debt of 40%. Nonetheless, this recovery rate would range between 68.45% and 88.40%, depending on the degree of progress in the project (construction or operation phase), and its geographical area (Western Europe, Eastern Europe, North America, Latin America, Oceania and Africa), for derivatives contracted under Project Finance structures.

The measurements at fair value made over the different derivative financial instruments including the information used for the calculation of the adjustment for credit risk of both the Company and its counterparty are classified at level 2 in the fair value hierarchy established in IFRS 13 as the inputs based on prices listed for similar instruments on active markets (not included in level 1), listed prices for identical or similar instruments on markets that are not active, and techniques based on valuation models for which all the significant inputs are observable on the market or can be corroborated by observable market data.

Although the Acciona Group has determined that most of the inputs used to evaluate the derivatives are at level 2 in the fair value hierarchy, the credit risk adjustments use level 3 inputs such as the credit estimations based on the credit rating or comparable companies to assess the probability of insolvency for the Company or its counterparty. The Group has assessed the relevance of the credit risk adjustments for the total valuation of the derivative financial instruments and has concluded that they are not material.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ substantially from their fair value.

Trade payables include unpaid balances to suppliers which are handled through confirming contracts with financial entities and, in the same way, payments related thereto are classified as transaction flows, since these transactions do not include either special guarantees given as pledge for the payments to be made or modifications that change the commercial nature of the transactions.

J) Inventories

The Group companies measure their inventories as follows:

- In the Construction business, procurements, consisting basically of construction materials located at the sites of the various construction projects in progress, are measured at acquisition cost. Semi-finished goods or work in progress to be included in the value of the construction projects are recognised at production cost.
- In the real estate business, land is measured at acquisition cost, plus urban development costs, if any, purchase transaction costs and borrowing costs incurred from the date of commencement of the development of the site for its desired use until construction begins, or at their estimated market value, whichever is the lower. If the building work is halted due to its rescheduling or other reasons, the borrowing costs cease to be capitalised.

Completed real estate developments pending sale and ongoing developments are valued at production cost, or the cost of assignment in the event that they come from the collection of debts, if any, for impairment losses. The cost also includes the financial expenses incurred since the activities necessary to prepare the asset for its intended use until its completion, which have been requested by the supplier or correspond to loans or other types of third-party financing, specific or generic, which are directly attributable to manufacturing or construction. Commercial costs are charged to the income statement in the year in which they are incurred.

In financial year 2020, the capitalised borrowing costs in inventories came to 2,219 thousand euros (1,930 thousand euros in 2019) (see Note 30).

- Other inventories are recognised generally at the lower of weighted average cost and net realisable value. These inventories can, on a residual basis, be measured at FIFO cost.

The Group evaluates the net realisable value of inventories at the end of every year on the basis of the appraisals carried out by independent experts Savills-Aguirre Newman (report issued on 8 February 2020), and CB Richard Ellis, S.A. (report issued on 5 February 2020) allocating if necessary provisions for impairment when the properties are found to be overvalued. Where the circumstances that caused the provision have ceased or when there is clear evidence of an increase in net realisable value due to a change in economic circumstances, the amount of the provision is reversed. The valuation methods used are detailed in paragraph F) impairment of non-current assets in this note.

Revenue is recognised to capitalise borrowing costs directly attributable to the acquisition or construction of property developments or property investments (assets that necessarily require a substantial period of time to be prepared for their intended use or sale), which are added to the cost of said assets until such time as the assets are substantially ready for use or sale, provided that the market value exceeds the accumulated cost of the asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Current/Non-current classification

On the accompanying consolidated balance sheet, assets and liabilities maturing within no more than twelve months are generally classified as current items and those maturing within more than twelve months are classified as non-current items. However, the companies in the Real Estate business classify them based on the operation cycle, which is usually greater than one year. The current assets and liabilities allocated to this division with an estimated maturity of more than twelve months are as follows:

Thousand euros	2020	2019
Inventories	715,565	775,896
Total current assets	715,565	775,896
Bank borrowings	542	1,835
Other current liabilities	46,409	122,945
Total current liabilities	46,951	124,780

Loans that mature in the short term but whose long-term refinancing is, at the Group's discretion, ensured through available long-term credit facilities are classified as non-current liabilities.

K) Treasury stock

At 31 December 2020, Acciona, S.A. held 296,422 treasury shares representing 0.5404% of the share capital at the time. The acquisition cost of these shares amounted to 22,049 thousand euros. The acquisition cost of the treasury shares and the gains or losses on transactions involving them were recognised directly in equity (see Note 18).

At 31 December 2019, Acciona, S.A. held 398,641 treasury shares representing 0.7267% of the share capital at the time. The acquisition cost of these shares amounted to 28,633 thousand euros.

L) Termination benefits

Under the legislation for the time being in force, the Spanish companies and certain foreign companies are required to pay termination benefits to employees dismissed on unfair grounds. The Group recognises provisions for termination benefits when there is an individual or collective agreement with the employees or a genuine expectation that such an agreement will be reached that will enable the employees, unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recorded in situations in which the Group has decided to consent to the termination of the employees when this has been requested by them. In all cases in which these provisions are recognised the employees have an expectation that these early retirements will take place. In the case of involuntary termination benefits, the Group is deemed to no longer be able to withdraw the offer once it has informed the employees affected or the union representatives of the plan.

Termination benefits related to restructuring processes are recognised when the Group has a constructive obligation, i.e., when there is a detailed formal plan in relation to the aforementioned processes in which they are identified.

The Acciona Group companies do not currently have any employee termination plans that have not been appropriately provisioned in accordance with the regulations in force.

M) Provisions

The Group's consolidated financial statements include all the provisions covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the companies, certain as to its nature but uncertain as to its amount and/or timing. They include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the close of every accounting period, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations are extinguished or reduced.

Litigation and/or claims in process

At the close of financial years 2020 and 2019, certain litigation and claims arising from the ordinary course of operations were in process against the consolidated companies. The Group's Directors, taking into account the opinion of its legal advisers, consider that the outcome of litigation and claims will not have a material effect on the consolidated financial statements for the years in which they are settled. Accordingly, they did not deem it necessary to record an additional provision in this respect.

Operating provisions and allowances

These provisions and allowances include costs that have not yet been incurred. The provision for the cost of completion of construction projects is intended to cover the expenses arising from the date on which project units are completed to the date of delivery to the client.

Provisions for pensions and similar obligations

The Acciona Group companies generally do not have any pension plans to supplement social security pensions. The appropriate provisions are recognised for terminations of permanent site personnel, except for the group mentioned below.

Certain companies from the Acciona Group entered into or were subrogated to collective agreements that establish benefits of specific amounts for employees included in such agreements that reach retirement age, provided that the conditions established in the agreements are met. Some of these collective agreements also establish a loyalty bonus based on the employee's length of service at the companies. The impact of these obligations is not material.

These companies have various pension obligations to their employees. These defined benefit obligations are basically formalised in pension plans, except as regards certain benefits in kind, mainly electricity supply commitments, which, due to their nature, have not been externalised and are covered by the related in-house provisions.

For the defined benefit plans, the companies recognise the expenditure relating to these obligations on an accrual basis over the working life of the employees by performing at the consolidated balance sheet date the appropriate actuarial studies calculated using the projected unit credit method. The past service costs relating to changes in benefits are recognised immediately on the consolidated income statement as the benefits are accrued.

The defined benefit plan obligations represent the present value of the accrued benefits after deducting the fair value of the qualifying plan assets. The actuarial losses and gains arising in the measurement of both the plan liabilities and the plan assets are recognised directly in equity under *Reserves - Change due to Actuarial Losses and Gains on Pension Schemes*.

For each of the plans, any positive difference between the actuarial liability for past services and the plan assets is recognised under *Provisions* on the consolidated balance sheet and any negative difference is recognised under *Trade and Other Receivables* on the asset side of the consolidated balance sheet, provided that such negative difference is recoverable by the Group, usually through a reduction in future contributions.

The impact of these plans on the consolidated income statement is not material (see Note 19).

N) Grants

Government grants related to assets to cover staff re-training costs are recognised as income once all the conditions attached to them have been fulfilled over the periods necessary to match them with the related costs.

Government grants related to property, plant and equipment and intangible assets are treated as deferred income, are classified under *Other Non-Current Liabilities* and are taken to income over the expected useful lives of the assets concerned under *Other Income*.

O) Revenue recognition

Revenue is measured by the fair value of the consideration received or receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Income and expenses are recognised following the accrual principle, that is, when the actual flow of goods and services represented by income and expenses takes place, regardless of the time when the cash or financial flow arising therefrom occurs.

Upon applying IFRS 15, the Group identifies and separates the different commitments when transferring goods or services referred to in a contract. This implies a separate recognition for each of the obligations that can be identified individually within the same main contract.

In addition, the Group estimates the price of each of the contracts identified, also considering the initial agreed contract price, the amount of variable considerations, the time value of money (in cases that are considered to have a significant financing component), and non-cash contributions.

In cases when the amount is variable, or corresponds to unapproved claims, the amount is estimated following the approach that best predicts what the Group will have a right to, using an expected value based on the probability, or the single most likely value is used. This consideration is only recognised to the extent that it is considered to be highly likely that a significant reversal of the revenue recognised will not occur once the associated uncertainty has been resolved.

Some of the particular features of the business activities carried on by the Group are detailed below:

Construction business:

Revenue:

Given the type of activity, revenue usually comes from long-term contracts where the start date of the contract activity and the date of completion of the same generally fall into different accounting periods, so the initial revenue and expenses estimates may suffer variations that could affect the recognition of revenue, expenses and results thereof.

The Group recognises construction contract revenue and expenses by reference to the stage of completion of the activity under contract at the closing date of the balance sheet, determined on the basis of the examination of the work carried out, or by the percentage of costs incurred in relation to total estimated costs. In the first case, based on the measurement of the units made, the production of the period is recorded as revenue and costs are recognised based on the accrual related to the units performed. In the second case, revenue is recognised in the income statement according to the percentage of progress in costs (costs incurred versus total costs estimated in the contract), applied to the total revenue that is considered to be highly likely to be obtained from the project. The latter is commonly used in markets of Anglo-Saxon influence and contracts without unit prices.

In some circumstances (for example, in the early stages of a contract), the Group may not be able to reliably measure the fulfilment of a performance obligation, even though the Group expects to recover the costs incurred to satisfy this performance obligation. In such circumstances, the Group recognises revenue from ordinary activities only to the extent of the costs incurred until it can reliably measure the fulfilment of the performance obligation.

In addition, for contracts where it is considered that the estimated costs of the contract will exceed the revenue derived from same, the expected losses are provisioned against the consolidated income statement for the year in which they are known.

Ordinary revenue from the contract is recognised considering the initial amount of the contract agreed with the client as well as any modifications and claims on the same to the extent that it is highly probable that revenue will be obtained from the same, that it can be reliably measured, and that a significant reversal will not occur in the future.

It is considered that there is a modification to the contract when there is a client's instruction to change the scope of the contract. It is considered that there is a claim on the contract when, due to the client or third parties, there are costs not included in the initial contract (delays, errors in specifications or design, etc.) and the contractor is entitled to be compensated for the overrunning costs incurred, either by the client or by the third party causing them.

These modifications and claims are included as contract revenue when the client has approved the associated work, either in writing, by verbal agreement or tacitly under normal commercial practices, i.e., when collection is considered to be highly probable and a significant reversal of the revenue will not be produced in the future.

In cases when the work has been approved but has yet to be assigned an associated price, or where approval has not been granted by the client, the Group considers that final approval is highly likely when they are in an advanced negotiation stage or when there is a technical and/or legal report from independent experts supporting such work; the amount recognised as revenue under such cases is estimated according to the definition of “variable consideration” set out in IFRS 15, i.e. using methods that provide the best prediction of the consideration so that the most likely amount is obtained (single most likely amount within a range of possible consideration amounts), according to all the information available (historical, current and expected) that can reasonably be made available, and only to the extent that it is highly likely that a significant reversal in the amount of ordinary accumulated revenue recognised will not occur when the uncertainty related to the variable consideration is resolved at a later date.

As discussed above, construction contracts are subject to estimates for revenues and costs that need to be reviewed by project managers as the contracts progress. Any change in estimates for revenue, expenses and final work results is subject to review by the different Management levels and when verified and approved, the effect is treated as a change in the accounting estimate in the year in which it occurs and in subsequent periods, in accordance with the accounting standards in force.

Expenses:

A project’s costs include those directly related to the main contract and to any modifications or claims on the contract. In addition, they include the costs related to the contracting activity for each contract, such as insurance, consultancy, design and technical assistance, etc.

Construction contract costs are recognised on an accrual basis, i.e., the costs related to work units performed and total contract indirect costs attributable to said units are booked as expense.

Costs that relate to future activity on the contract, such as insurance premiums, site installations, consultancy, design and other initial costs are initially recognised as assets in *Inventories*, provided they are considered to be necessary to fulfil the contract and will be recovered by successfully completing the contract, and are charged to the income statement on the basis of the stage of completion of the contract.

Machinery removal and site installation dismantling costs, upkeep costs within the warranty period and the costs, if any, arising in the period from completion of the construction work to the date of final settlement, are deferred and recognised over the life of the construction project, since they are considered one more cost of the construction work and they relate both to the completed contract units and to the future activity on the contract.

As regards the provision for depreciation of property, plant and equipment used in construction contracts, the assets whose estimated useful life coincides with the duration of the construction work are depreciated over the term of the contract so that they are fully depreciated upon completion thereof. For machinery whose useful life exceeds the term of the contract is depreciated systematically on the basis of the technical criteria stipulated under the various contracts for which it is used and it depreciates under the straight-line method in the course of each contract.

Late payment interest due to delay in the payment by the client for work certifications are registered, as financial income, only when they can be reliably measured and their collection is reasonably guaranteed.

The Group Companies record in the account *Executed production pending certification*, under *Trade and other accounts receivable*, the positive difference between the recognised revenue from a contract and the amount of the certifications at the origin of the contract. In addition, they record in the account *Advances received on orders*, under *Trade and other accounts payable*, the amount of advance certifications for various items, including advances received from the client.

Services business revenue:

This business includes a large variety of services rendered, and the associated revenue is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the outcome of the transaction can be reliably estimated.

For every financial year, the Group companies recognise as profit or loss on their services the difference between production (value at the selling price of the services provided during the period, as stipulated in the main contract entered into with the client or in amendments or addenda thereto as approved by the client, or of the services not yet approved but whose recovery is reasonably certain) and the costs incurred during the year.

Price reviews stipulated under the initial contract signed with the client are recognised as revenue on an accrual basis, regardless of whether they have been approved by the client on an annual basis, as they are considered to have been committed to under the contract.

Energy sale revenue:

Electricity sales, along with associated complementary services, are recorded as revenue at the time it is delivered to the client, the time at which the performance obligations regarding the amounts supplied during the period are met.

For generation business in regulated markets and in projects with PPA (Power Purchase Agreement), or long-term energy supply contracts, the energy sale and complementary services have pre-set prices. For projects in which energy is sold without these kinds of contracts, the energy sale price and the price of complementary services will vary throughout the project based on the quoted market prices per MWh (pool) at each moment.

Real estate business revenue:

The Group companies recognise property sale revenue and costs on the date the property is delivered, since this is considered to be the time when the client obtains control over the asset.

Accordingly, at the date of delivery of the property the Group companies recognise, if appropriate, the provisions required to cover the contractually stipulated costs not yet incurred in relation to the asset delivered. These provisions arise from a present obligation of the company, the amount of which can be reliably estimated and whose settlement will probably give rise to an outflow of resources for the company.

The Group recognises income from operating leases, net of incentives granted, as income on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative because it more appropriately reflects the pattern in which profit from the use of the asset decreases.

The initial direct costs of the lease are included in the carrying amount of the leased asset and are recognised as an expense over the lease term using the same criteria as those used for revenue recognition.

The Group recognises modifications to operating leases as a new lease from the effective date of the modification, considering any prepayments or deferred payments for the original lease as part of the lease payments for the new lease.

P) Income tax. Deferred tax assets and liabilities

Current tax is the amount payable or recoverable for income tax relating to the consolidated taxable profit or loss for the year. Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the tax authorities, using tax regulations and rates that are enacted or substantively enacted at the closing date.

Deferred tax liabilities are the amounts payable in the future for income taxes related to taxable temporary differences, while deferred tax assets are the amounts recoverable for income taxes due to the existence of deductible temporary differences, tax loss carryforwards or deductions pending application. For these purposes, temporary differences are defined as the difference between the carrying amount of assets and liabilities and their tax base.

Current and deferred income tax are recognised in profit or loss unless it arises from a transaction or economic event that is recognised in the same or a different year against equity, or from a business combination.

(i) Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except:

- when they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor the tax base;
- those that correspond to differences relating to investments in subsidiaries, associates and joint ventures over which the Group has the ability to control the timing of the reversal and it is not probable that the reversal will occur in the foreseeable future.

(i) Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- it is likely that there will be sufficient future taxable income to offset them or where tax legislation provides for the possibility of future conversion of deferred tax assets into a receivable from the Public Administration. However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor tax base are not recognised;
- they correspond to temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the temporary differences will reverse in the foreseeable future and future taxable profit is expected to be generated to offset the differences;

The Group recognises the conversion of a deferred tax asset into a receivable from the Public Administration when it becomes due under current tax legislation. To this end, a deferred tax asset is derecognised with a charge to the deferred income tax expense and the account receivable is recognised with a credit to the current income tax.

Q) Foreign currency balances and transactions

Transactions in currencies other than the functional currency are recognised by applying the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the balances translated at the exchange rate prevailing at the date of the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as finance costs or finance income on the consolidated income statement.

In addition, balances receivable or payable at 31 December of every year denominated in currencies other than the functional currency are translated at the year-end exchange rates. Translation differences are recognised as finance costs or finance income on the consolidated income statement.

R) Environment-related activities

In general, environment-related activities are considered to be operations whose main purpose is to prevent, reduce or redress damage to the environment.

Investments relating to environmental activities are measured at acquisition cost and capitalised as an addition to non-current assets in the year in which they are made.

Environmental protection and improvement expenses are charged to profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain liability, litigation in process and outstanding environmental indemnity payments or obligations of an unspecified amount, not covered by the insurance policies taken out, are recorded when the liability or obligation giving rise to the indemnity or payment arises.

S) Discontinued operations and non-current assets and liabilities held for sale

The Group classifies as Non-Current Assets Held for Sale property, plant and equipment, intangible assets, other non-current assets or investments under *Investments Accounted for Using the Equity Method* and disposal groups (groups of assets which will be disposed of together with their directly associated liabilities) for which at the date of the consolidated balance sheet an active programme at reasonable prices has been started so as to sell them and the sale is expected to be completed within twelve months from that date.

The Group classifies as discontinued operations the relevant business lines that were sold or otherwise disposed of or which meet the criteria to be classified as held for sale, including, where applicable, assets which, together with the business line, are part of the same disposal plan or are classified as held for sale as a result of acquired commitments. Similarly, companies acquired exclusively with a view to resale are classified as discontinued operations.

These assets or disposal groups are measured at their carrying amount or their fair value less costs to sell, whichever is the lower, and depreciation on such assets ceases from the time they are classified as non-current assets held for sale. However, at the date of each consolidated balance sheet the related value adjustments are made, as required, to ensure that the carrying amount is not higher than the fair value less costs to sell.

Non-current assets held for sale and the components of the disposal groups classified as held for sale are disclosed on the accompanying consolidated balance sheet as follows: the assets as a single line item called *Non-Current Assets Held for Sale and discontinued operations* and the liabilities also as a single line item called *Liabilities Held for Sale and discontinued operations*.

Profit or loss after tax of discontinued operations is disclosed as a single line item on the consolidated income statement as *Profit/(Loss) after Tax from Discontinued Operations*.

There were no discontinued operations at 31 December 2020 and 2019.

T) Earnings per share

Basic earnings per share are calculated by dividing the period's net profit attributable to the parent by the weighted average number of ordinary shares outstanding during said period, excluding the average number of shares of the parent held by the Group companies.

Diluted earnings per share are calculated by dividing the period's net profit or loss attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the period, adjusted by the weighted average number of ordinary shares that would have been outstanding if all the potential ordinary shares have been converted into ordinary shares of the company. For these purposes, it is considered that the shares are converted at the beginning of the accounting period or at the date of issue of the potential ordinary shares, if the latter had been issued during the accounting period.

U) Consolidated cash flow statement

The following terms, with the meanings specified, are used on the consolidated statement of cash flows, which was prepared using the indirect method:

- Cash flows: inflows and outflows of cash and cash equivalents, which are taken to be changes in the value of short-term, highly liquid investments.
- Operating activities: the main revenue-producing activities of the Company and other activities that are not investing or financing activities. Based on the profit before tax from continuing operations, in addition to the adjustment for *Depreciation and Amortisation of Assets and Change in Provisions and Impairment*, transfers of interest paid and received are recognised under *Other Adjustments to Profit (Net)* although on a separate basis, as well as the transfer of the gains or losses on disposal of assets included under investment activities and, lastly, the adjustments to the results of companies accounted for using the equity method and, in general, any results that do not generate cash flows.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and of borrowings that are not operating activities.

4.3 Accounting estimates and judgements

The information contained in these financial statements is the responsibility of the Directors of the parent company.

For the consolidated financial statements for 2020 and 2019, estimates were made by the Parent's Directors in order to measure some of the assets, liabilities, income, expenses and obligations reported therein. These estimates, the results of which can be found in the applicable measurement standards, refer to:

- The measurement of assets showing signs of impairment and goodwill so as to determine any impairment losses thereon.
- Allocation of the cost of business combinations.
- Revenue recognition in the construction and engineering business.
- The assumptions used in the actuarial estimate of pension liabilities and obligations.
- The useful life of property, plant and equipment, investment property and intangible assets.
- The assumptions used to measure the fair value of financial instruments.
- The probability of occurrence and the amount, as applicable, of liabilities of an undetermined amount or contingent liabilities.
- Future costs for dismantling facilities and the restoration of land.
- The results for tax purposes of the various Group companies that will be reported to the tax authorities in the future, which served as the basis for recognising the various corporate tax related balances on the accompanying consolidated financial statements, and the recoverability of recognised deferred tax.
- Incremental rate used in the valuation of lease contracts.

These estimates were made on the basis of the best information available at 31 December 2020 and 2019 on the events analysed. However, events that may take place in the future could make it necessary to change these estimates. Any such changes would be made in accordance with the requirements of IAS 8.

In this regard, the current situation caused by the COVID-19 coronavirus outbreak, which led the World Health Organization to declare a pandemic as a result of the health crisis caused by COVID-19, the relevant accounting estimates and the judgements, estimates and assumptions made in the process of applying the group's accounting policies to prepare the six-month financial statements, are affected by a greater degree of uncertainty.

- COVID-19

The COVID-19 pandemic is testing governments, institutions, businesses, and society as a whole. Efforts to control the health emergency are having a significant economic impact. Governments and administrations around the world are struggling to find a suitable balance of power between containing the virus and maintaining economic activity. The vast majority of governments have adopted a series of measures that seek to curb the expansion of the disease and end the health crisis, which includes widespread confinement of entire populations, limitations on people's mobility, social distancing, etc. In Spain, these measures reached their highest form when a national state of alarm was declared for the second time during times of a democracy, through Royal Decree 463/2020 of 14 March 2020 declaring the state of alarm in Spain to manage the health crisis situation caused by COVID-19, which was in force through successive extensions until 21 June 2020. The State of Alarm was declared again on 25 October 2020 by Royal Decree 926/2020 with an initial duration of 15 days and extended for an additional 6 months until 9 May 2021, as a necessary instrument to provide legal coverage for the measures adopted by the Autonomous Communities to tackle the health emergency.

However, these measures which have proven very efficient in curtailing the spread of the virus, have a direct impact on economic activity, affecting virtually all business sectors and particularly those in the service sector.

Moreover, COVID-19 is a global phenomenon that is reaching all corners of the world, although some regions have felt different effects compared to others, both in terms of time, and in terms of its effects on the population and the economy. Spain and its European partners are implementing all kinds of measures to circumvent the successive waves of infections (Spain is currently beginning to emerge from the third wave). Infection rates in the United States and Brazil continue to soar. The impact of Coronavirus is smaller in other countries however, such as Australia.

The world's leading pharmaceutical companies engaged in a race against time to develop a vaccine. At the end of 2020, state health authorities approved its use and mass vaccination campaigns began. Authorities in major countries expect these campaigns to immunise the population to a level that will restore normal socio-economic conditions in 2021. It is difficult to estimate the evolution of the pandemic and its impact on society and the economy over the next year. It will undoubtedly be determined by the effectiveness and degree of immunisation achieved by ongoing vaccination campaigns.

Acciona, with a presence in all five continents and with a business portfolio covering multiple economic activity sectors, is not immune to the pandemic. The effects of COVID-19 have been felt, particularly in the months of April and May, while the first signs of recovery were observed in June. The impact of the virus has been less severe during the second half of the year.

Establishing the magnitude and scope of its impact requires reasonable judgements to be made, and this has been done according to the Directors' best estimates. Detailed information on the estimated impact of COVID-19 on the Group's financial situation and the operations of the Group during the year ended 31 December 2020 is provided below.

Breakdown by division

	Revenues	Gross operating profit / (loss)	EBT
Energy	(38)	(42)	(42)
Infrastructures	(656)	(132)	(139)
Other activities	(102)	(47)	(46)
Total	(796)	(221)	(227)

Energy

During the 2020, the energy demand in peninsular Spain was at 236,654 GWh, 5 % lower than the previous year, after correcting for the effects of working hours and temperatures. This fall was mainly caused by stopping business and social activities due to the measures adopted by administrations to stop the spread of Coronavirus and, specifically, by the State of Alarm declared by Royal Decree 463/2020. According to information from REE (Red Eléctrica de España), during the state of alarm period (from 15 March to 21 June), the demand in the Spanish electrical system was 13.3% lower than the same period in 2019. Consequently, the average energy sales price (pool) for the first six months of 2020 fell to 29.0 EUR/MWh, 44% lower than the price recorded in the same period of 2019, reaching the lowest point on 1 May with a minimum price of 1.02 EUR/MWh. During the second half of the year, energy prices recovered slightly allowing the average 2020 pool price to stand at 34.0 EUR/MWh, still far from 2019 prices (47.7 EUR/MWh). Despite this, 57% of the Group's power in Spain is subject to the specific remuneration framework established by Royal Decree 413/2014 of 6 June, which limits the reduction in income for these facilities based on the regulatory tier mechanism.

In any case, since the drop in prices was induced by a reduction in the energy demand caused by pausing economic activities, the drop in price is temporary and will be restored once economic activity recovers.

With regards to international facilities, most of the energy generation facilities have a PPA (Power Purchase Agreement) in place and are therefore protected from potential drops in price.

On the other hand, the reduction in demand has also had an impact on the energy sales business, not only due to the decrease in sales resulting from the reduction in customer consumption, but also due to the impact of the obligations arising from the volume of hedges contracted in relation to these contracts and the Group's ability to adapt them to the new environment.

However, multiple governments and administrations have doubled down on renewable energies as the driving force behind economic recovery in the post-COVID era by supporting programmes such as the recently approved NextGenerationEU. According to the European Commission, 30% of the aggregate expenditure of NextGenerationEU and the Multiannual Financial Framework 2021-27

(MFP) will go towards projects fighting climate change, something that is unprecedented. Therefore, not only does the business model remain valid, but it can be expected to be strengthened.

Consequently, taking into account that the average remaining life of Acciona Group's renewable energy generation facilities in Spain is around 16 years, the fall in the energy demand and its subsequent impact on the average energy price for the year ending 31 December 2020 is not deemed as an indication of an additional impairment to these assets.

However, as the useful life adopted for wind and photovoltaic generation assets has been extended from 25 to 30 years, the impairment test for all facilities classified as impaired at 31 December 2019 has been updated (refer to useful life extension section in note 4.4).

With regard to the associate Nordex, SE, Note 10 describes the effects of the health crisis on the company's operations, as well as its medium-term prospects, and therefore reference is made to that Note to avoid unnecessary repetition.

Infrastructure

In response to the effects of the health crisis, intensive legislative activity has taken place which has resulted in important modifications to the legal framework in most countries where the division operates.

In Spain, Royal Decree 463/2020 was published on 14 March 2020 declaring the state of alarm in Spain to manage the health crisis situation caused by COVID-19. This decree established certain restrictions to mobility, as well as economic, social, and health measures, and has been the subject of extensive legislative development which has, in some cases, substantially modified the contents of pre-existing laws, such as Law 09/2017 on Public Sector Contracts.

Along these lines, of particular note are Decree-Laws 8/2020 and 10/2020. Decree-Law 8/2020 has had a special impact in the division since it reduced the compensation which construction and concession companies had been entitled to under the aforementioned Law on Public Sector Contracts. Decree-Law 10/2020 established absolute restrictions on any activity or service that was not considered essential (food distribution, pharmacies, agriculture, among others) in order to reduce the mobility of the general population to a minimum.

The remaining countries where the Group operates have adopted similar measures or passed similar modifications to their legal framework.

The main effects experienced by the Infrastructure Division in its different activities are described below:

- Construction

The Group's construction activity has a strong international presence, meaning that the impact on operations is irregular based on the evolution of the pandemic in different countries.

In Spain, after Decree-Law 10/2020 of 29 March regulated recoverable paid leave for employed workers not providing essential services to fight COVID-19 by reducing mobility, construction

activities were halted between 30 March and 13 April. As of 31 December 2020, Construction activity in Spain has been fully restored.

At an international level, the impact varied from a complete temporary halt in the activity in countries such as New Zealand, the Philippines, Ecuador, Panama and Peru, to uninterrupted activities (albeit in some cases affected by reduced performance), in countries such as Australia, Poland, Canada, Chile, Norway, UAE, Saudi Arabia and Qatar, the main countries in which the Group's construction activity is present.

From early April, when the percentage of halted contracts reached 60% mainly due to the situation in Spain, the pandemic situation improved in such a way that by the end of June, halted contracts represented only 1% of the total, all in Latin America, and almost all of the activity has now been recovered. It is worth emphasizing that all protocols established by the Group in terms of occupational risk prevention have been applied to all contracts.

However, the extraordinary force majeure situation and/or change in legislation resulting from the pandemic means that most agreements can be negotiated or a direct claim can be put against clients for them to partially or fully compensate for the negative effects produced by COVID-19, both in terms of cost overruns and in inefficiencies or delays in the contract execution schedules established before the pandemic. To this end, significant agreements have been reached with multiple clients in 2020, while others are still under negotiation.

Furthermore, regarding the main corporate operations projected by the division, specifically the partial acquisition of Lendlease Engineering's project portfolio and the transfer of the concession contract for line 6 of the São Paulo Metro (Brazil), it is worth emphasizing that the health crisis has resulted in a delay in these operations. Both operations have finally been successfully completed in September and October 2020, respectively.

Consequently, the main negative impacts of the pandemic are caused by the delay in production, most evident during the first nine months of 2020, for an estimated amount of 520 million Euros.

- Concessions

Mobility restrictions imposed in Spain in the context of the state of alarm resulted in a sharp decline in road traffic. This has resulted in a drop in revenue from one road operated under a concession arrangement which is exposed to demand risk for approximately 5 million euros. This decrease was most significant in April and May, while a gradual improvement has been noted since June. Road travel has significantly increased at the date these consolidated financial statements are prepared in relation to the levels recorded during the second quarter of the year. However, mobility restrictions have been partially maintained by authorities, companies and the society as a whole have adopted precautions to guarantee social distancing in the post-COVID era such as remote working, and economic activity has not yet returned to normal. All of which is preventing traffic levels from reaching those expected at this time of year.

Taking into consideration that the remaining operation term for this concession is 13 years, the Company's management has estimated that this temporary drop in revenue does not indicate any impairment of the asset. It should be noted that the Group sold the Company in 2020 (see Note 3.2.h).

- Water

The operation, maintenance, and service management aspects of the water business have been barely affected, since these are deemed essential services both at a national level, where they have operated under Royal Decree 08/2020 and Royal Decree 10/2020, and at an international level, where very similar legislation has applied in view of the services to be guaranteed (drinking water supply, wastewater treatment and desalination).

- Services

The state of alarm declared in Spain and the mobility restrictions imposed worldwide have had a significant impact in the Service Subgroup's activities such as Airport Services, Urban Mobility, as well as logistical, cleaning and maintenance services provided to clients operating in the automotive, tourism, railway transport, shipbuilding, recreational, shopping centre, and hospitality sectors, among others.

Other contracts related to hospital services, cleaning services, foodstuffs, waste collection and management, freight transport, energy services, and public administration have not been affected by the state of alarm measures due to their classification as essential activities under Royal Decree-Law 10/2020 of 29 March and Health Order 271/2020. Conversely, these activities have increased in some case given the importance of such essential services during the most critical period of the pandemic.

The main impact on the affected services corresponds to a drastic drop in revenue resulting from the lack of urban mobility and the stoppage of some activities by specific clients that were not regarded as essential. In addition, the consequences of the pandemic on certain clients have had an impact on the Group amounting to 18 million euros. Additionally, some contracts have had to be reduced to minimal services which has resulted in inefficiencies due to cost overruns that cannot be recovered from clients.

With Royal Decree-Law 8/2020 introducing extraordinary emergency measures to manage the impact of COVID-19, the concept of force majeure was extraordinarily extended to cover employee furlough schemes (known in Spain as ERTE, Expediente de Regulación de Empleo Temporal). Royal Decree-Law 18/2020 introduced the concept of a partial force majeure for companies to reduce working hours as activities were gradually resumed. This measure has been extended to date and is currently in force until 31 May 2021.

As a result of the events described above, the Services business was forced to furlough employees in Spain (under the ERTE scheme) and to undertake similar actions in other countries for most of the workers related to the affected contracts, so as not to compromise the viability and future activity of these contracts.

Thus, in the peak of the pandemic, this measure affected 32% of the workers in this business, 17% of workers at 30 June 2020, and 5% of workers at 31 December 2020 (846 and 333 workers in Spain and in other countries, respectively). The activities most affected by these measures have been those related to Airport Services, Urban Mobility, and other activities in the Facility Services Subgroup provided to clients in the automotive, tourism, and passenger transport sectors.

Lastly, the impacts on activities and the uncertainty regarding the evolution of the pandemic are indications of an impairment of the goodwill in the Acciona Facility Services Subgroup and the Acciona Airports Subgroup businesses. In this regard, the corresponding impairment tests have been performed considering the new probable business scenario which, while it does not reach the levels

estimated for previous years, projects a gradual recovery during 2021. As a result of this analysis, there has been no need to recognise impairment losses on the goodwill registered (see Note 6).

Other activities

- **Bestinver**

With regards to the investment funds and pension plans developed by Bestinver, the assets under company management have been reduced considerably during the first quarter of the year, mainly due to the generalised collapse of stock markets in the face of the deteriorating economic outlook for the world's major economies. The MSCI Europe index fell by more than 22% during the first three months of the year due to the particular impact of COVID in Eurozone countries. However, the preparation of portfolios for the opportunities generated by this scenario has enabled value to be generated in investment vehicles by taking advantage of the rise in the main stock market indexes toward the end of 2020, which has finally mitigated the fall, which stood at 6% in 2020.

Furthermore, the high maturity profile of Bestinver stocks, together with adequate management of their risk profile has enabled the impact caused by redemptions of the managed assets to be reduced.

This fall in the assets under management has resulted in a reduction in revenue of approximately 27 million euros.

- **Real Estate**

The restrictions on mobility imposed by the authorities have slowed down the deliveries of real estate assets that were planned for 2020. The rate at which new real estate developments start has also slowed. These alterations have caused a reduction in revenue of 36 million euros compared to the initially planned target. Clearly, as this is a temporary situation, it has only meant a delay in operations which, for the most part, will be corrected in the following year.

On the other hand, the uncertainty caused by the health crisis is having a very limited impact on the new build market. Therefore, the valuation of real estate assets has barely changed with respect to 2019 and basically only reflects the changes in sales and investments for the period.

4.4 Changes in accounting estimates and policies and correction of fundamental errors

- Changes in accounting estimates: the effect of any change in accounting estimates is recognised prospectively, under the same income statement heading as that under which the expense or income measured using the previous estimate was recognised.
- Changes in accounting policies and correction of fundamental errors. The effects of changes and corrections of this kind are recognised as follows: if material, the cumulative effect at the beginning of the year is adjusted under reserves and the effect for the current year is recognised on the income statement. In these cases, the financial data for the comparative year presented together with those for the current year are restated.

On 1 January 2020, the Acciona Group adopted the following changes to its accounting estimates and policies:

- Extension of the useful life of wind and photovoltaic assets

Based on technical analyses and industry practices, the Acciona Group has extended the life cycle of its wind and photovoltaic facilities from 25 to 30 years. In the first months of 2020, technical analyses were performed by internal experts in operation and maintenance of the Group's wind facilities which were complemented by reports from four experts, namely TÜV, DNV-GL, Underwriters Laboratories and Nabla Windpower. The report on the analysis of the photovoltaic assets was prepared by the independent expert GAdvisory. These reports were produced between March and May 2020, with the internal reports being dated 28 April, and the external ones being dated 1 June.

Consequently, the *Depreciation and amortisation charge and change in provisions* caption of the consolidated income statement includes the impact of this change in estimation since 1 January 2020 and has resulted in a smaller amortisation of 85.5 million euros for the period, as well as a positive effect of 9.7 million euros in *Equity method profit/(loss) - analogous*.

- Classification of the profit/(loss) of companies accounted for using the equity method.

As of 1 January 2020, the Acciona Group includes income from associated companies and joint ventures that are accounted for using the equity method, and that carry out an activity similar to the Group's activity, within the operating profit/(loss) according to Decision EECS/0114-06 issued by the European Securities and Markets Authority (ESMA).

The Group considers that this reclassification will contribute to making the operating results a better reflection of the financial performance of those assets and activities that form the Group's operating purpose and in which the Group is highly involved, regardless of the legal nature of the agreements that regulate their management. The results of those associates and joint ventures which, due to the development of activities outside the group's business, are more similar to that of a financial investment would be the only ones recorded under operating profit.

The group has added a new item in the income statement - *Equity method profit/(loss) - analogous* for the results of associates and joint ventures that carry out an activity similar to that of the Group.

The share of the results of associates and joint ventures that engage in a non-analogue activity continues to be presented under financial results, although the name of the item changes to *Equity method profit/(loss) - non-analogous* (formerly *Income from companies accounted for using the equity method*). As of 31 December 2020, the only investment accounted for using the equity method relating to an activity that is not analogous to that of the Group is the group's shareholding in the share capital of Nordex SE.

Following IAS 8, the comparative figures for 2019 have been restated and the original heading *Income from companies accounted for using the equity method* has been renamed *Equity method profit/(loss) - non-analogous* and is shown with a negative result of 20 million euros, with the difference of 81 million euros being recorded as a positive result under the new heading *Equity method profit/(loss) - analogous*.

5.- Property, plant and equipment

The changes in financial years 2020 and 2019 in cost and accumulated depreciation were as follows (in thousand euros):

Property, plant and equipment	Land and buildings	Electricity generating facilities	Other plant and machinery	Advances and PPE in progress	Other PPE	Depreciation	Impairment	Total
Balance at 31.12.2018	357,815	10,895,444	780,866	390,346	243,360	(5,133,623)	(798,220)	6,735,988
Variations due to changes in the scope of consolidation	245	18	3,497	(7,346)	2,390	(4,639)	--	(5,835)
Additions / charge for the year	12,395	16,361	38,766	704,691	61,746	(442,182)	(1,839)	389,938
Retirements	(10,688)	(11,551)	(69,635)	(2,394)	(16,454)	70,991	1,722	(38,009)
Transfers	160	522,336	(89,196)	(511,673)	(12,835)	37,118	8	(54,082)
Other changes	444	103,801	6,390	8,986	2,835	(27,572)	(2,444)	92,440
Balance at 31.12.2019	360,371	11,526,409	670,688	582,610	281,042	(5,499,907)	(800,773)	7,120,440
Variations due to changes in the scope of consolidation	(21,254)	--	144,119	(1,092)	14,348	(43,823)	2,600	94,898
Additions / charge for the year	8,008	57,060	65,951	709,555	36,521	(396,859)	(2,330)	477,906
Retirements	(7,061)	(6)	(45,899)	(896)	(84,825)	106,310	92,276	59,899
Transfers	655	450,815	17,454	(468,319)	889	(2,465)	553	(418)
Other changes	(2,823)	(491,082)	(9,460)	(48,436)	(12,915)	152,277	88,689	(323,750)
Balance at 31.12.2020	337,896	11,543,196	842,853	773,422	235,060	(5,684,467)	(618,985)	7,428,975

Breakdown of the net balances at the end of 2020 and 2019 was as follows:

Property, plant and equipment	2020				2019			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Land and buildings	337,896	(171,812)	(12,759)	153,325	360,371	(182,171)	(12,943)	165,257
Electricity generating facilities	11,543,19	(4,797,823)	(590,339)	6,155,034	11,526,408	(4,631,545)	(765,790)	6,129,073
Other plant	208,082	(154,678)	--	53,404	216,659	(156,799)	(924)	58,936
Machinery	634,771	(423,023)	(4,924)	206,824	454,029	(352,852)	(9,849)	91,328
Advances and PPE in progress	773,422	--	(10,809)	762,613	582,610	--	(10,712)	571,898
Other PPE	235,060	(137,131)	(154)	97,775	281,045	(176,540)	(555)	103,950
Total	13,732,42	(5,684,467)	(618,985)	7,428,975	13,421,122	(5,499,907)	(800,773)	7,120,442

The Acciona Group once again has a significant volume of investment in the renewable energy sector, as reflected in the movement in *Advances and PPE under construction*, approximately 691 million euros of which relate to the development of projects in the energy division. These are mainly related to wind projects being developed in Mexico (San Lázaro and Santa Cruz), in the United States (La Chalupa), in Australia (Mortlake and Macintyre), in Chile (the Tolpan project) and advance payments made to suppliers in Spain related to the Celadas3 windfarm; as well as the development of photovoltaic projects in Chile (Malgarida I and II and Usya), in the United States (the development of the Tenaska and High Point project portfolio), and in Ukraine (the Arcyz and Hudzodka projects). In 2019, the volume of acquisitions related to the energy division amounted to approximately 696 million euros mainly related to wind projects developed in the United States, Chile, Australia and Mexico, as well as photovoltaic projects in Chile and Ukraine.

Additions in *Electricity generating facilities* for 34 million euros are associated with the provision estimate related to land restitution on which the new power facilities are located in the United States, Mexico and Chile (see note 19).

There are also significant additions of machinery related to the infrastructure division amounting to approximately 35 million euros, mainly due to the acquisition of tunnelling machines and other equipment that will be used in the construction of Metro Line 6 in Sao Paolo (Brazil), as well as the acquisition of transport elements to develop the Mobility business.

In 2020, *transfers* of approximately 448 million euros are recognised from *Advances and property, plant and equipment under construction* to *Electricity generating facilities* as the construction phase is completed and two photovoltaic plants (Almeyda in Chile in January 2020, and Hudzovka in Ukraine in November 2020), two wind farms (Tolpan in Chile in August 2020 and Santa Cruz in Mexico in September 2020), and the Tolchén transmission line project in Chile (March 2020), come into operation. In 2019, transfers amounting to 518 million euros were made after two wind farms (San Gabriel in Chile and Palmas in the United States), and a photovoltaic plant (Dymerska in Ukraine) came into operation.

In 2020, *Retirements* of machinery and other construction assets used mainly in the execution of works in Norway, Ecuador and Portugal that have reached completion were recognised, which have come to an end of their useful lives and were practically fully depreciated. In the previous year, retirements were recorded due to the sale of machinery for projects carried out in Norway and Poland in the infrastructure division.

Regarding *Variations due to changes in scope of consolidation* for the 2020 financial year, it is worth noting that the increase observed in machinery and transport equipment is the result of the CEI Subgroup acquisition for 123 million euros. On the other hand, the wineries, warehouses, vineyards and machinery used by the Bodegas Palacio 1984 Subgroup for wine production were retired from the balance sheet for a net amount of 17 million euros (see Note 3.2.h).

In 2020, *Other changes* included mostly the effect of translation differences for the period, for a positive amount of 324 million euros (negative 80 million euros in 2019), which came mainly from the wind farms located in the United States, Chile and Mexico whose financial statements consolidate in US dollars, as well as wind farms located in South Africa and Mexico due to the depreciation of the US dollar, South African Rand, and Mexican peso against the euro in 2020.

In 2019, with the entry into force of IFRS 16 Leases, the carrying amounts of assets under finance leases were transferred to *Right of Use* from *Property, plant and equipment* heading in the amount of 66 million euros (see Note 7.1).

The Group, following the internal procedures established in this respect, analyses throughout the financial year the trend of the yield of the main assets, assessing compliance with or, if appropriate, the appearance of deviations from the main assumptions and estimates underlying the impairment tests, as well as the presence of relevant changes on the markets where the assets operate relating to regulatory, economical or technological aspects, for adequate adjustment of impairment provisions during the financial year. No significant aspects to be highlighted were observed in 2020, except for

the following in relation to the impairment reversals of certain assets in the energy division, and the recoverability analyses carried out in the context of COVID-19 (see Note 4.4).

At 31 December 2020, the carrying amount of the Group's Energy division property, plant and equipment amounted to 7,039 million euros, relating mainly to wind, solar PV and hydroelectric power generation facilities located in various geographical areas with different regulatory environments. At 31 December 2020, impairment losses of 612 million euros were recognised, relating mainly to impairment losses arising both in the international area (United States, Poland, Italy) and on Spanish assets, the latter arising after the regulatory change in 2012 and 2013.

The Group updated the impairment tests associated with energy generation assets and recognised an impairment reversal of 87 million euros under *Impairment and profit/(loss) on disposal of non-current assets* in the consolidated income statement.

For the calculation of the value in use, a projection of the expected cash flows has been carried out until the end of the useful life without terminal value and this has been extended to 30 years (see note 4.4) for all cash generation units (CGUs) associated with wind and solar photovoltaic facilities where signs of deterioration have been identified. These projections have been approved by the Group's Management. The CGU established for this calculation is, in general terms, the company that owns the operating facilities of these technologies, whether one or several, since this would be the minimum unit whose cash flows, both incoming and outgoing, are identifiable and independent of other flows shared with other facilities based on the analyses performed.

The main assumptions used in the cash flows are:

- The productions associated with each facility in which the Group Management's best estimate of the expected long-term resource at each site, adjusted by the historical deviations that have occurred annually, have been considered.
- The long-term energy sales price curves for each of the markets in which the corresponding facility operates. Management's estimates in this case are based on the average annual prices quoted in each market and for those very long-term years for which there is no quotation or the quotation is not liquid (and it is therefore not representative), the evolution of the price curve is calculated based on variations in the quoted prices of gas and other components. These prices are adjusted for each year by the difference that has historically occurred between the average market prices and the prices actually captured by each facility (deviations, penalties, etc.).
- The operating costs of each facility based on management's best estimates and experience considering existing contracts and expected increases due to inflation. In no case have synergies or future cost savings been considered as a result of future or planned actions. The cost estimates have been made on a basis consistent with the recent past and considering the assets in their current condition.

The cost of equity used to discount asset flows was as follows in the main geographical areas affected by the impairment test:

	Discount rate
Spain	5% - 5.4%
United States	6% - 6.5%
Italy	5.6% - 6%
Poland	7%

The discount rates calculated for each country or regulatory environment have been adjusted at the level of each company depending on the level of risk associated with the price captured, whether it is only market risk, regulated tariffs or sale and purchase contracts or hedging of long-term energy prices.

In addition, the Group has performed a sensitivity analysis of the result of the impairment test to reasonable variations in the following assumptions in thousands of euros:

Hypothesis	Swing	Impact
Discount rate	0.50%	(4,610)
	-0.50%	4,105
CPI	0.50%	(3,882)
	-0.50%	4,305
Price curves	2.50%	10,396
	-2.50%	(9,920)

The results of these sensitivity analyses indicate that:

- With a variation in discount rates of +0.5% and -0.5%, the reversal of the provision made in the financial year would be reduced by 4,610 thousand euros and increased by 4,105 thousand euros, respectively.
- Likewise, upward and downward variations of 2.5% in pool rates would result in an increase and a decrease in the reversal amounting to 10,396 and 9,920 thousand euros, respectively.
- Finally, upward and downward variations of 50 basis points in the long-term CPI applicable to the operating and maintenance costs of the assets would result in reductions and increases in the provision reversal amounting to 3,382 and 4,305 thousand euros, respectively.

In 2020 and 2019 the companies capitalised finance costs amounting to 12 million euros as property, plant and equipment (see Note 28).

Fully depreciated property, plant and equipment in use at 31 December 2020 and 2019 amounted to 404 and 486 million euros, respectively; most of these assets are currently in use.

At 31 December 2020, the Group companies had acquisition commitments for property, plant and equipment amounting to 168 million euros in the energy division for the wind and photovoltaic facilities currently under construction in Mexico, the United States, Australia, Chile and Ukraine. There are constructions planned for the second half of 2021 in the United States which at the end of

2020 do not count as firm commitments as the negotiations are still in a very early stage. The amount committed at 31 December 2019 came to 646 million euros.

The Group has insurance policies to cover the possible risks to which its property, plant and equipment are exposed, and the claims that might be filed against it in the development of its business activities. These policies are considered to provide adequate cover for the related risks.

At 31 December 2020, the net carrying amount for material assets used as guarantee for project finance debts in the energy division was 1,088 million euros (1,338 million euros in 2019).

The Group has mortgaged land and buildings coming to a net carrying amount of 21 million euros (21.5 million euros in 2019) to secure credit facilities granted to the Group by banks.

6.- Investment property

The Group's investment property relates mainly to properties earmarked for lease.

The changes in 2020 and 2019 were as follows:

Investment property	Thousand euros			
	Cost	Depreciation	Impairment	Total
Balance at 31.12.2018	204,451	(40,556)	(33,095)	130,800
Additions	559	(2,829)	(330)	(2,600)
Disposals	(80,648)	16,954	13,189	(50,505)
Transfers	(28,171)	--	--	(28,171)
Balance at 31.12.2019	96,191	(26,431)	(20,236)	49,524
Additions	17,092	(1,809)	(275)	15,008
Disposals	(50,143)	23,956	7,097	(19,090)
Balance at 31.12.2020	63,140	(4,284)	(13,414)	45,442

The most significant changes in 2020 correspond to:

- The sale of student residences located in Spain for a net carrying amount of 13,102 thousand euros (see Note 3.2.h).
- The sale of mainly residential property assets located in Spain for a net carrying amount of 5,581 thousand euros.
- The acquisition of land in Granada to build a future student residence for 9,427 thousand euros.
- The purchase of an office building in Mexico for 7,245 thousand euros.

The most significant changes in financial year 2019 corresponded to the disposal of two buildings in Madrid and Barcelona intended for use as offices with a net carrying amount of 33.6 million euros, as well as the sale of mainly residential property assets located in Spain and Mexico. Also noteworthy was the transfer of an asset located in Madrid, due to a change of use from investment property to inventories for a gross amount of 28 million euros.

At 31 December 2020, the fair market value of the assets recorded under this line item estimated on the basis of the valuations made by independent appraisers (see note 4.2. F) came to 49,918 thousand euros (68,640 thousand euros at 31 December 2019). The decrease in value in 2020 compared to 2019 is mainly due to various sales of essentially residential property assets and the segregation of residential assets, both events with an appraised value at 31 December 2019 of 36,311 thousand euros. In addition, the effects of an office property acquired in 2020 with a fair value of 8,245 thousand euros, and the purchase of land in Granada with a fair value of 9,427 thousand euros must be taken into account. Considering these impacts, the appraised value for 2019 compared to 2020 would amount to 32,329 thousand euros (the appraised value for 2018 compared to 2019 amounted to 68,415 thousand euros).

The rental income earned by the Group from investment property during 2020, all of which was leased out under operating leases, amounted to 5,429 million euros (11,396 thousand euros in 2019). Direct operating expenses arising from investment property in the period amounted to 4,150 thousand euros (6,081 thousand euros in 2019), recognised under *Other Operating Expenses* on the accompanying consolidated income statement.

At 31 December 2020 and 2019, the Group had mortgaged a portion of its investment property included under this heading (see Note 20), for net carrying amounts of 1,113 and 1,808 thousand euros, respectively, to secure various loans and credit lines granted to the Group. The decrease was mainly due to the sale of residential property assets.

Detail by location of the cost, depreciation, and provisions of the properties held to earn rentals assigned to the real estate division of the Acciona Group at 31 December 2020 and 2019 was as follows:

Location	2020			2019		
	Cost	Depreciation	Provisions	Cost	Depreciation	Provisions
Madrid	5,078	(1,095)	--	5,078	(996)	--
The Levant Region	162	(7)	(67)	12,368	(5,106)	(72)
Andalusia	13,675	(3,437)	(5,326)	16,385	(4,542)	(5,634)
Catalonia	15,370	(4,365)	(2,770)	30,649	(7,039)	(7,446)
Other provinces	21,344	(5,849)	(5,391)	29,068	(8,031)	(6,848)
International	7,245	--	--	--	--	--
Total	62,874	(14,753)	(13,554)	93,549	(25,715)	(20,001)

7.- Leases

7.1 Right of Use assets

The changes in 2020 in cost and accumulated depreciation were as follows (in thousand euros):

Right of use	Land and natural resources	Buildings	Technical facilities	Machinery and transport elements	Other RoU	Depreciation	Impairment	Total
Balance at 31.12.2018	–	–	–	–	–	–	–	–
IFRS 16 1st application	214,410	58,207	69,795	50,007	810	–	–	393,229
Additions / charge for the year	569	4,576	1,537	17,794	453	(89,119)	–	(64,190)
Retirements	–	(4,594)	(2)	(14,563)	–	18,133	–	(1,026)
Transfers	–	177	25,113	75,860	235	(35,185)	–	66,200
Variations due to changes in the scope of consolidation	–	7,401	–	54	–	–	–	7,455
Other changes	2,456	413	1,342	3,319	–	(240)	–	7,290
Balance at 31.12.2019	217,435	66,180	97,785	132,471	1,498	(106,411)	–	408,958
Additions / charge for the year	107,495	40,741	2,836	62,130	408	(97,944)	–	115,666
Retirements	(4,758)	(9,064)	(74)	(29,856)	(7)	32,088	–	(11,671)
Transfers	999	(584)	(17)	106	(634)	11	–	(119)
Variations due to changes in the scope of consolidation	–	(3,818)	6,157	(7,162)	–	332	–	(4,490)
Other changes	(5,460)	(1,554)	(5,965)	(3,158)	(47)	4,673	–	(11,511)
Balance at 31.12.2020	315,711	91,901	100,722	154,531	1,218	(167,251)	–	496,832

The main leases recognised in this caption in which the Group acts as lessee relate the lease of land on which power generation facilities are sited, a solar plant, offices, and machinery used mainly in the infrastructure division for construction work.

During the 2020 financial year, significant additions were recorded under *Land and natural resources* related mainly to leases of land where electricity generating facilities are located, mainly as a result of new rental contracts associated with wind farms and photovoltaic plants located in the United States, Chile and Mexico, as well as for the re-evaluation of previous contracts due to CPI rent updates and extensions of the committed rental term in line with the useful life of the energy facilities located on these lands (see note 3.3).

In the *Buildings* caption, there are additions for 18 million euros during 2020 related to real estate rentals associated with the Qatar sanitation system management service contract. *Machinery* mainly includes additions of construction equipment used in the works being carried out in the Philippines, New Zealand and Peru in the Infrastructure division for approximately 29 million euros.

Disposals in the year relate mainly to fully depreciated items that have reached the end of the committed period, lease renegotiations, and early cancellations of leases associated mainly with the development of handling services in Spain and a warehouse associated with the automotive sector in Spain.

The *Changes in the scope of consolidation* relate to leases of technical facilities and transport equipment associated with the portfolio of construction projects acquired by the CEI Subgroup

amounting to approximately 5 million euros, and the derecognition of the vineyard, warehouse and vehicle leases that were held by the Bodegas Palacio 1984 Subgroup (see Note 3.2.h)).

In 2019, the first year IFRS 16 Leases was applied, the main movement in the caption corresponded to the initial recognition of the underlying assets of operating leases amounting to 393 million euros (see note 3.1). In addition, the assets associated with finance lease agreements for a net amount of approximately 66 million euros, were reclassified from property, plant and equipment to *Right of Use* (see note 5).

In 2020, the Group recorded an interest expense and depreciation expense of 30 million and 98 million euros, respectively, in the income statement associated with lease contracts (24 and 89 million euros in 2019), respectively.

The detail of the net carrying amount of the right of use classified according to the nature of the underlying asset at 31 December 2020 and 2019 is as follows, in thousands of euros:

Right of use	2020				2019			
	Cost	Depreciation	Impairment	Total	Cost	Depreciation	Impairment	Total
Land and natural resources	315,711	(29,444)	--	286,267	217,435	(13,380)	--	204,055
Buildings	91,901	(38,366)	--	53,535	66,180	(18,700)	--	47,480
Technical facilities	100,722	(27,192)	--	73,530	97,785	(16,539)	--	81,246
Machinery	97,846	(52,182)	--	45,664	92,474	(43,991)	--	48,483
Transport elements	56,685	(19,348)	--	37,337	39,997	(13,385)	--	26,612
Other RoU	1,218	(719)	--	499	1,498	(416)	--	1,082
Total	664,083	(167,251)	--	496,832	515,369	(106,411)	--	408,958

7.2 Non-current and current lease obligations

The balance of liabilities associated with lease contracts at 31 December 2020 and 2019 is detailed below, in thousands of euros:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Lease obligations	74,260	419,889	494,149	55,233	346,631	401,864
Obligations under finance leases (see note 20)	10,544	18,422	28,966	11,690	25,204	36,894
Total leasing liabilities	84,804	438,311	523,115	66,923	371,835	438,758

The Group does not have any lease contracts containing significant residual value guarantees.

At the date these financial statements were prepared, the Group did not have any lease contracts that represented significant commitments and whose entry into force was after 31 December 2020.

Detail of the Group's "Lease obligations" at 31 December 2020 and 2019 was as follows, in thousands of euros:

	Minimum lease payments	
Amounts payable under lease obligations	2020	2019
Within one year	102,272	76,181
Between one and five years	212,754	222,435
Over five years	545,946	389,560
Total lease payments payable	860,972	688,176
Less future finance charges	366,823	286,312
Present value of lease obligations	494,149	401,864
Less amount due for settlement within twelve months (current lease obligations)	74,260	55,233
Amount due for settlement after twelve months	419,889	346,631

Note 20 to these financial statements gives a breakdown of the maturities of the commitments classified as "Obligations under finance leases".

8.- Goodwill

The movements in "Goodwill" on the accompanying consolidated balance sheet in 2019 were as follows (in thousand euros):

	Balance at 31/12/2018	Additions	Impairment	Other changes	Balance at 31/12/2019
Subgroup Geotech Holding	103,879	--	--	1,461	105,340
Subgroup Acciona Facility Services	50,962	2,528	--	--	53,490
Subgroup Acciona Agua	27,976	--	--	--	27,976
Andes Airport Service	15,295	--	--	(793)	14,502
Subgroup Bestinver	--	22,304	--	--	22,304
Subgroup Acciona Producciones y Diseño	--	9,431	--	--	9,431
Others	354	--	--	6	360
Total	198,466	34,263	--	674	233,403

The movements in "Goodwill" on the accompanying consolidated balance sheet in 2020 were as follows (in thousand euros):

	Balance at 31/12/2019	Additions	Impairment	Other changes	Balance at 31/12/2020
Subgroup Geotech Holding	105,340	--	--	656	105,996
Subgroup Acciona Facility Services	53,490	--	--	(214)	53,276
Subgroup Acciona Agua	27,976	--	--	--	27,976
Andes Airport Service	14,502	--	--	(560)	13,942
Subgroup Bestinver	22,304	--	--	(2,812)	19,492
Subgroup Acciona Producciones y Diseño	9,431	--	--	--	9,431
Others	360	--	--	(28)	332
Total	233,403	--	--	(2,958)	230,445

On 22 July 2019, Bestinver S.A. acquired two companies of the Fidentiis Group, a leading firm in Spain specialising in the capital markets of southern Europe (see note 3.2.h). In November 2019, after obtaining the relevant administrative authorisation, the Group registered the acquisition, generating goodwill of 22 million euros.

On 27 November 2019, after all the conditions precedent had been met, the Acciona Group acquired control of Fidentiis Equities, S.V., S.A. and Fidentiis Gestión, S.G.I.I.C., S.A., and at the end of 2019 the initial accounting for the business combination was incomplete because the process to measure the assets and liabilities identified in the acquired companies was in progress. In the first half of 2020, the purchase price allocation (PPA) was completed, and an intangible asset associated with the “Asset Management Relationship” and a deferred tax liability were recognised for a total value of 3,749 and 937 thousand euros, respectively. As a result of the aforementioned process and due to the difference between the fair value of the net assets acquired and the acquisition cost, goodwill amounting to 19,492 thousand euros was eventually recognised.

With regards to the goodwill recorded during financial year 2020, at 31 December there have been no signs of circumstances indicating that the hypotheses and assumptions considered at the time of the acquisition have undergone relevant changes.

At 31 December 2020, negative translation differences under this heading have been registered amounting to approximately 0.1 million euros, mainly due to Australian dollar and Chilean peso exchange rate fluctuations.

The goodwill expected to be tax deductible is that of Acciona Agua, S.A. in Spain. The annual deductible amount came to 3,390 thousand euros and the outstanding amount came to 16,982 thousand euros.

In 2020, the update of the impairment tests for the various subgroups, according to the method described in note 3.2 F), did not show the need to record any impairment.

The growth rate employed by the Group to extrapolate the cash flow projections beyond the five-year period covered by the forecasts was 2% for the Subgroup Geotech Holding, 1.5% for the Agua, Services and Andes Airport Services, S.A. Subgroups, 1.5% for the Acciona Producciones y Diseño Subgroup, and 1.69% for the Bestinver Subgroup.

The WACC rates after tax that were applied were: 7.7% for the Geotech Holding Subgroup, 4.6% for the Agua Subgroup, 5.7% for the Services Subgroup, 8% for Andes Airport Services, S.A., 8.57% for the Acciona Producciones y Diseño Subgroup, and 11.98% for the Bestinver Subgroup, using a discount rate based on the Capital Asset Pricing Model (CAPM) methodology.

A sensitivity test was carried out for these subgroups, particularly in relation to the operating margin, the discount rate and the perpetuity growth rate, in order to ensure than possible changes in the estimation did not have an impact on the possible recovery of the goodwill registered. The outcome of these sensitivity tests indicated that, decreases of 75 basis points in the growth rate applied, increases in the discount rate of up to 40 basis points and 150 basis point reductions in the net operating margin, these assumptions being considered jointly, do not change the outcome of the impairment test, that is, no impairment is shown on the goodwill registered.

There were no further additions to the group in 2019 and 2020 that led to recognition of goodwill different than those described above.

9.- Other intangible assets

The changes in 2020 and 2019 were as follows (in thousand euros):

Other intangible assets	Development	Concessions	Computer software	Advances	Others	Amortisation	Impairment	Total
Balance at 31.12.2018	53,834	920,404	59,256	9,246	43,749	(495,423)	(6,483)	584,583
Variations due to changes in the scope of consolidation	-	-	710	-	(1,041)	(589)	-	(920)
Additions / charge for the year	2,159	8,756	14,736	10,046	155	(51,580)	(3,060)	(18,788)
Retirements	-	(28,340)	(709)	(13)	(10,175)	15,538	54	(23,645)
Transfers	-	(12,634)	(1,273)	(505)	837	(35)	-	(13,610)
Other changes	57	6,314	119	-	161	(1,011)	-	5,640
Balance at 31.12.2019	56,050	894,500	72,839	18,774	33,686	(533,100)	(9,489)	533,260
Variations due to changes in the scope of consolidation	(87)	(276,549)	(1,777)	(397)	43,025	138,127	-	(97,658)
Additions / charge for the year	2,303	10,815	11,349	5,211	4,180	(61,729)	(1,121)	(28,992)
Retirements	(30,389)	(6,269)	(2,518)	(2)	-	32,180	3,420	(3,578)
Transfers	22	1,716	4,820	(6,808)	5,923	2,417	-	8,090
Other changes	(37)	(15,291)	(904)	-	882	2,262	906	(12,183)
Balance at 31.12.2020	27,862	608,922	83,809	16,778	87,696	(419,843)	(6,285)	398,940

Breakdown of the net balances at the end of 2020 and 2019 was as follows:

Intangible Assets	2020				2019			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Development	27,862	(20,772)	--	7,090	56,050	(50,452)	--	5,598
Concessions	608,922	(297,708)	(6,285)	304,929	894,500	(403,568)	(9,489)	481,443
Computer software	83,809	(53,641)	--	30,168	72,839	(50,073)	--	22,766
Other intangible assets	16,778	--	--	16,778	18,774	--	--	18,774
Advances	87,697	(47,722)	--	39,975	33,686	(29,007)	--	4,679
Total	825,068	(419,843)	(6,285)	398,940	1,075,849	(533,100)	(9,489)	533,260

In 2020 the Group derecognised 30,389 thousand euros relating to capitalised development costs that have already been fully amortised.

The *Concessions* line mainly includes those concession assets where the risk of recovering the asset is assumed by the operator. In addition, it includes the cost of the administrative concessions and the levies paid by the Acciona Agua Subgroup for concessions related to the integral water cycle.

The most noteworthy additions in 2020 relate to concession awards in the Infrastructure division to provide wastewater treatment plant operation services in Spain amounting to 5.5 million euros.

Concessions also includes concession operating contracts, which are considered to be intangible assets in accordance with IFRIC 12. The Group derecognised the intangible assets recognised under this heading, together with their accumulated amortisation, for a net amount of 138 million euros, associated with the operating contracts for the Consuegra - Tomelloso road section concession owned by Autovía de los Viñedos, S.A.U., following the effective transfer of control thereof in December 2020, as detailed in Note 3.2.h.

Continuing with the Group's policy to invest in new technologies and digitalisation, investments of 11 million euros have been made in various items of computer software, aimed at innovation, improvement in the integration of processes and technological development, as well as investments aimed at adapting systems to cover legal, accounting or tax requirements in the different territories in which the Group is present.

The movement due to changes in the scope of consolidation of *Other Intangible Assets* relates to intangible assets identified during the business combination whereby the Group took control of the CEI Subgroup, assigned to the acquired backlog amounting to 43,235 thousand euros (see Note 3.2.h). The identified asset is depreciated based on the returns generated by the associated construction contracts.

The movement in additions reflects the fair value of the asset identified in the context of the Fidentiis Gestión S.G.I.I.C., S.A. business combination as an "Asset Management Relationship" (see note 8). This asset will be depreciated on a straight-line basis over its estimated useful life of 8 years.

In 2019 the Group derecognised 23 million euros relating to the commitments to invest in a concession in the water business in Mexico since the client did not comply with the actions required in accordance with the specifications which would have determined the aforementioned commitments.

In addition, the most notable reduction in 2019 was the reduction of the initial valuation of intangible assets associated with the confirmed portfolio of works identified during the acquisition of the Australian subgroup "Geotech Holding" in 2017, amounting to 9.7 million euros under *Other assets* which was fully depreciated.

Transfers in 2019 includes most notably the transfer of expectant rights amounting to 13 million euros to *Property, Plant and Equipment* associated with the commissioning of the Dymerska photovoltaic solar plant in Ukraine and the San Gabriel wind farm in Chile.

In 2020, *Other changes* includes the effect of translation differences in the period for a negative amount of 12 million euros, mainly related to the depreciation of the US dollar and Mexican peso (positive amount of 6 million euros in 2019).

The breakdown of the "Concessions" heading at 31 December 2020 and 2019 was the following:

Concessions	2020				2019			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
Administrative Concessions	271,884	(131,698)	(6,284)	133,902	276,932	(126,971)	(6,384)	143,577
Intangible Concessions (IFRIC 12)	337,039	(166,010)	(1)	171,028	617,568	(276,597)	(3,105)	337,866
Total	608,923	(297,708)	(6,285)	304,930	894,500	(403,568)	(9,489)	481,443

The breakdown of the main concessions is given in Appendix V and the detail of the balance of the main concessions under the intangible model (IFRIC 12) at 31 December 2020 and 2019 was as follows:

Concessions	2020				2019			
	Cost	Amortisation	Impairment	Total	Cost	Amortisation	Impairment	Total
S.C. A2 Tramo 2, S.A.	148,607	(89,029)	--	59,578	148,599	(77,660)	(3,104)	67,835
Consorcio Eólico Chiripa, S.A.	92,159	(31,719)	--	60,440	101,417	(29,400)	--	72,017
Autovía de los Viñedos, S.A.	--	--	--	--	271,712	(127,321)	--	144,391

During financial year 2020 no impairment was estimated and no significant losses appeared that were not covered with the provisions in place at 31 December 2020.

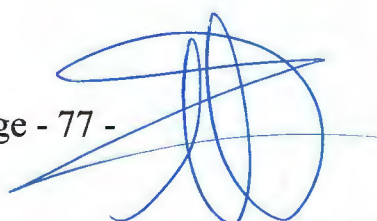
At 31 December 2020, Group companies had commitments to acquire intangible assets in the amount of 7 million euros, for concession projects in the Infrastructure division. At 31 December 2019, the amount committed came to 7 million euros.

Fully amortised intangible assets in use at 31 December 2020 and 2019 amounted to 61 and 90 million euros, respectively.

10.- Investments in associates and joint arrangements booked by the equity method

The movement in 2019 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

Direct and indirect investments	Balance at 31/12/2018	Share in profit (loss) before tax	Dividend	Tax effect	Changes in scope & contributions	Other changes	Balance at 31/12/2019
Direct investments of the Parent Company							
Nordex SE	556,169	(19,811)	--	4,165	99,019	851	640,393
Total direct investment	556,169	(19,811)	--	4,165	99,019	851	640,393
Indirect investments of the Parent							
Indirect investments of the Acciona Energía Subgroup	202,733	35,193	(11,949)	(12,710)	21,413	(6,614)	228,066
Indirect investments of the Ceatesalas Subgroup	89,961	9,726	(10,190)	(2,314)	--	(340)	86,843
Indirect investments of the Acciona Construcción Subgroup	36,749	6,663	(7,038)	(1,057)	(13,725)	3,919	25,511
Indirect investments of the Acciona Concesiones Subgroup	39,041	7,777	(1,987)	(1,920)	2,620	(6,084)	39,447
Indirect investments of the Acciona Agua Subgroup	72,019	23,565	(2,126)	(2,898)	(440)	1,098	91,218
Indirect investments of the Acciona Inmobiliaria Subgroup	2,588	174	--	(160)	2,181	(2)	4,781
Other	1,562	(103)	--	26	(938)	(286)	261
Total indirect investments	444,653	82,995	(33,290)	(21,033)	11,111	(8,309)	476,127
Total	1,000,822	63,184	(33,290)	(16,868)	110,130	(7,458)	1,116,520



The movement in 2020 in this heading on the accompanying consolidated balance sheet was as follows (in thousands of euros):

Direct and indirect investments	Balance at 31/12/2019	Share in profit (loss) before tax	Dividend	Tax effect	Changes in scope & contributions	Other changes	Balance at 31/12/2020
Direct investments of the Parent Company							
Nordex SE	640,392	79,258	--	6,150	13,151	7,698	746,649
Total direct investment	640,392	79,258	--	6,150	13,151	7,698	746,649
Indirect investments of the Parent							
Indirect investments of the Acciona Energía Subgroup	228,066	33,081	(3,063)	(10,452)	4,226	(15,102)	236,757
Indirect investments of the Ceatesalas Subgroup	86,843	24,651	(5,065)	(5,975)	--	7,722	108,176
Indirect investments of the Acciona Construcción Subgroup	25,511	5,933	(2,925)	(1,118)	8,411	(34,334)	1,477
Indirect investments of the Acciona Concesiones Subgroup	39,448	10,815	(1,382)	(2,316)	17,655	(27,335)	36,886
Indirect investments of the Acciona Agua Subgroup	91,218	19,111	(14,099)	(3,771)	9,732	(16,455)	85,736
Indirect investments of the Acciona Inmobiliaria Subgroup	4,781	31	(77)	(175)	6,272	(290)	10,541
Other	261	398	--	(449)	--	828	1,038
Total indirect investments	476,128	94,020	(26,611)	(24,257)	46,296	(84,965)	480,612
Total	1,116,520	173,278	(26,611)	(18,106)	59,447	(77,267)	1,227,261

The Acciona Group's interests in associates are detailed in Appendix III to these notes to the consolidated financial statements.

When the Group's investments in associates, which are consolidated by application of the equity method, are reduced to zero, and where there could be constructive obligations exceeding the contributions made, the losses or equity decreases are recognised under *Non-Current provisions* heading of the consolidated balance sheet (see Note 19).

On 1 December 2020 Nordex, SE, with the approval of the *Supervisory Board*, carried out an accelerated capital increase of 10% for international qualified investors through a bookbuilding process excluding subscription rights, for a total of 10,668,068 shares at a price of 18.90 euros per share. Acciona, S.A. subscribed 5.76% of the capital increase, i.e., an amount lower than its previous ownership interest, paying 11.6 million euros. As a result of this dilution, the shareholding in Nordex, SE decreased from 36.41% to 33.63%.

In 2019, Acciona Group accepted the proposal made by the Board of Directors of Nordex SE to subscribe the entire 10% capital increase at a price of 10.21 euros per share, representing a disbursement of 99 million euros. After the subscription, the shareholding rose from 29.9% to 36.27%. When the regulatory limit of 30% was exceeded, the Group was obliged to launch a public tender offer to all Nordex SE shareholders. The public tender offer was made at a price of 10.34 euros per share, calculated as the average price per share based on the market price of Nordex SE in the three months prior to launching the bid. The acceptance period for the public tender offer (initial period plus additional period) ended on 8 January 2020 and a total of 149,399 shares were accepted, representing 0.14% of the shareholding. After the public tender offer, the Group's share stood at 36.41%.

In 2020, capital contributions of 22 million euros were made in the Concessions business to the associate that holds the concession contract for the construction, operation and maintenance of Line 6 of the São Paulo Metro.

In addition, *Changes in the scope of consolidation and contributions* also includes the contributions made in favour of associates developing a waste water treatment project in Trinidad and Tobago amounting to 9 million euros.

The remaining changes mainly correspond to greater contributions in the companies and refunds on the contributions in which the Group already had an investment, without the percentage share being changed.

In 2019, the Group transferred its shareholding in S.C. Autovía Gerediaga Elorrio, S.A. and Sociedad Explotadora Autovía Gerediaga Elorrio, S.A., in which it held 22.8% and 28.7%, respectively. The value of the transaction amounted to 20.2 million euros, with capital gains for the Group of 5.5 million euros.

Other changes includes variations due to derivatives, translation differences, the effect of the transfers of investments accounted for using the equity method (the losses of which cause them to be recognised as constructive obligations). In 2020, this heading mainly includes the effect of the classification of the Group's shareholding in several concession operations under *Non-current assets held for sale* in the consolidated balance sheet, amounting to 42 million euros (see Note 15).

At 31 December 2020, the heading includes a negative amount of 2.3 million euros corresponding changes in derivatives (negative amount of 14 million euros at 31 December 2019).

The Group has updated the impairment tests associated with power generation assets, and for the companies accounted for using the equity method, an impairment reversal of 19 million euros has been recognised under *Income from associated companies - analogous* in the consolidated income statement, as well as a positive effect of 12 million euros due to the lower depreciation (see Note 4.4).

The methodology and sensitivity analysis described in note 4 were applied. The results of these sensitivity analyses in proportion to the Group's share percentage indicate that:

- With WACC rates of 5.22% for regulated life and 5.97% for unregulated life, the provision reversal would be reduced by 1.5 million euros.
- With WACC rates of 4.22% for regulated life and 4.97% for unregulated life, the provision reversal would increase by 1.7 million euros.
- Likewise, upward and downward variations of 2.5% in pool rates would result in an increase and a decrease in the reversal amounting to 3.3 million euros and 3.1 million euros, respectively.
- Furthermore, upward and downward variations of 50 basis points in the long-term CPI applicable to the operating and maintenance costs of the assets would result in reductions and increases in the provision reversal amounting to 0.5 million euros and 0.7 million euros, respectively.

With regards to the share in Nordex, SE, a company whose shares are traded on the Frankfurt and other German Stock Exchanges, the continued significant decline in the share price to below the

carrying amount experienced in 2017, together with the downward re-estimation of the forecasts announced by the company in 2017, were regarded as a sign of impairment. Thus, the Acciona Group carried out an impairment test, the result of which at 31 December 2017 indicated an impairment of the investment value of 145 million euros.

Although the Group has adopted a prudent criterion with respect to its shareholding in Nordex, the fall in the share price in the two previous years was considered by the Group's Management to be a temporary event that does not necessarily constitute a deterioration in the intrinsic value of the business or its financial performance in the medium and long term; for the Acciona Group, the shareholding in Nordex is a strategic investment that seeks to materialise synergies while holding on to a relevant position in the wind power generation value chain.

The Group has considered it appropriate to update the impairment test at 31 December 2020 in view of the indications observed in the increase in value of the shareholding, by revising the main assumptions of the model based on the latest information published by Nordex and the positive forecasts published by external sources specialising in the sector. The adverse effects of COVID-19 on the company's operations (disruptions in the supply chain, temporary closure of some of its production facilities, etc.) are not affecting the volume of orders received, which remain at record highs. Thus, the continued recovery of Nordex's share price (22.16 euros at 2020 year-end compared to 11.96 euros at 2019 euros) has placed the share price significantly above the carrying amount, even in the uncertain economic environment caused by COVID-19. This is due to the expansion of the renewable energy generation sector experienced by some key markets and the upward re-estimation of the company's recently published forecasts. There has been a real explosion of both public and private interest in investments in the renewable energy sector in the last months of 2020, becoming the driving force behind economic recovery and leading the social transformation of the post-COVID era in an unprecedented shift towards green energy. This interest has taken the form of measures such as those promoted by the European Commission within the "European Green Deal". At the European Council held on 10 and 11 December 2020, European leaders endorsed the ambitious strategic targets for reducing CO₂ emissions, increasing the target reduction from 40% to 55% by 2030. This will be a huge boost for the growth of renewable energies in Europe, as well as an increase in the target quota for the use of renewable energies in the same period. The European Commission has estimated an annual investment of 260,000 million euros to meet the aspirations of the Green Deal, which will depend largely on the ability to transform the energy sector, and therefore on the capacity of wind power installation growth.

This context has improved the company's medium-term forecasts, which has allowed it to publish guidance for the 2022 financial year with a significant improvement in the sales estimates for both turbines and operation and maintenance services. This guidance was published along with the results corresponding to the third quarter of 2020. The test carried out places the value in use of the shareholdings at 25.9 euros/share (compared to 16.6 euros/share according to the test formulated at 30 June 2020 and 18.0 euros/share according to the test formulated at 31.12.2019), which represents a recoverable amount of 1,022 million euros (420 million euros above the carrying amount at the time of the test). This increase in value in use is in line with the increase in the share price, as well as the target prices formulated by analysts who monitor the company. Thus, the Group's Management considers that at 31 December 2020 the key indicators of the recovery in value have been consolidated which has enabled the impairment of 145 million euros recorded in 2017 to be reversed. This reversal is recognised in the Group's consolidated income statement under *Equity method profit/(loss) - non-analogous*.

The methodology used for calculating the value in use is described in note 4.2.f, i.e., through discounting the cash flows (WACC) at a rate which considers the risks inherent to the company's business as well as the different markets in which it operates. A cash flow projection that covers a period of five years (2021-2025) has been calculated for this discount operation along with a terminal value that represents the value of the future cash flow from the sixth year and which has been determined based on a standard cash flow estimate.

To calculate the projections, the most recent information published by the company has been considered, which includes the increase in operating costs in 2020 related to the limitations on trade imposed in certain geographical areas in which the company operates as a result of COVID-19, mitigated by the expected containment of the effects of the pandemic from 2021 onwards. Likewise, the turbine sales assumptions have been modified, which have been adjusted taking into account the latest estimates published by Nordex to fulfil its strategic objectives in 2022, together with the projections of the sector report used in the impairment tests of previous years, which reflect the estimated average growth of the wind energy sector for the coming years.

With regard to the growth of sales used for the standard period, which serves as a basis to calculate the terminal value ("g" parameter), a 1.5% growth has been estimated, despite the existence of growth prospects in the sector in which Nordex operates that support greater growth. However, given the uncertainty associated with projections for such large periods, it has been considered that 1.5% is a reasonable growth rate.

For the discounted cash flows, an after-tax WACC rate of 7.2% has been considered.

Also, in order to strengthen the consistency and reasonableness of the test, sensitivity analyses have been performed on changes reasonably expected to occur in the main hypotheses. Thus, a variation of +/- 50 basis points in the WACC would produce an additional impact on the calculated value in use of -91 and +109 million euros, and a variation of +/- 50 basis points in the growth rate used to calculate the terminal value ("g") would result in an additional impact on the value in use of +88 and -74 million euros.

The table below shows the assets, liabilities, revenue and profit or loss for 2020 in proportion to the share percentage in the capital of each of the associates included under this heading (the figures related to associates with an equity deficit, recognised on the liability side of the consolidated balance sheet, are detailed in Note 19):

	Energy	Infrastructures	Other Activities	Total 2020
Assets				
Non-current assets	1,688,736	503,916	16,800	2,209,452
Current assets	1,233,619	132,905	7,884	1,374,408
Total assets	2,922,355	636,821	24,684	3,583,860
Liabilities				
Equity	1,091,582	125,136	10,543	1,227,261
Non-current liabilities	665,306	301,043	9,084	975,433
Current liabilities	1,165,467	210,642	5,057	1,381,166
Total equity and liabilities	2,922,355	636,821	24,684	3,583,860
Profit/(Loss)				
Revenue	1,526,031	131,845	1,808	1,659,684
Profit before tax from continuing operations	136,992	36,257	31	173,280
Profit/(Loss) before tax	136,992	36,257	31	173,280

At 31 December 2020, none of the associates are individually significant for the Group except for Nordex, S.E., (33.63%); all the main key figures of this investment based on the latest available information are detailed below in thousand euros.

Nordex SE:

The breakdown of the financial information relating to the investee is as follows, in million euros:

	Nordex (*)
Assets	
Non-current assets	1,495
Current assets	3,170
Total assets	4,665
Equity and Liabilities	
Shareholders' equity	595
Value adjustments	40
Equity	635
Non-current liabilities	849
Current liabilities	3,181
Total equity and liabilities	4,665

(*) Corresponds to the last periodic public information issued by Nordex, S.E. on the Frankfurt stock exchange on 30 September 2020.

Reconciliation of the consolidated profit/(loss) of the investee is detailed below, in million euros:

Profit/(Loss)	Nordex		
	Revenue	Profit before tax from continuing operations	Profit/(Loss) after tax
Financial statements of investees (*)	3,167	(107)	(107)
% Share (*)	36.41%		
Attributed result	1,153	(39)	(39)
Adjustments (**)	--	(27)	(21)
Impairment reversal	--	145	145
Equity method profit/(loss) - non-analogous	--	79	85

(*) Refers to the last periodic public information issued by Nordex, S.E. on the Frankfurt stock exchange on 30 September 2020, integrated at 36.41%.

(**) Refers to the homogenisation adjustments, as well as the estimate of the result of the fourth quarter of 2020, integrated until 30 November at 36.41%, and at 33.63% in December after the accelerated capital increase described in Note 3.2.h.

11.- Interests in joint operations

The Acciona Group's interests in joint operations are explained in Appendix II to these Notes to the consolidated financial statements. The most significant amounts included in the consolidated financial statements, in relation to these interests, at 31 December 2020 and 2019 are summarised as follows:

	2020		2019	
	Companies	Joint operations	Companies	Joint operations
Revenue	6,091	1,717,899	72,671	1,883,637
Gross profit/(loss) from operations	--	101,490	23,324	120,453
Profit/(loss) from operations	808	60,004	22,258	68,369
Non-current assets	12,162	155,287	13,932	158,054
Current assets	33,514	2,071,000	1,738	1,787,225
Non-current liabilities	1,909	360,552	37,491	320,749
Current liabilities	19,126	1,015,342	1,738	1,047,436

There are no shareholdings in joint operations that are material for the Group.

12.- Other current and non-current financial assets

The breakdown of this heading from the Group's consolidated balance sheet at 31 December 2020 and 31 December 2019, disclosed by type and category for measurement purposes, was as follows:

Thousand euros					
31.12.2020					
Financial Assets: Type / Category	Financial Assets designated at fair value with changes in profit or loss	Financial assets at fair value with changes in the recognised consolidated income statement	Financial assets carried at amortised cost	Hedging Derivatives	Total
Equity instruments	11,587	2,407	--	--	13,994
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	--	175,439	--	175,439
Long-term / non-current	11,587	2,407	175,439	--	189,433
Equity instruments	2,298	--	--	--	2,298
Other credits	--	--	96,284	--	96,284
Derivatives	--	--	--	25,929	25,929
Other financial assets	--	--	88,001	--	88,001
Short-term / current	2,298	--	184,285	25,929	212,512
Total	13,885	2,407	359,724	25,929	401,945

Thousand euros					
31.12.2019					
Financial Assets: Type / Category	Financial Assets designated at fair value with changes in profit or loss	Financial assets at fair value with changes in the recognised consolidated income statement	Financial assets carried at amortised cost	Hedging Derivatives	Total
Equity instruments	6,624	2,063	--	--	8,687
Debt securities	--	--	--	--	--
Derivatives	--	--	--	--	--
Other financial assets	--	--	202,138	62	202,200
Long-term / non-current	6,624	2,063	202,138	62	210,887
Equity instruments	2,342	--	--	--	2,342
Other credits	--	--	131,310	--	131,310
Derivatives	--	--	--	542	542
Other financial assets	--	--	64,398	--	64,398
Short-term / current	2,342	--	195,708	542	198,592
Total	8,966	2,063	397,846	604	409,479

The line *Other financial assets* mainly includes loans granted to companies accounted for by applying the equity method.

The line *Other credits* records the investments in debt securities or occasional investments in short-term investments or deposits as well as funds allocated by the Energy division and the Concession business within the Infrastructure division to the debt service reserve accounts projects where, as required by the terms of the “project finance” agreements in force, the funds in these accounts are restricted to ensure compliance with upcoming debt repayments to credit institutions.

The main changes in 2020 in this item in the balance sheet are under *Equity Instruments* due to the reclassification, at a fair value of 5.9 million euros of the 18.53% shareholding in Grupo Bodegas Palacio which remains in the Acciona Group following the sale of 81.47% to its executive directors (see Note 3.2.h). Furthermore, changes in *Other Loans* relate to removing Sociedad Concesionaria Hospital del Norte, S.A. and Autovía de los Viñedos, S.A.U. from the scope of consolidation (see Note 3.2.h).

No significant impairment losses on the current and non-current financial asset balances occurred in 2020.

13.- Other non-current assets

The breakdown of this heading at 31 December 2020 and 2019 was as follows:

	31.12.2020	31.12.2019
Non-current operating receivables	374,391	589,275
Non-current prepayments and accrued income	69,059	80,046
Concessions under the non-current financial asset model	29,197	108,079
Total non-current receivables and other non-current assets	472,647	777,400

Non-Current Operating Receivables includes mainly client balances and other trade receivables generated by operating activities maturing at over one year and also the retentions that are customary in the construction business.

In relation to the claim that the Acciona Group, through its subsidiary ATLL Concessionària de la Generalitat de Catalunya, S.A. (in liquidation) maintains with the Generalitat de Catalunya, as a result of the annulment of the assignment of the Ter-Llobregat water supply service management agreement sentenced by the Superior Justice Court of Catalonia and ratified by the Supreme Court, the Group received a Provisional Final Settlement (PFS) amounting 53.8 million euros in 2019, that is, far from the amounts claimed by the Company (see note 19), which, in the Group's opinion, has confirmed the impossibility of this dispute being resolved without resorting to a contentious-administrative procedure. In this context, as of 31 December 2019, the Group adjusted the compensation arising from the application of the clauses regulating the concession contract annulment; in addition, considering the premise which has been repeatedly defended by the Group and based on the concession agreement and reports by independent experts, it is extremely unlikely that the subsidiary's equity may be impaired, having been classified under *Non-current operating receivables*, since the expected settlement has exceeded twelve months, except for the amount corresponding to the PFS, which remained under current assets. In 2020 the Group received a Final Settlement (FS) of the contract from the Generalitat de Catalunya for which an amount of 56.9 million euros was awarded to the Group instead of the 53.8 million euros of the aforementioned PFS, which has been classified under current assets, reduced by the settlements already received.

Also, in June 2019 the Group transferred the future collection rights arising from the claim to a third party, which does not include the aforementioned portion of the compensation which has already been recognised by the Generalitat de Catalunya (see note 23).

On the other hand, with regard to the contract for the design, construction and commissioning of a tramway line in the centre of the city of Sydney (Australia), as mentioned in note 19, and for which there were claims and an open legal dispute with the client, an agreement was reached in 2019 to admit a large part of the claims presented by the Group. As a result of this agreement, an account receivable maturing in 2036, the amortised cost of which at 31 December 2019 amounted to 289 million euros, was reclassified to *Non-current operating receivables*. In 2020 the Group has initiated a process to sell the subsidiary that holds the recognised receivable, classifying the assets and liabilities of the subsidiary under *Non-current assets and liabilities held for sale*, as it considers that there is a high probability that the sale will take place in the short term (see note 23).

Finally, this line also includes an amount of 62,412 thousand euros (69,734 thousand euros at 31 December 2019) corresponding to the fair value of a non-financial derivative taken out by a Chilean subsidiary of the Energy Division for the supply of energy to a customer from 2017 at an inflated fixed price for 13.5 years. This contract is valued at market value and changes in value are recorded under the heading *Profit/(loss) from changes in value of financial instruments at fair value* in the income statement.

Finally, this heading includes the credit entitlement obtained by regulated renewable energy generation facilities in Spain as a result of the differential between the pool price obtained and the officially published price bands for the current year. This amount will be increased or offset by the adjustments to the bands established for the current half of the regulatory period (2020-2022) and will ultimately revert in an adjustment to the remuneration for the investment obtained by each facility to be settled from the end of the aforementioned half period (see note 2). The amount recognised by

the Group for this concept amounted to 79,449 thousand euros at 31 December 2020, deriving in full from the adjustment made in 2020.

Non-current prepayments and accrued income includes an amount of 52,591 thousand euros (62,193 thousand euros at 31 December 2019) relating to the unamortised amount of the value recognised at the time two non-financial derivatives hedging long-term energy prices were arranged in 2015 and 2018 by two subsidiaries in the United States. These contracts were entered into to secure the sale price of a certain amount of energy for a term of 13 and 12 years respectively, and the valuation at the time they were arranged was carried out without having visibility of long-term market prices in a sufficiently liquid market (this visibility covers approximately six years in the different markets in the USA). The Group capitalised this valuation (*Day-one profit and losses*) and recognised *Profit/(loss) from changes in value of financial instruments at fair value* on a straight-line basis in the consolidated income statement. Accordingly, the outstanding amount will be taken to income when the estimate of long-term market prices is made for all the valuation years based on observations made of long-term energy sales prices in a sufficiently liquid sales market.

Concessions under the non-current financial asset model includes the balance receivable over more than one year for concessions which, in accordance with IFRIC 12, were treated as financial assets, since there was an unconditional collection right on the investment made to date. The current portion of this unconditional right was recognised in *Trade and other receivables* on the basis of the collections expected to be received from the grantors of the concessions under the different economic and financial plans. At 31 December 2020 and 2019, the balance reclassified to short term in the *Concessions under the current financial asset model* under the heading *Trade and Other receivables* for the amount expected to be collected by the granting entities in the next twelve months came to 5,369 and 14,957 thousand euros, respectively (see Note 16).

Detail of Concessions under the non-current financial model was as follows:

	31.12.2020	31.12.2019
S.C. Hospital del Norte, S.A.	--	73,299
Hospital de León Bajío, S.A. De C.V.	28,757	33,992
Infrastructure concessions	28,757	107,291
Integral water cycle concessions	440	789
Total	29,197	108,079

The main change in 2020 in this item relates to the removal of Sociedad Concesionaria Hospital del Norte, S.A. from the scope of consolidation (see Note 3.2.h).

At 31 December 2020 and 2019, the Group companies had no commitments to acquire concession assets under the financial asset model in any significant amount.

14.- Inventories

Detail of the Group's inventories at 31 December 2020 and 2019 was as follows (in thousand euros):

Real Estate inventories	2020	2019
Raw materials, other procurements and trade inventories	40	56
Land	819,292	1,033,613
Property developments in progress	374,916	128,522
Property developments completed	20,201	90,581
Advances paid	21,313	5,047
Impairment	(336,834)	(353,529)
Total real estate	898,928	904,274
Other inventories	2020	2019
Raw materials, other procurements and trade inventories	209,598	194,998
Work in progress and half-finished goods	6,829	32,420
Finished goods	--	3,349
Assets received in payment of loans	13,770	13,586
Land	3,894	3,894
Advances paid	126,316	123,662
Impairment	(29,499)	(28,067)
Total other inventories	330,908	343,842
Total inventories	1,229,836	1,248,116

The most significant additions during 2020 correspond to the acquisition of several plots of land for an amount of 29 million euros, mainly in Spain and Poland. In addition, a net amount of 242 million euros was transferred from land to work in process at the start of construction. At 31 December 2020, negative translation differences under this heading have been registered amounting to approximately 17 million euros, mainly due to Mexican peso exchange rate fluctuations.

The Group has continued with developer activities, increasing the value of its developments in progress by 90 million euros, and that of its land by 28 million euros.

In addition, 110 million gross euros of work in progress has been transferred to Finished goods upon completing construction works, and real estate developments have been sold for a net value of 157 million euros.

In 2020 the Group has reversed the impairment provision for certain property assets in inventories in 30 million euros, as their recoverable amount exceeds the carrying amount on the basis of the valuations made at 31 December 2020 by independent appraisers not related to the Acciona Group.

Based on these valuations performed by Savills Aguirre Newman and CB Richard Ellis, the Group's property inventories have an estimated value of 982 million euros. These valuations incorporate the distortions and uncertainties of the real estate market and came up when taking into consideration the Group's current strategies in relation to the real estate business in terms of realisation and liquidity.

At 31 December 2020 and 2019 the net carrying amounts of mortgaged inventories were 526 and 1,235 thousand euros respectively and related mostly to property developments completed in 2020 and 2019. The decrease was mainly due to the sale of assets.

At 31 December 2020, there was a firm commitment to purchase a plot of land in Portugal for 14 million euros, and several commitments subject to various conditions precedent on land in Spain for 4.4 million euros and Poland for 2.2 million euros.

Property development sales commitments to clients at 31 December 2020 amounted to 222,976 thousand euros (332,771 thousand euros at 31 December 2019). From the balance at 31 December 2020, the amount of 28,486 thousand euros was instrumented in notes and bills receivable, the balancing entry of which was recorded under *Current trade and other payables* on the liability side of the accompanying consolidated balance sheet until the date of delivery (59,775 thousand euros at 31 December 2019).

15.- Assets and liabilities held for sale

At 31 December 2020, the detail of *Non-current assets held for sale* in the accompanying consolidated balance sheet is as follows:

	Balance at 31.12.2020
Assets from the Infrastructure division (Concession Assets)	47,864
Assets from the Infrastructure division (Restructure Investment Notes)	300,238
Assets from the Other activities division (Bestinver)	110,101
Total non-current assets held for sale	458,203

At 31 December 2020, the breakdown of the main asset headings prior to their classification as held for sale by division is as follows:

	Infrastructure Division	Other Activities Division
Investments accounted for using the equity method	41,722	
Long term receivables and other non-current assets	300,094	--
Trade and other receivables	1,990	--
Other current financial assets	--	110,101
Cash and cash equivalents	4,296	--
Assets held for sale	348,102	110,101

Also, at 31 December 2020, the detail of the liability items associated with non-current assets held for sale (*liabilities held for sale*) in the accompanying consolidated balance sheet is as follows:

	Balance at 31.12.2020
Liabilities from the Infrastructure division (Concession Assets)	9,734
Liabilities from the Infrastructure division (Restructure Investment Notes)	262,896
Liabilities from the Other activities division (Bestinver)	110,136
Total non-current liabilities held for sale	382,766

At 31 December 2020, the breakdown of the main liabilities headings prior to their classification as held for sale by division was as follows:

	Infrastructure Division	Other Activities Division
Long term bank borrowings	261,040	--
Other non-current liabilities	8,292	--
Trade and other payables	3,253	--
Other current liabilities	45	110,136
Liabilities held for sale	272,630	110,136

The cumulative income and expenses recognised directly in equity at 31 December 2020 in relation to these assets classified as held for sale are detailed below:

	Infrastructure Division
Translation differences	(5)
Value adjustments	(3,935)
Total recognised income and expense	(3,940)

On 29 November 2020, as part of its strategy to rotate assets that have reached an appropriate level of maturity, the Group reached an agreement with third parties for the sale, subject to precedent conditions, of its stake in 8 concession assets through certain companies detailed in Note 3.2.h. At 31 December 2020, the net assets of the six concession assets in relation to which, at that date, the requirements for derecognition had not been met, continue to be classified under this heading.

In addition, long-term receivables known as "Restructure Investment Notes" ("RINs"), whose carrying amount amounted to 300 million euros at the time prior to their classification as held for sale, together with the related liabilities, have been classified under *Non-current assets and liabilities held for sale* (see Note 3.2-h). The Acciona Group, through one of its Australian subsidiaries, is the holder of the RINs since financial year 2019, following the compensation agreements reached with the client Transport for New South Wales in the framework of the design and construction contract for a tramway in the Australian city of Sydney. The Group's Management considers that there is a high probability that the sale will take place in the short term.

Lastly, Bestinver, S.A., in its capacity as the head of the Bestinver Subgroup, of which Bestinver Gestión, S.A., SGIIC forms part, entered into a sale and purchase agreement in April 2020 with Atlanta Renewables, S.A. RL for 68 million euros for the acquisition of an ownership interest in Acciona Energía Internacional, S.A. representing 5% of its share capital, as described in Note 3.2.h. Bestinver Gestión is currently in the process of placing the Bestinver Infra venture capital fund to offer its clients a new investment product focused on high quality and sustainable global infrastructure assets. Bestinver, S.A. entered into the sale and purchase agreement for the sole purpose of assigning its contractual position to the fund on the date of completion or, if the fund does not yet have sufficient assets, Bestinver, S.A. retains this interest, on a temporary basis, until the investor recruitment process is completed. The Group's Management considers that it is highly probable that the transfer above-mentioned of the Bestinver Infra venture capital fund will occur in the short term, and therefore, the share investment, together with its associated liabilities, have been classified under *Long-term assets and liabilities held for sale*.

For the same reason described in the preceding paragraph, the stake acquired by Bestinver in Autovía de los Viñedos and Hospital del Norte has been classified, together with the directly associated liabilities, under the heading *Non-current assets and liabilities held for sale*.

16.- Trade and other receivables

The detail of the balance at 31 December 2020 and 2019 is as follows:

	2020	2019
Trade receivables	1,128,299	1,135,138
Doubtful trade receivables	35,721	28,680
Amounts to be billed for work performed	838,651	856,237
Total trade receivables for sales and services	2,002,671	2,020,055
Receivable from associates	49,293	72,912
Sundry accounts receivable	448,090	236,945
Current concessions under the financial asset model (Note 13)	5,369	14,957
Provisions	(253,217)	(253,923)
Total trade and other receivables	2,252,206	2,090,946
Current and non-current advances from clients (Note 23)	(1,011,516)	(600,048)
Total net balance at 31 December	1,240,690	1,490,898

These financial assets are valued at amortised cost.

The change in advances received at 31 December 2020 compared to 2019, amounting to 411 million euros, mainly relates to the Infrastructure activity and specifically to the acquisition of the Australian Subgroup CEI for 216 million euros, as well as certain advances received for recent construction activity contract awards amounting to 204 million euros. The breakdown of the advances by division was as follows:

Breakdown of advances by business	2020	2019
Energy	(2,829)	(1,979)
Infrastructures	(971,550)	(522,488)
Other business activities	(37,137)	(75,581)
Total net balance at 31 December	(1,011,516)	(600,048)

The breakdown by division of the balance of trade and other receivables, net of client advances, was as follows:

	2020	2019
Energy	427,420	362,635
Infrastructures	1,199,201	1,405,581
Other business activities	210,957	173,432
Intra-Group transactions	(596,888)	(450,750)
Total net balance at 31 December	1,240,690	1,490,898

The breakdown relating to the construction business was as follows:

	2020	2019
Progress billings receivable	508,623	456,546
Executed production pending certification (contract assets)	738,864	733,712
Sundry accounts receivable	428,098	276,347
Provisions	(191,859)	(203,745)
Total construction trade receivables	1,483,726	1,262,860
Advances from clients (contract liabilities)	(852,858)	(379,635)
Total net balance at 31 December	630,868	883,225

The breakdown, by type of client, of the net balance of construction trade receivables was as follows:

	2020	2019
Central Government	39,464	40,969
Regional Governments	25,175	25,704
Local Governments	7,870	9,174
Other	70,414	74,671
Public-sector subtotal	142,923	150,518
Private-sector subtotal	239,599	280,190
Total Spanish clients	382,522	432,037
Total foreign clients	1,101,204	830,823

The breakdown, by age, of receivables from clients was as follows:

	2020	2019
Age up to 3 months by date of invoice	706,480	792,645
Age between 3 and 6 months by date of invoice	32,059	34,146
Age over 6 months by date of invoice	389,760	308,348
Total	1,128,299	1,135,139
Invoices past due by more than 3 months and not provisioned	96,166	136,938

The movement in provisions for losses due to impairment in the value of receivables at 31 December 2020 and 2019 was as follows:

	2020	2019
Opening balance	(253,923)	(276,105)
Increase in provision for impairment of accounts receivable	(15,897)	(10,782)
Accounts receivable de-registered as impossible to collect	4,653	19,613
Reversion of amounts not used	3,604	9,828
Transfer to non-current assets held for sale	--	--
Reclassifications and other minor adjustments	8,346	3,523
Closing balance	(253,217)	(253,923)

17.- Cash and cash equivalents

The detail of the balance at 31 December 2020 and 2019 is as follows:

	2020	2019
Cash	2,218,454	1,934,036
Deposits and other	188,704	214,579
Total cash and cash equivalents	2,407,158	2,148,615

This heading included mainly the Group's cash, bank deposits and risk-free deposits with initial maturity of three months or less.

In 2020 and 2019 the cash and other current financial asset balances earned interest at market rates.

At 31 December 2020, an amount of 113 million euros under this heading was of restricted disposal in order to guarantee the payment relating to the purchase of 8.33% of the share capital and subordinated debt of Acciona Energía Internacional, S.A. from Kohlberg Kravis Roberts & Co. LP (KKR) by Acciona Energía, S.A. In addition, the amount relating to the payment of 68 million euros corresponding to the 5% acquired by Bestinver, S.A. for placement in the Bestinver Infra FCR fund was also unavailable at 31 December 2020. Both amounts were paid on 4 January 2021 (see note 3.2 h).

As of 31 December 2019, the Company, in compliance with German legislation on the acquisition of securities and public tender offers (WpÜG), had an amount of 708 million euros in a restricted disposal account as security for the payment obligations that may arise from the full acceptance of the mandatory public tender offer launched for Nordex SE. This amount was unavailable at year-end and was released on 9 January 2020 after the end of the public tender offer acceptance period.

18.- Equity

a) Subscribed and registered share capital

The parent company's share capital is represented by 54,856,653 fully paid-up ordinary shares with a face value of 1 euro each, represented by book entries. All the Parent Company's shares carry the same rights and all are listed on the stock exchange.

The table below shows, based on the notices received by the company, the owners of significant direct and indirect equity interests at 31 December 2020 and 2019.

	31.12.2020	31.12.2019
Tussen de Grachten, B.V.	29.02%	29.02%
Wit Europese Investerings, B.V.	26.10%	26.10%
La Verdosa, S.L. (*)	--	5.78%
Invesco, LTD	1.04%	--

(*) In December 2020, La Verdosa, S.L. sold 3.85% of the share capital of Acciona, S.A. through a private placement to qualified investors and sold 1.75% of the share capital to the Company's shareholders. Following these transactions, the ownership interest of the shareholder La Verdosa, S.L. was reduced to 0.18% of the share capital.

b) Share premium, reserves and translation differences

Detail of the share premium, reserves and translation differences appearing on the consolidated statement of changes in equity was as follows:

	2020	2019
Share premium	170,110	170,110
Legal reserve	11,452	11,452
Reserve for retired capital	12,857	12,857
Statutory reserve	733,464	707,459
Capitalisation reserve Law 27/2014	7,716	4,667
Voluntary reserves	2,583,095	2,453,699
Consolidated reserves (note 17.d)	(90,827)	(133,427)
Subtotal reserves	3,257,757	3,056,707
Translation differences (note 17.d)	(436,326)	(183,520)
Total	2,991,541	3,043,297

The balance of the *Share Premium* account, which at 31 December 2020 and 2019 amounted to 170,110 thousand euros, arose as a result of the capital increases with share premiums carried out on different dates. The consolidated text of the Capital Companies Act expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to the use of said balance.

The legal reserve, to which transfers must be made until 20% of the share capital is reached, can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The capitalisation reserve set aside in accordance with Article 25 of Law 27/2014, of 27 November, on Income Tax is not available for the five years immediately after it is set aside. After this period has elapsed, they are freely distributable.

c) Treasury shares

The changes in treasury shares in financial years 2020 and 2019 were as follows:

	2020		2019	
	Number of shares	Cost	Number of shares	Cost
Opening balance	398,641	28,633	2,902,115	199,616
Additions	1,797,781	174,343	1,536,056	144,099
Retirements	(1,811,840)	(174,879)	(1,545,975)	(144,035)
Liquidity contract movements	(14,059)	(536)	(9,919)	64
Other additions	--	--	--	--
Remaining retirements	(88,160)	(6,048)	(2,493,555)	(171,047)
Other movements	(88,160)	(6,048)	(2,493,555)	(171,047)
Closing balance	296,422	22,049	398,641	28,633

On 2 July 2015 Acciona, S.A. reported subscription of a liquidity contract with Bestinver Sociedad de Valores, S.A. for the management of its treasury stock. The company's stock operations carried out by Bestinver within the framework of this contract take place on the Spanish stock exchanges and the purpose is to increase the liquidity of transactions and the stability of the trading price. On 10 July 2017, Acciona, S.A. cancelled said liquidity contract and on the same date, the Company signed a new liquidity contract with the terms detailed in Circular 1/2017 of the Spanish National Securities Market Commission (CNMV) for the purposes of their acceptance as a market practice. The cash accounts and securities accounts that were associated with the cancelled liquidity contract and amounted to 44,328 shares and 3,539,115 euros were used to allocate cash and securities to the new liquidity contract, adjusting the amount in cash to the trading value of the shares assigned to the new contract, in accordance with the limits established in the new CNMV circular, which have been set at 44,328 shares and 3,340,000 euros.

In 2020, the positive result recorded in reserves from transactions with treasury shares carried out under the liquidity agreement amounted to 1,031 thousand euros (in 2019 it was 345 thousand euros).

79,485 shares were retired under the Share Delivery Plan and the Variable Remuneration Replacement Plan for Company directors, recording a profit of 2,594 thousand euros in reserves. In 2019, 81,983 shares were retired, recording a profit of 2,116 thousand in reserves.

On 10 December 2020, and under the Performance Shares Plan, 8,675 shares were given to Executive Directors of the Company, resulting in a profit being recorded in reserves amounting to 385 thousand euros. In 2019, 8,675 shares were given to Executive Directors of the Company, resulting in a profit being recorded in reserves amounting to 203 thousand euros.

In connection with the resolution adopted by the Board of Directors on 27 March 2018, the planned capital reduction was carried out on 28 March 2019, as mentioned above, by redeeming 2,402,897 shares, resulting in a negative adjustment of 162,425 thousand euros to the company's reserves.

d) Reserves in consolidated companies and translation differences

The detail, by business line, of the consolidation reserves (including adjustments for change in value and translation differences) contributed by subsidiaries, associates and joint operations at 31 December 2020 and 2019 was as follows (in thousand euros):

Line of business	2020		2019	
	Consolidated Reserves	Translation Differences	Consolidated Reserves	Translation Differences
Energy	(482,519)	(104,743)	(559,577)	(17,876)
Infrastructures	(264,954)	(257,786)	(339,033)	(178,074)
Other Activities	669,767	(73,797)	779,145	12,430
Consolidation adjustments	(13,121)	--	(13,962)	--
Total	(90,827)	(436,326)	(133,427)	(183,520)

In addition to the parent company, at 31 December 2020, the Group company Mostostal Warszawa, S.A. was a listed company. The average market price of this company on the Warsaw Stock Exchange was PLN 4.38 and the market price at year-end was PLN 5.04. The associate Nordex SE is also a listed company on the German Stock Exchange. Its average market price in the last quarter was EUR 16.37 and the market price at year-end was EUR 22.16.

e) Value adjustments

- Financial assets at fair value with changes in the recognised consolidated income statement

This heading under *Retained Earnings* on the consolidated balance sheet includes the amount, net of the related tax effect, of changes in the fair value of assets classified at fair value with changes in the recognised consolidated income statement.

The changes in the balance of this heading for 2020 and 2019 were as follows:

	2020	2019
Balance at 1 January	(53)	(30)
Increases in value in the year	--	--
Decreases in value in the year	(53)	(23)
Transfer to results for the year	--	--
Changes in the scope of consolidation	--	--
Balance at 31 December	(106)	(53)

- Cash flow hedges

This heading under *Retained Earnings* on the consolidated balance sheet reflects the amount net of the tax effect of changes in the fair value of financial derivatives designated as cash flow hedging instruments (see Note 22).

The changes in the balance of this heading for 2020 and 2019 were as follows:

	2020	2019
Balance at 1 January	(144,947)	(98,532)
• Value adjustments in the year	(36,984)	(76,432)
<i>Gross</i>	(49,312)	(101,909)
<i>Tax effect</i>	12,328	25,477
• Transfer to profit / (loss) for the year	28,830	30,017
<i>Gross</i>	38,441	40,021
<i>Tax effect</i>	(9,611)	(10,004)
Balance at 31 December	(153,101)	(144,947)

f) Non-controlling interests

The balance of this heading on the accompanying consolidated balance sheet reflects the carrying value of the holdings of non-controlling interests in the subsidiaries. Also, Non-Controlling Interests on the accompanying consolidated income statement reflects the share of non-controlling interests in the profit or loss for the year.

The movement in 2019 was as follows (in thousand euros):

Line of business	Balance at 01/01/2019	Changes in scope and capital contr./ret.	Dividends	Value adjustments and other	Year's Profit/ (Loss)	Balance at 31/12/2019
Energy	182,938	634	(10,922)	(4,710)	25,241	193,181
Infrastructures	22,148	(17,349)	(6,397)	971	20,701	20,074
Other Activities	627	6,164	(327)	(111)	(118)	6,235
Total non-controlling interests	205,713	(10,551)	(17,646)	(3,850)	45,824	219,490

The movement in 2020 was as follows (in thousand euros):

Line of business	Balance at 01/01/2020	Changes in scope and capital contr./ret.	Dividends	Value adjustments and other	Year's Profit/ (Loss)	Balance at 31/12/2020
Energy	193,181	182,403	(8,316)	(32,300)	25,226	360,194
Infrastructures	20,073	(19,597)	(592)	(6,337)	4,004	(2,449)
Other Activities	6,236	1,425	(1,382)	1	1,149	7,429
Total non-controlling interests	219,490	164,231	(10,290)	(38,636)	30,379	365,174

The acquisition of 8.33% of the share capital of Acciona Energía Internacional by Acciona Energía resulted in a reduction in *non-controlling interests* of 15 million euros. Also, as part of this transaction, the subordinated debt of Acciona Energía Internacional with its shareholders was capitalised, resulting in a reclassification of 192 million euros from *Other non-current and current liabilities* to *non-controlling interests*. Both effects are shown under *Changes in scope and capital contribution/return*. Lastly, this heading also includes the reduction of *non-controlling interests* following the acquisition of the remaining 12% stake in ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation) (see Note 3.2h).

The heading *Value adjustments and other* shows the variations due to changes in value of financial derivatives and translation differences generated mainly by the US dollar.

In 2019, *Changes in scope and capital contribution/return* heading included the reduction in the book value of non-controlling interests due to the acquisition of an additional 11.95% stake in ATLL Concesionària de la Generalitat de Catalunya, S.A. (in liquidation) and of 12.04% in Mostostal Warszawa, S.A. It also included the increase relating to the acquisition of 100% of the shares of Fidentiis Equities, S.V., S.A. and Fidentiis Gestión, S.G.I.I.C., S.A., which was partially satisfied through the delivery of 6,555 newly-issued shares in Bestinver, 3.17% of which were allocated to the former shareholders of Fidentiis

The line *Value adjustments and other* showed the decrease of 6,436 thousand euros in the non-controlling interests due to the first application of IFRS 16.

Summarised financial information for the subgroups or subsidiaries representing a material portion of the Group's assets, liabilities and transactions and for which no dominant shareholdings are held is shown below:

31.12.2020	Acciona Energy Internacional Subgroup	Mostostal Warszawa, S.A.	Acciona Geotech Holding Pty Ltd
% Non-controlling interests	25.00%	37.87%	17.60%
ASSETS			
NON-CURRENT ASSETS	2,434,860	38,119	26,747
CURRENT ASSETS	272,591	187,393	300,879
Total Assets	2,707,451	225,512	327,626
LIABILITIES			
EQUITY	1,043,165	11,365	16,226
Attributed Equity	914,160	8,337	16,226
Value adjustments and translation differences	(41,737)	(11,312)	(1,416)
Remaining equity attributed to the Parent Company	955,897	19,649	17,642
Non-controlling interests	129,005	3,028	-
NON-CURRENT LIABILITIES	1,206,351	36,712	19,643
CURRENT LIABILITIES	457,935	177,436	291,757
Total Liabilities	2,707,451	225,513	327,626
PROFIT/(LOSS) (*)			
Revenue	419,268	306,435	549,260
Operating profit	206,024	7,564	8,264
Profit/(loss) before tax	91,306	6,129	7,665
Profit/(loss) after tax	58,672	4,751	5,248
Profit/(loss) attributed to non-controlling interests	(4,954)	(682)	-
Profit/(loss) attributed to the Parent Company	53,718	4,069	5,248

(*) Until 31 December 2020, the non-controlling interest in Acciona Energía Internacional, S.A. amounted to 33.33%, and the profit or loss was attributed at 33.33%.

31.12.2019	Acciona Energy Internacional Subgroup	Mostostal Warszawa, S.A.	Acciona Geotech Holding Pty Ltd
% Non-controlling interests	33.33%	37.87%	17.60%
ASSETS			
NON-CURRENT ASSETS	2,676,402	33,923	28,162
CURRENT ASSETS	289,362	239,550	167,129
Total Assets	2,965,764	273,473	195,291
LIABILITIES			
EQUITY	279,287	21,128	11,738
Attributed Equity	126,407	18,766	11,738
Value adjustments and translation differences	(8,949)	(7,020)	(1,708)
Remaining equity attributed to the Parent Company	135,356	25,786	13,446
Non-controlling interests	152,880	2,362	-
NON-CURRENT LIABILITIES	2,492,286	33,797	17,167
CURRENT LIABILITIES	194,191	218,548	166,386
Total Liabilities	2,965,764	273,473	195,291
PROFIT/(LOSS)			
Revenue	451,146	297,452	379,084
Operating profit	172,112	4,837	13,800
Profit/(loss) before tax	66,281	2,285	12,991
Profit/(loss) after tax	51,793	204	7,700
Profit/(loss) attributed to non-controlling interests	(6,494)	(188)	-
Profit/(loss) attributed to the Parent Company	45,298	16	7,700

g) Capital management

The main objectives of the Group's capital management are to safeguard its capacity to continue operating as a going concern so that it can continue to provide returns to shareholders and to benefit other stakeholders, and also to maintain an optimal financial and equity structure to reduce the cost of capital. As a result of this policy, creating value for the shareholder is compatible with access to financial markets at a competitive cost in order to cover both debt refinancing and investment plan financing needs not covered by funds generated by the business.

In order to maintain and adjust the capital structure, the Group may vary the amounts of the dividends payable to the shareholders, return capital, issue shares or sell assets to reduce debt.

In line with other groups belonging the industries in which the Acciona Group operates, the capital structure is controlled on the basis of the leverage ratio. This ratio is calculated as the result of dividing net debt by equity. Net debt is calculated as the sum of current and non-current financial debt, excluding those relating to held-for-sale assets, less current financial assets and cash and cash equivalents.

The leverage ratio at 31 December 2020 and 2019 is shown below.

Leverage		
	2020	2019
Net debt:	4,915	4,333
Non-current financial debt	5,296	4,080
Current financial debt	1,966	2,149
Current financial assets and cash and cash equivalents	(2,347)	(1,896)
Equity:	3,641	3,495
Of the Parent Company	3,421	3,289
Of non-controlling interests	219	206
Leverage	135%	124%

h) Restriction on the distribution of funds by subsidiaries

Certain Group companies have clauses in their financing contracts that have to be met in order for profit to be distributed to the shareholders. Specifically, the clauses stipulate the maintenance of a senior debt coverage ratio in financing contracts.

19.- Provisions and litigation

The movement in the *Non-current provisions* heading on the liability side of the consolidated balance sheets for 2019 and 2020 was as follows:

	31.12.2020	31.12.2019
Opening balance	399,836	420,354
Additions and allocations	82,485	28,857
Retirements	(46,025)	(28,817)
Transfers	(171,894)	(29,457)
Other changes	19,758	8,899
Closing balance	284,160	399,836

The most significant changes in 2020 relate to the increase in provision for litigation of 64 million euros recognised in *additions and allocations* and the subsequent transfer of the liability arising from the transactional agreement to *Other current payables* heading arising from the proceedings being followed by the Group of companies belonging to the Energy division (see commentary at the end of this note). *Transfers* also includes the reclassification of the provision for the constructive obligations of the concession companies accounted for using the equity method for which the Group has initiated a sale process (as mentioned in Note 3.2.h) to *Liabilities associated with non-current assets held for sale*.

The Acciona Group operates in different businesses and in a variety of countries with very specific industry regulations. In the normal course of its business, the Group is exposed to litigation related to these business activities, including most notably: tax claims, claims related to defects in construction projects performed and claims related to differences regarding services rendered. Part of these risks are covered by insurance policies (third-party liability, construction defects, etc.) and for the other risks identified, the required provisions are recognised. The nature and amount of the main provisions are detailed below.

a) Constructive obligations: Provisions are recognised for the constructive obligations of subsidiaries accounted for using the equity method when the Group's investments in associates have been reduced to zero. At 31 December 2020, the provision in this connection amounted to 46 million euros (43 million euros at 31 December 2019). The table below shows the detail, by division and in proportion to the Group's share percentage in the capital, of the assets, liabilities, revenue and profit/(loss) for 2020:

	Energy	Infrastructures	Other Activities	Total 2020
Assets				
Non-current assets	4,100	168,737	--	172,837
Current assets	5,109	163,322	--	168,431
Total assets	9,209	332,059	--	341,268
Liabilities				
Equity	(676)	(45,366)	--	(46,042)
Non-current liabilities	5,446	310,600	--	316,046
Current liabilities	4,439	66,825	--	71,264
Total equity and liabilities	9,209	332,059	--	341,268
Profit/(Loss)				
Revenue	--	55,340	--	55,340
Profit before tax from continuing operations	138	11,686	--	11,824
Profit/(Loss) before tax	138	11,686	--	11,824

This heading includes a provision in the amount of 3 million euros for Sociedad Concesionaria Puente del Ebro, S.A., which was declared to be under voluntary creditors' meeting proceedings on 4 November 2014 at Business Court no. 2 in Zaragoza. The creditors' agreement was not approved and hence on 9 November 2017 the company entered into liquidation phase. On 22 January 2018, the Aragon Regional Government (DGA) initiated a process to terminate the concession contract, providing a period of six months as set out in article 266 of RD 2/2000 which approves the Consolidated Text of the Public Administrations Contract Law. This resolution process was declared expired by an order issued on 17 September 2019 and was initiated again.

On 29 June 2020, the Order of the Regional Minister for Regional Planning, Mobility and Housing was issued, whereby: i) the Public Works Concession contract was terminated for administrative purposes, ii) the final settlement of the contract was approved for the value of the assets to be returned for an amount of 25,036 thousand euros, iii) it was agreed not to seize the definitive guarantee, and iv) a period of fifteen days from the notification of the aforementioned Order was agreed to return the concession asset and to make all the infrastructures and assets affected by the concession available to the General Directorate of Roads (Government of Aragon).

On 16 July 2020, the Insolvency Administrator, the Technical Secretary General and the Director General of Roads (Government of Aragon), signed the formal acceptance act derived from terminating the "Public works concession for the design, construction, operation, maintenance and conservation of the Villafranca-El Burgo de Ebro (ARA-A1) motorway" contract.

On 28 July 2020, Business Court no. 2 in Zaragoza approved the collective dismissal proceedings (ERE) to terminate the employment contracts. The Insolvency Proceedings then followed, dated 9 September 2020.

At 31 December, the Acciona Group is waiting for the Court to issue its final ruling on the insolvency proceedings, which were classified as fortuitous.

b) Repairs: these relate to provisions in connection to repairs agreed with the awarding entity in concessions from the Infrastructure division. Each year they are systematically endowed by a charge against the operating profit/(loss). The provision for this item at 31 December 2020 and 2019 amounts to 19 and 39 million euros, respectively. As mentioned in above, the main change in this provision in 2020 is due to the derecognition of Autovía de los Viñedos, S.A.U. following the concession asset purchase and sale agreement mentioned in Note 3.2.h).

c) Pensions and similar: these relate to provisions for pensions and similar obligations arising mainly from the acquisition of assets from Endesa in 2009, which are detailed and quantified below. The provision for this item at 31 December 2020 and 2019 amounts to 12 and 11 million euros, respectively.

d) Burdensome contracts: these mainly relate to contracts for works and provisions of services that represent a burden and in which it is estimated that losses will be incurred. The Group charges a provision against the income statement for losses expected from these contracts at the moment when it determines that the contract's costs which cannot be avoided in order to comply with the contract are likely to exceed the revenue therefrom. This heading also includes the liabilities assumed by the Group with third parties in the sale of companies. The provision in this connection, at 31 December 2020, amounted to 30 million euros (52 million euros at 31 December 2019).

e) Dismantling: these relate mainly to provisions stemming from the electricity generation facilities in the Energy Division international area, after the Group concluded, upon analysis of the particularities of these contracts, that there is an obligation to dismantle said facilities. The provision in this connection, at 31 December 2020, amounted to 155 million euros (118 million euros at 31 December 2019).

f) Litigation: these related to provisions for lawsuits under way as a number of claims have been brought against the Group in various jurisdictions for various reasons. At 31 December 2020, the Group had provisions of 13 million euros (119 million euros at 31 December 2019), all of which relate to the Infrastructure division and are intended to cover the risk of various construction defect claims. The main change in 2020 is mainly due to the transactional agreement reached on procedures followed by Group companies belonging to the Energy division to be paid in several instalments in 2020 and 2021.

With regards to litigations, the Group's Directors estimate that there will be no short-term outflow of economic profits due to the status of these court cases at the present time, an opinion which is subject to the uncertainty inherent to such estimations.

The best estimates of the risks and uncertainty inevitably surrounding most of the events and circumstances affecting these cases have been taken into account to record of these provisions. The measurement of this uncertainty has been done with prudence, understood as the inclusion of a certain degree of caution when making the necessary assessments, but safeguarding in all cases the true and fair view of the financial statements.

The Group's Management considers that no significant additional liabilities will occur that are not provisioned in the consolidated financial statements at 31 December 2020.

With regards to the current legal situation of the Ter-Llobregat water supply service management agreement, on 20 February 2018 the Supreme Court rejected the cassation appeal lodged by Acciona Agua, S.A., together with the Generalitat de Catalunya as well as those from Aguas de Barcelona, S.A., thereby confirming the judgement issued by the Superior Justice Court of Catalonia on 22 July 2015 and therefore annulling the assignment of the concession for reasons solely attributable to the Generalitat de Catalunya.

In December 2018, the Generalitat de Catalunya made a first proposal to settle the contract following the Supreme Court ruling, in which it claimed an approximate amount of 38 million euros from the Concessionaire.

Following this, on 1 April 2019, the Generalitat presented a provisional final settlement proposal, proposing compensation for ATLL amounting to 53.8 million euros.

Finally, on 13 March 2020, the Generalitat presented a final settlement proposal, in this case proposing compensation for ATLL amounting to 56.9 million euros, which is much lower than the amount claimed by the Company.

The Concessionaire has opposed the settlement proposals made because, in short, they are based on the fact that the contract incurred a nullity cause and not one of annulment, according to the Superior Court of Justice of Catalonia in its Ruling of 19 November 2018. Based on expert reports carried out by external advisors, the Company has estimated that the amount resulting from clause 9.12 of the concession contract amounts to 301 million euros, and 795 million euros is the amount corresponding to the damages caused. In this regard, on 18 November 2020, the Company filed a claim for a total amount of 1,064 million euros, plus the corresponding late payment interest, with the contentious-administrative division of the Superior Justice Court of Catalonia against the Resolution of the Minister of Territory and Sustainability of the Generalitat de Catalunya of 13 March 2020 which approved the final settlement of the contract.

The Parent's directors consider that the final outcome of the proceedings described above will not result in any outflow of resources for the Group or any loss of assets.

In addition, it is worth mentioning that Acciona S.A. figures as defendant, together with Acciona Construcción, S.A. and the other shareholders of its investee Infraestructuras y Radiales S.A. (IRASA, the sole shareholder of Autopista del Henares S.A.C.E., concessionaire of the R-2 toll motorway in Madrid), for several funds claiming to be current creditors of IRASA's bank debt for an amount of 551.5 million euros (138 million euros will correspond to the Acciona Group) for an alleged breach of certain shareholders' obligations. A response to the claim has been filed and the Court is awaiting a date for the preliminary hearing. The Group does not consider it probable that any liability will arise from this litigation and, therefore, no provision has been recorded in this connection.

Provisions for pensions and similar obligations

The *Non-current provisions* heading on the accompanying consolidated balance sheet includes provisions for pensions and similar obligations mainly due to the acquisition of assets and/or companies from the Endesa Group in 2009.

The group of employees considered in 2020 for measurement was 83 employees (84 employees in 2019), 28 of whom have already taken early retirement or are retired (27 employees at the close of 2019). Not all of them are in the same situation and under the same commitment. The main characteristics of these provisions are as follows:

- i) Defined benefit pension plan with salary increase rate tied to the increase in the CPI. This plan is treated in exactly the same way as a defined benefit system. The assumptions used in calculating the actuarial liability in respect of the uninsured defined benefit obligations at 31 December 2020 and 2019 were as follows:

	2020	2019
Interest rate	0.67%	1.18%
Mortality tables	PERPM/F2000	PERPM/F2000
Expected rate of return on plan assets	0.67%	1.18%
Salary review	1.00%	2.00%

Information is provided below on the changes in the actuarial liabilities for the defined benefit obligations at 31 December 2020 and 2019:

	2020	2019
Initial actuarial liability	2,773	3,336
Cost incurred in the year	73	91
Finance costs	33	65
Benefits paid in the year	(145)	(185)
Actuarial gains and losses	(167)	(534)
Final actuarial liability	2,567	2,773

Information is provided below on the changes in the actuarial assets for the defined benefit obligations at 31 December 2020 and 2019:

	2020	2019
Initial actuarial asset	1,706	1,966
Return recognised in the year	20	37
Contributions made in the year	264	406
Actuarial gains and losses	(502)	(703)
Final actuarial asset	1,488	1,706

At 31 December 2020 and 2019, the total amount of the final actuarial assets and liabilities related in full to defined benefit obligations in Spain.

At 2019 year-end, the amount recognised in the consolidated income statement for defined benefit pension obligations amounted to 86 thousand euros (119 thousand euros in 2019) and related to the cost incurred during the year and the return and finance cost of the assets and liabilities associated with these employee welfare benefits.

- ii) Obligations to provide certain employee welfare benefits during the retirement period, relating mainly to electricity supplies. These obligations were not externalised and are covered by the related in-house provisions totalling 2,564 thousand euros (2,800 thousand euros at 31 December 2019).

The actuarial changes recognised for these obligations amounted to a loss of 176 thousand euros in financial year 2020 (profit of 744 thousand euros in 2019).

These liabilities related in full to the collective redundancy procedures signed by Group companies in Spain. The Plan affects employees with at least 10 years of acknowledged seniority.

The impact of these plans on the consolidated income statement is not material.

20.- Financial debt

a) Bank borrowings

At 31 December 2020 and 2019, detail of recourse and non-recourse borrowings, being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousand euros):

Concept	2020		2019	
	Current	Non-current	Current	Non-current
<u>Non-recourse bank borrowings</u>	117,587	636,537	152,515	931,243
Mortgage loans for non-current asset financing	2,950	3,866	4,409	5,157
Mortgage loans for property developments	224	--	2,280	--
Project finance	98,094	601,655	113,797	900,634
Obligations under finance leases	10,544	18,422	11,690	25,204
Other limited recourse debt	5,776	12,594	20,339	248
<u>Recourse bank borrowings</u>	593,101	3,348,697	759,469	3,668,431
Discounted notes and bills not yet due	--	--	--	--
Other bank loans and credit facilities	593,101	3,348,697	759,469	3,668,431
Total bank borrowings	710,688	3,985,234	911,984	4,599,674

All financial liabilities in this note correspond to financial instruments measured at amortised cost, except for the financial derivatives that are detailed in note 22 and that are measured at fair value.

In 2020 and 2019, the Group's loans and credit facilities accrued interest mainly tied to EURIBOR for those financed in euros, although a portion of the Group's borrowings were also tied to other indices such as LIBOR for borrowings in US dollars, the CDOR for borrowings in Canadian dollars, the TIIE for financing in Mexican pesos, the WIBOR for financing in Polish zloty, the BBSY for financing in Australian dollars and the JIBAR for financing in South African Rands; these are the main indices for the Group outside the euro zone. A significant portion of the Group's borrowings is hedged by financial derivatives which seek to reduce the volatility in the interest rates paid by the Acciona Group (see Note 22).

Through subsidiaries or associates, the Acciona Group undertakes investments mainly in transport infrastructure, energy, water supply and hospitals, and these are then operated by subsidiaries, joint operations and associates and funded through “Project finance” (financing applied to projects).

These finance structures are applied to projects capable of providing by themselves sufficient support for the participating financial entities as to the repayment of the borrowings taken out to implement them. Thus, each one is normally executed through special purpose vehicles in which the project’s assets are financed on the one hand by a contribution of funds by the project’s sponsors, limited to a certain predefined amount, and, on the other hand, generally a larger sum through third-party funds in the form of long-term borrowing. The debt service on these loans or credits is fundamentally backed by the cash flows to be generated in future by the project itself, as well as by in rem guarantees over the project’s assets and credit rights.

In financial year 2020, the net decrease under the line *Current and non-current project finance* amounted to 315 million euros and mainly corresponds to the amortisations of this type of loan, the negative effect of exchange differences in the period of 12 million euros, mainly those from the projects done in US dollars and South African rand, and the decrease of two project finance arrangements amounting to 167 million euros following the concession asset purchase and sale agreement mentioned in Note 3.2.h.

With regards to recourse borrowings, the main change in 2020 is produced under *Other bank loans and credit facilities* and corresponds to a decrease in a drawdown of 708 million euros which, at the end of the previous year, was in a restricted disposal account as security for the payment obligations that could arise from the full acceptance of the public tender offer launched for Nordex SE and which was released on 9 January 2020 after the end of the public tender offer acceptance period. Also noteworthy is the arrangement of a loan of AUD 165 million by Acciona Financiación Filiales, S.A. in June 2020 with Bankia maturing in 2022, as well as another loan of AUD 100 million by Acciona Financiación Filiales Australia Pty Ltd with ING maturing in 2024.

At 31 December 2020, the Group's working capital was negative, although this imbalance between *Current assets* and *Current liabilities* in the balance sheet is considered temporary and has no effect on the management of the Group’s working capital. At 31 December 2020 the Group companies had been granted financing of 2,925 million euros that had not been drawn down, relating to credit lines to finance working capital. This amount includes the liquidity lines signed in the context of the COVID-19 pandemic; new credit lines (“Liquidity Lines”) signed with banks in a close relationship with the Group which were arranged for a total of 854 million euros. The Group’s Management is of the opinion that the amount of these credit lines and the ordinary generation of cash, together with the realisation of current assets, will sufficiently cover the short-term payment obligations.

In addition, in order to be eligible for the European Central Bank’s liquidity programmes (the “Pandemic Emergency Purchase Programme”), the private DBRS rating was made public, enabling the Bank of Spain to purchase, to date, 560 million euros of the ECP programmes set up for this purpose.

As indicated in Note 4.2 I), the adoption of IFRS 13 requires an adjustment in the measurement techniques applied by the Acciona Group to obtain the fair value of its derivatives in order to incorporate the bilateral credit risk adjustment so as to reflect both own risk and counterparty risk in the fair value of the derivatives.

At 31 December 2020, the adjustment of credit risk represented a lower valuation of liability derivatives in the amount of 5,065 thousand euros, recognised on the one hand as a smaller debt with credit entities in the amount of 2,210 thousand euros by subsidiaries and, on the other hand, as a higher value of the investment using the equity method in the amount of 2,844 thousand euros, without considering the tax effect, by the companies consolidated in accordance with this method. The effect, net of external and after-tax effects, that this modification had on the heading *Adjustments in equity for valuation of cash flow hedges* was positive in the amount of 3,582 thousand euros.

At 31 December 2020 and 2019, neither Acciona, S.A. nor any of its significant subsidiaries were in breach of any of their financial obligations or any other obligations in such a way as might lead to early maturity of their financial obligations. Similarly, no default is expected for 2021.

Likewise, in 2020 and 2019 there were no defaults or any other non-payments of principal, interest or repayments in respect of interest bearing borrowings.

Borrowings by the real estate business are classified as current liabilities on the basis of the production cycle of the asset they finance, that is, inventories, even though the due date for some of these liabilities stands at over twelve months.

The breakdown of bank borrowings by contractual maturity (excluding the value of cash flow hedging instruments) at 31 December 2020 is as follows, in thousands of euros:

2021	2022	2023	2024	2025	2026	Subsequent years	Total
686,479	719,551	438,177	993,425	1,427,935	135,755	196,780	4,598,102

Obligations under finance leases

Detail of the Group's finance leases at 31 December 2020 and 2019 was as follows, in thousands of euros:

	Minimum lease payments	
	2020	2019
Amounts to pay under finance leases		
Within one year	10,881	12,469
Between one and two years	10,756	11,409
Between two and five years	8,272	14,829
Over five years	247	--
Total lease payments payable	30,156	38,707
Less future finance charges	1,191	1,813
Present value of lease obligations	28,965	36,894
Less amount due for settlement within twelve months (current liability)	10,544	11,690
Amount due for settlement after twelve months	18,422	25,204

It is the Group's policy to lease certain of its facilities and equipment under finance leases. The average lease term is two to three years. In the year ended 31 December 2020, the average effective interest rate was the market rate. Interest rates are set at the lease contract date. All leases have fixed payments and no arrangements have been entered into to make contingent rental payments.

b) Debentures, bonds and negotiable securities

Breakdown at 31 December 2020 and 2019 of debentures, recourse and non-recourse bonds and negotiable securities, it being understood that non-recourse is the debt with no corporate guarantees, whose recourse is limited to the debtor's flows and assets, was as follows (in thousand euros):

	Thousand euros	
	2020	2019
Debentures, bonds and negotiable securities without recourse	192,527	220,178
Debentures, bonds and negotiable securities with recourse	1,969,912	1,530,527
Total debentures, bonds and negotiable securities	2,162,439	1,750,705

The movement in these accounts on the current and non-current liabilities side of the balance sheet for financial years 2020 and 2019 was as follows:

	Thousand euros	
	2020	2019
Opening balance	1,750,705	1,649,738
Issues	2,281,581	1,811,604
Amortisations	(1,854,432)	(1,716,247)
Other changes	(15,415)	5,610
Closing balance	2,162,439	1,750,705

The main variation in this heading in 2020, on the *Issues* line, relates to the issue of EMTN and ECP (promissory notes) for a total of 541 million euros and 1,741 million euros, respectively, under the Euro Medium Term Note (EMTN) and Euro Commercial Paper (ECP) programmes, which are described further below. The *Amortisation* line includes the amortisation at maturity of promissory notes and EMTN for an amount of 1,605 and 240 million euros, respectively.

The line *Other changes* related mainly to translation differences in the two issues of bonds in currencies other than the euro.

The distribution of the maturity of these debentures for 2021 and for the next years is as follows, in thousands of euros:

2021	2022	2023	2024	2025	2026	Subsequent years	Total
1,270,502	101,417	37,580	171,075	14,265	129,644	437,183	2,161,667

At 31 December 2020, detail of the issues making up the balance for this heading was as follows:

- Placement of a bonds issue on 10 August 2012 with a credit rating of BBB given by Standard & Poors and BBB- by Fitch rating agencies for the Mexican subsidiaries CE Oaxaca Dos, S.R.L. de C.V. and CE Oaxaca Cuatro, S.R.L. de C.V., for a total amount of 298.7 million US dollars. The purpose of this funding was the development, construction and operation of two wind power projects (102 MW each) for the final client, the Federal Electricity Commission (FEC). The issue accrues interest at 7.25% per annum, payable every six months on 30 June and 31 December each year until

31 December 2031. The redemption of the debt began on 31 December 2012 and will continue with six-monthly debt write-downs until its total repayment on 31 December 2031. At 31 December 2020, the balances recorded for this issue on the non-current and current bonds and debentures account amounted to 180.9 and 11.5 million euros, respectively.

- Euro Commercial Paper (ECP) Programme which was established in 2013 and has been renewed annually since then, with the latest renewal taking place on 30 April 2020. Acciona Financiación Filiales, S.A. is the issuer of the Programme and it is guaranteed by Acciona, S.A. The programme has a maximum amount of 1,000 million euros. At 31 December 2020, the balance recorded against this programme in the current bond and debentures account amounted to 834 million euros.

In addition, on 18 May 2020, the Group established a new Euro Commercial Paper (ECP) Programme underwritten directly by Acciona, S.A. as issuer with a maximum amount of 1,000 million euros. This programme was formalised with the aim of broadening the investor base and meeting the eligibility criteria set by the Euro system for the purchase of assets, specifically for the purchase of commercial paper under the “Pandemic Emergency Purchase Programme” (PEPP) announced in March 2020 by the European Central Bank. At 31 December 2020, the balance recorded against this programme in the current bond and debentures account amounted to 200 million euros. The aggregate balance of both programmes is 1,034 million euros at 31 December 2020 (897 million euros at 31 December 2019). Through both programmes, which are listed in Euronext Dublin (formerly the Irish Stock Exchange), notes are issued on the euro market with maturities between 3 and 364 days.

- Issue by Acciona, S.A. in April 2014 of simple bearer debentures through a private placement, in the amount of 62.7 million euros, maturing in 2024 and with a fixed coupon of 5.55%, payable annually. At 31 December 2020, the balances recorded for these simple debentures on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 62 and 2.3 million euros, respectively. The fair value of the bond at the end of the financial year amounts to 71 million euros.

- Euro Medium Term Note (EMTN) Programme initially established in 2014 and renewed annually. The programme is underwritten by Acciona Financiación de Filiales, S.A., and is guaranteed by Acciona, S.A. The latest renewal was dated 30 April 2020, with a maximum amount of 2,000 million euros. In addition, an update of the programme was formalised on 10 June 2020 through a supplement to the prospectus approved on 30 April 2020. This update includes the BBB credit rating awarded by the DBRS agency for the Acciona Group's EMTN debt issuance programme. In compliance with applicable European regulations, the initial prospectus and its renewals and supplements are approved by the Central Bank of Ireland. The outstanding issues accrue annual interest ranging from 0% to 4.25%. The securities issued under this programme may: accrue fixed or variable interest, be issued in euros or in another currency and at par, below par and premium and have different maturity dates for the principal and the interest.

At 31 December 2020 the balances registered against this EMNT programme in the non-current and current debentures and bonds accounts, net of transactions costs and considering interest accrued, amounted to 563 and 227 million euros, respectively. The fair value of the bonds at the end of the financial year amounts to 823 million euros.

- Issue of a Namensschuldverschreibung (NSV) format private placement worth 50 million euros in October 2019 by Acciona, S.A. maturing in October 2034 with an annual coupon of 2.632% payable annually. At year-end, the balances recorded for this bond on the accounts for non-current and current

bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 50 and 0.3 million euros, respectively.

- NSV format private placement formalised by Acciona, S.A. in March 2020 with a notional amount of 30 million euros, maturing in March 2035, and an annual coupon of 3.00%. At year-end, the balances recorded for this bond on the accounts for non-current and current bonds and debentures, net of the transaction costs and considering the interest accrued, amounted to 30 and 0.6 million euros, respectively.

At 31 December 2020, there were no issues convertible into shares, or issues granting rights or privileges that might, in the event of a contingency, make them convertible into shares of the Parent Company or of any of the Group companies.

In addition, two of the companies in the Acciona Group consolidated using the equity method have debentures and bonds issued with the following characteristics:

- Issue on 27 May 2015 by Sociedad Concesionaria Autovía de la Plata, S.A. in the amount of 184,500 thousand euro, classified under *Non-current assets held for sale*. The issue accrues a 3.169% annual coupon payable every six months. The bond principal must be amortised every six months and the total term is 26.6 years, with final maturity on 31 December 2041. The issue credit rating is A- by the Standard & Poors rating agency.
- Issue on 2 February 2018 of Green Bonds by Nordex, SE in the amount of 275,000 thousand euros, accepted for trading on the International Stock Exchange. The bond accrues a 6.5% annual coupon payable every six months and has a maturity period of 5 years.

c) Other debt-related information

At 31 December 2020, the average interest rate of the debt, considering bank borrowings and the debt associated with debentures and other negotiable securities, stood at 2.80%.

At 31 December 2020, the debt percentage not subject to interest rate volatility stood at 59.59%.

The composition of debt in currencies other than the euro at 31 December 2020, classified by the main currencies in which the Acciona Group operates, was the following:

Currency	Financial debt	
	2020	2019
US dollar	407,720	456,656
Australian dollar	401,440	515,081
South African rand	200,298	226,869
Polish zloty	16,923	21,192
Canadian dollar	59,080	65,523
Indian rupee	46,386	57,552
Mexican peso	--	8,243
Others	42,607	65,499
Total	1,174,453	1,416,615

Reconciliation of the carrying amount of bank borrowings is included below, differentiating between the changes that generate cash flow and those that do not:

Balance at 31/12/2018	6,228,536
Cash inflow	2,251,206
Cash outflow	(1,262,025)
Transfers to held for sale	--
Change in value of derivatives	31,578
Change in scope	671
Translation differences and other	12,397
Balance at 31/12/2019	7,262,363
Cash inflow	2,279,596
Cash outflow	(2,181,381)
Transfers to held for sale	(260,323)
Change in value of derivatives	(12,109)
Change in scope	(178,544)
Translation differences and other	(51,241)
Balance at 31/12/2020	6,858,361

21.- Risk management policy

Due to its geographical and business diversification, the Acciona Group is exposed to certain risks, which are managed appropriately through the application of the Risk Management System. This System is designed to identify any events that could potentially affect the organisation; to manage its risks through the establishment of internal treatment and control procedures that ensure the probability of occurrence and impact of these events are kept within the established tolerance levels; and to provide reasonable assurance in relation to the achievement of strategic business objectives.

This policy seeks to integrate risk management into Acciona's strategy and to establish the framework and principles of the Risk Management System.

This policy covers all the risks associated with the activities carried on by Acciona's business lines throughout all the geographical areas.

Interest rate risk

Interest rate fluctuations change the future flows of assets and liabilities that bear floating-rate interest.

This interest rate fluctuation risk is particularly material with regard to the funding of infrastructure projects, in concession contracts in the Concession and water businesses, in the construction of wind farms and generation facilities in the Energy division, and other projects where the variation in interest rates may have a strong impact on their profitability. This risk is mitigated by hedging transactions through the engagement of derivatives (mainly interest rate swaps, IRS).

Suitable hedging transactions are carried out as a function of the Finance Department's projections of the trend in interest rates and the hedging requirements associated with each project which mitigate these risks and allow the expected profitability to be achieved. The level of debt hedged in each project depends on the type of project in question and the country in which the investment is made.

The benchmark interest rate for the borrowings arranged by the Acciona Group companies is mainly Euribor for transactions denominated in euros, Libor for transactions denominated in US dollars, CDOR for transactions denominated in Canadian dollars, and BBSY for transactions denominated in Australian dollars. The borrowings arranged for projects in Latin America are normally tied to the local indices customarily used in the local banking industry, or to the LIBOR rate if the projects in question are financed in US dollars. As a general rule, each project is to be financed in the currency in which the flows will be generated from the future asset (natural hedging of the exchange rate risk).

Sensitivity test on interest rate derivatives and debt

The financial instruments that are exposed to interest rate risk are basically borrowings arranged at floating interest rates and derivative financial instruments.

In order to be able to analyse the effect that a possible fluctuation in interest rates might have on the Group's financial statements, a simulation was performed which assumed a +100 basis point variation and a -25 basis point variation in floating interest rates at 31 December 2020.

The analysis of sensitivity to upward changes of 1% or downward changes of 0.25% in floating interest rates (mainly Euribor and Libor) gave rise to a sensitivity in the Group's consolidated income statement arising from an increase or decrease in financial results due to interest payments, without the effect of derivatives being considered, of an increase in interest expense of 27,625 thousand euros or a decrease in interest expense of 6,906 thousand euros at 31 December 2020, respectively.

The analysis of the sensitivity to upward or downward changes in the long-term interest rate curve in relation to the fair value of interest rate derivatives included in cash flow hedges arranged by the Group at 31 December 2020 to a 1% increase or a 0.25% decrease in the interest rate curve would result in the following impacts before tax:

Sensitivity +1%	Financial assets/liabilities	Net investments	Assets and liabilities held for sale	Other value adjustments
Group companies	(70,409)	--	--	70,409
Associates (*)	--	(28,262)	--	28,262
Held for sale associates (*)	--	--	(18,008)	18,008
Total +1% sensitivity impact	(70,409)	(28,262)	(18,008)	116,679

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Sensitivity -0.25%	Financial assets/liabilities	Net investments	Assets and liabilities held for sale	Other value adjustments
Group companies	18,294	--	--	(18,294)
Associates (*)	--	7,430	--	(7,430)
Held for sale associates (*)	--	--	4,841	(4,841)
Total -0.25% sensitivity impact	18,294	7,430	4,841	(30,565)

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Foreign currency risk

Acciona continues to develop a process of growing the internationalisation of its business, which means it is exposed to foreign currency risk involving transactions in the currencies of the countries where it invests and operates.

This risk is managed by the Group's Economic and Financial Department, with non-speculative hedge criteria being applied.

Foreign currency risks relate basically to the following transactions:

- Debt denominated in foreign currencies engaged by Group companies and associates.
- Payments to be made in foreign currencies for procurements or to pay for services.
- Collections made in foreign currencies.
- Investments made in foreign companies.

In order to mitigate foreign currency risk, the Acciona Group uses currency derivatives (mainly foreign currency hedges and FX forward) to cover future transactions that involve future cash flows, within acceptable risk limits. At other times, non-current assets in currencies other than the euro are financed in the same currency as that in which the asset is denominated (natural hedge).

Also, the net assets relating to net investments in foreign operations whose functional currency is not the euro are exposed to foreign currency risk in the translation of the financial statements of these foreign operations on consolidation.

The composition of current and non-current assets and liabilities and equity at 31 December 2020 is shown below in thousand euros for the main currencies in which the Acciona Group operates.

Currency	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Net Assets	Sensitivity (10%)
Australian dollar (AUD)	1,062,228	1,444,043	562,783	1,250,425	693,063	69,306
Canadian dollar (CAD)	207,558	264,349	101,087	267,995	102,825	10,283
Chilean Peso (CLP)	178,132	86,775	59,219	98,944	106,744	10,674
Brazilian real (BRL)	62,471	99,789	1,320	77,762	83,178	8,318
Mexican Peso (MXN)	538,043	304,256	97,476	280,638	464,185	46,419
Zloty (PLN)	162,255	213,918	65,840	155,509	154,824	15,482
US dollar (USD)	3,146,022	531,016	1,207,127	599,380	1,870,531	187,053
Rand (ZAR)	206,036	55,883	219,066	22,090	20,763	2,076

The last column on the table above shows estimate of the negative impact on the Group's equity of 10% revaluation in the quotation of the euro in respect of these eight main currencies in which the Group operates and holds investments.

Sensitivity test on exchange rate insurance derivatives for commercial transactions

The Group holds exchange rate insurance derivatives to cover certain future payments to suppliers in currencies other than the company's functional currency.

In order to be able to analyse the effect that a possible fluctuation in exchange rates might have on the Group's exchange rate insurance, a simulation was performed which assumed a 0.05% increase and decrease in exchange rates at 31 December 2020 on the amount of foreign currency transactions covered.

The analysis of the sensitivity to upward or downward changes in the long-term exchange rate curve in relation to the fair value of exchange rate derivatives included in cash flow hedges arranged by the Group at 31 December 2020 to a 0.05% increase or decrease in the exchange rate curve would result in the following impacts before tax:

Sensitivity +0.05%	Financial assets/liabilities	Net investments	Other value adjustments	Profit / (loss) for the year
Group companies	(34,606)	--	5,254	29,352
Associates (*)	--	(272)	272	--
Total +0.05% sensitivity impact	(34,606)	(272)	5,526	29,352

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Sensitivity -0.05%	Financial assets/liabilities	Net investments	Other value adjustments	Profit / (loss) for the year
Group companies	38,246	--	(5,806)	(32,439)
Associates (*)	--	301	(301)	--
Total -0.05% sensitivity impact	38,246	301	(6,107)	(32,439)

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Credit risk

Credit risk is the risk that the counterparty to a contract does not meet its obligations, giving rise to a financial loss for the Group. The Group has adopted a policy of only trading and contracting with solvent third parties and obtaining sufficient guarantees to mitigate the risk of losses in the event of non-performance. The Group only trades with entities rated at the same investment level as the Group, or higher, and obtains information on its counterparties through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relations with clients.

Bills receivable and trade receivables from clients relate to a large number of clients spread over different industries and geographical areas. The credit relations held with customers and their solvency are appraised on an on-going basis. Credit guarantee insurance is engaged where it is considered necessary.

As regards the default risk, basically in the infrastructure division, an assessment process is implemented before entering into contracts with public and private clients. This assessment includes both a solvency study and supervision of contractual requirements from a financial and legal guarantee viewpoint. During the course of the projects, the correct performance of the debt is monitored constantly and the related value adjustments are made using economic criteria.

The Group does not have significant exposure to credit risk with any of its clients or groups of clients with similar characteristics. Similarly, credit risk concentration is not significant.

The credit and liquidity risk of derivative instruments with a positive fair value is limited in the Acciona Group, since both cash placements and the arrangement of derivatives are made with highly solvent counterparties with high credit ratings and no counterparty has significant levels of total credit risk.

Moreover, the definition given for the fair value of a liability in IFRS 13, based on the concept of transferring the liability in question to a market player, confirms that own credit risk must be taken into account in the fair value of liabilities. Thus, Acciona adds a bilateral credit risk adjustment in order to reflect both its own risk and the counterparty risk in the fair value of derivatives.

Liquidity risk

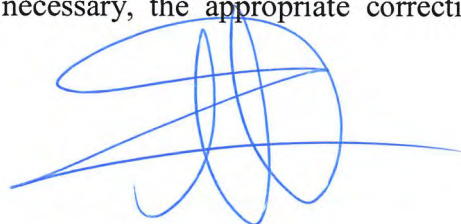
The Acciona Group manages liquidity risk prudently by ensuring that it has sufficient cash and negotiable securities (see Note 17) and by arranging committed credit facilities for amounts sufficient to cater for its projected requirements. As noted in Note 19, at 31 December 2020 the Group companies had been granted additional financing of 2,925,250 thousand euros that had not been drawn down relating to credit lines to finance working capital. The average term of these limits amounts to 2.57 years.

Ultimate responsibility for liquidity risk management lies with the Economic and Financial Department, which prepares the appropriate framework to control the group's liquidity requirements in the short, medium and long term. The Group manages liquidity risk by holding adequate reserves, appropriate banking services, having available loans and credit facilities, monitoring projected and actual cash flows on an ongoing basis and pairing them against financial asset and liability maturity profiles.

Finally, attention should be drawn, in relation to this risk, to the fact that the Acciona Group has recognised, as part of its quest to diversify its funding sources, two European Commercial Paper programmes for the maximum aggregate amount of 2,000 million euros to issue commercial paper with maturities of not more than one year and a Euro Medium Term Notes programme for a maximum of 2,000 million euros (see Note 20).

Economic risk vs. budget variances

The Group has an overall system of economic and budget control for each business, adapted to each activity, which provides those responsible for each business with the necessary information and allows them to control potential risks and make the most appropriate management decisions. The economic and financial information generated within each division is periodically compared with the projected data and indicators, variances regarding business volume, profitability, cash flows and other relevant and reliable parameters are assessed and, where necessary, the appropriate corrective measures are taken.



Price risk

With regards to the price risk on the Spanish electricity market, Royal Decree-Law 9/2013, whereby urgent measures were adopted to guarantee the financial stability of the electricity system, was published on 12 July 2013. This Royal Decree-Law repealed, among others, Royal Decree 661/2007, of 25 May, the decree governing the remuneration framework supporting renewable energies for most of the Acciona Group's power generation facilities located in Spain. The new remuneration methodology was established in Royal Decree 413/2014, which regulates the activities for electricity generation from renewable energy sources, co-generation and waste.

This methodology establishes that, in addition to the remuneration for the sale of electricity generated valued at market prices, facilities can receive a specific remuneration comprising a term per unit of power installed, covering, where appropriate the investment costs for a standard facility that cannot be recovered through electricity sales and an operating term that covers, where applicable, the difference between operating costs and the revenue from the participation of that standard facility in the market. Furthermore, the terms for remunerating the investment and the operation will be reviewed every half of the regulatory period (3 years), taking into consideration the revenue from energy sales at market rates by standard facilities, so that any upward or downward variations outside the range of the bands established in said Royal Decree will be incorporated into the calculation of the specific remuneration. At the end of the regulatory period (6 years), all the parameters of the model may be reviewed except for the useful life and investment value of the installation. The new remuneration parameters of the second regulatory period will be published in the first quarter of 2020 and will apply for the years 2020 to 2025 inclusive.

Therefore, the regulatory framework shows that a large part of the Group's renewable assets, especially wind power technology commissioned prior to 2004, as well as many of its mini-hydroelectric power stations, no longer receive any additional remuneration other than the market price and will thus be exposed to price variations on the electricity market.

Investment and operation remuneration are set in such a way as to ensure that the installations obtain a reasonable return over their useful life. Royal Decree-Law 9/2013 established that for the first regulatory period between 2014 and 2019 this return would revolve, before taxes, around the average return on the secondary market of ten-year Government Bonds, after applying an appropriate differential, which was set at 300 basis points (value: 7.398%), all without prejudice to a possible review every six years. However, for this new regulatory period, a relevant modification must be highlighted: on 22 November 2019, the Royal Decree-Law was published, adopting urgent measures for the necessary adaptation of remuneration parameters affecting the electricity system and responding to the process of ceasing the activity of thermal generation plants. Through this Royal Decree-Law, the method for calculating reasonable profitability is modified, which will be established through the application of the Weighted Average Cost of Capital (WACC) methodology, following numerical proposals from the Spanish National Markets and Competition Commission. For the new period, the reasonable rate of return is 7.09%. However, in addition, and in order to provide stability to the remuneration framework of the facilities entitled to premium remuneration prior to the entry into force of Royal Decree-Law 9/2013, the facilities are allowed to opt to maintain the rate of return set for the first regulatory period (7.398%) for a period of 12 years (two regulatory periods), with the commitment not to initiate or abandon arbitration or legal proceedings based on the modification of the special remuneration system operated after Royal Decree 661/2007. In this respect, Acciona chose to maintain the rate of return set at 7.398% for the 12-year period.

At 31 December 2020, 57% of the installed power in Spain is subject to regulated remuneration whereas the rest is remunerated at market prices.

Finally, as regards the price risk on the international power markets where Acciona operates, it should be noted that approximately 51% of production is governed by a long-term price contract (PPA) established with a third party, 16% under a regulatory feed-in tariff and the remainder through unrestricted sale on the market.

22.- Derivative financial instruments

Interest rate hedges

The Acciona Group regularly arranges interest rate derivatives, which are designated as hedges. These instruments are used to hedge possible changes in cash flows due to interest payments on long-term floating rate financial liabilities.

The derivative financial instruments arranged and outstanding at 31 December 2020 and 2019, which are recognised at market value on the accompanying consolidated balance sheet, in assets or liabilities, depending on the market value of the derivative and the consolidation method, were as follows:

	2020				2019			
<i>(thousand euros)</i>	Notional amount arranged	Financial liabilities	Investment in held for sale associates (note 15) (*)	Investment in associates (*)	Notional amount arranged	Financial liabilities	Financial assets (note 12)	Investment in associates (*)
<i>Cash flow hedges:</i>								
Interest rate swaps	3,087,671	100,413	(35,004)	(46,936)	3,062,647	114,133	--	(62,497)
Total	3,087,671	100,413	(35,004)	(46,936)	3,062,647	114,133	--	(62,497)

(*) The indicated amount of investment in associates is net of tax.

The most commonly used interest rate derivatives are interest rate swaps, the purpose of which is to fix or limit fluctuations in the floating interest rates of hedged borrowings. The Group arranges these financial derivatives mainly to hedge the cash flows on the debt arranged to finance wind farms or photovoltaic facilities in the Energy division, to finance infrastructure concession projects, and corporate debt to cover working capital or project needs.

The Group's interest rate swaps are mainly referenced to EURIBOR. At 31 December 2020, the fixed interest rates on the EURIBOR benchmarked financial derivative instruments ranged from -0.22% to 5.06%, and at 31 December 2019 from -0.24% to 5.56%.

The amounts recognised by the Group are based on the market values of equivalent instruments at the balance sheet date. Substantially all the interest rate swaps are designated and effective as cash flow hedges and the fair value thereof is deferred and recognised in equity.

The terms in which these cash flow hedges are expected to impact the income statement are shown below (in thousand euros).

	Future settlements				
	< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
Group companies	(823)	(755)	(23,151)	(56,312)	(25,020)
Associates (*)	(1,788)	(644)	(8,372)	(28,270)	(20,752)
Held for sale associates (*)	—	—	(4,400)	(21,339)	(21,420)

(*) The indicated amount of investment is detailed in proportion to the Group's share percentage and is detailed without considering the tax effect.

Changes in the fair value of these instruments are recognised directly in equity (see Note 18 e). The net deferred tax asset arising on recognition of these instruments amounted to 27,025 thousand euros at 31 December 2020 and 29,493 thousand euros at 31 December 2019; these were recognised in equity lines (see Note 25).

The methods and criteria applied by the Group to measure the fair value of these financial instruments are described in Note 4.2.I.

The notional amounts of the liabilities hedged by interest rate hedges were as follows:

	2020	2019
Group companies	2,412,358	2,574,911
Associates (*)	488,463	487,736
Held for sale associates (*)	186,849	—
Total notional amount arranged	3,087,671	3,062,647

(*) The indicated amount is detailed in proportion to the Group's share percentage.

The contractual notional amounts of the contracts entered into do not reflect the risk assumed by the Group, since these amounts merely represent the basis on which the derivative settlement calculations are made. The changes in the notional amounts of the financial instruments arranged for the coming years are as follows:

	Change in notional amounts					
	2021	2022	2023	2024	2025	2026
Group companies	2,276,135	814,381	753,969	610,395	582,470	557,046
Associates (*)	583,999	539,960	361,820	331,232	131,631	122,930
Held for sale associates (*)	178,879	170,479	161,039	150,946	140,533	129,462

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. In 2020 and 2019 the Group hedged a portion of purchases and payments mainly to suppliers in US dollars, Australian dollars, euros, pounds sterling, and Yen through exchange rate insurance.

The derivative financial instruments arranged and outstanding at 31 December 2020 and 2019, which are recognised at market value on the accompanying consolidated balance sheet, in assets or liabilities, depending on the market value of the derivative, were as follows:

	2020				2019		
(thousand euros)	Notional amount arranged	Financial liabilities	Financial assets (note 12)	Investment in associates (*)	Notional amount arranged	Financial liabilities	Financial assets (note 12)
Cash flow hedges:							
Exchange rate insurance	116,872	7,342	468	(172)	235,904	9,902	604
Total	116,872	7,342	468	(172)	235,904	9,902	604

(*) The indicated amount of investment in associates is net of tax.

Detail of the transactions outstanding at 31 December 2020 and 2019 was as follows (in thousand euros):

2020					
	Currency	Expiry date	Amount arranged (thousand euros)	Effect of measurement at market value	
Foreign currency purchase	EUR/AUD	15/11/2021	33,482	(2,226)	
Foreign currency purchase	EUR/GBP	14/10/2022	44,709	(2,319)	
Foreign currency purchase	EUR/USD	22/07/2021	7,158	468	
Foreign currency purchase	JPY/AUD	30/04/2021	42	(3)	
Foreign currency purchase	USD/AUD	01/02/2023	25,165	(2,794)	
Total Group companies			110,556	(6,874)	
Foreign currency purchase	CHF/AUD	30/12/2022	1,803	(67)	
Foreign currency purchase	EUR/AUD	30/12/2022	3,553	(73)	
Foreign currency purchase	USD/AUD	30/12/2022	960	(32)	
Total Associates (*)			6,316	(172)	

(*) The indicated amount is detailed in proportion to the Group's share percentage.

2019					
	Currency	Expiry date	Amount arranged (thousand euros)	Effect of measurement at market value	
Foreign currency purchase	AUD/EUR	15/11/2021	42,177	(1,792)	
Foreign currency purchase	AUD/USD	15/09/2021	25,263	450	
Foreign currency purchase	USD/EUR	10/01/2020	26,726	(1,535)	
Foreign currency purchase	GBP/EUR	14/10/2022	66,784	(6,489)	
Foreign currency purchase	EUR/USD	22/07/2021	74,954	68	
Total Group companies			235,904	(9,298)	

At 31 December 2019, the market values of foreign currency hedges related mainly to the instalments of the exchange rate insurance arranged to hedge supplier payments on waste-to-energy plant construction projects in Australia and the United Kingdom, on the construction of the WestConnex road in Australia, and on a desalination plant in Qatar.

The amounts recognised by the Group are based on the market values of equivalent instruments at the balance sheet date. Substantially all the currency purchase transactions are designated and effective as cash flow hedges and the fair value thereof is deferred and recognised in equity.

The terms in which these cash flow hedges are expected to impact the income statement are shown below (in thousand euros).

	Future settlements				
	< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
Group companies	505	3,264	2,817	338	--
Associates (*)	1	15	165	42	--

(*) The indicated amount is detailed in proportion to the Group's share percentage.

The changes in the notional amounts of the financial instruments arranged for the coming years are as follows:

	Change in notional amounts					
	2021	2022	2023	2024	2025	2026
Group companies	106,730	3,221	605	--	--	--
Associates (*)	4,986	1,329	--	--	--	--

(*) The indicated amount is detailed in proportion to the Group's share percentage.

Other derivative financial instruments

Three Australian energy subsidiaries have contracts in place with the country's energy operator which enable them to set the future electricity sale price for a specific volume of MW. These contracts are measured at market value and the changes in value are recognised in equity as value adjustments (see Note 4.2.I). At 31 December 2020 the balance in reserves, profit and loss, and non-controlling interests, net of the tax effect, amounted to positive amounts of 2,485, 406 and 826 thousand euros, respectively, all with balancing entries in non-financial derivative accounts payable amounting to 4,116 thousand euros (non-current) and 1,174 thousand euros (current) (see Note 23).

Summary of the impact of hedging instruments on equity:

The impacts on equity of the measurement of derivative financial instruments at 31 December 2020 can be summarised as follows:

Thousand euros	31.12.2020
Financial liability due to interest rate hedge	100,413
Financial asset due to interest rate hedge	--
Negative impact on equity due to interest rate hedge by associates, net of tax	46,936
Negative impact on equity due to interest rate hedge by associates classified as held for sale, net of tax (Note 15)	35,004
Net deferred tax payable due to interest rate hedge	(27,025)
Impact on frozen reserves from prior years' pre-hedges	6,188
Ineffective amount of the hedge recorded in profit or loss for the year	(738)
Other, mainly due to non-controlling interests in interest rate hedging transactions	(9,028)
Balance adjusted due to changes in value of interest rate hedging transactions	151,750
Balance adjusted due to changes in value of foreign currency hedging transactions (net of non-controlling interests and tax)	4,834
Balance adjusted due to changes in value of energy contract (net of non-controlling Interests and tax)	(2,485)
Others	(998)
Total asset balance receivable for value adjustments at 31 December (Note 18)	153,101

Other derivative financial instruments with impacts on the income statement

There are exchange rate insurance hedging instruments whose hedged item is accrued, recorded on the balance sheet, and pending payment; i.e., the expected future cash flows hedged by the derivative affect the current year's profit or loss by accruing exchange rate differences. When hedged items have already been recognised, the Group ceases to recognise the impact on reserves and recognises the change in fair value of the hedged items in the income statement, so that the recognition of the hedged item and the derivative instrument are correlated.

The derivative financial instruments arranged and outstanding at 31 December 2020 and 2019, which are recognised at market value on the accompanying consolidated balance sheet, in assets or liabilities, depending on the market value of the derivative with impacts on the income statement, were as follows:

	2020			2019	
(thousand euros)	Notional amount arranged	Financial liabilities	Financial assets (note 12)	Notional amount arranged	Financial liabilities
<i>Derivatives with impacts on the income statement</i>					
Exchange rate insurance	911,989	6,189	25,461	110,442	2,017
Total	911,989	6,189	25,461	110,442	2,017

(*) The indicated amount of investment in associates is net of tax.

Detail of the transactions outstanding at 31 December 2020 and 2019 was as follows (in thousand euros):

2020				
	Currency	Expiry date	Amount arranged	Effect of measurement at market value
	(thousand euros)			
Foreign currency purchase	EUR/AUD	12/01/2021	180,549	(4,405)
Foreign currency purchase	EUR/USD	24/03/2021	582,979	25,461
Foreign currency purchase	USD/EUR	04/01/2021	148,461	(1,784)
Total Group companies			911,989	19,272

(*) The indicated amount is detailed in proportion to the Group's share percentage.

2019				
	Currency	Expiry date	Amount arranged	Effect of measurement at market value
	(thousand euros)			
Foreign currency purchase	AUD/EUR	12/01/2021	180,549	(4,405)
Total Group companies			180,549	(4,405)

These derivatives have been contracted to hedge the exchange rate for supplier payments for the construction of wind farms in Chile and the United States, and for paying loans in foreign currencies.

The terms in which these cash flow hedges are expected to impact the income statement are shown below (in thousand euros).

	Future settlements				
	< 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	+ 5 years
Group companies	7,288	11,980	--	--	--

23.- Other non-current and current liabilities

Detail of *Other non-current and current liabilities* at 31 December 2020 and 2019, in thousand euros, was as follows:

Other liabilities	Non-current		Current	
	2020	2019	2020	2019
Grants	91,311	104,599	--	--
Other deferred income	61,770	73,412	--	--
Obligations under finance leases	--	--	--	--
Remuneration payable	--	--	121,729	135,921
Debt with non-controlling interests	5,806	294,181	3,673	2,436
Other payables	768,281	453,995	1,491,872	1,027,796
Closing balance	927,168	926,187	1,617,274	1,166,153

The line *Other deferred income* included the amount of 33 million euros (39 million euros in 2019) related to the initial value of a non-finance derivative arranged by a Chilean subsidiary of the Energy Division, for energy supply to a client as from 2017 at an inflated fixed price for 13.5 years (see Note 13).

Debt with non-controlling interests at 31 December 2020 included mainly the assumption by the infrastructure fund KKR, which became shareholder in the Acciona Group's subsidiary Acciona Energía Internacional, S.A. in June 2014, of one third of the subordinated debt of Acciona Energía Internacional, S.A. In December 2020, following the change in the shareholder structure of Acciona Energía Internacional, S.A. as discussed in Note 3.2.h, this debt was capitalised and cancelled. In addition, mention must be made of the subordinated debt with members in a wind project in South Africa, which amounted to 3 million euros (5 million euros in 2019).

At 31 December 2020, the most significant amounts under *Other non-current payables* in the Infrastructures division include a loan from the Administration for 61 million euros as part of the financing for Sociedad Concesionaria A-2 Tramo 2, S.A.U., as well as non-current operating payables related to the construction activity for 67 million euros (64 million euros in 2019)

In the Energy division, this heading at 31 December 2020 includes the financial contributions made by other members with non-controlling interests in Group projects and facilities, mainly three wind farms in the United States through the Tax Equity Investor structure amounting to 199 million euros at 31 December 2020 (two wind farms at 31 December 2019 amounting to 127 million euros). It also includes an amount of 29 million euros (61 million euros in 2019) relating to the fair value of two non-financial derivatives arranged by two subsidiaries in the United States and a subsidiary in Australia for the future energy supply of a specific volume of MW. These contracts are valued at market value. This line also includes advances from clients, which will be discounted with future certifications in a period over one year in the international projects of the construction business.

The increase under *Other current payables* is mainly due to the movement in the accounts payable to suppliers of property, plant and equipment, mainly in the energy division, for ongoing investments made and pending payment for wind farms under construction in the United States, Australia and Chile, and for photovoltaic plants in Chile. The obligation arising from the transactional agreement referred to in Note 19 is also included under this heading.

On 21 June 2019, the Group entered into an agreement with a third party to assign the future collection rights arising from various litigation and claims procedures for a fixed, unconditional price charged of 213 million euros, recognised under *Other current payables*, of which 170 million euros related to the claim corresponding to ATLL Concessionària de la Generalitat de Catalunya, S.A (in liquidation) (see Note 13), and a contingent price based on the amount finally collected as a result of the resolution of the litigation and claims proceedings included in the agreement. As mentioned above, the compensation already recognised by the Generalitat de Catalunya in favour of ATLL Concessionària de la Generalitat de Catalunya, S.A. for 53.8 million euros is excluded from the aforementioned assignment agreement.

As mentioned in Note 19, the Concessionaire filed a claim with the Superior Court of Justice of Catalonia in November 2020 against the resolution of the Generalitat de Catalunya to settle the contract, thereby confirming the impossibility of this dispute being resolved without resorting to a contentious-administrative procedure, which is expected to be resolved in the long term. Therefore, since the Concessionaire will only pay the amount collected from the third party once the legal proceedings in progress have been resolved, and always for an amount limited to the amount previously paid in the proceedings, at 31 December 2020, the aforementioned amount was classified under *Other non-current payables* in the consolidated balance sheet.

Grants related mostly to amounts awarded for the construction of wind farms in United States. The changes in *Grants* in 2020 and 2019 were as follows:

	Grants
Balance at 31.12.2018	108,649
Additions	643
Taken to profit/(loss) "Other Income"	(6,619)
Others	1,926
Balance at 31.12.2019	104,599
Additions	848
Taken to profit/(loss) "Other Income"	(5,030)
Others	(9,106)
Balance at 31.12.2020	91,311

There were no significant additions in 2020 and 2019. The line *Other* reflects mainly a positive variation due to the exchange rate, as a result of the appreciation of the US dollar against the euro.

24.- Trade and other accounts payable

At 31 December 2020, the balance of trade and other payables came to 2,953 million euros, and to 2,604 million euros in 2019. The increase corresponds mainly to suppliers associated with work in progress in the infrastructure division.

The amount corresponding to advances from clients and work certified in advance recorded at 2020 and 2019 year-end under this line amounted to 838 and 547 million euros, respectively, mainly from the infrastructure division (see Note 16).

Average period for payment to suppliers

The table below details the information required by Final Provision Two of Act 31/2014, of 3 December, as prepared following application of Resolution dated 29 January 2016 by the Spanish Accounting and Audit Institute. This information refers only to Spain, where this regulation is applicable:

Average payment period and payments made and payments outstanding at the balance sheet date in Spain	2020	2019
	Days	Days
Average period of payment to suppliers	36	35
Paid operations ratio	37	34
Unpaid operations ratio	33	44
(thousand euros)	Amount	Amount
Total payments made	2,261,346	2,521,387
Total payments outstanding	516,941	507,740

The *Average period of payment to suppliers* refers to the time that elapses from delivery of goods or provision of services by a supplier to payment of the operation.

The *Average period of payment to suppliers* is calculated as the quotient whose numerator is the result of adding the paid operations ratio by the total amount of payments made to suppliers plus the operations outstanding ratio by the total amount of payments outstanding and whose denominator is the total amount of payments made and payments outstanding.

The *Paid operations ratio* is calculated as the quotient whose numerator is the sum of the products related to the amounts paid, by the number of payment days (calendar days elapsed as from the time when the period begins to run up to actual payment of the operation) and whose denominator is the total amount of payments made.

And the *Unpaid operations ratio* refers to the quotient whose numerator is the sum of the products related to the amounts outstanding, by the number of payment outstanding days (calendar days elapsed as from the time when the period begins to run up to the close of the financial statements) and whose denominator is the total amount of payments outstanding.



25.- Tax matters

Tax Consolidation System

Pursuant to current legislation, consolidated tax groups include the parent together with certain subsidiaries that meet the requirements provided for in Spanish tax legislation. Since 2009, there has been a single tax group in Spain that avails itself of this special taxation system, the parent company of which is Acciona, S.A. In addition to the Spanish tax group, the Group pays tax under the tax consolidation system in Australia (including all the Group's divisions operating in said country), and in Germany for the handling business. Various companies comprising the energy division form tax groups in the US and Portugal.

The other Acciona Group companies file separate tax returns in accordance with the applicable state or regional tax laws or those in force in each jurisdiction.

Effective from 1 January 2008, several Group companies availed themselves of the special system for Company Groups for VAT purposes, as set forth in Chapter IX of Title IX of Value Added Tax Act 37/1992, of 28 December. The parent of the VAT Group is Acciona, S.A. Various entities of the energy division also pay VAT under the Group VAT system, in accordance with local laws in Navarra, the United Kingdom, Australia and in the United Arab Emirates, which includes the Construction and Water project companies in Abu Dhabi and Dubai.

Years open for review by the tax authorities

Tax audits were initiated on 10 March 2012 by the Spanish Internal Revenue Administration (AEAT) in relation to Corporate Tax for 2007-2009 by the inspection services from the Central Office for High-Income Taxpayers, against both the Parent Company, Acciona, S.A., and other subsidiaries. In addition to the review of the Tax Group's corporate tax for those years, the Company Group for VAT was under review for 2008 and 2009 and for other taxes for 2008 and 2009 of the Group companies subject to the tax review.

The inspectors, for their part, queried the fulfilment of the requirements for application of the exemption in the payment of dividends for one of the non-resident shareholders, in particular, the requirements of holding the status of effective beneficiary, and this led to the signing of the contested tax assessments. On 3 and 17 July 2014, the Company lodged economic and administrative appeals at the Central Economic Administrative Court. On 29 May 2015, the Company reached an agreement with the shareholder that received the dividends so as to proceed to pay said amount, with settlement of the tax debt upon the shareholder's payment. They are currently pending resolution by the National Appellate Court.

The other inspection actions concluded on 12 June 2014 with the signing of uncontested assessments for Corporate Tax for 2007-2009 and without any tax due, uncontested conclusions for VAT (without fine), as well as contested assessments for Personal Income Tax withholdings relating to compensation for dismissal for 2008-2011. The highest assessments corresponded to the company Acciona Construcción and after economic-administrative appeals were filed at the Central Economic and Administrative Court and an administrative appeal was filed before the National Appellate Court - which annulled the fine proceedings but confirmed the settlements - these assessments became final when the cassation appeal and a motion for annulment of proceedings was dismissed by the Supreme Court. The assessments relating to Acciona, S.A., Acciona Agua and Acciona Inmobiliaria for a total amount of 413 thousand euros have been appealed before the National Appellate Court and are

pending resolution. All of the appealed assessments have been duly provisioned. In the case of Acciona Agua, on 23/12/2020, a ruling partially upholding the appeal was notified, annulling the fine and confirming the settlement.

On 21 May 2015 the Central Office of High-Income Taxpayers notified the start of inspection actions in relation to Corporate Tax for financial years 2010-2012, targeting Acciona, S.A., as the parent company of the group, and several subsidiaries. The activities were concluded with the signing of a Corporate Tax conformity certificate for the Tax Group and the signing of the VAT settlement certificate without a fine, under the terms agreed in previous proceedings. However, as a result of the adjustments made by the inspection, and the reduction in the unused tax credits, a request was filed on 28 June 2017 to correct self-assessment tax returns for the years 2013 to 2015, and inspection proceedings of limited scope were initiated on 18 March 2018. These proceedings concluded on 3 December 2018 with the signing of the conformity certificate, resulting in an amount of 2,330 thousand euros to be returned, including interest on arrears.

On 10 January 2013, the company Guadalaviar Consorcio Eólico, S.A. was notified of the inception of tax inspection actions relating to Corporate Tax and Value Added Tax for financial years 2008 and 2009, in which the value of the wind-power rights transferred in 2009 was reviewed. These actions concluded with the signing of a contested assessment for the measurement made by the tax auditors of the said wind-power rights, which increased the value declared by the parties. The company received the proposed settlement from the technical services from the Central Office for High-Income Taxpayers on 23 December 2013 and an economic-administrative appeal was filed at the Central Economic and Administrative Court on 13 January 2014. On 16 February 2017, the Central Economic and Administrative Court issued a resolution accepting the claim in part and ordering the Inspection to proceed to notify the entity of its right to have a counter valuation by appraisal experts. On 27 August 2017, the Technical Office of the Tax and Customs Control of the Spanish Internal Revenue Administration (AEAT) notified of the Central Economic and Administrative Court's enforcement of the resolution agreement, retroactively agreeing to the actions taken during the Inspection phase and reporting a new settlement agreement.

On 22 September 2017, the Company lodged an economic and administrative appeal at the Central Economic Administrative Court against the aforementioned Settlement Agreement, requesting the automatic suspension without providing a debt guarantee. On 5 April 2018, allegations were submitted to the Central Economic Administrative Court. On 20 October 2020, notification was received from the Central Economic Administrative Court partially upholding the claim, considering that part of the inspection valuation was incorrect and not well-reasoned, agreeing that the Technical Office should issue a new settlement. On 11 December 2020, a contentious-administrative appeal was filed with the National Appellate Court.

With regard to the suspension of the contested measure, a full guarantee waiver was requested, and a contentious-administrative appeal was filed with the National Appellate Court on 6 October 2014 against the Central Economic Administrative Court's ruling that agreed to its inadmissibility. The National Appellate Court dismissed the request for a suspension on 19 November 2014. The company filed a cassation appeal before the Supreme Court on 2 February 2015, and notification of a ruling upholding the appeal was received on 28 January 2016, for which reason the National Appellate Court agreed to suspend the execution of the tax debt. The notification of a new settlement agreement in execution of the Central Economic and Administrative Court's ruling, which contained a tax debt, the company again requested the Central Economic and Administrative Court to suspend the execution of the debt, requesting a full guarantee waiver. On 25 June 2019, the Central Economic and Administrative Court denied the suspension with guarantee waiver. A contentious-administrative appeal against this refusal was lodged with the National Appellate Court, which is pending

judgement. Also, separate suspension proceedings were opened within this procedure. The National Appellate Court has agreed the suspension, admitting the wind rights of zones 10 and 12 of the wind power plan of the Valencian Community as a guarantee.

The amount of the adjustment, including late-payment interest up to the settlement date would come to 7,211 thousand euros and it is estimated that the possibility of these liabilities materialising is probable, which were provisioned at year-end.

At 31 December 2020, the years that have not lapsed and that have not been reviewed were subject to review by the tax authorities, both for Corporate Tax and for the other main taxes applicable to the companies in the consolidated tax group. In general, the other Spanish consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable thereto. Foreign entities on the other hand are subject to lapse periods which in most countries where the Group operates is from 4 to 5 years.

As tax legislation can be interpreted in different ways, the outcome of the tax audits that could be conducted by the tax authorities in the future for the years subject to verification might give rise to tax liabilities which cannot be objectively quantified at the present time. However, the probability of material liabilities arising in this connection additional to those already recognised is remote, and the directors of Acciona S.A. consider that the liabilities that might arise would not have a material effect on the equity of the Acciona Group.

Receivables and payables with Public Administrations

Breakdown of receivables and payables with Public Administrations at 31 December 2020 and 2019 was as follows:

	2020		2019	
	Non-current	Current	Non-current	Current
Tax receivables				
VAT and other indirect taxation	--	198,218	--	194,542
Corporate Tax	--	60,041	--	85,128
Deferred tax	909,272	--	860,906	--
Other	--	11,489	--	10,718
Total	909,272	269,748	860,906	290,388
Tax payables				
Corporate Tax	--	27,545	--	59,000
Personal income tax withholdings	--	39,062	--	28,419
VAT and other indirect taxation	--	112,383	--	128,174
Deferred tax	646,137	--	577,964	--
Accrued social security charges	--	25,125	--	25,552
Other Taxes	--	41,729	--	37,188
Others	--	5,390	--	17,980
Total	646,137	251,234	577,964	296,313

The line *Other taxes* for balances payable included the Tax on the Value of Electricity Generation and the fee for the use of continental waters for electricity production. These charges were introduced by Act 15/2012 of 27 December and came into effect on 1 January 2013.

Reconciliation of accounting profit/(loss) and the tax result

Reconciliation between the accounting result and the income tax expense, at 31 December 2020 and 2019, was as follows:

	2020	2019
Consolidated profit/(loss) before tax	508,071	544,774
Profit/(loss) before tax from discontinued operations	--	--
Permanent differences	(179,936)	11,937
Adjusted accounting profit/(loss)	328,135	556,711
Tax expense adjusted by tax rate	90,910	146,872
Tax credits	(16,001)	(4,520)
Unrecognised tax credits	33,917	37,538
Year's tax expense	108,826	179,890
Tax rate change	--	--
Offset of non-recognised tax loss carryforwards	(1,044)	(311)
Effect of tax adjustments from previous years and other	(10,391)	(32,307)
Tax expense on the income statement	97,391	147,272
Tax expense from discontinued operations	--	--

The *Permanent differences* item is made up of income and expenditure that are not eligible for inclusion in the tax base in accordance with the applicable tax legislation. In addition, it also includes those results that are eliminated in the consolidation process but, nonetheless, are fully effective within the scope of the individual tax returns of each entity in the Group, particularly those that are not consolidated in any of the Group's consolidated tax groups.

The most significant negative permanent differences in the year include the reversal of the impairment of the investment in Nordex amounting to 145 million euros, which was not deductible in prior years and therefore not subject to taxation in the current year, and the adjustment of the positive result of 78.7 million euros arising from the transfer of the stake in two concession assets (see Note 3.2.h), which is also not subject to taxation. The most significant positive permanent differences amounted to 44 million euros due to inflationary adjustments of companies taxed in Mexico and Chile.

In 2019, the most significant permanent differences in the year included positive differences amounting to 32.4 million euros due to the effect of the inflationary adjustments of companies taxed in Chile and Mexico, and negative differences amounting to 20.4 million euros due to the exemption of positive income from foreign branches.

The *Tax expense adjusted by tax rate* is the result of applying the different tax rates applicable to the adjusted accounting result for each of the different jurisdictions where the Group operates.

The line *Unrecognised tax credits* includes the tax credits derived from the negative results generated by some subsidiaries.

The line *Effect of tax adjustments from previous years and other* mainly reflects the existence of certain projects and transactions that have enabled tax credits in Brazil to be re-estimated.

Taxes recognised in Equity

Independently from the tax on profit recognised on the consolidated income statement, in 2020 and 2019 the Group recognised the following amounts in consolidated equity:

	2020	2019
Fair value of financial instruments	3,329	17,501
Financial assets with changes in equity	18	8
Actuarial losses and gains on pension plans	130	228
Total	3,477	17,737

Deferred tax

In accordance with the tax legislation in force in the countries in which the consolidated companies are located, in 2020 and 2019 there were certain temporary differences arose that must be taken into account to quantify the related income tax expense.

The deferred taxes arose in 2018 and 2017 as a result of the following:

Deferred tax liabilities with origin in:	2020	2019
Tax loss carryforwards	410,140	358,474
Tax credit carryforwards	132,735	117,606
Derivative financial instruments	28,973	32,135
Impairment prov. over assets	18,582	27,217
Relating to taxation under the pass-through regime (JVs)	17,706	22,564
Other	301,137	302,911
Total deferred tax assets	909,272	860,906

Deferred tax liabilities originating in:	2020	2019
Remeasurement of financial assets	12	35
Allocation of first-time consolidation differences to assets	128,893	127,523
Remeasurement of property, plant and equipment and investment property	--	--
Derivative financial instruments	9,717	8,791
Relating to taxation under the pass-through regime (JVs)	371	1,470
Other	507,144	440,145
Total deferred tax liabilities	646,137	577,964

Detail of the deferred tax assets and liabilities presented as net values for accounting purposes at the end of the financial year is as follows:

Assets	2020
Other	28,989
Advance tax under the pass-through regime (JVs)	6,929
Deferred tax assets	35,918

Liabilities	2020
Other	28,989
Relating to taxation under the pass-through regime (JVs)	6,929
Deferred tax liabilities	35,918

At 31 December 2020, the tax loss carryforwards, generated by the subsidiaries before their inclusion in the Tax Group of which Acciona, S.A. is the parent company, amounted to 22.3 million euros. Of this amount, a total of 19.2 million euros related to tax loss carryforwards not capitalised on the consolidated balance sheet as there was no assurance of the achievement of sufficient future profits or because the tax regulations establish limits and requirements for them to be offset.

In addition, some subsidiaries in Mexico, the US, Australia, Chile, South Africa and Brazil recognised tax credits for negative taxable bases pending offsetting. There are also taxable bases that have not been recorded totalling 978 million euros, mainly generated in the US, Canada, Chile and Mexico.

Regarding the estimation of Corporate Tax of the Tax Group for 2020, negative tax bases are not proposed to be offset, resulting in a deferred tax asset balance for this concept amounting to 71.3 million euros.

At 2020 year-end, the deadlines for the tax credits recognised for negative taxable bases pending application were as follows, in thousand euros:

	Amount	Lapse period
Acciona, S.A. tax group	71,306	No lapsing date
Spanish companies outside the Tax Group	12,019	No lapsing date
International – limited	6,666	2024
International – limited	27,220	2025
International – limited	31,079	2026
International – limited	22,741	2027
International – limited	22,808	2028
International – limited	8,112	2029
International – limited	34,255	2030
International – limited	4,527	2031
International – limited	3,626	2032
International – limited	3,177	2033
International – limited	7,566	2039
International –unlimited	155,038	No lapsing date
Total	410,140	

The Corporate Tax Act (Act 27/2014, of 27 November) with effective date on 1 January 2015, set an unlimited deadline for offsetting negative taxable bases.

On the other hand, Act 27/2014, of 27 November, on Corporate Tax, eliminated, effective 1 January 2015, the deadline for offsetting double-taxation deductions pending application from previous financial years, so the period is unlimited, as provided for in section 39 of Act 27/2014, and extended the general period to offset other deductions to 15 years, except for R&D+I which was extended to 18 years.

The unused tax credits, totalling 117,623 thousand euros, related mainly to those earned by the tax Group of which Acciona, S.A. is the Parent Company. At 31 December 2020, the most significant unused tax credits were: 84,631 thousand euros for R&D&I activities, 23,145 thousand euros for reinvestment of extraordinary income and 8,780 thousand euros for donations, events of special interest and non-deductible amortisation in 2013 and 2014.

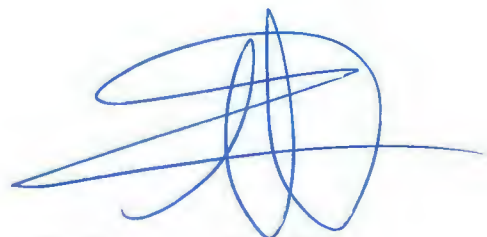
At the close of 2020, the deadlines for deduction of the unused tax credits recognised on the consolidated balance sheet of the Acciona Group were as follows (in thousand euros):

	Amount	Lapse period
Acciona, S.A. tax group	2,322	2025
Acciona, S.A. tax group	19,419	2026
Acciona, S.A. tax group	12,009	2027
Acciona, S.A. tax group	9,554	2028
Acciona, S.A. tax group	18,983	2029
Acciona, S.A. tax group	11,531	2030
Acciona, S.A. tax group	10,719	2031
Acciona, S.A. tax group	8,617	2032
Acciona, S.A. tax group	5,332	2033
Acciona, S.A. tax group	5,739	2034
Acciona, S.A. tax group	5,005	2035
Acciona, S.A. tax group	2,882	2036
Acciona, S.A. tax group	3,320	2037
Acciona, S.A. tax group	2,191	2038
Acciona, S.A. tax group	6,731	No lapsing date
Spanish companies outside the Tax Group	8,321	No lapsing date
Non-resident companies	60	No lapsing date
Total	132,735	

At year-end there are no material unused tax credits that had not been recognised.

The Acciona Group expects to recover the tax loss and tax credit carryforwards recognised in the books, through the companies' ordinary activities and without any equity risk of losses. The estimated recovery times for the tax credits of the main countries in which the Group operates are shown below, in accordance with the business plans set out therein:

Concept	Amount	Maximum recovery time
Acciona, S.A. (Spain) Tax Group Tax Losses	51,306	3 years
Acciona, S.A. (Spain) Tax Group Tax Credits	117,623	7 years
AENA (US) Tax Group Tax Losses	23,115	9 years
Mexico Tax Losses	140,613	8 years
Australia Tax Losses	76,818	8 years
Chile Tax Losses	30,726	6 years
South Africa Tax Losses	27,111	5 years



Most of the deferred tax assets included in the line “Other” related to provisions for liabilities, risks, insolvency, and other non-deductible items amounting to 301,137 thousand euros, to the adjustment for non-deductible accounting amortisation of 30% of the Spanish companies introduced on a temporary basis for the years 2013 and 2014 and which began to reverse in 2015, the amount of which at the close of 2020 is 15,780 thousand euros, as well as the homogenisations made as part of the consolidation process and the elimination of internal margins that reverse as the assets are amortised. Finally, this heading includes adjustments to the tax base through the application of other countries’ specific regulations whereby certain expenses are not deductible until payment or do not follow the accounting accrual criterion for their deductibility, as is the case with Mexico, Australia and the United States, or because a billing-based criterion is applied instead of accounting accrual by stage of progress, as happens in Chile. It also includes taxes associated with the allocation of the price paid (PPA) for the acquisition of Lend Lease Construction Holdings Pty Ltd (see note 3.2.h).

The line *Other* under the deferred tax liability heading includes the tax adjustments under the freedom to amortise established in the Eleventh Additional Provision included in RDL 4/2004 (consolidated text of the Corporate Tax Act) by Act 4/2008. The accumulated amount of this adjustment pending at 31 December 2020 for the Spanish Tax Group companies amounted to 63,227 thousand euros. It also included the amortisation effect for tax purposes of Mexico, the US, South Africa, Chile and Canada for approximately 165, 45, 45, 22 and 10 million euros for tax liability, respectively, as well as adjustments for application of the specific regulations of countries where accounting income is not recognised for tax purposes until the bill is issued or collected, instead of the principle of accounting accrual or stage of progress, mainly in Mexico. This caption also includes the deferral of income by several Australian companies, as well as the tax treatment of income on the formalisation of projects.

Based on the enactment of Royal Decree-Law 3/2016, of 2 December, which establishes measures in the taxation area aimed at the consolidation of public finances, and urgent measures in social matters, the total amount of the deferred tax liability related to the impairment of portfolio pending reversion in the taxable base for 45,456 thousand euros. This Royal Decree established the incorporation of value impairments of investments that were fiscally deductible in periods prior to 2013, for a maximum period of five years from the tax periods starting on 01 January 2016, regardless of whether their value has been recovered or not. For quantification of this tax liability, the specific situations of each value impairment of the shareholding in capital or in capital and reserves of the investees that were fiscally deductible were considered, as well as potential legal or contractual restrictions or otherwise in connection to possible transferability of such shareholdings. In 2018, a deferred liability of 11,453 thousand euros was derecognised.

Reporting obligations

Current Corporate tax legislation provides tax incentives to encourage certain investments. The companies in the Tax Group have availed themselves of the benefits provided for under this legislation.

In 2020, transactions were carried out under Article 86 of the Corporate Tax Act 27/2014, to which the special regime for mergers, spin-offs, contributions of assets and exchanges of securities applies.

- Merger by absorption of the company Fidentiis Gestión S.G.I.I.C., S.A. by Bestinver Gestión S.G.I.I.C., S.A., documented in a public deed dated 11 December 2020.
- Merger by absorption of Bestinver Sociedad de Valores S.A. by Fidentiis Equities, S.V. S.A., and change of corporate name, documented in a public deed dated 11 December 2020.

Pursuant to section 3 of article 86 of Act 27/2014 on the consolidated text of the Corporate Tax Act, the information required for operations carried out in previous years appears in the relevant separate notes to financial statements as approved.

In 2008, 2009, 2010, 2011 and 2012, several companies in the tax group deducted the tax credit for impairment losses on ownership interests in Group companies, jointly-controlled entities and associates, as provided for in Article 12.3 of Royal Legislative Decree 4/2004 (consolidated text of the Corporate Tax Act)¹, regulated in Temporary Provision Sixteen of Act 27/2014.

Act 16/2013, of 29 October, repealed, with effect from 1 January 2013, section 12.3 of the consolidated text of the Corporate Tax Act in relation to deduction of impairment losses on such equity interests and established a transitional system for the inclusion of losses pending incorporation at 31/12/2012 in the taxable base.

Royal Decree-Law 3/2016, of 2 December, which establishes measures aimed at the consolidation of public finances and urgent measures in social matters, provided for mandatory minimum reversion of deductible portfolio reversions, in a maximum period of five years, effective financial year 2016.

The notes to the separate financial statements of these companies include the disclosures required by tax legislation concerning the change in the year in the investees' equity, the amounts included in the taxable base and the amounts yet to be included.

26.- Guarantee commitments to third parties

The Group has provided third-party bonds before clients, public agencies and financial institutions, for 5,537,988 thousand euros and 4,666,084 thousand euros at 31 December 2020 and 2019, respectively. The increase was mainly due to bonds delivered for new tenders within the construction business.

The purpose of most of the bonds provided was to guarantee good performance in the development of the works engaged by the infrastructure division.

The companies estimate that any liabilities that could arise from the guarantees provided would not be significant.



¹ Regulated in the Twenty-Fourth Temporary Provision of Act 27/2014

27.- Revenue

The following is a breakdown of the Group's income based on the nature of the goods or services produced (see also note 29 segments) and its business model in terms of the level of investment required to generate them, margins and risk profile:

2020	Business model				Total Revenue
Segment/Activity	Long-Term Asset Business	Service Business	Greenfield Developments Business	Corporate and other	
Energy	1,361,218	--	975,737	(556,931)	1,780,024
Construction	--	--	2,775,406	368	2,775,774
Concessions	98,452	--	--	--	98,452
Water	118,809	180,666	676,889	52	976,416
Services	--	726,769	--	--	726,769
Consolidation adjustments	--	--	--	(85,263)	(85,263)
Infrastructures	217,261	907,435	3,452,295	(84,843)	4,492,148
Bestinver	--	114,078	--	--	114,078
Real Estate	--	--	201,012	--	201,012
Others	--	--	--	62,708	62,708
Other business activities	--	114,078	201,012	62,708	377,799
Consolidation adjustments	--	--	--	(177,541)	(177,541)
Total Acciona	1,578,479	1,021,513	4,629,044	(756,607)	6,472,430

2019	Business model				Total Revenue
Segment/Activity	Long-Term Asset Business	Service Business	Greenfield Developments Business	Corporate and other	
Energy	1,435,417	--	973,377	(411,610)	1,997,185
Construction	--	--	3,429,956	--	3,429,956
Concessions	77,964	--	--	--	77,964
Water	138,949	191,067	428,562	(644)	757,935
Services	--	823,823	--	--	823,823
Consolidation adjustments	--	--	--	(56,156)	(56,156)
Infrastructures	216,914	1,014,890	3,858,519	(56,800)	5,033,523
Bestinver	--	98,657	--	--	98,657
Real Estate	--	--	140,623	--	140,623
Others	--	--	--	121,719	121,719
Other business activities	--	98,657	140,623	121,719	360,999
Consolidation adjustments	--	--	--	(201,118)	(201,118)
Total Acciona	1,652,331	1,113,548	4,972,519	(547,809)	7,190,589

The Group's different business models are described below, according to the nature, timing, and uncertainty of the revenue:

- **Long-Term Asset Business**

This category includes the portfolio of operating assets for renewable electricity generation in the group, as well as its portfolio of concessions for social, transport, and water infrastructure. It is a capital-intensive business, where most of the investment is made at the beginning of the useful life and a high operating margin is needed for a return on investment as well as to compensate for operation and maintenance costs. Revenue is characterised by its low level of risk given that it is mostly regulated or comes from long-term contracts with solvent counterparties that have a high degree of diversification. Revenue recognition is carried out at the same time as electricity is generated, or the service is provided, as applicable. With regards to generation assets, the high diversification of the portfolio in terms of facilities, technologies and geographical areas means that production is highly stable and predictable.

- **Service Business**

Includes the group's services business, covering the operation and maintenance of infrastructure and other services related to such activities within the service business, as well as financial services (asset management). It is a medium risk business with low capital intensity. With regards to infrastructure services, revenue comes from long-term operation and maintenance contracts which range from 5 and 15 years. Revenue recognition is carried out at the same time as the service is provided. In the case of financial services, these activities have a high margin given the specialisation and added value of the business, and while they are exposed to the volatility of the market, a high degree of loyalty from its customer base is also enjoyed. For mediation and consultancy services, revenue recognition is carried out at the same time as the service is provided.

- **Greenfield Developments Business**

This type of business encompasses activities for the construction of civil works (railways, roads, bridges, hydraulic works, etc.), buildings (residential and non-residential), industrial and water treatment facilities (the latter two with high technological content and carried out, for the most part, under the turnkey or EPC - Engineering, Procurement and Construction-modality), as well as the development and construction of renewable generation assets. The main purpose of this activity is the creation of new and complex infrastructures, both for public or private clients as well as for the company's own portfolio and is characterised by its low capital intensity which makes it possible to apply lower margins in comparison with other businesses of the group, which require higher investment levels. The revenue horizon depends on the level of the contracted portfolio, which is usually between 18 and 24 months. Because of that, the work generally consists in the creation or transformation of an asset that is under the client's control, and revenue is recognised based on the level of completion of the work. The business also includes real estate promotion activities (both residential and tertiary) the revenue of which is recognised at the time that the property is delivered to the client, with a generation period of around 36 months, which includes preparing the project, licensing, execution, etc.

- **Corporate and other**

This chapter mainly includes the elimination of revenues between different segments upon consolidation, as well as revenue from some residual businesses.

The breakdown, by geographical area, of the Group companies' total production was as follows (in thousands of euros):

	Spain	European Union	OECD countries	Other countries	Total
2020					
Energy	1,012,851	155,319	513,664	98,190	1,780,024
Infrastructures	1,473,596	428,184	1,511,576	1,078,791	4,492,148
Other business activities	310,498	17,350	22,255	27,696	377,799
Intra-Group transactions	(123,846)	(10,402)	(42,131)	(1,164)	(177,542)
Total 2020 production	2,673,100	590,452	2,005,365	1,203,513	6,472,430
2019					
Energy	1,218,497	185,566	483,615	109,507	1,997,185
Infrastructures	1,616,593	480,917	1,665,426	1,270,587	5,033,523
Other business activities	261,846	20,017	22,621	56,515	360,999
Intra-Group transactions	(127,209)	(7,616)	(65,919)	(374)	(201,118)
Total 2019 production	2,969,727	678,884	2,105,743	1,436,233	7,190,589

Revenue from the Infrastructure activity

Concessions

At 31 December 2020, the Acciona Group maintained its main service concession contracts in force in the concession and water businesses. The net amount of revenue at the close of the financial year for each category of concession agreement, including those within the scope of IFRIC 12, came to 98 and 41 million euros, respectively. Appendix V details the main concessions.

As indicated in Note 4.2 H), following the adoption of IFRIC 12, the Acciona Group recognises under "Non-Current Receivables and Other Non-Current Assets" concession business assets whose recovery is guaranteed under the concession contract by the grantor through the payment of a fixed or quantifiable amount and, accordingly, no demand risk is borne by the operator.

In relation to these concession assets, even during the construction phase the Group recognises income earned on interest, based on the effective interest rate of the financial asset. This interest income is recognised under "Revenue", and at 31 December 2020 and 2019 it amounted to 17,350 and 10,400 thousand euros, respectively.

Construction

The Group obtains substantially all its construction revenue in its capacity as prime contractor.

Detail of infrastructure construction revenue by type of project was as follows:

	2020	2019
Civil engineering	2,003,620	2,334,383
Residential building construction	92,689	99,395
Non-residential building construction	335,259	413,422
Other construction activities	103,879	52,848
Auxiliary construction	57,681	49,811
Engineering	182,646	480,097
Total construction revenue	2,775,774	3,429,956

Detail of infrastructure construction revenue by type of client was as follows:

	2,020	2,019
Central Government	152,061	111,679
Regional Governments	58,276	51,664
Local Governments	26,681	33,932
Regional Agencies and Government-owned corporations	171,821	199,589
Public sector	408,839	396,864
Private sector	271,623	364,020
Total Spanish clients	680,462	760,884
Total clients abroad	2,095,312	2,669,072
Total construction revenue	2,775,774	3,429,956

The geographical distribution of the infrastructure construction backlog at the close of 2020 and 2019 was as follows:

2020	Spain	Abroad
Civil engineering	855,295	7,650,491
Residential building construction	231,273	56,391
Non-residential building construction	249,102	701,611
Other construction activities	42,359	14,234
Auxiliary construction	56,717	188,933
Other business activities	42,672	21
Total construction backlog	1,477,418	8,611,681

2019	Spain	Abroad
Civil engineering	904,220	3,580,693
Residential building construction	67,215	54,573
Non-residential building construction	336,037	331,628
Other construction activities	52,578	11,328
Auxiliary construction	69,972	218,874
Other business activities	39,304	--
Total construction backlog	1,469,326	4,197,096

Other revenue:

At 31 December 2020, other revenue on the accompanying consolidated income statement recorded the amount of 533 million euros (453 million euros at 31 December 2019) for work done by the Group on its own property, plant and equipment, mostly related to wind projects developed in Mexico, the United States, Australia and Chile, and photovoltaic projects in Chile and Ukraine. In addition, a total amount of 211 million euros (212 million euros in 2019) is recognised in 2020 as other current operating income, relating mainly to reimbursable expenses and re-invoicing of services rendered recorded by the infrastructure division.

28.- Expenses

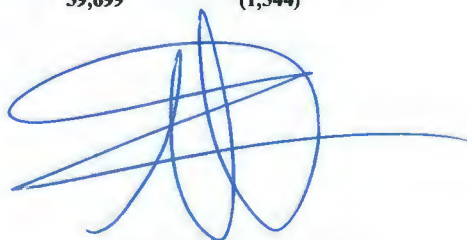
Breakdown of the Group's expenses was as follows:

	2020	2019
Cost of goods sold	2,216,122	2,021,196
Personnel expenses	1,550,766	1,598,856
Wages, salaries and similar	1,294,167	1,322,148
Social security costs	233,472	247,553
Other personnel expenses	23,127	29,155
Other operating expenses	2,514,789	2,764,618
Taxes other than income tax	120,891	128,053
Other current operating expenses	10,615	22,036
Subtotal	6,413,183	6,534,759
Change in provisions	121,456	71,005
Depreciation and amortisation charge	556,677	585,704
Total	7,091,316	7,191,468

Employees:

The average number of employees in 2020 and 2019, by professional category, was as follows:

	2020	2019	Change
Management and supervisors	2,133	2,260	(128)
Qualified line personnel	7,321	6,942	379
Clerical and support staff	1,588	1,563	26
Other employees	27,313	28,934	(1,621)
Total average number of employees	38,355	39,699	(1,344)



The classification above broken down by gender in 2020 and 2019 was as follows:

	2020			2019		
	Men	Women	Total	Men	Women	Total
Management and supervisors	1,709	424	2,133	1,834	426	2,260
Qualified line personnel	5,093	2,228	7,321	4,879	2,063	6,942
Clerical and support staff	602	986	1,588	564	999	1,563
Other employees	20,283	7,029	27,313	21,147	7,787	28,934
Total average number of employees	27,687	10,667	38,355	28,424	11,275	39,699

Breakdown of the Group's employees by segment was as follows:

	2020	2019	Change
Energy	1,543	1,629	(86)
Infrastructures	35,558	37,039	(1,481)
Other Activities	1,254	1,031	222
Total average number of employees	38,355	39,699	(1,344)

The classification above broken down by gender in 2020 and 2019 was as follows:

	2020			2019		
	Men	Women	Total	Men	Women	Total
Energy	1,116	427	1,543	1,189	440	1,629
Infrastructures	25,906	9,652	35,558	26,673	10,366	37,039
Other Activities	665	589	1,254	562	469	1,031
Total average number of employees	27,687	10,667	38,355	28,424	11,275	39,699

Of the total number of employees, 233 correspond to the parent company (377 in 2019), and the rest to Group subsidiaries.

The average number of employees in 2020 with a disability level of 33% or over employed by the consolidated companies amounted to an equivalent of 995 employees (direct and indirect employment) (1,031 in 2019). The percentage of compliance with Royal Decree Law 1/2013, of 29 November, which approves the Consolidated Text on the General Act for the Rights and Social Integration of Persons with Disabilities, which establishes a minimum quota of 2% for the recruitment of disabled persons in companies with more than 50 employees, was 3.97% (3.96% in 2019).

Lease expenses:

At 31 December 2019, the expense recognised under *Leases* in the accompanying consolidated income statement under *Other operating expenses* amounted to 70 million euros (78 million euros in 2019).

The amount corresponding to variable rents accrued in 2020 amounts to 15 million euros (17 million euros in 2019). The breakdown by division of the fixed and variable operating lease rents accrued by the Group at 31 December 2020 and 2019 is as follows:

2020:

Division (thousand euros)	[a] Fixed rent	[b] Variable rent	Main parameters associated with variable rent	% [c]=[b]/[a]
Energy	45,019	9,032	MW/H	20%
Infrastructures	55,731	5,486	hours/machine	10%
Other activities	6,749	--	N/A	0%
TOTAL	107,499	14,518		

2019:

Division (thousand euros)	[a] Fixed rent	[b] Variable rent	Main parameters associated with variable rent	% [c]=[b]/[a]
Energy	39,397	4,456	MW/H	11%
Infrastructures	48,717	12,061	hours/machine	25%
Other activities	4,437	--	N/A	0%
TOTAL	92,551	16,517		

In the energy division, land lease contracts are entered into with variable rents subject to the MW/H produced or the amount invoiced by the technical facility, which allows them to establish a logical correlation between the generation of income from the energy facility and one of its main operating costs. The estimate of future variable rent flows is conditional on the evolution of technical conditions such as corrective maintenance or periods of unavailability and meteorological conditions such as the hours of sunshine and wind that affect energy production in the various countries in which the Acciona Group operates. It is reasonable to estimate that the proportion will be similar to that presented in previous years in a range of 11% -20%.

In the infrastructure division, variable rents are associated with the rental of machinery on an hour/machine basis and are non-recurring. The existence of variable income makes it possible to adapt the cost accrued to the execution deadlines and resource consumption of the works, so that there is a natural mechanism that adjusts the cost to the level of production if there are construction delays. The estimate of future cash flows from variable rents is conditional upon the evolution of the division's construction backlog and the type of construction projects awarded to the Group, which determine the type of machinery and resources that will be required for their execution and, therefore, it is not possible to make a reliable estimate of these flows.

The amount relating to leases applying the exceptions to IFRS 16 described in note 4.2.c of low value and short term amounts to 55 million euros (61.5 million euros in 2019).

Change in provisions:

Breakdown of the balance of this heading on the consolidated income statement was as follows (in thousand euros):

	2020	2019
Change in provision for uncollectable receivables	12,293	971
Change in provision for inventories	2,111	497
Other provisions	107,052	69,537
Total	121,456	71,005

At 31 December 2020 and 2019, *Other provisions* included the provision for future replacement or large repairs in concessions recognised under the intangible model, as well as the provision for litigations. This heading also includes the impact of provisions for the completion of construction work and provisions for onerous contracts.

Impairment and profit/(loss) on disposals of non-current assets

Breakdown for this heading on the income statement for financial years 2020 and 2019 was as follows:

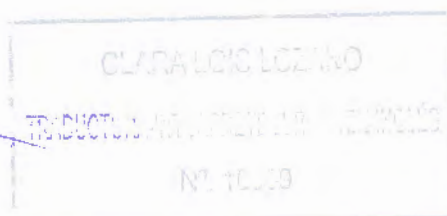
2020	2019
87,724	12,802
92,203	(4,210)
179,927	8,592

At 31 December 2020, the gain of 79 million euros generated as a result of the effective transfer of control of the companies holding the concession operating contracts for Autovía de los Viñedos, S.A.U., Acciona Servicios Concesionales, S.L. and Sociedad Concesionaria Hospital del Norte, S.A., in which the Group owned 100% of the share capital (see 3.2.h), was recognised under *Profit/losses on disposals of non-current assets* (see note 3.2.h).

Additionally, gains of 17.3 million euros were recognised as a result of the transfer of the 100% ownership interest held by the Group in Acciona Campus España, S.A., the main Group company in which the rental property activity related to student residences located in Spain was concentrated, amounting to 17.3 million euros.

In 2019, profit arising from the transfer of the shareholding in S.C. Autovía Gerediaga Elorrio, S.A. and Sociedad Explotadora Autovía Gerediaga Elorrio, S.A. was recorded, giving rise to capital gains for the Group of 5.5 million euros, as indicated in note 10. In addition, capital gains of 6.9 million euros are included for the sale of real estate from the real estate division.

At 31 December 2020, an impairment reversal amounting to 87 million euros associated with the wind farms and photovoltaic plants of the Energy division has been recognised under *Impairment of other non-current assets* (see Note 4.5).



Change in provisions:

Breakdown of the balance of this heading on the consolidated income statement was as follows (in thousand euros):

	2020	2019
Change in provision for uncollectable receivables	12,293	971
Change in provision for inventories	2,111	497
Other provisions	107,052	69,537
Total	121,456	71,005

At 31 December 2020 and 2019, *Other provisions* included the provision for future replacement or large repairs in concessions recognised under the intangible model, as well as the provision for litigations. This heading also includes the impact of provisions for the completion of construction work and provisions for onerous contracts.

Impairment and profit/(loss) on disposals of non-current assets

Breakdown for this heading on the income statement for financial years 2020 and 2019 was as follows:

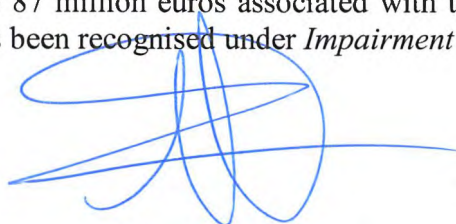
Impairment and profit/(loss) on disposals of non-current assets	2020	2019
Profit/(loss) on disposals of non-current assets	87,724	12,802
Impairment of other non-current assets (Notes 5 and 8)	92,203	(4,210)
Total	179,927	8,592

At 31 December 2020, the gain of 79 million euros generated as a result of the effective transfer of control of the companies holding the concession operating contracts for Autovía de los Viñedos, S.A.U., Acciona Servicios Concesionales, S.L. and Sociedad Concesionaria Hospital del Norte, S.A., in which the Group owned 100% of the share capital (see 3.2.h), was recognised under *Profit/losses on disposals of non-current assets* (see note 3.2.h).

Additionally, gains of 17.3 million euros were recognised as a result of the transfer of the 100% ownership interest held by the Group in Acciona Campus España, S.A., the main Group company in which the rental property activity related to student residences located in Spain was concentrated, amounting to 17.3 million euros.

In 2019, profit arising from the transfer of the shareholding in S.C. Autovía Gerediaga Elorrio, S.A. and Sociedad Explotadora Autovía Gerediaga Elorrio, S.A. was recorded, giving rise to capital gains for the Group of 5.5 million euros, as indicated in note 10. In addition, capital gains of 6.9 million euros are included for the sale of real estate from the real estate division.

At 31 December 2020, an impairment reversal amounting to 87 million euros associated with the wind farms and photovoltaic plants of the Energy division has been recognised under *Impairment of other non-current assets* (see Note 4.5).



Other gains and losses

In the 2020 financial year, this heading relates mainly to sundry expenses incurred as a result of the effects of the health crisis on certain projects.

In addition, at 31 December 2020 the heading includes the negative consolidation difference arising after the acquisition of control of 100% of the shares representing the share capital of the CEI Subgroup (Lendlease Construction Holdings Pty Ltd), as described in note 3.2.h.

Profit/(loss) from changes in value of financial instruments at fair value

At 31 December 2020, changes in the fair value of financial instruments amounting to 15,265 thousand euros relate mainly to the fair value of energy sales contracts entered into by Group subsidiaries in the United States, Australia and Chile to supply a specific amount of energy in the long term at a fixed price; an inefficiency expense is also recognised for cash hedging derivatives of 738 thousand euros and energy prices of 406 thousand euros (see Note 22).

29.- Segment reporting

Segment reporting is done based on the nature of the goods and services produced by the Group. The Acciona Group's business model is inspired by values supported by two pillars: Energy and Infrastructure, offering products and services with an emphasis on supplying solutions to meet the challenges of modern society and always under the same guiding principle: sustainable development.

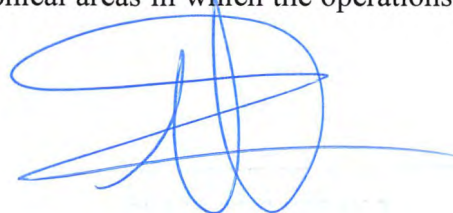
The Group also has other lines of business grouped under *Other Activities*, which mainly comprises fund management and financial intermediation services, real estate business, and wine production (as indicated in Note 3.2-h, the wine production activity was derecognised on 28 December 2020 following the disposal of 81.47% of Grupo Bodegas Palacio, S.A.U.).

Each of the segments constitutes a differentiated business that has its own address and reporting structure in order to evaluate the degree to which the objectives are achieved. The information presented to Acciona Group's Corporate Management in order for the performance of the different segments to be evaluated, as well as to allocate resources between them, is structured according to this segmentation criterion.

Costs incurred by the Corporate Unit are distributed pro rata, using an internal cost distribution system, among the different divisions. Inter-segment sales are made at market prices.

In addition to the segment information, in order to help understand the results and in line with the way in which the Acciona Group Directors manage this information, certain amounts related to *Corporate Transactions* that facilitate a better understanding of the ordinary course of business are presented as an additional column. Nonetheless, where these effects are material in respect of the Group's results, details are given as to how they impact each segment.

Finally, the information is also presented in terms of the geographical areas in which the operations take place.



Segment information and that of Corporation Transactions for 2020 and 2019 is shown below:

Balances at 31/12/2020	Segments				Corporate transactions	Total Group
	Energy	Infrastructures	Other activities	Intra-Group transactions		
ASSETS						
PPE, intangible assets and investment property	7,116,125	675,823	83,444	(2,036)	--	7,873,357
Right of use	352,494	131,789	12,550	--	--	496,832
Goodwill	--	201,522	28,924	--	--	230,445
Non-current financial assets	26,633	44,405	97,470	20,925	--	189,433
Investments accounted for using the equity method	1,091,582	125,137	10,543	--	--	1,227,261
Other assets	585,668	512,351	283,864	37	--	1,381,919
Non-current assets	9,172,502	1,691,027	516,795	18,926	--	11,399,247
Inventories	109,392	215,985	913,819	(9,361)	--	1,229,836
Trade and other accounts receivable	430,249	2,170,750	248,094	(596,887)	--	2,252,206
Other current financial assets	111,447	69,790	31,275	--	--	212,512
Other assets	354,030	204,589	(245,062)	(4,756)	--	308,800
Cash and cash equivalents	210,428	2,286,224	(68,570)	(20,925)	--	2,407,158
Non-current assets classif. as held for sale	--	348,103	110,101	--	--	458,204
Current assets	1,215,546	5,295,441	989,657	(631,929)	--	6,868,716
Total assets	10,388,048	6,986,468	1,506,452	(613,003)	--	18,267,963
EQUITY AND LIABILITIES						
Consolidated equity	3,772,686	822,499	(812,057)	(13,304)	--	3,769,825
Financial debt	3,562,458	1,564,121	(255,247)	--	--	4,871,332
Other liabilities	1,461,067	739,886	79,213	(2,813)	--	2,277,354
Non-current liabilities	5,023,525	2,304,007	(176,034)	(2,813)	--	7,148,686
Financial debt	203,250	87,536	1,696,244	--	--	1,987,030
Trade and other accounts payable	368,904	2,626,467	278,560	(246,621)	--	3,027,309
Other liabilities	1,019,682	873,326	409,604	(350,266)	--	1,952,346
Liabilities directly assoc. with non-current assets classif. as held for sale	--	272,631	110,136	--	--	382,767
Current liabilities	1,591,836	3,859,960	2,494,544	(596,887)	--	7,349,452
Total equity and liabilities	10,388,048	6,986,468	1,506,452	(613,003)	--	18,267,963

Balances at 31/12/2020	Segments				Corporate transactions	Total Group
	Energy	Infrastructure s	Other activities	Intra-Group transactions		
Total revenue	1,780,024	4,492,148	377,799	(177,541)	--	6,472,430
Revenue	1,764,914	4,375,336	376,905	(44,726)	--	6,472,430
Revenue to other segments	15,110	116,812	894	(132,815)	--	--
Other revenue and operating expenses	(1,006,712)	(4,303,549)	(297,550)	177,092	--	(5,430,719)
Equity method profit/(loss) - analogous	57,593	24,571	31	--	--	82,195
Gross profit/(loss) from operations	830,905	213,170	80,280	(449)	--	1,123,906
Allocations	(408,150)	(256,620)	(13,568)	205	--	(678,133)
Impairment and profit/(loss) from disposal of plant, property and equipment	83,580	88,371	7,976	--	--	179,927
Other gains and losses	(62)	(7,606)	(1,590)	--	--	(9,259)
Profit/(loss) from operations	506,274	37,315	73,097	(244)	--	616,441
Financial profit/(loss)	(163,190)	(28,497)	(11,206)	--	--	(202,892)
Profit/(loss) due to changes in value	18,696	(2,096)	(1,336)	--	--	15,265
Equity method profit/(loss) - non-analogous	79,258	--	--	--	--	79,258
Profit / (loss) before tax	441,038	6,723	60,555	(244)	--	508,072
Corporate Tax expense	(84,541)	(1,289)	(11,608)	47	--	(97,391)
Consolidated profit/(loss) in the year	356,497	5,434	48,948	(197)	--	410,681
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--
Profit / (loss) for the year	356,497	5,434	48,948	(197)	--	410,681
Non-controlling interests	(25,226)	(4,004)	(1,149)	--	--	(30,379)
Profit /(loss) attributable to the Parent Company	331,272	1,430	47,799	(197)	--	380,302

Balances at 31/12/2019	Segments				Corporate transactions	Total Group
	Energy	Infrastructures	Other activities	Intra-group transactions		
ASSETS						
PPE, intangible assets and investment property	6,916,004	670,724	118,737	(2,241)	--	7,703,224
Right of use	284,857	102,480	21,622	--	--	408,958
Goodwill	--	201,667	31,736	--	--	233,403
Non-current financial assets	34,185	82,050	91,630	3,023	--	210,887
Investments accounted for using the equity method	955,302	156,436	4,782	--	--	1,116,520
Other assets	520,289	863,116	254,842	58	--	1,638,306
Non-current assets	8,710,637	2,076,473	523,349	840	--	11,311,298
Inventories	119,754	186,735	956,881	(15,253)	--	1,248,116
Trade and other accounts receivable	364,614	1,928,069	249,013	(450,750)	--	2,090,946
Other current financial assets	140,479	46,111	12,002	--	--	198,592
Other assets	338,006	253,156	(236,918)	(2,625)	--	351,620
Cash and cash equivalents	38,726	1,789,007	323,905	(3,023)	--	2,148,615
Non-current assets classif. as held for sale	--	--	--	--	--	--
Current assets	1,001,579	4,203,078	1,304,883	(471,651)	--	6,037,889
Total assets	9,712,216	6,279,551	1,828,232	(470,811)	--	17,349,187
EQUITY AND LIABILITIES						
Consolidated equity	3,498,700	961,223	(803,489)	(15,746)	--	3,640,689
Financial debt	3,470,596	1,647,532	178,192	--	--	5,296,320
Other liabilities	1,629,578	440,786	184,571	(4,316)	--	2,250,618
Non-current liabilities	5,100,174	2,088,318	362,763	(4,316)	--	7,546,938
Financial debt	150,572	216,936	1,598,535	--	--	1,966,043
Trade and other accounts payable	337,674	2,156,665	358,329	(193,408)	--	2,659,260
Other liabilities	625,095	856,411	312,093	(257,341)	--	1,536,257
Liabilities directly assoc. with non-current assets classif. as held for sale	--	--	0	--	--	--
Current liabilities	1,113,341	3,230,012	2,268,957	(450,749)	--	6,161,560
Total equity and liabilities	9,712,216	6,279,551	1,828,232	(470,811)	--	17,349,187

Balances at 31/12/2019	Segments				Corporate transactions	Total Group
	Energy	Infrastructures	Other activities	Intra-Group transactions		
Total revenue	1,997,185	5,033,523	360,999	(201,118)	--	7,190,589
Revenue	1,975,728	4,869,634	345,227	(0)	--	7,190,589
Revenue to other segments	21,457	163,889	15,772	(201,118)	--	--
Other revenue and operating expenses	(1,152,380)	(4,602,676)	(277,466)	198,535	--	(5,833,989)
Equity method profit/(loss) - analogous	45,642	34,962	174	--	--	80,779
Gross profit/(loss) from operations	890,447	465,809	83,707	(2,584)	--	1,437,379
Allocations	(415,223)	(229,286)	(12,405)	205	--	(656,709)
Impairment and profit/(loss) from disposal of plant, property and equipment	(4,093)	4,765	7,921	--	--	8,592
Other gains and losses	14,324	(21,694)	(18)	--	--	(7,388)
Profit/(loss) from operations	485,454	219,594	79,206	(2,379)	--	781,874
Financial profit/(loss)	(183,397)	(18,477)	(20,655)	--	--	(222,530)
Profit/(loss) due to changes in value	2,213	--	3,027	--	--	5,241
Equity method profit/(loss) - non-analogous	(19,811)	--	--	--	--	(19,811)
Profit / (loss) before tax	284,459	201,117	61,578	(2,379)	--	544,774
Corporate Tax expense	(76,899)	(54,369)	(16,646)	643	--	(147,272)
Consolidated profit/(loss) in the year	207,560	146,748	44,931	(1,736)	--	397,502
Profit / (loss) after tax of discontinued operations	--	--	--	--	--	--
Profit / (loss) for the year	207,560	146,748	44,931	(1,736)	--	397,502
Non-controlling interests	(25,241)	(20,701)	118	--	--	(45,824)
Profit / (loss) attributable to the Parent Company	182,319	126,047	45,049	(1,736)	--	351,678

No significant results were produced as a result of corporate transactions in 2019 and 2020.

The following tables show the breakdown of certain of the Group's consolidated balances for the energy and infrastructure segments:

31.12.2020		
Division	Revenues	EBITDA
Generation	1,361,218	852,859
Non-generation	418,806	(21,954)
Energy	1,780,024	830,905
Construction	2,775,774	50,116
Concessions	98,452	67,098
Water	976,416	84,762
Services	726,769	11,194
Consolidation adjustments	(85,263)	--
Infrastructures	4,492,148	213,170

31.12.2019		
Division	Revenues	EBITDA
Generation	1,435,417	911,380
Non-generation	561,768	(20,933)
Energy	1,997,185	890,447
Construction	3,429,956	283,552
Concessions	77,964	50,283
Water	757,935	88,898
Services	823,823	43,077
Consolidation adjustments	(56,156)	--
Infrastructures	5,033,523	465,809

(*) Includes business development activities, as well as the allocation of costs from the corporate unit.

EBITDA is defined as operating income before depreciation and amortisation and variations in provisions, that is, it shows the operating result of the Group. The Group presents the calculation of EBITDA in the consolidated income statement, and it is calculated by taking the following items of the consolidated income statement:

	31.12.2020	31.12.2019
Revenue	6,472,430	7,190,589
Other income	788,906	684,344
Changes in inventories of finished goods and work in progress	193,557	16,426
Cost of goods sold	(2,216,122)	(2,021,196)
Personnel expenses	(1,550,766)	(1,598,856)
Other operating expenses	(2,646,294)	(2,914,707)
Equity method profit/(loss) - analogous	82,195	80,779
EBITDA	1,123,905	1,437,379

The table below shows disclosure of certain of the Group's consolidated balances based on the geographical area where the operations take place:

	Revenue		Total assets		Non-current assets		Current assets	
	2020	2019	2020	2019	2020	2019	2020	2019
Spain	2,673,100	2,969,727	7,015,100	8,239,511	4,401,084	4,619,359	2,614,016	3,620,152
European Union	590,452	678,886	1,721,825	1,714,597	1,323,803	1,228,550	398,022	486,047
OECD countries	2,005,364	2,105,746	7,641,855	5,652,197	5,000,095	4,792,934	2,641,760	859,263
Other countries	1,203,514	1,436,230	1,889,183	1,742,882	674,265	670,455	1,214,918	1,072,427
Total	6,472,430	7,190,589	18,267,963	17,349,187	11,399,247	11,311,298	6,868,716	6,037,889

Income and non-current assets from certain significant countries other than Spain are disclosed below, understanding "significant" to refer to those where the values are greater than 10% of the income from external clients or from non-current assets according to IFRS 8.

	Income		Non-current assets	
	2020	2019	2020	2019
Australia	881,237	928,409	1,036,357	1,008,109
Mexico	238,440	385,450	1,489,039	1,433,097

30.- Finance income and costs and other profit/(loss) for the year

Detail of the Group's finance income and costs was as follows:

	2020	2019
Financial income	36,852	33,020
From equity investments	486	14
From other financial instruments in Associates	5,374	4,931
Other finance income	30,992	28,075
Finance costs	(254,166)	(264,932)
On payables to third parties	(270,619)	(279,170)
Capitalisation of borrowing costs	14,361	13,961
Change in financial provisions	2,092	277

Other finance income and costs:

The Group has capitalised borrowing costs amounting to 14.4 million euros at 31 December 2020 and 13.9 million euros at 31 December 2019, all of them practically capitalised in property, plant and equipment (see note 5). Borrowing costs capitalisation in inventories amounted to 2.2 million euros in 2020, and 1.9 million euros in 2019 (see note 4.2.j).

Finance costs:

In 2020, payables to third parties subtracted from equity and included in “Finance Costs” relating to the periodic settlements of hedging derivatives and corresponding to fully consolidated Group companies amounted to 30,100 thousand euros (25,310 thousand euros in 2019).

In addition, 13,513 thousand euros (10,985 thousand euros in 2019) relating to these periodic settlements were recognised as a decrease in the results of companies accounted for using the equity method.

31.- Proposed application of profit/(loss)

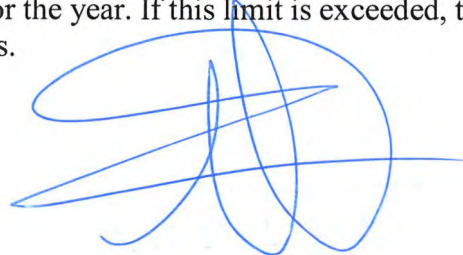
Proposed application of the profit in financial years 2020 and 2019 of Acciona, S.A., as approved by the Annual General Shareholders’ Meeting, in the case of 2019, and that the Board of Directors will submit to approval by the Annual General Shareholders’ Meeting, in the case of 2020, is as follows (in euros):

	2020	2019
Distribution basis:		
Acciona, S.A. profit or loss	260,158,548.23	260,043,573.01
Application:		
To legal reserve	--	--
To statutory reserve	26,015,854.82	26,004,357.30
To capitalisation reserves	7,935,804.75	3,049,012.99
To voluntary reserves	12,265,941.96	125,391,145.69
Dividends	213,940,946.70	105,599,057.03
Total	260,158,548.23	260,043,573.01

The proposed allocation of the result for 2020 contemplates the distribution of dividends of 3.90 euros per share.

Under its Articles of Association, Acciona, S.A. must, in any event, allocate 10% of net profit to legal and statutory reserves in such a manner that, when the former is covered (20% of the share capital), any remaining portion of the 10% of net profit must be transferred to the statutory reserve. This reserve is unrestricted.

The Board of Directors proposes that the capitalisation reserve established in Article 25 of Law 27/2014 of 27 November on Corporate Income Tax be charged to profit for the year, for an amount of 7,935,804.75 euros, equivalent to 10% of the amount of the increase in equity relating to the companies forming part of the tax group of which Acciona, S.A. is the Parent Company. The foregoing provision entitles the Company to reduce its corporate income tax base by the same amount, up to a limit of 10% of the taxable income for the tax group for the year. If this limit is exceeded, the excess can be carried forward to the following two tax periods.



32.- Environmental matters

In 2020, 70 million euros were allocated to managing the environmental impacts generated by the Group's activities (prevention, reduction or correction of impacts). Of this amount, 66 million euros has been spent and 4 million euros has been allocated to investments. The breakdown of this economic figure for Acciona's environment-related activities is as follows:

Category	Amount (Million euros)
Measures to minimise environmental impact	49
Environmental research, development & innovation	9
Personnel involved in the environmental activity	5
Investments in plant, property and equipment to prevent environmental impacts and protect the environment	4
Environmental consultancy and advisory services	1
Other*	1
Total	70

(*) This category includes other environmental expenses, including insurance and taxes, training, environmental management system, environmental communication and awareness.

33.- Earnings per share

- Basic:

Basic earnings per share are calculated by dividing the profit distributable to the Company's shareholders by the weighted average number of ordinary shares outstanding during the financial year.

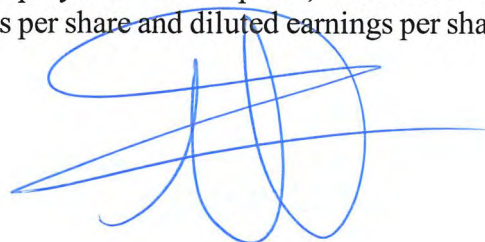
The amounts for the periods closed at 31 December 2020 and 2019 are given below:

	2020	2019
Equity attributed to the Parent Company (thousand euros)	380,302	351,678
Weighted average number of shares outstanding	54,523,975	54,438,737
Basic earnings per share (euros)	6.97	6.46

- Diluted:

To estimate diluted earnings per share, the company adjusts the year's profit attributable to the holders of ordinary equity instruments, and the weighted average number of shares outstanding by all the potential dilutive effects attached to ordinary shares.

In both 2020 and 2019, the only dilutive effect relates to employee incentive plans, which have no relevant effect on the calculation, and therefore basic earnings per share and diluted earnings per share coincide.



34.- Events after the reporting period

The Board of Directors of Acciona, S.A., at its meeting to prepare the 2020 Financial Statements, decided, among other matters, to initiate the process of an Initial Public Offering of the shares of its subsidiary and head of the Energy division Corporación Acciona Energías Renovables, S.L. (currently being transformed into a public limited company), for its subsequent listing. The final approval of the Offering is subject to the assessment carried out by the corresponding management bodies of the Company, taking into account, among other factors, market conditions and investor interest.

35.- Related-party transactions

As indicated in these notes to the consolidated financial statements, transactions performed by the Company with its subsidiaries (related parties) as part of its normal business activities, as regards their purpose and terms and conditions, were eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Transactions with associates

At 31 December 2020 and 2019, detail of the balances receivable from and payable to associates was as follows (in thousand euros):

Related-party transactions	2020	2019
Trade and other accounts receivable	66,695	90,595
Trade and other accounts payable	627,655	438,775
Loans granted	95,674	75,914
Loans received	23,828	9,227
Income	146,590	118,991
Expenses	213,024	153,235

The *Income* line mainly includes the billings recorded by the infrastructure area for active projects under construction, particularly those made to Concesionaria Linha Universidade, S.A. for the construction of line 6 of the Sao Paulo metro.

The balances of *Expenses* and *Payables* mainly include transactions carried out by companies in the energy division with the Nordex Group corresponding to the acquisition of wind turbines for the construction of wind farms.

The balances receivable related to the line *Loans to associates* were mainly made up of loans made by Acciona Concesiones, S.A and Acciona Energía, S.A. to associates.

These transactions were performed on an arm's length basis.

Transactions with other related parties

At 31 December 2020, following the arrival of the AXA Investment Managers-Real Assets in the shareholding structure of the Acciona Group subsidiary, Acciona Energy Internacional, S.A., the fund became a "related party" for the Group as the term is defined in IAS 24. There were no transactions of note in 2020 with AXA.

Transactions with shareholders

In 2020 there were no significant transactions involving a transfer of resources or obligations between the Parent or its Group companies and the Company's main shareholders.

Transactions with directors or executives

The Group's *Related parties* are deemed to be, in addition to the subsidiaries, associates and joint operations, the Company Management's *Key personnel* (members of its Board of Directors and of senior management, and their close relatives) and the entities over which key management personnel may exercise control or significant influence. The following is a summary of two transactions carried out in the 2020 financial year with executive directors or companies related to them, which are detailed in the Annual Corporate Governance Report:

Sales of related entities' shares by Acciona Agua, S.A. to Executive Directors

On 21 June 2019, Acciona, S.A. reported that it had assigned any future collection rights arising from the claim that ATLL Concesionaria de la Generalitat de Catalunya, S.A. (in liquidation) has with the Generalitat de Catalunya resulting from the cancellation of the Ter-Llobregat bulk water supply contract award (see Note 19).

As a result of this assignment, and in order to continue with the claim arising from the cancellation of the concession contract, the Acciona Group, as the majority shareholder of ATLL, offered to acquire the respective shares of ATLL's other shareholders, all under the same terms and conditions.

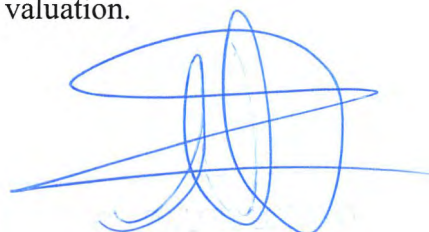
This acquisition process was finally completed on 14 April 2020, through the sale and purchase of 6% of the share capital of ATLL held by Global Buridan, S.L. and Global Lubbock, S.L., respectively.

In accordance with the provisions of the Board Regulations, the transaction was authorised by the Board of Directors, following a report from the Audit Committee.

The Secretary of the Committee reminds the committee members that, given the situation of the world economic crisis and the political uncertainty in Catalonia, prevailing at the time the Bidding Consortium was formed, several institutional investors declined the invitation to form part of the consortium at the last moment: therefore, the Board not only approved but promoted the subscription of non-controlling interests in the Consortium among the members of the Board, through which, finally, it was possible to form the Consortium and present the Offer.

Long-Term Incentive Plan 2014-2019

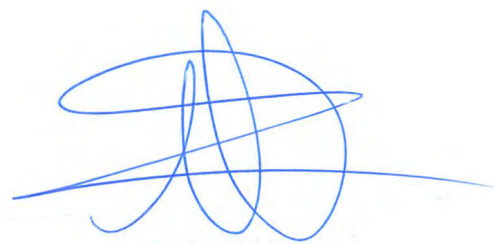
On 28 May 2020, the General Shareholders' Meeting approved the amendment of the 2014 Plan for the delivery of shares and performance shares of Acciona, S.A. This amendment is to allow the incentive to be settled for the entire Plan, in favour of the Executive Directors, either annually or over several years, through the delivery of other company assets that the Board of Directors may consider suitable at market value, according to an independent expert's valuation.



This Plan settlement process, under the supervision of the Appointments and Remuneration Committee and the Audit Committee and with the agreement of the Board of Directors dated 10 December 2020, was completed on 28 December 2020, by the execution of a public deed for the delivery of a total of 3,564,794 shares of Grupo Bodegas Palacio 1894, S.A., representing 81.48% of its share capital, to the Executive Directors in the following proportion:

- Executive Chairman, 2,227,778 shares, representing 50.92% of its share capital.
- Executive Vice-Chairman, 1,337,016 shares, representing 30.55% of its share capital.

In addition, the transactions performed by the Group in 2020 and 2019 with its related parties are listed below, differentiating between the Company's significant shareholders, members of the Board of Directors and Managers, and other related parties. Related party transactions are made on terms equivalent to those in arm's length transactions that usually take place in a normal business relationship with Acciona, S.A. or the Group companies within the scope of the ordinary course of trade of these entities and under market conditions. These transactions consisted basically of:

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Thousand euros					
31.12.2020					
Expenses and income	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Expenses:	--	--	--	--	--
Finance costs	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	114	114
Purchase of goods	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Financial income	--	--	--	--	--
Dividends received	--	--	--	--	--
Services provided	--	--	--	139	139
Sales of goods	--	--	--	--	--
Other income	--	--	--	--	--

Thousand euros					
31.12.2020					
Other transactions	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other operations (purchase)	--	--	--	22,800	22,800
Other operations (sale)	--	--	--	26,357	26,357

Thousand euros					
31.12.2020					
Balances at End of Period	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Customers and trade receivables	--	--	--	--	--
Loans and credit facilities granted	--	--	--	--	--
Other collection rights	--	--	--	125	125
Total balance receivable	--	--	--	125	125
Loans and credit facilities received	--	--	--	--	--
Other payment obligations	--	--	--	--	--
Total balance payable	--	--	--	--	--

Thousand euros					
31.12.2019					
Expenses and income	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Expenses:	--	--	--	--	--
Finance costs	--	--	--	--	--
Leases	--	--	--	--	--
Services received	--	--	--	131	131
Purchase of goods	--	--	--	--	--
Other expenses	--	--	--	--	--
Income:	--	--	--	--	--
Financial income	--	--	--	--	--
Dividends received	--	--	--	--	--
Services provided	--	--	--	55	55
Sales of goods	--	--	--	--	--
Other income	--	--	--	--	--

Thousand euros					
31.12.2019					
Other transactions	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	--	--	--	--	--
Financing agreements: loans and capital contributions (borrower)	--	--	--	--	--
Guarantees provided	--	--	--	--	--
Guarantees received	--	--	--	--	--
Obligations acquired	--	--	--	--	--
Dividends and other profits distributed	--	--	--	--	--
Other transactions	--	--	--	--	--

Thousand euros					
31.12.2019					
Balances at End of Period	Significant shareholders	Administrators and Directors	Group employees, companies or entities	Other related parties	Total
Customers and trade receivables	--	--	--	--	--
Loans and credit facilities granted	--	--	--	--	--
Other collection rights	--	--	--	--	--
Total balance receivable	--	--	--	--	--
Loans and credit facilities received	--	--	--	--	--
Other payment obligations	--	--	--	35	35
Total balance payable	--	--	--	35	35

36.- Remuneration and other benefits

A. Board of Directors

In 2020 the remuneration accrued by the members of the Company's Board of Directors, and taking into account that this remuneration is taken from the perspective of the Parent and its subsidiaries, totalled, in euros, the sum indicated in this Note.

According to article 31 of Articles of Association, the remuneration for Directors will consist in a fixed annual allocation determined for their membership of the Board of Directors and any Committees on which each Director may sit. The amount of the remuneration to be paid by the Company to the Directors as a whole for belonging to the Board of Directors and its Committees will be that determined for this purpose by the General Meeting of Shareholders. Once established, this amount shall remain in force until such time as it may be amended, and the Board of Directors may reduce the amount in the financial years where this is considered convenient.

The Board of Directors determines the exact amount to be paid within that limit and its distribution among the different Directors, with consideration being given to the functions and responsibilities of each member, sitting on the Board's committees and any other unbiased circumstances considered relevant by the Board.

Regardless of the provisions contained in section above, the remuneration deriving from membership of the Board of Directors shall be compatible with any other remuneration (fixed salary; variable bonuses depending on the attainment of business, corporate and/or performance goals; compensation for removal of the Director for reasons other than the failure to perform his or her duties; welfare systems; deferred remuneration items) that, following a proposal by the Appointments and Remuneration Committee and by resolution passed by the Board of Directors, could correspond to the Director for the performance of other functions in the Company, be they senior management executive functions or otherwise, apart from those of joint supervision and decision-taking carried out as mere members of the Board.

Following a resolution adopted by the General Shareholders' Meeting with the legally required scope, Executive Directors may also be remunerated through the delivery of shares or share option rights, or by means of any other remuneration referenced to the value of the shares.

Furthermore, art. 55 of the Regulations for the Board of Directors establishes that the Board determines the system for distributing the remuneration for Directors within the framework established in the Articles of Association.

The decision must take into account the report issued for the purpose by the Appointments and Remuneration Committee.

The Board of Directors shall strive to ensure that the Directors' remuneration is moderate and in line with that paid on the market in companies of a similar size and business activity, with preference for those formats relating a significant portion of the remuneration to their dedication to Acciona.

The system for remuneration of independent directors will strive to serve as a sufficient incentive for their dedication without compromising their independence.

The remuneration of external directors representing substantial shareholders for their performance as Directors must be proportional to that of other Directors and shall not represent any favoured treatment in the form of remuneration of the shareholder(s) designating them. The remuneration system will establish similar remuneration for comparable functions and dedication.

As regards remuneration of executive directors, article 55 bis of the Regulations establishes that the Board of Directors must try and ensure that the remuneration policies in force at each time include for variable remuneration necessary technical safeguards to make sure that such remuneration is in line with the professional performance of its beneficiaries and does not arise simply from the general trend of markets or of the company's business sector or from other similar circumstances. The remuneration of directors must be transparent.

The General Shareholders' Meeting approved the Directors Remuneration Policy for the years 2018-2023, without prejudice to the fact that amendments introduced by the Policy shall apply to remuneration accrued from the date the Policy was approved. In this regard, the directors' remuneration policy for 2021, 2022 and 2023 was approved as a separate item on the agenda for the General Shareholders' Meeting of 28 May 2020 in accordance with the provisions of article 529 of the Spanish Capital Companies Act and article 31.5 of Acciona's Articles of Association, which establish the obligation to approve the directors' remuneration policy at least every three years as a separate item on the agenda.

In any case, any remuneration received by Directors will be in accordance with the Directors' Remuneration Policy in force at all times, except for the remuneration expressly approved by the General Shareholders' Meeting.

The Remuneration Policy approved at the Meeting and according to Article 31.2 of the Acciona's Articles of Association establishes: a) the maximum amount of remuneration payable per year to the directors in aggregate for their duties as such is 1,700,000 euros; b) except where the General Shareholders' Meeting establishes otherwise, the distribution of the remuneration among the directors will be decided by the Board of Directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

The Board of Directors resolved, at the proposal of the Appointments and Remuneration Committee, to set annual amounts for membership of the Board of Directors and its Committees as follows: a) Executive directors shall not receive remuneration for their membership of the Board of Directors, and therefore their remuneration shall be that which corresponds to their executive functions; b) if an executive committee ceases to exist then the remuneration for membership to such a committee is removed; c) the remuneration for membership of non-executive directors to the board is set at 100,000 euros; d) the remuneration for membership to the Committees is changed, which is set at 70,000 euros for the audit committee, 55,000 euros for the appointments and remunerations committee, and 50,000 euros for the sustainability committee; e) the additional remuneration for holding the position of Independent Coordinating Director is set at 30,000 euros; and f) the additional remuneration for chairing the committees is set at 18,000 euros for the audit committee, 11,000 for the appointments and remunerations committee, and 8,000 euros for the sustainability committee.

After a detailed analysis of the remuneration received at international companies and those included on the IBEX 35 index, the Appointments and Remuneration Committee considered the remuneration to be in line with what was paid on the market in companies of a similar size in the same business area, that similar remuneration was paid for comparable functions and dedication and, without compromising independence, remuneration is an adequate incentive for the engagement of directors in the different committees.

The total remuneration paid to the members of the Board for discharging their duties as Company directors in 2020 amounted to 1,496 thousand euros (1,492 thousand euros in 2019). This amount is broken down in thousand euros, by member of the Board of Directors, in the following way:

	Fixed remuneration	Remuneration for membership of Board Committees	Total 2020	Total 2019
Mr. Daniel Entrecanales Domecq	100	58	158	158
Mr. Jerónimo Marcos Gerard Rivero	100	55	155	155
Mr. Juan Carlos Garay Ibargaray	100	163	263	272
(**) Ms. Belén Villalonga Morenés	--	--	--	41
Mr. Javier Entrecanales Franco	100	50	150	150
Mr. Javier Sendagorta Gómez del Campillo	100	55	155	155
Ms. Ana Sainz de Vicuña Bemberg	100	95	195	182
Ms. Karen Christiana Figueres Olsen	100	70	170	170
Mr. José María Pacheco Guardiola	100	50	150	150
(*) Sonia Dulá	100	--	100	59
Total			1,496	1,492

(*) Directors joining the Board in 2019.

(**) Directors leaving the Board in 2019.

The remuneration in cash paid to Directors for the performance of senior management executive functions and for being members of the Board was 27,357 and 5,111 thousand euros in 2020 and 2019, respectively. In addition, they have received remuneration in kind amounting to 97 and 102 thousand euros in 2020 and 2019, respectively.

The Board of Directors, on 10 December 2020, after the Audit Committee and the Appointments and Remuneration Committee had submitted their respective proposals, agreed on the terms and conditions relating to the settlement of the 2014-2019 Long-Term Incentive Plan (LTIP). The Appointments and Remuneration Committee submitted a proposal to the Board of Directors to carry out the corresponding specific allocation of Company shares, determining a degree of achievement of the incentive of 139.76%, with the total number of shares to be allocated to executive directors being 363,373, corresponding to the entire period of the LTIP 2014-2019, that is, six (6) years. After discounting the 130,121 shares delivered in the “2017 milestone”, the board determined that the remainder, that is, 233,252 shares of Acciona, SA would be distributed among the executive directors based on their respective performance, resulting in the following allocation:

- Chairman: 145,783 shares.
- Vice Chairman: 87,469 shares.

The 2020 General Shareholders' Meeting agreed on item four, with the favourable vote of 99.9% of the capital present and represented at the Meeting, to the modification, if applicable, of the settlement system for the 2014 Plan for Delivery of Shares and Performance Shares; this modification is to allow the incentive to be settled on an annual or multi-year basis for beneficiaries entitled to receive Company shares through the delivery of other Company assets, such as shareholdings in Bestinver Investment Funds, listed shares of other companies where Acciona holds a significant stake, or any other asset that the Board of Directors may consider suitable at market value according to an independent expert's valuation, as well as in cash, keeping the rest of the terms and conditions established by the 2014-2019 LTIP in force.

After approval by the General Shareholders' Meeting, the Board unanimously agreed to initiate the independent expert valuation process for the shares of Grupo Bodegas Palacio 1894, S.A.U.; the purpose of which was the possible substitution of Acciona, S.A. shares for Grupo Bodegas Palacio 1894, S.A.U. shares as settlement for the LTIP. As established in Article 46.2 of the Board Regulations, Audit Committee hired an independent expert and supervised the entire valuation process.

The Audit Committee hired and supervised the reports of different independent experts and, taking the average of the two highest valuations into account, submitted a valuation proposal to the Board of Directors for a total value of Grupo Bodegas Palacio 1894 SAU of 32.35 million euros.

The Board of Directors set the value of the 233,252 shares of Acciona SA at 26,357,476 euros (a value of 113 euros per share, corresponding to the share price of Acciona, SA at the market close on 10 December 2020) and proposed the delivery of 3,564,794 shares of Grupo Bodegas Palacio 1894, SAU, representing 81.48% of its share capital and a value of 26,357,476 euros, according to the following breakdown:

- Chairman: 2,227,778 shares of Grupo Bodegas Palacio 1894, S.A.U.
- Vice Chairman: 1,337,016 shares of Grupo Bodegas Palacio 1894, S.A.U.

The executive directors accepted the proposal presented by the Board of Directors.

For the purposes of substituting the assigned shares for Grupo Bodegas Palacio 1894 SAU shares, the following valuation criteria have been taken into account: the market value of said assets at the settlement date, which is equivalent to the market value of the shares on said date.

In this sense, the valuation of these shares of Grupo Bodegas Palacio 1894 SAU, as agreed by the Shareholders' Meeting, coincides with the market value of Acciona SA shares that correspond to the executive directors according to the settlement of the 2014 Plan agreed by the Board of Directors. This equivalence has been made by an independent expert appointed by the Audit Committee, who, as established in Article 46.2 of the Regulations of the Board of Directors, has verified that all the necessary measures have been complied with to ensure that the operation was carried out under market conditions.

Additionally, in 2020, 8,675 shares have been delivered to the Executive Directors, of those corresponding to the shares that were assigned in 2017 and whose delivery was deferred linearly for a period of three years, equivalent to 20% of the total concession. The corresponding breakdown is as follows:

- Chairman: 5,422 shares.

- Vice Chairman: 3,253 shares.

The amount of the shares delivered was 980 and 799 thousand euros in 2020 and 2019 respectively, equivalent to the number of actions multiplied by the market value at the date of delivery.

The Independent director Sonia Dulá is a Non-executive director and Chairman of the Board of Directors of the companies in the Bestinver subgroup following her appointment on 22 July 2019. Only the position at Bestinver, S.A. (within the entire Bestinver subgroup group) is remunerated, and the amount accrued in 2020 for the period in office is 100 thousand euros.

In 2014, the company implemented a savings plan related to a term life assurance, permanent disability in the degrees of total, absolute and grand invalidity, and death (*Savings Plan*) aimed solely and exclusively at the Company's Executive Directors. The basic characteristics of the plan are as follows:

- a) It is a social welfare system based on a defined contribution.
- b) It is a system endowed externally through the payment by the Company of annual premiums to an insurance company with the Participant as the beneficiary, for the coverage of survival and the risk contingencies, i.e.: (i) death and (ii) permanent disability in the degrees established in the Regulations.
- c) Should the Participants cease to occupy positions as Executive Directors of Acciona for any reason, the Company shall cease to pay the premiums to the Savings Plan on the date on which they indisputably cease to hold their position, without prejudice to any economic rights recognised to Participants.
- d) The payment of the Benefit arising out of the Savings Plan will be made directly by the insurance entity to the Participants, net of any corresponding withholdings or payments on account of personal Income Tax that may be applicable in each case and payable by the beneficiary of the Benefit. For the rest of the contingencies, the payment of the Benefit will also be made directly by the insurance entity to any entitled parties.
- e) The status of Participant in the Savings Plan will be lost should any of the following circumstances arise: i) occurrence of any of the risk contingencies covered and collection of the Benefit; ii) attainment of the age of 65 years; iii) removal from the position of Executive Director of Acciona for any reason other than those indicated above.
- f) Consolidation conditions. The beneficiary of the Savings Plan shall be the Company under the following two situations:
 - a. If the participant is removed from the position of Executive Director of Acciona due to resignation for voluntary causes.
 - b. If the participant is removed from the position of Executive Director for breaching their duties or for an act or omission that harms the Company or is sentenced with a final verdict issued by a judicial authority.

In these cases, the participants shall lose all economic rights accumulated in the Savings Plan and therefore, may not receive any benefit arising from the Plan.

The contributions to the Savings Plan in 2020 and 2019 in favour of the Executive Directors came to 2,613 and 4,913 thousand euros, respectively. These contributions in 2019 included 100% of the fixed annual salary and an additional amount arising from extraordinary contributions to the Savings Plan related to part of the variable remuneration in 2019.

The accumulated value at 31 December 2020 of the savings systems with non-consolidated economic rights of Executive Directors amounted to 27,555 thousand euros.

No obligations have been entered into in connection with pensions with respect to former and current members of the Board of Directors. Nor have any advances, credits or guarantees been given in favour of the members of the Board of Directors, except as indicated in this note.

In financial years 2020 and 2019 the directors of the Parent Company did not receive any remuneration for being members of other boards and/or senior management of Group Companies, except as indicated for Ms Sonia Dulá in relation to the Bestinver subgroup.

The total remuneration of members of the board of directors of Acciona, S.A., including remuneration for executive functions, was 56,388 and 7,503 thousand euros in 2020 and 2019, respectively.

A. Senior Management

Senior Management includes those people forming the top two levels of the Acciona group's management and the Corporate Internal Audit Director. This classification is for information purposes only and without prejudice to their specific employment relationship.

The remuneration of the Company's General Managers and people discharging similar duties, excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above), and bearing in mind that this remuneration is taken from the perspective of the Parent Company and subsidiaries, in 2020 and 2019 is summarised as follows:

Type of remuneration	2020	2019
Number of people	38	37
Remuneration (thousand euros)	24,385	22,659

The figures for 2020 appearing as remuneration included the amounts related to compensation paid to the executives that left the company every year, for termination of their employment relationship.

The civil liability premium for directors and executives as paid in 2020 amounted to 1,418 thousand euros.

2020-2029 Long-Term Incentive Plan Linked to the Creation of Value:

The General Shareholders' Meeting of 28 May 2020 approved a long-term incentive plan linked to the creation of value aimed at the executive directors of Acciona, SA, which will be called the *2020-2029 Long-Term Incentive Plan Linked to the Creation of Value directed at the Executive Directors of Acciona, SA or 2020 LTIP*, the main characteristics of which are as follows:

(A) Beneficiaries of the plan: The directors of Acciona, S.A. who, at the date the Plan is approved, perform the most senior management functions of the Acciona Group as executive directors.

(B) Plan duration: Ten years (from 1 January 2020 to 31 December 2029, both inclusive).

(C) Metrics used to measure the creation of value:

(i)) The rate (“TSRR”) of total shareholder return (“TSR”) as benchmark indicator for measuring the creation of value.

TSR will be calculated as the difference between the initial value of 100% of the current capital of ordinary shares of Acciona, S.A. and the final value of the same investment, adding the difference of the gross dividends received by a shareholder maintaining the investment at 100% of capital for the 2020-2029 period of the plan, without a financial update of the respective values.

The initial value and final value will be calculated taking into account (for calculation of the initial value) the weighted average by daily volume of the weighted average prices of the Acciona, S.A. shares corresponding to the market sessions in the months of October, November and December 2019, and (for calculation of the final value) the weighted average by daily volume of the weighted average prices of the Acciona, S.A. shares corresponding to the market sessions in the months of October, November and December 2029.

It is stated for the record that the weighted average by daily volume of the weighted average prices of the Acciona, S.A. shares corresponding to the market sessions in the months of October, November and December 2019 amounts to 92.84 euros. Consequently, the initial value taken as a reference to calculate the TSR is 92.84 euros.

(ii) The weighted average capital cost (“WACC”) as minimum profitability rate; that is, as minimum TSRR above which value will be deemed to have been created for shareholders of Acciona, S.A.

The WACC will be calculated as the average rate of the WACC used to finance in consolidated terms the assets and activity of Acciona, S.A. And its group for each of the ten years the plan covers, with each annual WACC having been calculated at 31 December each year as the average rate of the WACC corresponding to each of the twelve months of the year in question (calculated on annual basis at the last day of each month).

(D) Calculation of the incentive: Both indicators (TSR and the corresponding TSRR, and WACC) will be calculated at the conclusion of the plan for the 2020-2029 period of reference and only in the event the TSRR exceeds the WACC, the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, (i) will determine the aggregate amount of the incentive to be paid to executive directors, which will be equivalent to 1% of the TSR achieved at the end of the period and (ii) will decide on the distribution of the resulting amount among the executive directors according to criteria that weight the relative contribution of each of them to the achievement of value creation for the shareholders of Acciona, S.A. during the term of the Plan.

(E) Payment of the incentive and deferral: The incentive will be paid in full in cash as follows: (i) (i) 80% in 2030, following the drawing up of the consolidated financial statements for 2029 for Acciona and its group in relation to which an audit report without qualifications is issued, and (ii) the remaining 20% in 2031, following the drawing up of the consolidated financial statements for 2030 for Acciona and its group in relation to which an audit report without qualifications is issued, provided that, during the deferral period, in the opinion of the Board of Directors, acting on a proposal of the Appointments and Remuneration Committee, none of the malus scenarios indicated in section (F) below has arisen.

(F) Malus and claw back: Acciona, S.A. may claim from executive directors within three (3) years following each date on which an incentive payment has been made (including payment of the part of the incentive paid on a deferred basis) the clawback of all or part of the part of the incentive paid to the executive director if, during the three (3) year period in question, any of the following malus scenarios has arisen, in the opinion of the Board of Directors, acting on a proposal of the Appointments and Remuneration Committee: (i) the executive director commits a serious breach of his/her duties of diligence or loyalty pursuant to which he/she must discharge his/her duties in Acciona, S.A., or due to any other serious and culpable breach of the obligations that the executive director has assumed by virtue of his/her contracts with Acciona, S.A. for the performance of executive functions, (ii) it is confirmed that the executive director has received the incentive under the plan based on data that is subsequently shown to be manifestly inaccurate, or (iii) the executive director fails to comply with a post-contractual non-compete undertaking entered into or assumed in relation to Acciona, S.A.

(G) Early Settlement: In the event that the commercial relationship of an executive director with Acciona, S.A. is terminated, or the delegation of executive functions is revoked, at any time during the validity of the plan (that is, between 1 January 2020 and 31 December 2029, both inclusive) for reasons not attributable to the director, the plan will be settled prematurely in relation to the two executive directors. Moreover, the plan will be settled prematurely in the event of the voluntary resignation of the executive director as of the 4th year of validity of the plan, with settlement of part of the incentive that, if applicable, corresponds to the executive director according to the value created during the period in question, for a percentage that will vary between 50% and 100% of the amount of the incentive depending on the year in which the resignation takes place (50% in 2024, 60% in 2025, 70% in 2026, 80% in 2027, 90% in 2028 and 100% in 2029). The Board of Directors of Acciona, acting on a proposal of the Appointments and Remuneration Committee, may decide, in view of the best interests of Acciona at that time, that the plan will remain in force in relation to the executive director that is unaffected.

The incentive will only accrue if, at 31 December of the year prior to the one in which the reason not attributable to the executive director arises or of the voluntary resignation of the executive director, the TSR exceeds the WACC figure with the period in question being used as the time benchmark.

Other possible extraordinary incentives:

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, may submit other extraordinary incentive plans to the approval of the General Shareholders' Meeting to respond to the circumstances of the business or corporate operations that it deems necessary.

Plan for the Delivery of Shares and Performance Shares

The General Shareholders' Meeting held on 24 June 2014 approved the following agreement:

A) To extend the term of validity of the Shares and Options Delivery Plan to Acciona group's management, including Executive Directors, as was approved by the General Shareholders' Meeting of Acciona, S.A. on 4 June 2009, for application in financial years 2014 to 2019, and to increase the maximum number of shares available by 200,000 shares.

B) To authorise the Board of Directors of the Company so that it may, to all the extent required by law and upon proposal by the Appointments and Remuneration Committee, amend the Plan Regulations under the terms and conditions that the Board considers convenient, establishing

delivery conditions and times, accrual periods, allocation criteria and limits and any other aspect that the Board considers relevant, in order to align further the long-term interests of the Company's Executive Directors and other executives of the Acciona Group with those of the shareholders of Acciona, S.A., and thus boost their motivation in the attainment of higher value and long-term stability for the group, and consolidate their loyalty and permanence in the Group.

Pursuant to that authority, on 26 February 2015 the Board of Directors approved, upon proposal by the Appointments and Remuneration Committee, to amend the Plan Regulations, drawing up a new one whose term of validity covers the six-year period from 2014 to 2019, both inclusive. In addition, and making use of the approval of the General Shareholders' Meeting on 18 May 2017, following a proposal from the Appointments and Remuneration Committee, the Board of Directors approved an additional amendment to the Plan Regulations at their meeting held on 14 December 2017 with the aim of adapting it to corporate governance best practices regarding deferral, malus and clawback on the variable remuneration of executive directors, and to the principles and guidelines contained in the Directors Remuneration Policy approved by the General Shareholders' Meeting. In addition, the duration of the Plan is extended for an additional two years (i.e. up to and including 2021) only for directors (excluding Executive Directors), and subject to the full discretion of the Board of Directors and after a report from the Appointments and Remuneration Committee, the possibility to assign and deliver extraordinary Acciona shares is also introduced for multi-year periods (a minimum of three (3) years) to one or several Beneficiary Directors (other than Executive Directors) for achieving extraordinary results.

In relation to long-term variable remuneration, the minority shareholders, in line with the recommendations of the Proxy Advisors, had repeatedly stated in their votes at the General Shareholders' Meetings their preference for the variable remuneration of the Executive Chairman not to be paid in shares of ACCIONA, S.A. since they considered that, in this case, the advantages of this remuneration system did not exist since the interests of the executive directors were already aligned with the interests of the company.

In response to this recommendation and the vote of the minority shareholders, the 2020 General Shareholders' Meeting agreed on item four, with the favourable vote of 99.84% of the share capital present or represented at the Meeting which came to 83.4%, to the modification, if applicable, of the settlement system for the 2014 Plan for Delivery of Shares and Performance Shares; this modification is to allow the incentive to be settled on an annual or multi-year basis for beneficiaries entitled to receive Company shares through the delivery of other Company assets, such as shareholdings in Bestinver Investment Funds, listed shares of other companies where Acciona holds a significant stake, or any other asset that the Board of Directors may consider suitable at market value according to an independent expert's valuation, as well as in cash, thus avoiding affecting the liquidity of the Company's shares on the market and keeping the rest of the terms and conditions established by the 2014-2019 LTIP in force.

The main features of the Plan for Delivery of Shares and Performance Shares are as follows:

A) Purpose of the Plan:

The purpose of the 2014 Plan for Delivery of Shares and Performance Shares is to remunerate management, including the Executive Directors of Acciona in such a manner as to boost the attainment of strategic business objectives to the benefit of the Company's shareholders, and the loyalty and permanence of executives.

B) Strategic indicators and objectives to achieve

B) Strategic indicators and objectives to achieve. Achievement of objectives will be based on business strategic indicators, which have been defined by the Board of Directors for financial years ranging from 2014 to 2019.

C) Plan beneficiaries

C.1. – Executive Directors

Reference period: The reference period of the business strategic indicators will be the 2014-2019 six-year period, although, for allocation of Performance shares, the whole period from the start of the 2014 Plan application period to the end of the previous financial year will be considered.

Performance shares allocation: Upon completion of each financial year, the Board of Directors may assess the extent to which the long-term strategic objectives have been achieved up to that point.

The final allocation of treasury shares to Executive Directors will take place (a) at the end of the whole 2014 Plan period (in 2020) upon consideration of the assessment made for the whole 2014-2019 period and (b) at a midpoint milestone, in 2017, upon completion of the first three 2014-2016 financial years, upon consideration of the assessment made on the first 2014-2016 three-year period.

Permanence condition: Delivery of the shares finally allocated to Executive Directors is dependent on the fact that the Executive Director has not ceased to perform his/her senior management duties in Acciona or its Group for reasons attributable to the Director in question, according to the terms set out in the Plan Regulations.

In no event may the number of allocated shares exceed, together with those allocated under the 2014 Plan, the maximum number available approved by the General Meeting.

The actual share delivery date in accordance with the provisions in the preceding sections shall be determined by the Board of Directors and in any case, it shall be done after the General Shareholders' Meeting of the year in which the shares are to be delivered has taken place. Delivery of 20% of the shares that the Executive Directors have a right to receive shall be subjected to a minimum deferral period of one (1) year, and its accrual shall be subject to their permanence as an Executive Director as detailed in the Regulations, and on there not being any causes that in the opinion of the external auditors could lead to a material restatement of the Acciona Group's consolidated financial statements, as determined by the Board of Directors following a proposal by the Appointments and Remuneration Committee, except when this arising from an amendment to accounting standards.

Shares delivered in 2017 are subject to an option for Acciona to buy them back: Treasury shares delivered to Executive Directors in 2017 (in relation to financial years 2014, 2015 and 2016) have been subjected to Acciona's right to buy them back, a right that can be exercised if the Executive Director acquiring the shares ceases to perform his/her senior management duties in Acciona or its group before 31 March 2020 for breach of his/her contractual obligations or resignation of his/her own free will.

In addition, during the three (3) years following the date on which the shares are delivered, Acciona could request the Executive Directors to: (i) return the shares and/or amounts paid when the corresponding calculations had been done based on data which has been proven to be manifestly misstated, and (ii) return the shares and/or amounts paid and/or not be paid the amounts that they are

entitled to, in cases where the director has incurred a serious breach in their duties of diligence or loyalty in line with their position in Acciona, or for any other serious and negligent breach of the obligations that the Executive Directors have assumed under the contracts signed with Acciona in order to fulfil their executive functions.

With regards to shares to be delivered to Executive Directors in 2020, as applicable, and only in respect of the number of Shares equating to two times the annual fixed remuneration, these shares cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, until three (3) years have passed since the shares were allocated.

Executive Directors may however contribute shares which have been delivered to them to companies controlled or owned by the Executive Director. In these cases, Acciona shall adopt the necessary guarantees, including real guarantees, to ensure compliance with the provisions of the Regulations, and in any case, the beneficiary company receiving the shares which is controlled or owned by the Executive Director, must do so within reason and is bound to comply with the guarantees or limitations granted in favour of Acciona.

C.2. – Group's Executives

For the other beneficiaries that are not executive directors, the Board of Directors will approve, upon considering proposal by the Appointments and Remuneration Committee, the amount for separate variable remuneration to be paid through delivery of the Acciona's treasury shares allocated for each financial year to each executive that benefits from the 2014 Plan other than Executive Directors.

The allocation may be implemented through a number of treasury shares or in a cash amount. In the latter case, the equivalent number of shares will be based on the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation. In no event will the number of allocated shares thus quantified exceed, together with the other shares allocated under the 2014 Plan, the maximum number approved by the General Meeting.

Treasury shares delivered to these Beneficiaries are subject to Acciona's right to buy them back, a right that can be exercised if the beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary. The Board of Directors may extend to a reduced group of executives the Performance shares and/or shares allocation system established for executive directors, with the changes as can be proposed by the Appointments and Remuneration Committee regarding interim allocation, tax system, objectives, midpoint milestones and delivery times, with the purpose of increasing their motivation in the attainment of higher value and long-term stability for the group, as well as consolidating their loyalty and permanence in the Group.

The 2014 Plan does not provide for the possible sale of shares delivered in order to pay the tax incurred by the Beneficiary as a result of such delivery. The cost of the payment on account of the 2014 Plan performance shall not be passed on to the beneficiaries, and the Company shall assume the tax cost that this payment may have on the personal income tax of the beneficiaries with the established limits.

D) Number of shares available for the Plan

Initially, the maximum number of shares that could be allocated to the Beneficiaries in application of the 2014 Plan was fixed at 258,035, although it could be increased by resolution of the General Shareholders' Meeting.

In this respect, the General Shareholders' Meeting held on 11 June 2015, 10 May 2016, 18 May 2017 and 30 May 2018 agreed to increase the maximum number of shares available for the *2014-2019 Plan for Delivery of Shares and Performance Shares* by 100,000 for each year, without affecting later increases if so proposed by the Board of Directors and approved by the General Shareholders' Meeting.

The amount of the 2014 Plan was paid to the Executive Directors in the form of the Company's own shares and in shares of Grupo Bodegas Palacio 1894.

At the close of 2020 the maximum number of shares available was 433,286, after 26,231 were used in 2020 for delivery to executives other than Executive Directors, and 8,675 shares for Executive Directors which corresponded to the deferred delivery agreed in 2017.

In addition, the Board approved the delivery of 3,564,794 shares of Grupo Bodegas Palacio 1894, S.A., i.e., 81.48% of its share capital, to the Executive Directors in the following proportion:

- Chairman: 2,227,778 shares.
- Vice Chairman: 1,337,016 shares.

The 2014 Plan has been finalised for executive directors with no shares outstanding.

E) Recipients

The annual number of Recipients shall not exceed 100.

Plan to replace variable remuneration for shares

Upon proposal by the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the former Plan, with the purpose of furthering and extending the objectives for building loyalty and retaining the Group's executives, on 26 March 2015 the Board of Directors approved the *Plan to Replace Variable Remuneration for Acciona shares, aimed to Acciona and its Group's management* (the Substitution Plan), excluding executive directors; the main characteristics of the plan are the following:

Aim: To retain and motivate the management team effectively and achieve higher alignment of their interests with those of the Company and its Group.

Initial duration: Six years (2014 to 2019). The plan has been finalised with the shares delivered in 2020.

Purpose: To offer discretionally the option of replacing or swapping, in whole or in part, variable remuneration in cash for Company shares to certain Acciona and its group's executives, according to a swap equation to be determined each year. Since 2015 and to date, the swap equation approved carried an incentive of 25% over the variable remuneration replaced.

Beneficiaries: The executives that the Board of Directors determines of its own free will. Executive Directors are excluded from this Plan.

Restrictions on the shares delivered: In general terms, the shares delivered cannot be (a) disposed of, encumbered or used under any title (except for mortis causa), and (b) no option right can be set up over them, or any other right limiting ownership or as security, until after 31 March of the third year following the year in which the shares in question were delivered to the Beneficiary.

Treasury shares transferred to these Beneficiaries, corresponding to the incentive and not to the portion of the shares related to the replaced remuneration as per the amendment approved on 29 February 2016 by the Board of Directors, are subject to Acciona's right to buy them back, a right that can be exercised if the Beneficiary acquiring the shares ceases his/her professional engagement with Acciona or its Group before 31 March of the third year following the year when delivery takes place, for reasons attributable to the Beneficiary.

The Acciona share price to be taken as benchmark to determine the swap equation will be the closing price on the last day of trading of March of the year when the Board of Directors determines the allocation of the replacement option.

Shareholders Plan

The Board of Directors, following proposal by the Appointments and Remuneration Committee, with the purpose of facilitating participation in the company's shareholdings, approved on 28 February 2017 a new Plan that makes it possible to redistribute part of the variable and/or fixed money remuneration with the limit of 12,000 euros per year through delivery of shares in the Company in accordance with the current regulatory framework, which is favourable in terms of the fiscal treatment of this type of plan.

The plan is voluntary and it offers all employees with fiscal residence in Spain the opportunity of participating in the company's results by becoming shareholders. This Plan does not affect executive directors as their relationship is mercantile and not based on an employment contract. The shares were measured at the closing quotation price on 31 March 2020.

Finally, the number of shares delivered to Beneficiaries other than executive directors (57 Beneficiaries), under the **Plan for Delivery of Shares /Performance Shares**, in consideration of their dedication and performance in financial year 2020, was 26,231 shares at the fair value of 2,862 thousand euros.

Given that this plan accrues on a three-year basis, one third of the fair values mentioned above is reflected in *Personnel expenses* on the accompanying income statement at 31 December. The other two thirds will be recognised on the income statements for financial years 2021 and 2022.

Finally, in application of the **Replacement Plan**, 12,953 shares in the Company were delivered in 2020, at the fair value of 1,261 thousand euros, to 29 executives of Acciona and its Group, in payment of part of their variable remuneration in cash in 2019.

The Company determined the fair value of the goods and services received by reference to the fair value of the equity instruments assigned.

There are no options that are susceptible of being exercised at the end of the period.

Detail of the individuals who held Senior Management positions in the Group (taking the Parent and subsidiaries into account as Senior Management) in 2020 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	LATAM Business Development Director - Infrastructures
Ancín Viguiristi, Joaquín	Director of Engineering & Construction - Energy
Anta Callersten, Carlos	Director of Organisation, Talent and Health
Arilla de Juana, Carlos	Operations Director - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Director
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	Director of the Chairman's Office
Castilla Cámara, Luis	CEO Infrastructures
Castillo García, Joaquín	Development Director - Energy
Claudio Vázquez, Francisco Adalberto	Director of Studies and Contracting - Construction
Corella Hurtado, Olga	Finance Director - Infrastructures
Corral Fernandez, Nicolás	CEO Services
Cruz Palacios, Juan Manuel	Labour Relations and OSH Director - Infrastructures
Díaz-Caneja Rodríguez, José Luis	Water CEO
Ezpeleta Puras, Arantza	Director – Technology & Innovation
Fajardo Gerez, Fernando	Business Development Director - Infrastructures
Fernández López, Roberto	Labour Relations and OHS Director
Fernández-Cuesta Laborde, Raimundo	Director of Market Area and Investor Relations
Figuerola Gómez de Salazar, José Julio	Legal Director
Gutierrez Abarquero, David	Director - Economic Oversight and Tax Matters
Jiménez Serrano, Ramón	CEO Industrial - Construction
Marín García, Diego	CEO Concessions
Martínez Sánchez, Juan Manuel	Safety Director
Mateo Alcalá, Rafael	CEO Energy
Mollinedo Chocano, José Joaquín	Institutional Relations, Sustainability, Communications, and Brand
Moreno Lorente, Huberto José	CEO Construction
Muro-Lara Girod, Juan	Director - Strategy and Corporate Development
Noonan, Bede	CEO Infrastructure Australia & New Zealand
Otazu Aguerri, Juan	Production Director - Energy
Pan de Soralue Muguiro, Andrés	CEO - Real Estate
Rego Prieto, Oscar Luis	Operations Director - Infrastructure
Rodríguez Hernández, José Luis	Director of Investees
Santamaría-Paredes Castillo, Vicente	Compliance Director
Soto Conde, Antonio	CEO Bodegas Palacio
Tejero Santos, José Ángel	CFO
Terceiro Mateos, José Manuel	Director of Economic Management
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	CEO of Construction Spain

Detail of the individuals who held Senior Management positions in the Group (taking the Parent and subsidiaries into account as Senior Management) in 2019 was as follows:

Name or registered name	Position(s) held
Alcázar Viela, Jesús	General Manager Latin America - Infrastructure
Ancín Viguiristi, Joaquín	General Manager Engineering & Construction - Energy
Arilla de Juana, Carlos	Operations General Manager - Infrastructure
Beltrán Núñez, Raúl	Internal Audit Manager
Callejo Martínez, Alfonso	General Manager - Corporate Resources
Carrión López de la Garma, Macarena	General Manager - Office of the Chairman
Castilla Cámara, Luis	CEO - Infrastructures
Castillo García, Joaquín	Development Area General Manager - Energy
Claudio Vázquez, Adalberto	Contract Management and Studies Area General Manager - Infrastructure
Corella Hurtado, Olga	Finance Area General Manager - Infrastructure
Corral Fernandez, Nicolás	Area General Manager - Service
Cruz Palacios, Juan Manuel	Labour Relations and OSH General Manager - Infrastructure
Díaz-Caneja Rodríguez, José Luis	Area General Manager - Water
Ezpeleta Puras, Arantza	General Manager - Technology & Innovation
Fajardo Gerez, Fernando	Infrastructure Area General Manager - Australia and Asia
Fernández López, Roberto	Corporate Resources Area General Manager - Infrastructure
Fernández-Cuesta Laborde, Raimundo	General Manager - Market Area and Relations with Investors
Figuerola Gómez de Salazar, José Julio	Area General Manager - Legal Services
Gutierrez Abarquero, David	Area General Manager - Economic Oversight and Tax Matters
Jiménez Serrano, Ramón	Area General Manager - Industrial
Marín García, Diego	Area General Manager - Concessions
Martínez Sánchez, Juan Manuel	Area General Manager - Corporate Security
Mateo Alcalá, Rafael	CEO - Energy
Mollinedo Chocano, José Joaquín	General Manager - Institutional Relations, Sustainability and Brand
Moreno Lorente, Huberto José	Area General Manager - Construction
Muro-Lara Girod, Juan	General Manager - Strategy and Corporate Development
Otazu Aguerri, Juan	Production Area General Manager - Energy
Pan de Soraluece Muguiro, Andrés	CEO - Real Estate
Rego Prieto, Oscar Luis	Procurement Area General Manager - Infrastructure
Rodríguez Hernández, José Luis	Area General Manager - Other Businesses and Investees
Santamaría-Paredes Castillo, Vicente	Area General Manager - Compliance
Silva Ferrada, Juan Ramón	Area General Manager - Sustainability
Soto Conde, Antonio	Area General manager - Grupo Bodegas Palacio 1894
Tejero Santos, José Ángel	General Manager - Economic and Financial Area
Terceiro Mateos, José Manuel	General Manager of Corporate Economic Management Area
Vega-Penichet Lopez, Jorge	General Secretary
Vicente Pelegrini, Justo	Area General Manager - Construction Spain

B. Auditor

For financial years 2019 and 2020, the fees for financial audit and other services provided by the auditor of the Group's consolidated financial statements, KPMG Auditores, S.L., or by firms in the KPMG organisation, and the fees billed by the auditors of the financial statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows:

	Services provided by the main auditor		Services provided by other audit firms	
	2020	2019	2020	2019
Auditing services	4,475	3,850	314	526
Other assurance services	412	381	677	906
Total audit and related services	4,887	4,231	991	1,432
Tax advisory services	153	233	2,070	1,801
Other services	1,257	1,200	5,227	4,333
Total professional services	1,410	1,433	7,297	6,134

The fees for the *audit services* provided by the audit firm KPMG Auditores, S.L. for the Group's financial statements amounted to 1,525 thousand euros in 2020 (1,528 thousand euros in 2019), for *Other verification services* including limited reviews of interim financial statements, *comfort letter* services relating to securities, and the report on the *Internal Control System* for Financial Information and for *other services* including the reports on agreed-upon procedures for the certification of financial ratios amounted to 324 thousand euros in 2020 (298 thousand euros in 2019).

Furthermore, the concept of *tax advisory services* includes mainly fees for advisory services on transfer pricing, corporate tax and direct and indirect taxation documentation. Finally, *other services* mainly includes advisory services in the scope of sustainability and corporate social responsibility, due diligence services, and information technology and business consultancy services.

The fees charged by other audit firms when the firm providing them is also the auditor of the corresponding company, in relation to *other verification services*, amounted to 13 thousand euros in 2020 and 30 thousand euros in 2019; in relation to *Tax Advisory Services*, amounted to 15 thousand euros in 2020 and 50 thousand euros in 2019; in relation to *Other Services*, amounted to 130 thousand euros in 2020 and 71 thousand euros in 2019.

37.- Other disclosures concerning the Board of Directors

Pursuant to Article 229 of Royal Legislative Decree 1/2010, of 2 July, whereby the consolidated text of the Capital Companies Act was approved, at 31 December 2020, according to the information available to the Company and notified by Directors and their related parties, they were not involved in any situations of conflict, whether direct or indirect, with the Company's interests.

Notwithstanding the foregoing, and in accordance with the provisions of the aforementioned article 229 of the Spanish Capital Companies Act, the Executive Directors abstained from voting on the transactions described in note 35 of these financial statements.

APPENDIX I

GROUP COMPANIES

The subsidiaries of Acciona, S.A. considered to be Group companies were treated as such in accordance with IFRS. The companies fully consolidated in 2020, and the information thereon at 31 December 2020, were the following:

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
3240934 Nova Scotia Company	--	Canada	Energy	100.00%	Subgroup Acciona Renewable Canada
Abigroup Limited	--	Australia	Const. Oceania	100.00%	Subgroup Abigroup
Abigroup Properties, Pty Ltd	--	Australia	Const. Oceania	100.00%	Subgroup Abigroup
Acciona Wind Energy Canada Inc.	--	Canada	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona & Sogex Facility Services LLC	E	Oman	Services	70.00%	Subgroup Acciona Facility Services
Acciona Aeropuertos, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Agua Adelaide Pty Ltd	A	Australia	Water	100.00%	Subgroup Acciona Agua Australia
Acciona Agua Australia Proprietary, Ltd	A	Australia	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Brasil - Tratamento De Agua Ltd	--	Brazil	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Canada Inc.	A	Canada	Water	100.00%	Subgroup Acciona Agua
Acciona Agua India Private Limited	E	India	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Internacional Australia Pty, Ltd	C	Australia	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua Internacional Inc.	--	Canada	Water	100.00%	Subgroup Acciona Agua Internacional
Acciona Agua Internacional, S.L.	--	Madrid	Water	100.00%	Subgroup Acciona Agua
Acciona Agua México, S.R.L. De C.V.	A	Mexico	Water	100.00%	Subgroup Acciona Agua
Acciona Agua Servicios S.L.	A	Madrid	Water	100.00%	Subgroup Acciona Agua
Acciona Agua, S.A.	A	Madrid	Water	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Airpor Services Düsseldorf GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services Frankfurt, G
Acciona Airport Americas, Spa	A	Chile	Services	100.00%	Subgroup Acciona Aeropuertos

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Airport Customer Services GmbH	--	Germany	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Airport Services Barcelona, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Canarias, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Chile, Spa	--	Chile	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Este, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services Madrid, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services S.A.S.	--	Colombia	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Airport Services Sur, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Airport Services
Acciona Airport Services, GmbH	A	Germany	Services	100.00%	Subgroup Acciona Airport Services Frankfurt, G
Acciona Airport Services, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Airport Services, Sau Argentina	--	Argentina	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Biocombustibles, S.A.	--	Navarra	Energy	100.00%	Subgroup Acciona Energía
Acciona Biomasa	--	Navarra	Energy	100.00%	Subgroup Acciona Energía
Acciona Bsp Holdings Inc	--	Canada	Construction and Engineering	100.00%	Subgroup Acciona Concesiones
Acciona Campus S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona CEI Australia Finance, Pty Ltd	--	Australia	Const. Oceania	100.00%	Subgroup Acciona Agua Australia
Acciona CEI Australia Holdings, Pty Ltd	--	Australia	Construction Oceania	100.00%	Subgroup Acciona Agua Australia
Acciona CEI Australia, Pty Ltd	--	Australia	Const. Oceania	100.00%	Subgroup Acciona Agua Australia
Acciona Cerro Negro, S.A.	--	Chile	Water	100.00%	Subgroup Acciona Construcción
Acciona Concesiones Australia Pty Limited	A	Australia	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concesiones Chile, S.A.	A	Chile	Concessions	100.00%	Subgroup Acciona Construcción
Acciona Concesiones De Infraestructuras S.L	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concesiones Mexico S.R.L. De C.V.	--	Mexico	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concesiones, S.L.	A	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Acciona Concessions Management Inc.	A	Canada	Concessions	100.00%	Subgroup Acciona Concesiones

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Construcción Andina S.A.S.	--	Colombia	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Construcción Australia, Pty Ltd	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Acciona Construcción New Zealand Limited	--	New Zealand	Construction Oceania	100.00%	Subgroup Acciona Geotech
Acciona Construcción, S.A	A	Madrid	Construction and Engineering	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Construction Holdings Pty Ltd	--	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Acciona Construction Maroc, Sarl	--	Morocco	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Construction Philippines Inc.	A	Philippines	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Construction Usa Corp.	--	USA	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Copiapó, S.A.	--	Chile	Water	100.00%	Subgroup Acciona Construcción
Acciona Corporación, S.A.	--	Madrid	Other Investees	100.00%	Subgroup Finanzas y Cartera 2
Acciona Desarrollo Corporativo, S.A.	--	Madrid	Other Investees	100.00%	Subgroup Finanzas y Cartera 2
Acciona Distributed Generation, S.L. (formerly Biodiesel Sagunt, S.L.)	--	Madrid	Energy	100.00%	Subgroup Acciona Energía
Acciona Do Brasil, Ltda.	--	Brazil	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Energía Atlanta I, S.L.	--	Madrid	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energía Atlanta II, S.L.	--	Madrid	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energía Atlanta III, S.L.	--	Madrid	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energía Chile	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Chile Holdings, Sa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Colombia Sas	--	Colombia	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Costa Rica, S.A.	--	Costa Rica	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Global Egypt, Llc	A	Egypt	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Global Italia, S.R.L.	A	Italy	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energía Global, S.L.	A	Madrid	Energy	100.00%	Subgroup Acciona Energía
Acciona Energía Internacional, S.A.	A	Madrid	Energy	75.00%	Subgroup Acciona Energía

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Energía México, Srl	A	Mexico	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energía Servicios México S De RI De C.V.	A	Mexico	Energy	100.00%	Subgroup Acciona Energía Mexico Global
Acciona Energía, S.A.	A	Navarra	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Acciona Energija D.O.O.	--	Croatia	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy North América Corp.	--	USA	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energy Australia Global, Pty. Ltd	A	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy Canadá Global Corp	--	Canada	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy Development Canadá Inc	--	Canada	Energy	100.00%	Subgroup Acciona Energía Global Canada
Acciona Energy Global Poland Sp. Z.O.O.	A	Poland	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy India Private Limited	A	India	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy Oceanía Construction Pty Ltd	A	Australia	Energy	100.00%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceanía Financial Services Ply, Ltd	A	Australia	Energy	100.00%	Subgroup Acciona Energía Global Australia
Acciona Energy Oceanía Ply. Ltd	A	Australia	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energy Poland Maintenance Services Sp. Z O.O	A	Poland	Energy	100.00%	Subgroup Acciona Energía Global Poland
Acciona Energy Poland Sp. Z.O.O	A	Poland	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energy Singapore Pte Ltd	--	Singapore	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy South Africa (Proprietary) Limited	A	South Africa	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Energy South Africa Global (Pty) Ltd	A	South Africa	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Energy USA Global LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Acciona Engineering Qatar	A	Qatar	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Acciona Eólica Calabria, Srl	--	Italy	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Eólica Cesa Italia, S.R.L.	A	Italy	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Eólica Cesa, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas
Acciona Eólica De Castilla La Mancha, S.L.	A	Madrid	Energy	100.00%	Subgroup Alabe
Acciona Eólica De Galicia, S.A.	A	Lugo	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Eólica Levante, S.L.	A	Valencia	Energy	100.00%	Subgroup Alabe
Acciona Eólica Portugal Unipersonal, Lda.	A	Portugal	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Eólica Santa Cruz, S. De R.L. De C.V.	A	Mexico	Energy	100.00%	Subgroup Acciona Energía Mexico Global
Acciona EPC North América LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Acciona Esco France S.A.S.U.	--	France	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Esco, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Facility Services Canadá Ltd	--	Canada	Services	100.00%	Subgroup Acciona Facility Services
Acciona Facility Services Germany GmbH	--	Germany	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Facility Services Italia, Srl	--	Italy	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Facility Services Middle East Llc	A	Qatar	Services	97.00%	Subgroup Acciona Facility Services
Acciona Facility Services Poland Spolka Z.O.O.	--	Poland	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Facility Services Portugal	E	Portugal	Services	100.00%	Subgroup Acciona Facility Services
Acciona Facility Services Sur, S.A.	--	Toledo	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Facility Services, S.A.	A	Barcelona	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Fcp Holdings Inc	--	Canada	Construction and Engineering	100.00%	Subgroup Acciona Concesiones
Acciona Financiación De Filiales Chile Spa	A	Chile	Corporate Financing	100.00%	Acciona
Acciona Financiación Filiales	A	Madrid	Corporate Financing	100.00%	Acciona
Acciona Financiación Filiales Australia Pty Ltd	A	Australia	Corporate Financing	100.00%	Acciona
Acciona Forwarding Argentina, S.A.	--	Argentina	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Brasil	--	Brazil	Services	98.71%	Subgroup Acciona Forwarding
Acciona Forwarding Canarias, S.L.	--	Canary Islands	Services	100.00%	Subgroup Acciona Forwarding
Acciona Forwarding Chile, S.A.	A	Chile	Services	57.50%	Subgroup Acciona Forwarding
Acciona Forwarding Mexico S.R.L. De C.V.	--	Mexico	Services	100.00%	Subgroup Forwarding
Acciona Forwarding Peru S.A.	A	Perú	Services	89.54%	Subgroup Acciona Forwarding
Acciona Forwarding, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Geotech Group Services Pty Ltd	--	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Acciona Geotech Holding PTY LTD	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Acciona Global Energy Ukraine	A	Ukraine	Energy	100.00%	Subgrupo Dymarka Solar Poland
Acciona Global Renewables, S.A.	--	Madrid	Energy	66.67%	Subgroup Acciona Energía
Acciona Green Energy Developments, S.L.	A	Madrid	Energy	100.00%	Subgroup Acciona Energía
Acciona Ground Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Aeropuertos
Acciona Health Care Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona HSR Services, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Industrial Australia, Pty Ltd	--	Australia	Industrial	100.00%	Subgroup Acciona Construcción
Acciona Industrial Brasil Ltda	--	Brazil	Construction and Engineering	100.00%	Subgroup Acciona Industrial
Acciona Industrial Kenia, Pty Ltd	A	Kenya	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial Uk Limited	--	United Kingdom	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Industrial, S.A.	A	Sevilla	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras Colombia SAS	--	Colombia	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras Residenciales México S.A.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infraestructuras-Elecnor, Hospital David	E	Panama	Construction and Engineering	75.00%	Subgroup Acciona Construcción
Acciona Infrastructure Asia Pacific Pty Limited	A	Australia	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure Aust Finance, Pty Ltd	--	Australia	Construction Oceania	100.00%	Subgroup Acciona Infrastrutres Australia
Acciona Agua Canada Inc.	B	Canada	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure Maintenance, Inc.	--	Canada	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure New Zealand, Ltd	A	New Zealand	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Infrastructure Projects Australia, Pty Ltd	A	Australia	Construction Oceania	100.00%	Subgroup Abigroup
Acciona Infrastructures Australia Pty. Ltd	A	Australia	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Ingeniería Colombia, S.A.S.	--	Colombia	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Ingeniería Industrial S.A. De C.V.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Acciona Inmobiliaria S.L.	A	Madrid	Real Estate	100.00%	Acciona
Acciona Instalaciones México, S.A De C.V.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Industrial
Acciona Inversiones Corea, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Logística, S.A.	--	Madrid	Corporate Financing	100.00%	Acciona
Acciona Mantenimiento De Infraestructuras, S.A.	A	Madrid	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Acciona Medioambiente, S.A.	A	Valencia	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Mobility France, SASU	--	France	Services	100.00%	Subgroup Acciona Concesiones
Acciona Mobility Global, S.L.	--	Madrid	Services	100.00%	Acciona
Acciona Mobility Italia, S.R.L.	--	Italy	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Mobility Portugal, Unipessoal Lda	--	Portugal	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Mobility, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Multiservicios, S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Facility Services
Acciona Nieruchomosci Wilanow, Sp. Z.O.O	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Nieruchomosci Zoliborz, Sp. Z.O.O	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Nieruchomosci, Sp. Z.O.O	--	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Operación y Mantenimiento, S.R.L De C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Portugal II - Energía Global, Lda	--	Portugal	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Power Marketing Usa, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Acciona Producciones y Diseño S.A.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Project Management Mexico, S.A. de C.V	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Rail Services, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Real Estate, S.A.U.	A	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Acciona Redes y Mantenimientos Especializados, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Renewable Energy Canadá Gp Holdings Inc	--	Canada	Energy	100.00%	Subgroup Nova Scotia

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Acciona Renewable Energy Canadá Holdings LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Acciona Saltos De Agua, S.L.U.	A	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Acciona Saudi Arabia For Contracting Llc	A	Saudi Arabia	Industrial	100.00%	Subgroup Acciona Industrial
Acciona Serv. Hospitalarios, S.L.	--	Madrid	Concessions	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Service, S.L.	A	Madrid	Services	100.00%	Subgroup Corporación Acciona Infraestructuras
Acciona Servicios Administrativos, S.A. de C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Energéticos, S.L.R. De Cv	--	Mexico	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Servicios Ferroviarios, S.L.	--	Madrid	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Urbanos Medio Ambiente México, S.A. De C.V.	A	Mexico	Services	100.00%	Subgroup Acciona Facility Services
Acciona Servicios Urbanos, S.L.	A	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Acciona Sistemas De Seguridad, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Smart City Services, S.L	--	Madrid	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Acciona Solar Energy LLC	--	USA	Energy	75.00%	Subgroup Acciona Energía North América
Acciona Solar Holdings Pty. Ltd.	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Solar Power Inc.	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Acciona Solar Pty. Ltd.	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Acciona Solar, S.A.	--	Navarra	Energy	100.00%	Subgroup Acciona Energía
Acciona Suministradora Mexico, S.R.L. De C.V.	A	Mexico	Energy	100.00%	Subgroup Acciona Energía
Acciona Tecnologia Y Servicios S.L.	A	Madrid	Corporate Financing	100.00%	Acciona
Acciona Wind Energy Pvt Ltd	A	India	Energy	75.00%	Subgroup Acciona Energía Internacional
Acciona Wind Energy USA, LLC	--	USA	Energy	75.00%	Subgroup Acciona Energía North América
Ae Mex Global, S. De R.L. De C.V.	A	Mexico	Energy	100.00%	Subgroup Acciona Energía Global
Aepo Gabón, S.A.	--	Gabon	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Aepo Polska S.P. Z O.O	--	Poland	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Aerosite Energy Private Limited	A	India	Energy	100.00%	Subgroup Acciona Energía Global

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Aeug Fleming Solar , Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Aeug Madison Solar, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Aeug Union Solar, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
AFS Efficient Energy Uk Limited	--	United Kingdom	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
AFS Empleo Social Barcelona, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
AFS Empleo Social, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
Aguas Pilar De La Horadada S.L.	--	Madrid	Water	100.00%	Subgroup Acciona Agua Servicios
Alabe Sociedad De Cogeneración, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Ale Construction Ltd	--	Canada	Construction and Engineering	100.00%	Subgroup Acciona Concesiones
Almeyda Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Alsubh Solar Energy Holding S.A.	A	Madrid	Energy	100.00%	Subgroup Acciona Energía Global
Anchor Wind, LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Andes Airport Services, S.A.	A	Chile	Services	100.00%	Subgroup Acciona Airport Services
Andratx Obres I Sanetjament, S.L.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua
Apoderada Corporativa General, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Apoderada General De Service, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Arcyz Spa	A	Ukraine	Energy	94.36%	Subgrupo Dymarka Solar Poland
Arsogaz 2005, S.L.	A	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
ATLL Concesionaria de la Generalitat de Catalunya, S.A.	A	Barcelona	Water	100.00%	Subgroup Acciona Agua
Aulac Wind Power Lp	--	Canada	Energy	100.00%	Subgroup Acciona Energía Global Canada
Auriga Sport S.L.	A	Madrid	APD	100.00%	Acciona
Australian Precast Solutions, Pty Ltd	--	Australia	Const. Oceania	100.00%	Subgroup Abigroup
Bestinver Gestion S.C.I.I.C., S.A.	A	Madrid	Bestinver	96.83%	Subgroup Bestinver
Bestinver Pensiones G.F.P., S.A.	A	Madrid	Bestinver	96.83%	Subgroup Bestinver
Bestinver Sociedad de Valores, S.A.	A	Madrid	Bestinver	96.83%	Subgroup Bestinver

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Bestinver, S.A.	A	Madrid	Bestinver	96.83%	Acciona
Biodiesel Caparroso, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energía
Biomasa Briviesca, S.L.	A	Burgos	Energy	85.00%	Subgroup Biomasa Nacional
Biomasa Miajadas, S.L.	A	Madrid	Energy	100.00%	Subgroup Biomasa Nacional
Biomasa Sangüesa, S.L.	--	Navarra	Energy	100.00%	Subgroup Acciona Energía
Blue Falcon 140 Trading (Pty) Ltd	A	South Africa	Energy	41.18%	Subgroup Acciona Energía Sudáfrica
Capev Venezuela	--	Venezuela	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Ce Oaxaca Cuatro, S. De R.L. De C.V.	A	Mexico	Energy	75.00%	Subgroup Acciona Energía Mexico
Ce Oaxaca Dos, S. De R.L. De C.V.	A	Mexico	Energy	75.00%	Subgroup Acciona Energía Mexico
Ce Oaxaca Tres, S. De R.L. De C.V.	A	Mexico	Energy	75.00%	Subgroup Acciona Energía Mexico
Ceatesalas, S.L.	--	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Ceólica Hispania, S.L.	--	Madrid	Energy	100.00%	Subgroup Acciona Eólica Cesa
Cesa Eolo Sicilia Srl.	A	Italy	Energy	75.00%	Subgroup Cesa Italia
Cia. De Agua Del Municipio De Boca De Rio, S.A.P.I. De C.V.	A	Mexico	Water	68.60%	Subgroup Agua Boca De Rio
Cirtover, S.L.	--	Madrid	Corporate Financing	100.00%	Acciona
Civerzba Itg, S.L.	A	Madrid	Energy	100.00%	Subgroup Acciona Energía Global
Coefisa, S.A.	--	Switzerland	Corporate Financing	100.00%	Acciona
Coleman Rail Pty Ltd	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Compañía De Aguas Paguera, S.L.	--	Mallorca	Water	100.00%	Subgroup Gesba
Compañía Eólica Granadina, S.L.	A	Granada	Energy	50.00%	Subgroup Ceólica
Compañía Internacional De Construcciones	--	Madrid	Corporate Financing	100.00%	Acciona
Concesiones Chile Holdings I Spa	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Concesiones Chile Holdings II Spa	--	Chile	Concessions	100.00%	Subgroup Acciona Concesiones
Consortio Acciona Ossa, S.A	--	Chile	Construction and Engineering	65.00%	Subgroup Acciona Construcción
Consortio Acciona_Ossa Andina S.A.	--	Chile	Construction and Engineering	65.00%	Subgroup Acciona Construcción

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Consorcio Constructor Araucaria Ltd.	--	Chile	Construction and Engineering	60.00%	Subgroup Acciona Construcción
Consorcio Eólico Chiripa, S.A.	A	Costa Rica	Energy	65.00%	Subgroup Acciona Energía
Construcciones Residenciales Mexico, C.B.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Constructora Acciona Chile, S.A.	A	Chile	Construction and Engineering	100.00%	Subgroup Acciona Concesiones Chile
Constructora El Paso S.P.A.	--	Chile	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Constructora La Farfana, Spa	--	Chile	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Copane Valores, S.L.	--	Madrid	Corporate Financing	100.00%	Acciona
Corporación Acciona Energías Renovables, S.L.	A	Madrid	Energy	100.00%	Acciona
Corporación Acciona Eólica, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Corporación Acciona Hidráulica, S.A.	A	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Corporación Acciona Infraestructuras S.L.	A	Madrid	Construction and Engineering	100.00%	Acciona
Corporación De Explotaciones y Servicios, S.A	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Corporación Eólica Catalana. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica
Corporación Eólica De Valdivia. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica
Corporación Eólica La Cañada. S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas
Corporativo Horacio 1750, S.A. De Cv	--	Mexico	Real Estate	100.00%	Subgroup Parque Reforma
Cwien Australia Pty Ltd	--	Australia	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Demsey Ridge Wind Farm, LLC	A	USA	Energy	75.00%	Subgroup Acciona Wind Energy USA
Depurar 7B, S.A.	A	Aragón	Water	100.00%	Subgroup Acciona Agua
Depurar 8B, S.A.	A	Aragón	Water	100.00%	Subgroup Acciona Agua
Desarrolladora De Infraestructura Hispano-Peninsular, S.A. De C.V.	A	Mexico	Construction and Engineering	60.00%	Subgroup Acciona Construcción
Desarrolladora De Infraestructuras Hispano-Mexicanas, S.A. De C.V.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Desarrollos Renovables Del Norte, S.L.	--	Madrid	Energy	100.00%	Subgroup Acciona Energía
Desarrollos Renovables Eólicos Y Solares, S.L.	--	Madrid	Energy	100.00%	Subgroup Acciona Energía

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Desarrollos Revolt Del Llobregat, S.L.	--	Madrid	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Desarrollos y Construcciones, S.A. De C.V.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Dren, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Dymerka Solar Mmc	A	Ukraine	Energy	100.00%	Subgrupo Dymerka Solar Poland
Dymerka Solar Poland Sp. Z.O.O.	--	Poland	Energy	100.00%	Subgrupo Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-2 Llc	A	Ukraine	Energy	100.00%	Subgrupo Dymerka Solar Poland
Dymerska Photovoltaic Power Plant-3 Llc	A	Ukraine	Energy	100.00%	Subgrupo Dymerka Solar Poland
Ecogrove	A	USA	Energy	75.00%	Subgroup Acciona Wind Energy USA
Ecovista Wind, LLC	--	USA	Energy	100.00%	Subgroup Ecoenergy
Efrato Itg, S.L.	A	Madrid	Energy	100.00%	Subgroup Acciona Energía Global
Efw Ness Limited	--	United Kingdom	Industrial	100.00%	Subgroup Acciona Industrial
El Romero Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Empordavent S.L.U.	A	Barcelona	Energy	100.00%	Subgroup Acciona Energía
Emprendimientos Eólicos Do Verde Horizonte, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Emprendimientos Eólicos Ribadelide, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Energiea Servicios y Mantenimiento. S.L.	A	La Coruña	Energy	100.00%	Subgroup Terranova Energy Corporation
Energia Renovable Del Istmo II SA de Cv	A	Mexico	Energy	100.00%	Subgroup Acciona Energia Mexico Global
Energía Renovables De Barazar, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceatesalas
Energías Alternativas De Teruel, S.A.	--	Teruel	Energy	51.00%	Subgroup Acciona Energía
Energías Eólicas De Catalunya, S.A.	A	Barcelona	Energy	100.00%	Subgroup Acciona Energía
Energías Renovables De Ricobayo. S.A.	--	Madrid	Energy	50.00%	Subgroup Ceólica
Energías Renovables El Abra. S.L	--	Vizcaya	Energy	100.00%	Subgroup Ceólica
Energías Renovables Operación y Mantenimiento, S.L	A	Barcelona	Services	100.00%	Subgroup Acciona Ss. Urbanos and Ma.
Energías Renovables Peña Nebina. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Entidad Efinen, S.A.	--	Madrid	Other Investecs	100.00%	Acciona

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Eólica De Rubió, S.A.	A	Barcelona	Energy	100.00%	Subgroup Acciona Energía
Eólica De Zorraquín, S.L.	A	Madrid	Energy	66.00%	Subgroup Acciona Energía
Eólica Villanueva, S.L.	A	Navarra	Energy	66.66%	Subgroup Acciona Energía
Eólico Alijar, S.A.	--	Madrid	Energy	100.00%	Subgroup Acciona Energía
Eólicos Breogan, S.L.	--	Madrid	Energy	100.00%	Subgroup Ceólica
ES Legarda, S.L.	--	Navarra	Energy	100.00%	Subgroup Biocombustibles
Espíritu Wind, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Estudios y Construcciones De Obras, S.A. De C.V.	--	Mexico	Construction and Engineering	50.00%	Subgroup Acciona Construcción
Eurus S,A,P,I De C.V.	A	Mexico	Energy	70.50%	Subgroup Acciona Energía Mexico
Finanzas Dos, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Finanzas y Cartera Dos, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Finanzas y Cartera Uno, S.A.	--	Madrid	Other Investees	100.00%	Acciona
First Lusitanian Re Project 2018, Sgps, Lda	E	Portugal	Real Estate	94.00%	Subgroup Acciona Inmobiliaria
Flughafendienst Av GmbH	--	Germany	Services	100.00%	Subgroup Acciona Airport Services
Fort Bend Solar Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Frigoriferi Di Tavazzano, S.P.A.	--	Italy	Other Investees	100.00%	Subgroup Acciona Logística
Fujin Power Private Limited	A	India	Energy	100.00%	Subgroup Acciona Energía Global
Generación de Energía Renovables S.A.	--	Alava	Energy	100.00%	Subgroup Ceólica
Generica De Construcc.Y Mto. Industrial, S.A.	--	Zaragoza	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Geog Services Pty Ltd	--	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Geotech Holdco Pty Ltd	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Geotech Pty Ltd	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Gestion De Recursos Corporativos, S.L.	--	Navarra	Other Investees	100.00%	Acciona
Gestion De Servicios Urbanos Baleares, S.A.	--	Mallorca	Water	100.00%	Subgroup Acciona Agua Servicios

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Golice Wind Farm Sp. Z.O.O.	A	Poland	Energy	75.00%	Subgroup Acciona Energía Polonia
Guadalaviar Consorcio Eólico, S.A.U.	--	Madrid	Energy	100.00%	Subgroup Alabe
Guadamad 1 Development, Unipessoal, Lda.	--	Portugal	Real Estate	94.00%	Subgroup First Lusitanian
Guadamad 2 Development, Unipessoal, Lda.	--	Portugal	Real Estate	94.00%	Subgroup First Lusitanian
Gunning Wind Energy Developments Pty Ltd	A	Australia	Energy	75.00%	Subgroup Gunning Wind Energy
Gunning Wind Energy Holdings Pty Ltd	--	Australia	Energy	75.00%	Subgroup Acciona Energía Oceanía
Gwh-Acciona Energy LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Heartland Windpower, LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Hidroeléctrica Del Serradó, S.L.	--	Barcelona	Energy	100.00%	Subgroup Acciona Saltos de Agua
High Point Solar, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Hospital De Leon Bajio, S.A. De C.V.	A	Mexico	Concessions	100.00%	Acciona
Hudzovka Solar 1 Llc	A	Ukraine	Energy	92.15%	Subgrupo Dymarka Solar Poland
Hudzovka Solar 2 Llc	A	Ukraine	Energy	88.61%	Subgrupo Dymarka Solar Poland
Iberinsa Do Brasil Engenharia Ltda.	--	Brazil	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Inetime, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Ineuropa De Cogeneración, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
Infraestructuras Ayora, S.L.	--	Madrid	Energy	84.72%	Subgroup Guadalaviar
Ingeniería Especializada Obra Civil E Industrial, S.A	A	Madrid	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Inmobiliaria Parque Reforma, S.A. De CV	A	Mexico	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
INR Eólica, S.A.	--	Sevilla	Energy	100.00%	Subgroup Acciona Energía
Interurbano De Prensa, S.A.	--	Madrid	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
John Beever Pty Ltd	A	Australia	Construction and Engineering	82.40%	Subgroup Acciona Geotech
Kw Tarifa, S.A.	--	Madrid	Energy	100.00%	Subgroup Corp. Acciona Energías Renovables
La Chalupa Finance, Llc	--	USA	Energy	100.00%	Subgroup Acciona Concesiones
La Chalupa Holding, Llc	--	USA	Energy	100.00%	Subgroup Acciona Concesiones

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
La Chalupa, Llc	--	USA	Energy	100.00%	Subgroup Acciona Energy Usa Global
La Favorita Real Estate, Unipessoal Lda	--	Portugal	Real Estate	94.00%	Subgroup First Lusitanian
Lambarene Necso Gabon	D	Gabon	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Lameque Wind Power Lp	A	Canada	Energy	75.00%	Subgroup Acciona Wind Energy Canadá
Linha Universidade Investimentos S.A.	--	Brazil	Concessions	80.00%	Subgroup Acciona Concesiones
Locubsa	E	Andorra	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Lusonecso	--	Portugal	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Macintyre Wind Farm Holding Pty Ltd	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Macintyre Wind Farm Pty Ltd	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Margarida I Spa	--	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Margarida II Spa	--	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Meltemi Sp. Z.O.O.	A	Poland	Energy	75.00%	Subgroup Acciona Energía Polonia
Metrologia y Comunicaciones, S.A.	--	Madrid	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Mortlake South Wind Farm Holdings Pty. Ltd.	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Mortlake South Wind Farm Pty. Ltd.	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Mostostal Warszawa, S.A.	A	Poland	Construction and Engineering	62.13%	Subgroup Acciona Construcción
Moura Fabrica Solar, Lda.	A	Portugal	Energy	100.00%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm Holding Pty Ltd	--	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Mt Gellibrand Wind Farm Pty, Ltd.	A	Australia	Energy	100.00%	Subgroup Acciona Energía Global
Multiservicios Grupo Ramel, S.A.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
Munditrade, S.L.	--	Andorra	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Mysliborz Wind Farm Sp Zoo	--	Poland	Energy	100.00%	Subgroup Acciona Concesiones
Necso Entrecanales Cubiertas Mexico, S.A. De CV	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Necso Hong Kong, Ltd.	--	Hong Kong	Construction and Engineering	100.00%	Subgroup Acciona Construcción

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Necso Triunfo Construcoes Ltda	--	Brazil	Construction and Engineering	50.00%	Subgroup Acciona Construcción
Nevada Solar One, LLC	A	USA	Energy	75.00%	Subgroup NVS1 Investment Group
Northwinds Trading (Proprietary) Limited	--	South Africa	Industrial	100.00%	Subgroup Acciona Industrial
Notos Produção De Energia Lda	A	Portugal	Energy	52.50%	Subgroup Sayago
Nvs1 Investment Group LLC	--	USA	Energy	75.00%	Subgroup Acciona Solar Energy
Operador Atacama CSP Chile Spa	--	Chile	Industrial	50.00%	Subgroup Acciona Concesiones
Operator Chut, S.L	--	Madrid	Concessions	100.00%	Subgroup Acciona Concesiones
Operadora De Servicios Hospitalarios, S.A. De C.V.	A	Mexico	Concessions	100.00%	Subgroup Acciona Servicios Hospitalarios
Pacific Renewable Energy Generation LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Palmas Wind Finance Llc	--	USA	Energy	100.00%	Subgroup Palmas Wind Finance Llc
Palmas Wind Holding Llc	--	USA	Energy	100.00%	Subgroup Palmas Wind Finance Llc
Palmas Wind, Llc	A	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Parco Eólico Cocullo S.P.A.	A	Italy	Energy	75.00%	Subgroup Cesa Italia
Parque Eólico Da Costa Vicentina, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico Da Raia, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico De Manrique, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico De Pracana, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico Do Marao, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico Do Outeiro, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico Dos Fiéis, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Parque Eólico El Chaparro	--	Madrid	Energy	100.00%	Subgroup Alabe
Parque Eólico Escepar, S.A.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parque Eólico La Esperanza. S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parque Eólico Peralejo, S.A.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parque Eólico San Gabriel Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Parque Eólico Villamayor, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parques Eólicos Celadas, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parques Eólicos De Ciudad Real, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Parques Eólicos De San Lazaro, S.A. De C.V.	--	Mexico	Energy	100.00%	Subgroup Acciona Energia Mexico Global
Parques Eólicos Del Cerrato, S.L.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Pia.Cos S.R.L.	--	Italy	Water	100.00%	Subgroup Acciona Agua
Pichilingue Spa	--	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Pililin Spa	--	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Pitagora Srl.	A	Italy	Energy	75.00%	Subgroup Cesa Italia
Press Cargo Colombia, S.A.	E	Colombia	Services	99.34%	Subgroup Acciona Forwarding Perú
Pridagua Tratamiento De Aguas y Residuos, Lda.	--	Portugal	Water	100.00%	Subgroup Acciona Agua
Pridesa America Corporation	--	USA	Water	100.00%	Subgroup Acciona Agua
Punta Palmeras, S.A.	A	Chile	Energy	75.00%	Subgroup Acciona Energía Internacional
Pyrenees Wind Energy Developments Pty. Ltd	A	Australia	Energy	75.00%	Subgroup Acciona Energía Oceania
Pyrenees Wind Energy Holdings Pty. Ltd	A	Australia	Energy	75.00%	Subgroup Pyrenees Wind Energy
Ramwork, S.A.	--	Barcelona	Services	99.98%	Subgroup Acciona Facility Services
Red Hills Finance, LLC	A	USA	Energy	75.00%	Subgroup Acciona Wind Energy USA
Red Hills Holding, LLC	--	USA	Energy	71.25%	Subgroup Red Hills Finance
Red Hills Wind Project, LLC	A	USA	Energy	71.25%	Subgroup Acciona Wind Energy Usa, Llc
Renovables Del Penedés, S.A.U.	--	Badajoz	Energy	100.00%	Subgroup Acciona Energía
Riacho Novo Empreendimentos Imobiliarios, Ltda	--	Brazil	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Rio Paraiba Do Sul Serviços Ltda	--	Brazil	Construction and Engineering	100.00%	Subgroup Acciona do Brasil
Ripley Windfarm JV	A	Canada	Energy	75.00%	Subgroup Acciona Wind Energy Canadá
S.C. A2 Tramo 2, S.A.	A	Guadalajara	Concessions	100.00%	Acciona
S.C. DLP, S.A.	--	Madrid	Construction and Engineering	60.00%	Subgroup Acciona Construcción

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Salto Del Nansa, S.A.U.	A	Santander	Energy	100.00%	Subgroup Acciona Salto de Agua
Salto y Centrales De Catalunya, S.A.	A	Barcelona	Energy	100.00%	Subgroup Acciona Salto de Agua
San Roman Finance LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
San Roman Holding LLC	--	USA	Energy	100.00%	Subgroup San Roman Holding Llc
San Roman Wind I, LLC	A	USA	Energy	100.00%	Subgroup San Roman Holding Llc
San Solar Energy Facility (Proprietary) Limited	--	South Africa	Energy	100.00%	Subgroup Acciona Energía Global Sudáfrica
Sc Acciona Facility Services Automotive Srl	--	Rumanía	Services	100.00%	Subgroup Acciona Facility Services
Sedad .Empresarial De Financiacion y Comercio, S.L	--	Madrid	Corporate Financing	100.00%	Acciona
Servicios Hospitalarios Chut, S.L.	D	Madrid	Concessions	100.00%	Subgroup Acciona Servicios Hospitalarios
Sierra De Selva, S.L.	A	Navarra	Energy	100.00%	Subgroup Acciona Energía
Sishen Solar Facility (Proprietary) Limited	A	South Africa	Energy	41.18%	Subgroup Acciona Energía Sudáfrica
Sistemas Energéticos Sayago. S.L	--	Madrid	Energy	75.00%	Subgroup Acciona Energía Internacional
Sistemas Energéticos Valle De Sedano, S.A.	A	Madrid	Energy	100.00%	Subgroup Ceólica
Sociedad Explotadora De Recursos Eólicos, S.A.	A	Portugal	Energy	75.00%	Subgroup Acciona Eólica Portugal
Sociedad Istmeña Desarrollo Eólico, SRL De C.V.	--	Mexico	Energy	100.00%	Subgroup Acciona Energía Mexico Global
Sociedad Levantina De Obras y Servicios, S.A.	--	Valencia	Construction and Engineering	100.00%	Subgroup Acciona Construcción
Sociedad San Rafael Hidráulica S.A. De C.V.	A	Mexico	Construction and Engineering	100.00%	Subgroup Acciona Ingeniería
Soconfil, S.A.	--	Madrid	Other Investees	100.00%	Subgroup Finanzas y Cartera 2
Solar Bolarque, S.L.	--	Madrid	Energy	100.00%	Subgroup Acciona Energía
Solbioext 1, S.L.	--	Madrid	Energy	75.00%	Subgroup Acciona Energía
Solbioext 2, S.L.	--	Madrid	Energy	75.00%	Subgroup Acciona Energía
Sun Photo Voltaic Energy India Pvt Ltd	A	India	Energy	100.00%	Subgroup Acciona Energía Global
Surya Energy Photo Voltaic India Pvt Ltd	A	India	Energy	100.00%	Subgroup Acciona Energía Global
Table Mountain Wind LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Tatanka Finance LLC	--	USA	Energy	75.00%	Subgroup Acciona Wind Energy USA

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Tatanka Holding, LLC	--	USA	Energy	26.00% (100% class B shares)	Subgroup Tatanka
Tatanka Wind Power, LLC	A	USA	Energy	26.00% (100% class B shares)	Subgroup Tatanka
Tateldaco, S.L.	--	Madrid	Real Estate	60.00%	Subgroup Acciona Inmobiliaria
Tecniomnía Española, S.L.	--	Barcelona	Services	100.00%	Subgroup Acciona Facility Services
Ternua Holdings. B.V.	--	Holland	Energy	100.00%	Subgroup Tecusa
Terranova Energy Corporation	--	USA	Energy	100.00%	Subgroup Acciona Eólica Cesa
Terranova Energy Corporation. S.A.	--	Madrid	Energy	100.00%	Subgroup Ceólica
Tibest Cuatro, S.A.	--	Madrid	Corporate Financing	100.00%	Acciona
Tictres, S.A.	--	Madrid	Other Investees	100.00%	Acciona
Tlaui Aqua, S.A. De C.V.	A	Mexico	Water	70.00%	Subgroup Agua Boca De Rio
Tolchén Transmisión Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Tolpan Sur, Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Torre Lugano S.L.	--	Valencia	Real Estate	100.00%	Subgroup Acciona Real Estate
Towarowa Park Spolka Z.O.O.	A	Poland	Real Estate	100.00%	Subgroup Acciona Inmobiliaria
Transurme, S.A.	--	Barcelona	Services	100.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Tuppadahalli Energy India Private Limited	A	India	Energy	75.00%	Subgroup Acciona Energía Internacional
Usya Spa	A	Chile	Energy	100.00%	Subgroup Acciona Energía Global
Valdivia Energía Eólica, S.A.	--	Madrid	Energy	100.00%	Subgroup Acciona Energía
Velva Windfarm, LLC	--	USA	Energy	75.00%	Subgroup Acciona Wind Energy USA
Vientos Bajo Hondo I, S.A.	--	Argentina	Energy	100.00%	Subgroup Acciona Energía Global
Vientos Bajo Hondo, S.A.	--	Argentina	Energy	100.00%	Subgroup Acciona Energía Global
Vjetroelektrana Čemernica D.O.O.	--	Croatia	Energy	100.00%	Subgroup Acciona Energía Global
Vjetroelektrana Jelinak Doo	A	Croatia	Energy	75.00%	Subgroup Acciona Energía Internacional
Vjetroelektrana Opor D.O.O.	--	Croatia	Energy	100.00%	Subgroup Acciona Energía Global
Voltser Serviços De Operação E Manutenção De Centr	--	Portugal	Energy	100.00%	Subgroup Acciona Energía Global Portugal II

Company	Audit	Location	Activity	% Effective Shareholding	Shareholder
Wind Contruction, Lp	--	Canada	Energy	100.00%	Subgroup Acciona Energía Global Canada
Wind Farm 66, LLC	--	USA	Energy	100.00%	Subgroup Acciona Energía Global USA
Windfarm Bear Creek, Llc	--	USA	Energy	100.00%	Subgroup GWH Acciona Energy
Zurich Wind Power Lp Inc	--	Canada	Energy	100.00%	Subgroup Acciona Renewable Canadá

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others

APPENDIX II

JOINT OPERATIONS STRUCTURED THROUGH SEPARATE VEHICLES

The joint arrangements structured through separate vehicles proportionately consolidated in the year ended 31 December 2020, in accordance with IFRS, and the information related thereto are as follows:

Company	Audit	Location	Activity	Effective Share %	Shareholder
Aista-Trans JV (PTY) LTD	--	South Africa	Industrial	66.67%	Subgroup Acciona Construcción
Bokpoort EPC Consortium (Pty) Ltd	C	South Africa	Construction and Engineering	30.00%	Subgroup Acciona Ingeniería
Chin Chute Windfarm JV	A	Canada	Energy	22.22%	Subgroup Acciona Wind Energy Canadá
Consorcio Acciona Brotec Icafal S.A.	--	Chile	Construction and Engineering	60.00%	Subgroup Acciona Construcción
Consorcio Acciona Ossa Pizzarotti CII0, Spa	--	Chile	Construction and Engineering	45.00%	Subgroup Acciona Construcción
Consorcio Hospital Egc, S.A.	--	Chile	Construction and Engineering	80.00%	Subgroup Acciona Construcción
Constructora Terminal Valle De México, S.A. De C.V.	--	Mexico	Construction and Engineering	14.28%	Subgroup Acciona Construcción
Iniciativas Energéticas Renovables, S.L.	--	Pamplona	Energy	50.00%	Subgroup Acciona Energía
Liciastar (Propietary) Limited	C	South Africa	Industrial	50.00%	Subgroup Acciona Ingeniería
Magrath Windfarm Jv	B	Canada	Energy	22.22%	Subgroup Acciona Wind Energy Canadá
Majv Aviation, Pty Ltd	--	Australia	Const. Oceania	50.00%	Subgroup Abigroup
Ouarzazate Solar 1, Sarl	--	Morocco	Construction and Engineering	37.50%	Subgroup Acciona Ingeniería
Proyecto F8 Troy Aym, S.A. de C.V.	A	Mexico	Industrial	55.95%	Subgroup Acciona Industrial

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others

APPENDIX III

COMPANIES CONSOLIDATED BY APPLICATION OF THE EQUITY METHOD

The companies consolidated by application of the equity method in the year ended 31 December 2020, in accordance with IFRS, and the information related thereto are as follows:

Company	Audit	Location	Activity	Effective Share %	Shareholder
Acciona Agua & Sogex Llc	--	Oman	Water	50.00%	Subgroup Acciona Agua
Acciona Agua Sardinia Infrastructure S.R.L.,	--	Italy	Water	10.00%	Subgroup Acciona Agua
Acciona Concesiones P2W Investment Limited	--	New Zealand	Concessions	10.00%	Subgroup Acciona Concesiones
Acciona Waste Water Treatment Plant Limited	--	Trinidad y Tobago	Water	70.00%	Subgroup Acciona Agua
Acciona Wastewater Solutions Gp Inc.	--	Canada	Water	25.00%	Subgroup Acciona Agua
Acciona Wep Holdings Inc.	--	Canada	Concessions	33.33%	Subgroup Acciona Concesiones
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	--	Murcia	Services	50.00%	Subgroup Acciona Servicios Urbanos
Adelaidequa Pty Ltd.	C	Australia	Water	50.00%	Subgroup Acciona Agua Adelaide
Aguas Tratadas Del Valle De Mexico S.A. De C.V.	C	Mexico	Water	24.26%	Subgroup Acciona Agua
Algerian Water Investment, S.L.	--	Madrid	Water	50.00%	Subgroup Acciona Agua
Alsubh Solar Power, S.A.E.	--	Egypt	Energy	50.00%	Subgroup Acciona Energía Global
Altrac Light Rail Holdings 1 Pty Limited	--	Australia	Concessions	5.00%	Subgroup Acciona Concesiones
Amper Central Solar Moura	A	Portugal	Energy	49.20%	Subgroup Acciona Energía Internacional
Ampliación Facultad Dret, S.A.	--	Barcelona	Concessions	50.00%	Subgroup Acciona Construcción
Aprofitament D'Energies Renovables De L'Ebre S.L.	--	Barcelona	Energy	9.76%	Subgroup Acciona Energía
Asenda Ciudad Mayakoba Sa De Cv	A	Mexico	Real Estate	50.00%	Subgroup Parque Reforma
At Solar I, SAPI de CV	--	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
At Solar II, SA PI de CV	--	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
At Solar III, SAPI de CV	--	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
At Solar IV, SAPI de CV	--	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global

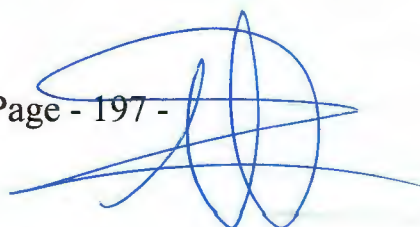
Company	Audit	Location	Activity	Effective Share %	Shareholder
At Solar V, SAPI de CV	A	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
Baja California Power, S.A. De C.V.	--	Mexico	Construction and Engineering	65.00%	Subgroup Acciona Ingeniería
Banchory Spain S.L.	--	Madrid	Real Estate	32.00%	Subgroup Acciona Real Estate
Brazilian Real State Project Holding Ltda	--	Brazil	Real Estate	50.00%	Brazilian Subgroup
Broadway Subway Project Corporation	--	Canada	Construction and Engineering	60.00%	Subgroup Acciona Concesiones
Camarate Golf, S.A.	--	Madrid	Real Estate	22.00%	Subgroup Acciona Inmobiliaria
Carnotavento. S.A.	--	La Coruña	Energy	24.50%	Subgroup Eurovento
Cat 2022 Office Complex, S.L.	--	Madrid	Real Estate	32.00%	Subgroup Acciona Real Estate
Cathedral Rocks Construcc. And Management, Pty Ltd	--	Australia	Energy	50.00%	Subgroup Acciona Energía Global Australia
Cathedral Rocks Holdings 2, Pty. Ltd	--	Australia	Energy	37.50%	Subgroup Cathedral Rocks Holdings
Cathedral Rocks Holdings, Pty. Ltd	--	Australia	Energy	37.50%	Subgroup Acciona Energía Oceania
Cathedral Rocks Wind Farm, Pty. Ltd	A	Australia	Energy	37.50%	Subgroup Cathedral Rocks Holdings 2
Chinook Highway Operations Inc.	--	Canada	Concessions	50.00%	Subgroup Acciona Concesiones
Cleverreal - Gestão De Investimentos Imobiliários, Lda	--	Portugal	Real Estate	15.00%	Subgroup Acciona Inmobiliaria
Cogeneración Arrudas Ltda	--	Brazil	Water	50.00%	Subgroup Acciona Agua
Concesionaria De Desalacion De Ibiza, S.A.	E	Ibiza	Water	50.00%	Subgroup Acciona Agua
Concesionaria La Chira, S.A.	E	Peru	Water	50.00%	Subgroup Acciona Agua
Concessionaria Linha Universidade, S.A.	--	Brazil	Concessions	86.64%	Subgroup Acciona Concesiones
Consortio Operador De Atotonilco, S.A. De C.V.	C	Mexico	Water	24.50%	Subgroup Acciona Agua
Consortio Traza, S.A.	--	Zaragoza	Concessions	16.60%	Acciona
Constructor Atacama CSP Chile Spa	--	Chile	Industrial	25.00%	Subgroup Acciona Industrial
Constructor Atacama CSP S.L.	A	Madrid	Industrial	25.00%	Subgroup Acciona Industrial
Constructora De Obras Civiles y Electromecanicas	E	Mexico	Water	24.50%	Subgroup Aguas Hispano Mexicana
Constructora Necso Sacyr Chile	--	Chile	Construction and Engineering	50.00%	Subgroup Acciona Concesiones Chile
Depurar PI, S.A.	--	Zaragoza	Water	50.00%	Subgroup Acciona Agua

Company	Audit	Location	Activity	Effective Share %	Shareholder
Desarrollo De Energías Renovables De Navarra, S.A.	D	Pamplona	Energy	50.00%	Subgroup Acciona Energía
East Rockingham Rrff Hold Co Pty Ltd	--	Australia	Concessions	10.00%	Subgroup Acciona Concesiones
Emserva, S.A.	--	Málaga	Water	49.00%	Subgroup Acciona Agua Servicios
Energías Renovables Mediterraneas, S.A.	C	Valencia	Energy	50.00%	Subgroup Acciona Energía
Energy Corp Hungary Kft	E	Hungary	Energy	50.00%	Subgroup Acciona Eólica Cesa
Entorno Urbano y Medio Ambiente, S.L.	--	Murcia	Services	50.00%	Subgroup Acciona Servicios Urbanos
Eólicas Mare Nostrum S.L.	--	Valencia	Energy	50.00%	Subgroup Acciona Energía
Eurovento. S.L.	--	La Coruña	Energy	50.00%	Subgroup Tripower
Explotaciones Eólicas Sierra De Utrera. S.L.	--	Madrid	Energy	25.00%	Subgroup Ceólica
Firefly Investments 238 (Proprietary) Limited	C	South Africa	Energy	45.00%	Subgroup Acciona Energía Global Sudáfrica
Fraser Crossing Project Corporation	--	Canada	Construction and Engineering	50.00%	Subgroup Acciona Concesiones
Gran Hospital Can Misses, S.A.	--	Ibiza	Concessions	40.00%	Acciona
Helena Water Finance Pty Ltd	C	Australia	Water	25.05%	Subgroup Acciona Agua Internacional Australia
Horto Iii Empreendimento Imobiliário Spe Ltda	--	Brazil	Real Estate	50.00%	Brazilian Subgroup
Infraestructuras Villanueva, S.L.	--	Madrid	Energy	40.53%	Subgroup Guadalaviar
Líneas Eléctricas Asturianas. S.L.	--	Asturias	Energy	50.00%	Subgroup Eurovento
Líneas Eléctricas Gallegas II. S.L.	--	La Coruña	Energy	50.00%	Subgroup Eurovento
Líneas Eléctricas Gallegas III. S.L.	--	La Coruña	Energy	50.00%	Subgroup Eurovento
Líneas Eléctricas Gallegas. S.L.	--	La Coruña	Energy	35.00%	Subgroup Eurovento
Logiberica de Prensa y Servicios, S.L.	--	Madrid	Services	50.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Morro Ipiranga Empreendimento Imobiliário Spe Ltda	--	Brazil	Real Estate	50.00%	Brazilian Subgroup
Mov-R H1 Szeleromu Megujulo Energia Hasznosito Kft	E	Hungary	Energy	49.25%	Subgroup Energy Corp Hungary
Myah Typaza, Spa	E	Algeria	Water	25.50%	Subgroup Algerian Water Investment
Necsorgaz, S.L.	--	Madrid	Real Estate	50.00%	Subgroup Acciona Inmobiliaria
Nexus Infrastructure Holdings Unit Trust	--	Australia	Concessions	20.00%	Subgroup Acciona Concesiones

Company	Audit	Location	Activity	Effective Share %	Shareholder
Nordex SE	--	Germany	Energy	33.63%	Acciona
Nova Darsena Deportiva De Bara, S.A.	--	Madrid	Concessions	50.00%	Acciona
Nuevo Hospital De Toledo, S.A.	--	Toledo	Concessions	33.33%	Subgroup Acciona Concesiones
Oakleaf Investment Holdings 86 (Proprietary) Limit	C	South Africa	Energy	50.00%	Subgroup Acciona Energía Global Sudáfrica
Operador Del Mercado Ibérico - Polo Español, S.A.	--	Madrid	Energy	5.00%	Subgroup Acciona Energía
Operadora Can Misses S.L.	--	Ibiza	Concessions	40.00%	Subgroup Acciona Servicios Hospitalarios
P2W Services Limited	--	New Zealand	Concessions	50.00%	Subgroup Acciona Concesiones
Páramo De Los Angostillos, S.L.	A	Leon	Energy	50.00%	Subgroup Acciona Energía
Parque Eólico A Runa. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico Adrano. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico Ameixenda Filgueira. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico Cinseiro. S.L.	--	Zamora	Energy	50.00%	Subgroup Ceólica
Parque Eólico Curras. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico De Abara. S.L.	C	Asturias	Energy	50.00%	Subgroup Ceólica
Parque Eólico De Barbanza. S.L.	--	La Coruña	Energy	12.50%	Subgroup Eurovento
Parque Eólico De Bobia y San Isidro. S.L.	C	Asturias	Energy	50.00%	Subgroup Ceólica
Parque Eólico De Deva. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico De Tea. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico Vicedo. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parque Eólico Virxe Do Monte. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Parques Eólicos De Buio. S.L.	C	La Coruña	Energy	50.00%	Subgroup Ceólica
Polígono Romica, S.A.	--	Albacete	Real Estate	50.00%	Subgroup Acciona Inmobiliaria
Port City Water Services Inc.	A	Canada	Water	50.00%	Subgroup Acciona Agua
Reghion Agua S.C.A.R.L.	--	Italy	Water	50.00%	Subgroup Acciona Agua Servicios
Renen Services Llc	--	Egypt	Energy	50.00%	Subgroup Acciona Energía Global

Company	Audit	Location	Activity	Effective Share %	Shareholder
Residencial Maranta Dos S.A. de C.V.	C	Mexico	Real Estate	10.00%	Subgroup Parque Reforma
Rising Sun Energy, S.A.E.	--	Egypt	Energy	38.00%	Subgroup Acciona Energía Global
S.C. Autovía De La Plata S.A.	--	Madrid	Concessions	25.00%	Subgroup Acciona Construcción
S.C. De La Zona Regable Del Canal De Navarra, S.A.	--	Pamplona	Concessions	50.00%	Acciona
S.C. Novo Hospital De Vigo S.A.	--	Pontevedra	Concessions	43.33%	Acciona
S.C. Puente Del Ebro, S.A.	--	Aragón	Concessions	50.00%	Acciona
Servicio De Tratamiento De Aguas Ptar Caracol, S.A	--	Mexico	Water	48.98%	Subgroup Acciona Agua
Servicios Comunitarios De Molina De Segura, S.A.	E	Murcia	Water	48.60%	Subgroup Acciona Agua Servicios
Shuqaiq three company for operation and maintenance	--	Saudi Arabia	Water	35.00%	Subgroup Acciona Agua
Shuqaiq three company for water	C	Saudi Arabia	Water	10.00%	Subgroup Acciona Agua
Sistemas Electricos Esplugas, S.A.	--	Barcelona	Energy	50.00%	Subgroup Acciona Energía
Sociedad De Aguas Hispano Mexicana S.A De C.V.	C	Mexico	Water	50.00%	Subgroup Acciona Agua
Sociedad Mixta Del Agua- Jaen, S.A.	C	Jaén	Water	60.00%	Subgroup Acciona Agua Servicios
Sociedad Operadora Novo Hospital De Vigo S.A.	--	Pontevedra	Concessions	43.33%	Subgroup Acciona Servicios Hospitalarios
Solena Group	--	USA	Services	25.00%	Subgroup Acciona Servicios Urbanos y Medio Ambiente
Sunrise Energy, S.A.E.	--	Egypt	Energy	38.00%	Subgroup Acciona Energía Global
Tranvías Urbanos De Zaragoza S.L.	--	Zaragoza	Concessions	15.00%	Subgroup Acciona Concesiones
Tuto Energy I, S.A.P.I. de C.V.	--	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
Tuto Energy II, S.A.P.I. de C.V.	A	Mexico	Energy	50.00%	Subgroup Acciona Energia Mexico Global
Vento Mareiro. S.L.	--	La Coruña	Energy	24.50%	Subgroup Eurovento
Ventos e Terras Galegas II. S.L.	--	La Coruña	Energy	50.00%	Subgroup Tripower
Ventos e Terras Galegas. S.L.	--	La Coruña	Energy	50.00%	Subgroup Tripower
Vertex Residencial Cuajimalpa, S.A. De C.V.	C	Mexico	Real Estate	10.00%	Subgroup Parque Reforma

(*) Companies whose financial statements are audited by: (A) KPMG; (B) PricewaterhouseCoopers; (C) Deloitte; (D) Ernst & Young (E) Others



APPENDIX IV

CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the consolidation scope in 2020 were as follows:

Company	Location	Activity	Change	Consolidation Method
Abigroup Limited	Australia	Const. Oceania	Addition	Group
Abigroup Properties, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona Bsp Holdings Inc	Canada	Construction and Engineering	Addition	Group
Acciona CEI Australia Finance, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona CEI Australia Holdings, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona CEI Australia, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona Concesiones De Infraestructuras S.L	Madrid	Concessions	Addition	Group
Acciona Construccion New Zealand Limited	New Zealand	Const. Oceania	Addition	Group
Acciona Energy Singapore Pte Ltd	Singapore	Energy	Addition	Group
Acciona Esco France S.A.S.U.	France	Services	Addition	Group
Acciona Fcp Holdings Inc	Canada	Construction and Engineering	Addition	Group
Acciona Infrastructure Aust Finance, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona Infrastructure Projects Australia, Pty Ltd	Australia	Const. Oceania	Addition	Group
Acciona Mobility France, SASU	France	Services	Addition	Group
Acciona Power Marketing Usa, Llc	USA	Energy	Addition	Group
Aeug Fleming Solar , Llc	USA	Energy	Addition	Group
Aeug Madison Solar, Llc	USA	Energy	Addition	Group
Aeug Union Solar, Llc	USA	Energy	Addition	Group
Ale Construction Ltd	Canada	Construction and Engineering	Addition	Group
Australian Precast Solutions, Pty Ltd	Australia	Const. Oceania	Addition	Group
Concesiones Chile Holdings I Spa	Chile	Concessions	Addition	Group

Company	Location	Activity	Change	Consolidation Method
Concesiones Chile Holdings II Spa	Chile	Concessions	Addition	Group
Corporativo Horacio 1750, S.A. De Cv	Mexico	Real Estate	Addition	Group
Fort Bend Solar Llc	USA	Energy	Addition	Group
High Point Solar, Llc	USA	Energy	Addition	Group
La Chalupa Finance, Llc	USA	Energy	Addition	Group
La Chalupa Holding, Llc	USA	Energy	Addition	Group
Linha Universidade Investimentos S.A.	Brazil	Concessions	Addition	Group
Munditrade, S.L.	Andorra	Construction and Engineering	Addition	Group
Mysliborz Wind Farm Sp Zoo	Poland	Energy	Addition	Group
Operador Atacama CSP Chile Spa	Chile	Industrial	Addition	Group
Operator Chut, S.L	Madrid	Concessions	Addition	Group
Solbioext 1, S.L.	Madrid	Energy	Addition	Group
Solbioext 2, S.L.	Madrid	Energy	Addition	Group
Brazilian Real State Project Holding Ltda	Brazil	Real Estate	Addition	Associates
Broadway Subway Project Corporation	Canada	Construction and Engineering	Addition	Associates
Concessionaria Linha Universidade, S.A.	Brazil	Concessions	Addition	Associates
East Rockingham Rrff Hold Co Pty Ltd	Australia	Concessions	Addition	Associates
Fraser Crossing Project Corporation	Canada	Construction and Engineering	Addition	Associates
Horto III Empreendimento Imobiliário Spe Ltda	Brazil	Real Estate	Addition	Associates
Morro Ipiranga Empreendimento Imobiliário Spe Ltda	Brazil	Real Estate	Addition	Associates
Renen Services Llc	Egypt	Energy	Addition	Associates
Shuqaiq three company for operation and maintenance	Saudi Arabia	Water	Addition	Associates
Consortio Acciona Ossa Pizzarotti C110, Spa	Chile	Construction and Engineering	Addition	Multigroup
Majv Aviation, Pty Ltd	Australia	Const. Oceania	Addition	Multigroup
Acciona Campus España S.L.	Madrid	Real Estate	Removals	Group
Acciona Servicios Concesionales, S.L.	Madrid	Concessions	Removal	Group

Company	Location	Activity	Change	Consolidation Method
Acciona Water Supplies Technology Beijing Co. Ltd	China	Water	Removal	Group
Antigua Bodega De Don Cosme Palacio, S.L.	Alava	Winery	Removal	Group
Autovia De Los Viñedos	Toledo	Concessions	Removal	Group
Bodegas Palacio, S.A.	Alava	Winery	Removal	Group
Bosques Solares De Bolivar 500 Sas	Colombia	Energy	Removal	Group
Bosques Solares De Bolivar 501 Sas	Colombia	Energy	Removal	Group
Bosques Solares De Bolivar 502 Sas	Colombia	Energy	Removal	Group
Bosques Solares De Bolivar 503 Sas	Colombia	Energy	Removal	Group
Bosques Solares De Bolivar 504 Sas	Colombia	Energy	Removal	Group
Corp. Acciona Infraestructuras, Pty Ltd	Australia	Construction and Engineering	Removal	Group
Empresa Operadora ATLL, S.A.	Barcelona	Water	Removal	Group
Enalia, S.A.S.	Colombia	Winery	Removal	Group
Entrecanales y Tavora Gibraltar, Ltd	Gibraltar	Construction and Engineering	Removal	Group
Finanzas Nec, S.A.	Madrid	Real Estate	Removals	Group
Gestio Catalana D'Aigües, S.A.	Barcelona	Water	Removal	Group
Grupo Bodegas Palacio 1894, S.A.	Madrid	Winery	Removal	Group
Interlogística Del Frío, S.A.	Barcelona	Other investees	Removal	Group
S.C. Hospital del Norte, S.A.	Madrid	Concessions	Removal	Group
Sileno, S.A.	Alava	Winery	Removal	Group
Viñedos Viña Mayor, S.L.	Madrid	Winery	Removal	Group
Bestinver Sociedad De Valores, S.A.	Madrid	Bestinver	Removal due to merger	Group
Fidentiis Gestión S.G.I.I.C., S.A.	Madrid	Bestinver	Removal due to merger	Group
Locubsa	Andorra	Construction and Engineering	Change in Method	Group
Acciones Urbanas, Servicios y Medio Ambiente, S.L.	Murcia	Services	Change in Method	Associate
Entorno Urbano y Medio Ambiente, S.L.	Murcia	Services	Change in Method	Associate

Changes in the consolidation scope in 2019 were as follows:

Company	Location	Activity	Change	Consolidation Method
Acciona Airport Services S.A.S.	Colombia	Services	Addition	Group
Acciona Energia Global Egypt, Llc	Egypt	Energy	Addition	Group
Tateldaco, S.L.	Madrid	Real Estate	Addition	Group
Acciona Mobility Portugal, Unipessoal Lda	Portugal	Services	Addition	Group
Arcyz Spa	Ukraine	Energy	Addition	Group
Hudzovka Solar 1 Llc	Ukraine	Energy	Addition	Group
Hudzovka Solar 2 Llc	Ukraine	Energy	Addition	Group
La Chalupa, Llc	USA	Energy	Addition	Group
Acciona Industrial Uk Limited	United Kingdom	Industrial	Addition	Group
Efw Ness Limited	United Kingdom	Industrial	Addition	Group
Guadamad 1 Development, Unipessoal, Lda.	Portugal	Real Estate	Addition	Group
Guadamad 2 Development, Unipessoal, Lda.	Portugal	Real Estate	Addition	Group
Acciona Construcción Andina S.A.S.	Colombia	Construction and Engineering	Addition	Group
Acciona Forwarding Mexico S.R.L. De C.V.	Mexico	Services	Addition	Group
Acciona Campus S.L.	Madrid	Concessions	Addition	Group
Acciona Campus España S.L.	Madrid	Concessions	Addition	Group
Acciona Mobility Italia, S.R.L.	Italy	Services	Addition	Group
Auriga Sport S.L.	Madrid	APD	Addition	Group
Acciona Global Energy Ukraine	Ukraine	Energy	Addition	Group
Acciona Energía Colombia Sas	Colombia	Energy	Addition	Group
Macintyre Wind Farm Holding Pty Ltd	Australia	Energy	Addition	Group
Macintyre Wind Farm Pty Ltd	Australia	Energy	Addition	Group
Acciona Concesiones Mexico S.R.L. De C.V.	Mexico	Concessions	Addition	Group

Company	Location	Activity	Change	Consolidation Method
Acciona Servicios Energéticos, S.L.R. De Cv	Mexico	Services	Addition	Group
Fidentiis Gestión S.G.I.I.C., S.A.	Madrid	Bestinver	Addition	Group
Fidentiis Equities, S.V. S.A.	Madrid	Bestinver	Addition	Group
Cat 2022 Office Complex, S.L.	Madrid	Real Estate	Addition	Associate
Cwien Australia Pty Ltd	Australia	Construction and Engineering	Addition	Group
Espiritu Wind, Llc	USA	Energy	Addition	Group
Bosques Solares De Bolivar 500 Sas	Colombia	Energy	Addition	Group
Bosques Solares De Bolivar 501 Sas	Colombia	Energy	Addition	Group
Bosques Solares De Bolivar 502 Sas	Colombia	Energy	Addition	Group
Bosques Solares De Bolivar 503 Sas	Colombia	Energy	Addition	Group
Bosques Solares De Bolivar 504 Sas	Colombia	Energy	Addition	Group
Solar Bolarque, S.L.	Madrid	Energy	Addition	Group
Palmas Wind Holding Llc	USA	Energy	Addition	Group
Palmas Wind Finance Llc	USA	Energy	Addition	Group
Shuqaiq Three Company For Water	Saudi Arabia	Water	Addition	Associate
Banchory Spain S.L.	Madrid	Real Estate	Addition	Associate
Inantic, S.A.	Madrid	Other investees	Removal	Group
Ravi Urja Energy India Pvt Ltd	India	Energy	Removal	Group
Solar Fields Energy Photo Voltaic India Pvt Ltd	India	Energy	Removal	Group
Emp.Diseño Constr.Cons.Jardines Y Zonas Verdes,Sa.	Málaga	Construction and Engineering	Removal	Group
Iberica Arabian Co Ltd	Saudi Arabia	Construction and Engineering	Removal	Group
Solomon Forks Wind Farm, Llc	USA	Energy	Removal	Group
Interboya Press, S.A.	Madrid	Services	Removal	Associate
Divinopolis Saneamento, S.A.	Brazil	Water	Removal	Associate
S.C. Autovia Gerediaga Elorrio S.A.	Bilbao	Concessions	Removal	Associate

Company	Location	Activity	Change	Consolidation Method
Sociedad Explotadora Autovia Gerediaga - Elorrio S	Bilbao	Concessions	Removal	Associate
Infraestructuras Radiales, S.A.	Madrid	Concessions	Removal	Associate
Acciona Facility Services Middle East Llc	Qatar	Services	Change in Method	Group
Constructora Terminal Valle De México, S.A. De C.V.	Mexico	Construction and Engineering	Change in Method	Proportional

APPENDIX V

BREAKDOWN OF THE MAIN CONCESSIONS

Water division:

Name	Description	Period	Country	ACCIONA	Status	Accounting method	Asset type
EDAR 8B	Construction, operation and maintenance of the wastewater treatment plant "08B Zone" of Aragon	2008 - 2031	Spain	100%	Operational	Fully consolidated	Intangible asset
EDAR 7B	Construction, operation and maintenance of the wastewater treatment plant "07B Zone" of Aragon	2011 - 2031	Spain	100%	Operational	Fully consolidated	Intangible asset
IDAM Javea	Construction, operation and maintenance of the sea water desalination plant in Javea	2001 - 2023	Spain	100%	Operational	Fully consolidated	Financial asset
IDAM Cartagena	Construction, operation and maintenance of the sea water desalination plant in Cartagena	2001 - 2020	Spain	63%	Operational	Proportionally consolidated	Financial asset
IDAM Fouka	Construction, operation and maintenance of the sea water desalination plant in Tipaza	2008 - 2036	Argelia	26%	Operational	Equity method	Financial asset
IDAM Ibiza - Portmany	Reconstruction, works operation and maintenance of the sea water desalination plant in San Antonio Portmany and Ibiza	2009 - 2024	Spain	50%	Operational	Equity method	Financial asset
PTAR Atotonilco	Construction, operation and maintenance of the wastewater treatment plant in Atotonilco	2010 - 2035	Mexico	24%	Operational	Equity method	Financial asset
WWTP Mundaring	Construction, operation and maintenance of the wastewater treatment plants in Mundaring	2011 - 2048	Australia	25%	Operational	Equity method	Financial asset
PTAR La Chira	Construction, operation and maintenance of the wastewater treatment plants in La Chira	2011 - 2037	Peru	50%	Operational	Equity method	Financial asset
IDAM Arucas Moya	Extension, operation and maintenance of the sea water desalination plant in Arucas / Moya	2008 - 2024	Spain	100%	Operational	Fully consolidated	Intangible asset
Red de saneamiento en Andratx	Construction, operation and maintenance of the sewage network in Andratx	2009 - 2044	Spain	100%	Operational	Fully consolidated	Intangible asset
Port City Water	Design, construction, financing, operation and maintenance of a water treatment plant and storage reservoirs in Saint John	2016 - 2048	Canada	40%	Operational	Equity method	Financial asset
Sercomosa	Public-private company whose principal activity is the water supply to Molina de Segura	1998 - 2040	Spain	48%	Operational	Equity method	Intangible asset
Somajasa	Public-private company to manage integrated water cycle of public services in some relevant Municipalities of Province of Jaen	2007 - 2032	Spain	60%	Operational	Equity method	Intangible asset
Gesba	Water supply service in Andratx and Deiá (Mallorca)	1994 - 2044	Spain	100%	Operational	Fully consolidated	Intangible asset
Costa Tropical	Integrated water cycle service in Costa Tropical (Granada)	1995 - 2045	Spain	49%	Operational	Proportionally consolidated	Intangible asset
Boca del Rio	Integrated water cycle of public services in Boca del Rio (Veracruz)	2018 - 2047	Mexico	70%	Operational	Fully consolidated	Intangible asset
Shuqaiq	Development, design, financing, construction, commissioning, operation and maintenance of a SWRO plant	2019 - 2046	Saudi Arabia	10%	Construction	Equity method	Financial asset

Infrastructure division:

	Name	Description	Period	Country	ACCIONA	Status	Accounting method	Asset type
Roads	A2 - Section 2	Remodelling, restoration, operation and maintenance of a 76.5km stretch of an existing road between km 62 (A-2) and km 139 (border of province of Soria-Guadalajara). Shadow toll	2007 - 2026	Spain	100%	Operational	Fully consolidated	Intangible asset
	Windsor Essex Parkway	Design, construction and operation of 11km highway connecting Windsor (Ontario - Canada) and U.S. Border (Detroit - Michigan)	2010 - 2044	Canada	33%	Operational	Equity method	Financial asset
	Autovía de la Plata *	Construction, conservation and operation of Autovía de la Plata (A-66) road, between Benavente and Zamora. Stretches: A6 (Castrogonzalo) - Santovenia del Esia, Santovenia del Esia - Fontanillas de Castro, Fontanillas de Castro - Zamora. Pay for availability	2012 - 2042	Spain	25%	Operational	Equity method	Financial asset
	Toowoomba Second Range Crossing (Nexus)	Design, construction and operation of 41km of the north ring road in Toowoomba (Queensland), from Helidon Spa to Athol, through Charlton. Availability payment (25 year operation from construction end)	2015 - 2043	Australia	20%	Operational	Equity method	Financial asset
	Pūhoi to Warkworth	Finance, design, construct and maintain the new Pūhoi to Warkworth motorway. The Pūhoi to Warkworth project will extend the four-lane Northern Motorway (SH1) 18.5km from the Johnstone's Hill tunnels to just north of Warkworth.	2016 - 2046	New Zealand	10%	Construction	Equity method	Financial asset
Rail	Consortio Traza (Tranvía Zaragoza)	Construction & operation of the streetcar that crosses the city (12.8km)	2009 - 2044	Spain	17%	Operational	Equity method	Both methods
	Linha Universidades Concessionaire	Construction of civil works and systems, provision of rolling stock, operation, conservation, maintenance and expansion of public transport services for Line 6 - Laranja of the Sao Paulo metro	2020 - 2044	Brazil	88%	Construction	Equity method	Financial asset
	Sydney Light Rail	Design, construction and O&M of 12km rail line from Circular Quay via George Street to Central Station crossing Surry Hills to Moore Park, Kensington, Kingsford and Randwick. It includes operation of Inner West line	2014 - 2034	Australia	5%	Construction	Equity method	Financial asset
Canal	Canal de Navarra *	Construction & operation of the 1 st phase of the Canal de Navarra irrigation area	2006 - 2036	Spain	50%	Operational	Equity method	Both methods
Port	Nova Darsena Esportiva de Bara	Construction & operation of the Roda de Bara marina. Revenues from moorings, shops & parking (191,771m ²)	2005 - 2035	Spain	50%	Operational	Equity method	N/A
Hospital	Hospital de Leon Bajio	Design, construction, equipment and O&M of the hospital (184 beds)	2005 - 2030	Mexico	100%	Operational	Fully consolidated	Financial asset
	Gran Hospital Can Misses (Ibiza) *	DBFOM of the hospital with an area of 72,000m ² & a health centre (241 beds)	2010 - 2045	Spain	40%	Operational	Equity method	Financial asset
	Novo Hospital de Vigo *	DBFOM of 3 hospitals with an area of 300,000m ² (175,000m ² hospital y 125,000m ² car park). (2007 beds)	2011 - 2035	Spain	43%	Operational	Equity method	Financial asset
	Centro Hospitalario Universitario de Toledo *	Construction and operation of Hospital Universitario de Toledo, with 760 beds	2015 - 2045	Spain	33%	Operational	Equity method	Financial asset

* For these companies, a sale and purchase agreement was signed on 29 November 2020, although this agreement is subject to the fulfilment of conditions precedent at 31 December 2020.

ACCIONA, S.A. AND SUBSIDIARIES
(CONSOLIDATED GROUP)
DIRECTORS' REPORT – FINANCIAL YEAR 2020

ACCIONA reports in accordance with the International Financial Reporting Standards (IFRS) under a corporate structure that comprises three divisions:

- Energy includes the electric business, encompassing the promotion, construction, operation and maintenance of renewable generation facilities and the sale of the energy produced. All the electricity generated by Acciona Energía is renewable.
- Infrastructure includes the following activities:
 - Construction: includes construction activity, as well as turn-key projects (EPC) for power generation plants and other facilities.
 - Concessions: including the exploitation of mainly transport and hospital concessions.
 - Water: including the activities relating to the construction of desalination plants, water and wastewater treatment plants, as well as the management of the entire water cycle, an activity that covers from the initial water collection to its treatment, including desalination, to its purification and return to the environment after use. It also operates concessions for services related to the entire water cycle.
 - Services: includes urban mobility activities such as rental of all types of vehicles, analysis, design and implementation of energy efficiency projects and renewable energy improvement projects in all types of energy-consuming facilities, as well as facility services activities, airport handling, waste collection and treatment and logistics services, among others.
- Other activities: includes fund management and brokerage services, real estate business, wine production and other businesses.

The Alternative Performance Measures or APMs used in this report by ACCIONA Group are listed and defined below:

EBITDA or the gross operating profit: is defined as operating income before depreciation and amortisation and variations in provisions, that is, it shows the operating result of the Group. It is calculated by taking the following items of the consolidated income statement: “revenue”, “other income”, “changes in inventories of finished goods and work in progress”, “cost of goods sold”, “personnel expenses”, “other operating expenses” and “Income from associated companies - analogous”².

EBT excluding corporate transactions: is defined as earnings before tax excluding those accounting impacts related to events and decisions made by the Group’s corporate management,

²As of 1 January 2020, the Acciona Group includes income from associated companies and joint ventures that are accounted for using the equity method, and that carry out an activity similar to Acciona’s activity, within the gross operating profit (EBITDA) according to Decision EECS/0114-06 issued by European Securities and Markets Authority (ESMA).

The Group considers that this reclassification will contribute to making the EBITDA a better reflection of the financial performance of those assets and activities that form the Group’s corporate purpose and in which the Group is highly involved, regardless of the legal nature of the agreements that regulate their management. The results of those associates and joint ventures which, due to the development of activities outside the group’s business, are more similar to that of a financial investment would be the only ones recorded under operating profit.

In addition, this change will allow for greater alignment with the presentation criteria that comparable companies have been adopting in recent times.

which go beyond the ordinary business decisions made by the different division's management and are detailed in the information note by segments.

Net Debt: shows the Group's debt, in net terms, deducting cash and current financial assets. The detailed reconciliation is broken down in the Cash flow and Net Financial Debt Variation section of the Directors' Report. It is calculated by taking the following items from the consolidated balance sheet: "non-current bank borrowings and preferred shares, debentures and other marketable securities", "current bank borrowings and preferred shares, debentures and other marketable securities", less "cash and cash equivalents" and "other current financial assets".

Net Debt including IFRS16: is defined as net debt adding balance sheet long-term and short-term "lease obligations".

Non-recourse debt (project debt): corresponds to debt that does not have corporate guarantees, and therefore its recourse is limited to the debtor's assets and cash flows.

Recourse debt (corporate debt): debt with a corporate guarantee.

Financial gearing: shows the relationship between the Group's financial debt and its equity. It is calculated by dividing "net debt" (calculated as explained above) by "equity".

Backlog: is defined as the pending production, i.e., contractual amounts or customer orders after having deducted the amounts already accounted for as income in the income statement. It is calculated on the basis of orders and contracts awarded to the Group, deducting the realized portion that is accounted for in "revenue" and adding or subtracting "other variations" that correspond to forex adjustments and modifications to the initial contracts.

Gross Ordinary Capex: is defined as the period increase in the balance of property, plant & equipment, real estate investments, right of use under financial leasing contracts and non-current financial assets, corrected by the following concepts:

- Amortisation and impairment of assets during the period
- Profit/(loss) on disposals of non-current assets
- Variation due to forex fluctuations

When dealing with changes in the consolidation perimeter, net capex is defined as the net outflow/inflow of used/sourced resources in the purchase/sale of net assets.

Net Ordinary Capex: is defined as the Gross Ordinary Capex +/- change in "other payables" related to property, plant, and equipment providers.

Divestments: resources obtained from the sale of businesses or significant cash generating units that are carried out within the framework of a divestment strategy.

Net Investment Cashflow: Net Ordinary Capex, subtracting divestments, +/- change in Real Estate inventories.

Operating Cashflow: represents the ability of assets to generate resources in terms of net debt. It is obtained as follows: EBITDA +/- change in operating working capital – net financial cost +/- cash inflow/outflow of tax income + income from associates +/- other cash inflow/outflow different from those included in the Net Investment Cash-flow and from those which constitute shareholder remuneration.

Management uses these APMs to make financial, operational or planning decisions. They are also used to evaluate the performance of the Group and its subsidiaries.

Management considers these APMs provide useful additional financial information to evaluate the performance of the Group and its subsidiaries as well as for decision-making by the users of the financial information.

A handwritten signature in blue ink, consisting of several overlapping loops and a horizontal line extending to the right.

Executive Summary

Key Highlights of the period:

- 2020 has been marked by the COVID19 pandemic and the effects it has had on the environment in which the company operates. In terms of the group's businesses, the pandemic has had a particularly negative impact on Infrastructures due to, among other things, the suspension of projects, increased costs and general disruption to the operating environment. The Energy business was affected on a lesser scale, with the decline in electricity demand in Spain resulting in a considerable decrease in wholesale prices.
- In this challenging environment, the group has been able to protect its solid financial position and growth capacity, with the debt ratio standing at 4.21x (net debt/EBITDA) at 31 December 2020. This strong result was made possible by the execution of the plan aimed at mitigating the temporary impact of the pandemic, focusing on liquidity and financial flexibility, moderation of investment flows and working capital management, asset rotation, a 50% reduction in the dividend, and cost efficiency.
- During 2020, the company has considerably strengthened its growth potential despite COVID19, significantly increasing the portfolio of planned renewable projects and reaching a backlog of construction and water projects at record highs. ACCIONA is well positioned to take advantage of the economic recovery and reactivation plans, which are expected to be particularly focused on sustainable and transformative sectors.
- ACCIONA's revenues amounted to €6,472 million, a 10% decrease compared to 2019. EBITDA - including the contribution of assets consolidated by the equity method whose activity is similar to that of the group - stood at €1,124 million, a decline of 21.8%. The negative impact of COVID19 amounted to €796 million in sales and €221 million in EBITDA for the year as a whole. The second quarter of the year was the most affected by the pandemic, with a gradual recovery in the third and fourth quarters.
- By business area, Energy and Infrastructure revenues decreased by 10.9% and 10.8%, respectively, compared to the previous year, while revenues from Other Activities increased by 4.7%.
- In terms of EBITDA evolution by activity:
 - The Energy division experienced a 6.7% decline in EBITDA to €831 million due to a combination of several factors:
 - In the domestic market, Generation EBITDA fell by 14.2% to €394 million, mainly because of lower wholesale prices and the reduction in regulated revenues following the three-year regulatory review.
 - The International Generation business grew by 1.5% to €459 million, with the contribution from new assets in operation offsetting lower output from the existing portfolio.
 - Mainly due to the impact of the pandemic in 2020, Infrastructure EBITDA decreased by 54.2% to €213 million, especially in the industrial area and in some services activities that have been significantly affected, as well as the

comparison to 2019 which included the contribution from the commercial agreement in respect of the Sydney Light Rail project.

- Other Activities generated EBITDA 4.1% lower than in the previous year.
- Financial expenses decreased by 4.7% compared to 2019, to €219 million.
- Attributable net profit amounted to €380 million, 8.1% higher than in 2019. This result includes a positive contribution from ACCIONA's stake in Nordex of €79 million, €145 million relating to the reversal of the impairment made in 2017, as well as €79 million capital gain obtained with the sale of two Spanish concessions (Autovía de Los Viñedos and Hospital del Norte), completed before year end. This sale belongs to the disposal of a portfolio of eight concessions assets in Spain agreed in December 2020, of which the sale of the remaining six assets are pending to be completed.
- Net ordinary capex for the full year was €829 million, to which €14 million must be added in terms of net investment in property development inventories. Most of the investment was in Energy, which invested €607 million mainly in new renewable capacity, wind farms in Mexico, the United States and Chile. ACCIONA installed 580MWs in the year, with 494MWs under construction at 31 December 2020. The company also has an additional 1,709MW of projects scheduled to enter construction during 2021, providing excellent visibility of its growth.
- In terms of divestments, it is worth highlighting the agreement reached during the fourth quarter of the year for the sale of a portfolio of eight concession assets in Spain in a transaction valued at €484 million (EV), of which €357 million represented the value of the shares and €127 million the associated debt (classified as held for sale at the end of the first half of the year). Prior to year-end, the company had completed the sale of two of the six assets (Autovía de los Los Viñedos and Hospital del Norte) and had received €234 million (€98 million in the form of an advance payment for the remaining six assets whose sale will be completed in the coming months). Furthermore, in December, the company executed the sale of its student residence assets for €31 million.
- In Infrastructure, the backlog of construction and water projects grew to €12,123 million, 51% higher than at the end of 2019, highlighting the record amount of new awards and additions such as the São Paulo Line 6 and the closing of the acquisition of part of the Australian company Lendlease Engineering's project portfolio.
- As at 31st of December 2020, net financial debt (including IFRS16) stood at €4,733 million, representing a reduction of €584 million compared to the end of the previous year.



Income Statement Data

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. %
Revenues	6,472	7,191	-10.0%
EBITDA	1,124	1,357	-21.8%
EBT	508	545	-6.7%
EBT - ex. corp. trans.	508	545	-6.7%
Attributable net profit	380	352	8.1%
Net profit - ex. corp. trans.	380	352	8.1%

Balance Sheet Data and Capital Expenditure

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. %
Attributable Equity	3,405	3,421	-0.5%
Net debt	4,239	4,915	-13.8%
Net debt including IFRS16	4,733	5,317	-11.0%

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. %
Net Ordinary Capex	829	1,034	-19.9%
Net Investment Cashflow	526	1,241	-57.6%

Operating Data

	Jan-Dec 19	Jan-Dec 19	Chg. %
Infrastructure backlog (Million euros)	15,364	11,391	34.9%
Average workforce	38,355	39,699	-3.4%

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. %
Total capacity (MW)	10,694	10,117	5.70%
Consolidated capacity (MW)	8,631	8,053	7.20%
Total production (GWh) (Jan-Dec)	24,075	22,991	4.70%
Consolidated production (GWh) (Jan-Dec)	19,451	18,712	3.90%
Assets under Bestinver management (Million euros)	6,371	6,790	-6.20%

Consolidated Income Statement

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Revenues	6,472	7,191	(718)	-10.0%
Other income	789	684	105	15.3%
Changes in inventories of finished goods and work in progress	194	16	177	n.m.
Total Production Value	7,455	7,891	(436)	-5.5%
Cost of goods sold	(2,216)	(2,021)	(195)	-9.6%
Personnel expenses	(1,551)	(1,599)	48	3.0%
Other expenses	(2,646)	(2,915)	268	9.2%
Income from associated companies - analogous	82	81	1	1.8%
EBITDA	1,124	1,437	(313)	-21.8%
Depreciation and amortisation	(557)	(586)	29	5.0%
Provisions	(121)	(71)	(50)	-71.1%
Impairment of non-current asset	92	(4)	96	n.m.
Profit/(loss) on disposals of non-current assets	88	13	75	n.m.
Other gains or losses	(9)	(7)	(2)	n.m.
EBIT	616	782	(165)	-21.2%
Net financial result	(219)	(230)	11	4.7%
Exchange differences (net)	14	9	5	53.7%
Change in financial investment provisions	1	(2)	3	n.m.
Income from associated companies - non-analogous	79	(20)	99	n.m.
Profit and loss from changes in fair value of financial instruments	15	5	10	n.m.
Profit before tax from Continuing Activities	508	545	(37)	-6.7%
Income tax	(97)	(147)	50	33.9%
Profit from continuing activities	411	398	13	3.3%
Non-controlling interests	(30)	(46)	15	33.7%
Attributable Net Profit	380	352	29	8.1%

Revenue

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Energy	1,780	1,997	(217)	-10.9%
Infrastructures	4,492	5,034	(541)	-10.8%
Other activities	378	361	17	4.7%
Consolidation adjustments	(178)	(201)	24	11.7%
TOTAL Revenues	6,472	7,191	(718)	-10.0%

Revenues decreased by 10% to €6,472 million, with the following evolution in the different areas of activity:

- The decrease in Energy revenues (-10.9%), mainly due to the reduction in pool prices in Spain and the lower regulated remuneration following the last regular three-year review of the regulatory model.
- A decrease in Infrastructure revenues (-10.8%) mainly due to the consequences of the COVID 19 pandemic in 2020 in the different markets and business areas, as well as the positive non-recurring effect that the Sydney Light Rail project agreement had on sales in 2019.
- The revenues from Other Activities increased by +4.7%.

EBITDA

(Million euros)	Jan-Dec 20	% EBITDA	Jan-Dec 19	% EBITDA	Chg. €m	Chg. %
Energy	831	74%	890	62%	(60)	-6.7%
Infrastructures	213	19%	466	32%	(253)	-54.2%
Other activities	80	7%	84	6%	(3)	-4.1%
Consolidation adjustments	--	n.a.	(3)	n.m.	2	82.6%
EBITDA Total	1,124	100%	1,437	100%	(313)	-21.8%
Margin (%)	17.4%		20.0%			-2.6pp

Note: EBITDA contributions calculated before consolidation adjustments.

EBITDA fell by 21.8% in the period and stood at €1,124 million, mainly due to the lower contribution of Infrastructure (-54.2% compared to 2019). Energy reduced its EBITDA by 6.7% and Other Activities by -4.1%.

EBIT

EBIT amounted to €616 million vs. €782 million in 2019, representing a 21.2% decrease.

Earnings Before Tax (EBT)

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Energy	441	284	157	55.0%
Infrastructures	7	201	(194)	-96.7%
Other activities	61	62	(1)	-1.7%
Consolidation adjustments	--	(2)	2	89.7%
EBT - ex. corp. trans.	508	545	(37)	6.7%
Results from corporate	--	--	--	n.a.
TOTAL EBT	508	545	(37)	6.7%
Margin (%)	7.8%	7.6%		+0.3pp

Attributable Net Profit

Attributable net profit reached €380 million, 8.1% higher than the previous year. This result includes €79 million capital gain obtained from the sale of Autovía de los Viñedos (Auvisa) and Hospital del Norte, completed in the fourth quarter of 2020.

Consolidated Balance Sheet and Cashflow

(Million euros)	31-Dec-2020	31-Dec-2019	Chg. €m	Chg. %
Property, Plant & Equipment and Intangible assets	7,873	7,703	170	2.2%
Right of use	497	409	88	21.5%
Financial assets	189	211	(21)	-10.2%
Investments applying the equity method	1,227	1,117	111	9.9%
Goodwill	230	233	(3)	-1.3%
Other non-current assets	1,382	1,638	(256)	-15.6%
NON-CURRENT ASSETS	11,399	11,311	88	0.8%
Inventories	1,230	1,248	(18)	-1.5%
Accounts receivable	2,252	2,091	161	7.7%
Other current assets	309	352	(43)	-12.2%
Current financial assets	213	199	14	7.0%
Cash and cash equivalents	2,407	2,149	259	12.0%
Non-current assets held for sale	458	--	458	n.m.
CURRENT ASSETS	6,869	6,038	831	13.8%
TOTAL ASSETS	18,268	17,349	919	5.3%
Capital	55	55	--	0.0%
Reserves	2,992	3,043	(52)	-1.7%
Profit attributable to equity holders of the Parent	380	352	29	8.1%
Treasury stock shares	(22)	(29)	7	23.0%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS	3,405	3,421	(17)	-0.5%
NON-CONTROLLING INTERESTS	365	219	146	66.4%
EQUITY	3,770	3,641	129	3.5%
Non-current financial debt	4,871	5,296	(425)	-8.0%
LT lease obligations	420	347	73	21.1%
Other non-current liabilities	1,857	1,904	(47)	-2.4%
NON-CURRENT LIABILITIES	7,149	7,547	(398)	-5.3%
Current bank financial debt	1,987	1,966	21	1.1%
ST leasing obligations	74	55	19	34.4%
Trade payables	2,953	2,604	349	13.4%
Other current liabilities	1,952	1,536	416	27.1%
Liabilities associated to non-current assets held for sale	383	--	383	n.m.
CURRENT LIABILITIES	7,349	6,162	1,188	19.3%
TOTAL LIABILITIES AND EQUITY	18,268	17,349	919	5.3%

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg.(€m)	Chg.(%)
EBITDA	1,124	1,437	(313)	-21.8%
Financial results	(200)	(218)	19	8.6%
Working capital	207	(33)	240	n.m.
Other operating cashflow	(211)	(216)	4	1.9%
Operating cashflow	920	970	(50)	-5.2%
Gross Ordinary Capex	(829)	(1,034)	205	19.8%
Divestments	318	66	252	n.m.
Real Estate inventories	(14)	(272)	258	94.7%
Net Investment Cashflow	(526)	(1,241)	715	57.6%
Debt derivatives	5	(42)	47	111.6%
Forex	36	(14)	50	n.m.
Dividend	(106)	(192)	86	44.9%
Perimeter changes and other (*)	347	(64)	411	n.m.
Financing/other cashflow	282	(312)	594	190.5%
Change in net debt decrease / (increase)	676	(582)	1,258	n.m.

*Note: IFRS16 lease payments amount to €105m, of which €24m is reflected in Financial results (interests) and €81m in Perimeter changes & other (principal)

Attributable Equity

ACCIONA's attributable equity as of 31st December 2020 was €3,405 million, broadly unchanged versus December 2019.

Change in Net Financial Debt

	31-Dec-20		31-Dec-19		Chg. €m	Chg. %
	Amount	Total	Amount	Total		
Project debt	947	14%	1,304	18%	(357)	-27.4%
Corporate debt	5,912	86%	5,958	82%	(47)	-0.8%
Total financial debt	6,858		7,262	100%	(404)	-5.6%
Cash + Current financial assets	(2,620)		(2,347)		(272)	-11.6%
Net debt	4,239		4,915		(676)	-13.8%
Net debt incl. IFRS 16	4,733		5,317		(584)	-11.0%

Net debt as of 31st December 2020 grew to €4,239 million (€4,733 million including the IFRS16 effect), a decrease of €584 million during the year. This variation is the result of a combination of the following factors:

- Operating Cash flow of €920 million, with a favourable evolution of the working capital throughout the year.

- Net Cash Flow from Investments of -€526 million, including €14 million invested in the property business and €318 million of positive cash flow from divestments.
- Financing Cash flow and Others, which reached €282 million, including the reclassification to held for sale of the net debt associated with the Spanish concession portfolio in the fourth quarter (€115 million as at December 2020) and of the company holding a concession asset in Australia (€260m) resulting from the commercial agreement on the Sydney Light Rail project. This item includes the dividends payment (€106 million) as well.

Financial gearing has evolved as follows:

(Million euros)	31-Dec-20	31-Dec-19
Gearing (Net Debt/Equity) (%)	126%	146%

Capital Expenditure

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. (€m)	Chg. (%)
Energy	607	608	(1)	-0.1%
Infrastructures	205	392	(186)	-47.6%
Construction	79	45	35	77.4%
Concessions	72	288	(216)	-75.1%
Water	10	15	(5)	-32.7%
Services	44	44	--	0.4%
Other activities	17	35	(18)	-52.1%
Net Ordinary Capex	829	1,034	(205)	-19.9%

In 2020 the net ordinary capex across ACCIONA's various businesses grew to €829 million, 19.9% less than the amount invested during 2019.

The Energy division invested €607 million, mostly in the construction of new capacity, mainly wind technology, noting the Santa Cruz and San Carlos projects in Mexico, as well as La Chalupa projects in USA. In total 580MWs have been newly installed in the period (485MWs of wind and 94MWs of solar PV) and 494MWs are under construction.

Additionally, the Infrastructure division invested €205 million, compared to €392 million in 2019, which included €281 million from the concession asset resulting from the agreement reached with the client on the Sydney Light Rail concession.

Capex in Other Activities does not include net investments in property development inventories, which amounted to €14 million in 2020, compared to €272 million in 2019 (a figure which includes the acquisition of the Mesena office project).

Results by Division

Energy

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Generation	1,361	1,435	(74)	-5.2%
<i>Spain</i>	694	766	(72)	-9.4%
<i>International</i>	668	670	(2)	-0.3%
Development, Construction & Other	974	970	3	0.4%
Consolidation adjustments and other	(555)	(408)	(146)	-35.8%
Revenues	1,780	1,997	(217)	-10.9%
Generation	853	911	(59)	-6.4%
<i>Spain</i>	394	459	(65)	-14.2%
<i>International</i>	459	452	7	1.5%
Development, Construction & Other	59	4	55	n.m.
Consolidation adjustments and other	(81)	(25)	(56)	n.m.
EBITDA	831	890	(60)	-6.7%
Generation Margin (%)	62.7%	63.5%		
EBT	441	284	157	55.0%
Generation Margin (%)	28.1%	19.0%		

ACCIONA Energy revenues decreased by 10.9% compared to 2019. EBITDA declined by 6.7% and stood at €831 million, mainly due to:

- In the Spanish market, the Generation business EBITDA fell by 14.2% mainly due to the lower average price obtained, in an environment of lower wholesale prices (€33.96/MWh in 2020 vs. €47.8/MWh in 2019). The reduction in the amount of regulated remuneration following the last ordinary three-year review of the regulatory model has also had a negative impact. These effects were partly mitigated by the effect of the regulatory banding mechanism and price hedges, as well as by the contribution from equity-consolidated companies, which amounted to €58 million in 2020 compared to €46 million in 2019, as a result of the extension of the accounting useful life from 25 to 30 years, leading to lower depreciation and impairment reversals of a combined amount of €28.5 million.
- EBITDA in the International Generation business increased by 1.5% with the contribution of new assets in operation offsetting the lower output of the existing portfolio. Average prices increased but this effect was offset by the negative evolution of exchange rates.

During 2020, the consolidated capacity increased by 577MWs, with almost all new capacity outside Spain. 580MWs were installed (485MWs wind in the US, Mexico, Chile and Australia and 94MWs photovoltaic in Chile). In Spain, the Sierra Brava solar plant (1MW) was installed, the first floating photovoltaic plant connected to the grid in the country.

At an operational level, consolidated production in 2020 reached 19,451GWh, with an increase of 3.9% with respect to 2019. In the Spanish market, production slightly decreased by -0.5%, with the higher hydro output, almost totally offsetting the lower wind production. International assets increased production by 8.9% (+6.8% in wind and +34.2% in solar photovoltaic), mainly due to the new operational capacity.

Breakdown of Installed Capacity and Production by Technology

31-Dec-2020	Total		Consolidated		Net	
	Installed MW	Produced GWh	Installed MW	Produced GWh	Installed MW	Produced GWh
Spain	5,677	12,486	4,452	9,821	5,014	11,038
Wind	4,738	9,671	3,514	7,007	4,078	8,242
Hydro	873	2,374	873	2,374	873	2,374
Solar Thermoelectric	--	--	--	--	--	--
Solar PV	4	3	4	3	4	3
Biomass	61	437	61	437	59	419
International	5,017	11,589	4,179	9,630	3,820	8,033
Wind	3,722	9,090	3,519	8,568	2,932	6,457
Mexico	930	2,610	930	2,610	780	1,978
USA	1,064	2,201	990	1,987	851	1,510
Australia	453	1,239	389	1,106	353	874
India	164	367	164	367	142	301
Italy	156	231	156	231	117	154
Canada	181	503	141	371	106	247
South Africa	138	329	138	329	57	120
Portugal	120	263	120	263	84	162
Poland	101	230	101	230	76	153
Costa Rica	50	227	50	227	32	148
Chile	312	777	312	777	301	740
Croatia	30	71	30	71	23	47
Hungary	24	42	--	--	12	21
Solar PV	1,232	2,390	595	952	840	1,504
Chile	401	685	401	685	401	685
South Africa	94	201	94	201	39	74
Portugal	46	88	--	--	23	39
Mexico	405	918	--	--	202	459
Egypt	186	432	--	--	78	181
Ukraine	100	67	100	67	97	67
Solar Thermoelectric (USA)	64	110	64	110	48	73
Total Wind	8,460	18,761	7,033	15,574	7,011	14,698
Total other technologies	2,234	5,314	1,598	3,877	1,824	4,373
Total Energy	10,694	24,075	8,631	19,451	8,835	19,072

Infrastructure

<i>(Million euros)</i>	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Construction	2,776	3,430	(654)	-19.1%
Concessions	98	78	20	26.3%
Water	976	758	218	28.8%
Services	727	824	(97)	-11.8%
Consolidation adjustments	(85)	(56)	(29)	-51.8%
Revenues	4,492	5,034	(541)	-10.8%
Construction	50	284	(233)	-82.3%
Concessions	67	50	17	33.4%
Water	85	89	(4)	-4.7%
Services	11	43	(32)	-74.0%
EBITDA	213	466	(253)	-54.2%
<i>Margin (%)</i>	<i>4.7%</i>	<i>9.3%</i>		
EBT	7	201	(194)	-96.7%
<i>Margin (%)</i>	<i>0.1%</i>	<i>4.0%</i>		

Infrastructure revenues amounted to €4,492 million (-10.8% vs 2019). EBITDA decreased by 54.2% to €213 million, reflecting the impact of the COVID19 pandemic.

Infrastructure Backlog

<i>(Million euros)</i>	31-Dec-2020	31-Dec-2019	Chg. %	Weight (%)
Construction	10,797	6,506	66.0%	70%
Water	3,789	3,974	-5.0%	25%
Services	779	911	-15.0%	5%
Total	15,364	11,391	35.0%	100%

<i>(Million euros)</i>	31-Dec-2020	31-Dec-2019	Chg. %	Weight (%)
Projects (Construction and Water)	12,123	8,047	50.6%	79%
Water O&M	2,462	2,433	1.2%	16%
Services	779	911	-14.5%	5%
Total	15,364	11,391	34.9%	100%

<i>(Million euros)</i>	31-Dec-2020	31-Dec-2019	Chg. %	Weight (%)
Spain	3,281	3,558	-7.8%	21%
International	12,083	7,832	54.3%	79%
Total	15,364	11,391	34.9%	100%

The total Infrastructure backlog increased by 34.9% compared to December 2019. During the period, new projects worth €9,141 million were awarded, including Line 6 of the São Paulo Metro, the extension of the Broadway line of the Vancouver Metro, two expressways in Poland a hospital in Panama and the acquisition of part of the Lendlease Engineering's project portfolio.

A. Construction

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Revenues	2,776	3,430	(654)	-19.1%
EBITDA	50	284	(233)	-82.3%
Margin (%)	1.8%	8.3%		

Revenues decreased by 19.1% and stood at €2.776 million. EBITDA fell by 82.3% due to the impact of the pandemic on the business, as well as the positive non-recurring effect in 2019 of the agreement reached with the client for the Sydney Light Rail project.

B. Concessions

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Revenues	98	78	20	26.3%
EBITDA	67	50	17	33.4%
Margin (%)	68.2%	64.5%		

Concessions increased revenues by 26.3% and EBITDA by 33.4% despite the negative effect of COVID19 on two concessions in Spain with demand risk. This effect was mitigated by the positive impact from the start-up of Line 6 in São Paulo in the fourth quarter.

C. Water

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Revenues	976	758	218	28.8%
EBITDA	85	89	(4)	-4.7%
Margin (%)	8.7%	11.7%		

Water revenues increased by 28.8% and EBITDA decreased by 4.7% amounting to €85 million. The 2019 EBITDA included a positive contribution from ATLL of €9 million until the early termination of the concession contract.

D. Services

(Million euros)	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Revenues	727	824	(97)	-11.8%
EBITDA	11	43	(32)	-74.0%
Margin (%)	1.5%	5.2%		

Services EBITDA was reduced, affected by the impact of the pandemic, mainly in airport handling, mobility and facility services.

Other activities

<i>(Million euros)</i>	Jan-Dec 20	Jan-Dec 19	Chg. €m	Chg. %
Real estate	201	141	60	42.9%
Bestinver	114	99	15	15.6%
Corp. and other	63	122	(59)	-48.5%
Revenues	378	361	17	4.7%
Real Estate	19	20	(1)	-7.2%
<i>Margin (%)</i>	<i>9.4%</i>	<i>14.5%</i>		
Bestinver	63	62	--	0.8%
<i>Margin (%)</i>	<i>54.9%</i>	<i>63.0%</i>		
Corp. and other	(1)	1	(2)	n.m.
EBITDA	80	84	(3)	-4.1%
EBT	61	62	(1)	-1.7%

A. Real Estate

The Property business EBITDA remained virtually flat compared to the previous year. In 2020, 744 residential units were delivered, compared to 512 units in 2019.

B. Bestinver

EBITDA generated by Bestinver increased slightly (+0.8%) in 2020 despite the negative performance of most equity markets. Average funds under management in 2020 stood at €5,742 million, compared to €6,047 million in the previous year.

At 31st of December 2020, the funds under management fell by 6% compared to December 2019 to €6,371 million.

RELEVANT INFORMATION, DIVIDEND AND SHARE DATA

Significant communications to the stock market

- 9 January 2020: ACCIONA, S.A. informs of the completion of the acceptance and additional acceptance periods for the Public Tender Offer (“OPA”) launched for the entirety of the shareholders of NORDEX SE, traded on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange
 - The OPA has been accepted by a total of 149,399 shares (“Shares”), representing 0.14% of share capital, for a price of EUR 10.34 per share which added to the current shareholding held by ACCIONA, S.A. represents a total of 38,845,395 shares i.e.; 36.41% of the share capital in NORDEX, SE.
 - It is expected that the settlement will take place on January 13th 2020, and the total amount to be disbursed for the shares, once the OPA is settled, shall be 1.544.786 euros.
- 13 January 2020: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 11/10/2019 and 10/01/2020, inclusive
 - Detailed information about the operations relevant to the tenth quarter of the mentioned contract (from 11th October 2019 to 10th January 2020, both included).
- 7 February 2020: ACCIONA confirms that it has reached an agreement with the Brazilian consortium Move and the government of the State of São Paulo (Brazil) for the transfer of the contract for the concession of Line 6 of the city’s Metro
 - Completion of the transaction is currently subject to the compliance of certain condition precedents, such as, among others, the negotiation of certain economic rebalancing conditions of the concession agreement with the Sao Paolo Government.
 - Construction of the public collaboration project (PPT) is currently at a standstill.
- 10 April 2020: AXA Investment Managers - Real Assets (“AXA IM - Real Assets”) and ACCIONA S.A. (“ACCIONA”) have entered into an agreement with Kohlberg Kravis Roberts & Co. LP (“KKR”) under which they will acquire the 33.33% equity stake currently owned by KKR’s infrastructure funds, along with some co-investors, in ACCIONA Energía Internacional (“AEI”). This transaction was structured and facilitated by Real Assets Advisers (“RAA”).
 - Under the current transaction, ACCIONA will increase its equity stake in AEI from 66.67% to 80.0%. AXA IM - Real Assets will acquire the remaining 20.0% equity stake becoming ACCIONA’s partner in the renewable energy sector. ACCIONA intends to hold a 75% equity stake in AEI, so that the subsidiary becomes part of its Spanish Tax Consolidation Group and will look for potential investors to acquire the additional 5% stake before closing the transaction, which is expected to take place by December 2020 and subject to customary regulatory approvals.

- 14 April 2020: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 13/01/2020 and 09/04/2020, inclusive
 - Detailed information about the operations relevant to the eleventh quarter of the mentioned contract (from 13 January 2020 to 9 April 2020, both included).
- 23 April 2020: The Company has been assigned a Long-Term Issuer Rating of BBB and a Short-Term Issuer Rating of R-2 (Middle) from DBRS Limited (DBRS Morningstar). All trends are Stable. Said rating is within the Investment Grade category.
- 24 April 2020: ACCIONA's Board of Directors announced today that its Annual General Meeting will be held on 28 May.
 - In accordance with Spain's Royal Decree-Law 11/2020, which introduced urgent measures in response to COVID-19, the company has resolved to modify its proposed dividend payout in its AGM notice, even though ACCIONA had already signed off on its Financial Statements. The new proposed dividend is 50% lower than the original figure following the Board of Directors' decision to modify its initial proposal from €3.85 per share to €1.925 per share.
- 18 May 2020: ACCIONA hereby informs that it has formalised a new Euro Commercial Paper (ECP) programme for a maximum amount of 1,000 million euros, which has been approved by Euronext Dublin (Irish Stock Exchange).
 - The Bank of New York Mellon is the Issuing and Paying agent, and Banco Santander, S.A. and Banco Sabadell, S.A. are permanent dealers. This programme will allow the Company to issue Notes in the Euromarket with a maximum maturity of 364 days, thus allowing the diversification in alternative means of financing in the capital markets.
- 28 May 2020: Approval of all the proposed resolutions submitted to a vote at the Ordinary General Meeting of Shareholders held today
 - Held on second call, with the attendance of 83.486% of the Company's share capital (including treasury shares), shareholders have approved with, at least 92.71% of the share capital present at the Meeting, all of the items on the agenda submitted to a vote in the terms included in the documentation available to shareholders and which are consistent with the proposed resolutions that were communicated to the CNMV on 24 April 2020 with the registration number 1733.
- 24 June 2020: ACCIONA's Board of Directors, enforcing the delegation agreed by the Annual General Shareholders Meeting held on 28 May 2020 (OIR 2474), has resolved that the 2019 dividend declared by said meeting, be paid on 2 July 2020, through the entities adhered to Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores

The relevant dates for the dividend distribution are: Last Trading Date: 29 June 2020, ExDate: 30 June 2020, Record Date: 1 July 2020, Payment Date: 2 July 2020.

The 1.925 euros per share gross dividend approved by the Annual General Shareholders Meeting has been slightly increased to the amount of 1.93653644 euros per share due to the direct treasury shares adjustment.

- 15 July 2020: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 14/04/2020 and 14/07/2020, inclusive
 - Detailed information about the operations relevant to the twelfth quarter of the mentioned contract (from 14 April 2020 to 14 July 2020, both included).
- 9 September 2020: ACCIONA issues a press release regarding the closing of the acquisition of part of the Australian company Lendlease Engineering's project portfolio.
 - The acquisition, along with new projects won in recent months, increases ACCIONA's infrastructure backlog in the country to approximately AU\$4,000 million (€2,470 million) across a vast range of private and public sector contracts.
 - The transaction, valued at AU\$160 million (€99 million) after closing adjustments, comprises the majority of Lendlease Engineering's construction projects.
- 30 September 2020: ACCIONA issues a correction of the OIR published on 15 July 2020 on the details of the Liquidity Contract operations between 14/04/2020 and 14/07/2020, both included.
- 2 October 2020: ACCIONA hereby informs of the persons discharging managerial responsibilities in accordance with article 3.1.(25) of the Regulation (EU) no. 596/2014 on Market Abuse, and who are members of the Management Team.
- 16 October 2020: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 15/07/2020 and 15/10/2020, inclusive
 - Detailed information about the operations relevant to the thirteenth quarter of the mentioned contract (from 15 July 2020 to 15 October 2020, both included).
- 30 November 2020: ACCIONA has entered into an agreement with Meridiam Infra Invest SLP, Meridiam Infraestructure Fund III SLP and Bestinver, S.A. for the sale of its stake in the following concessions assets:
 - Autovía de los Viñedos, Autovía de la Plata, Hospital Infanta Sofía (Madrid), Gran Hospital Can Misses (Ibiza), Novo Hospital de Vigo, Nuevo Hospital de Toledo, Ampliación Facultad de Derecho (Barcelona) and Canal de Navarra.
 - The value of the transaction is €484 million of which the price of the shares is €357 million and the associated debt is €127 million. An amount of €234 million is expected to be paid before the end of 2020, as partial payment of the price.
- 3 December 2020: ACCIONA informs that, on 1st December 2020, the Board of Directors of NORDEX, SE, with the consent of the Supervisory Board, agreed to a capital increase by issuance of up to 10,668,068 shares. From said amount, Acciona has agreed to subscribe a total of 614,068 shares at a value of €18.90 per share. As a result of this capital increase, NORDEX SE's share capital amounts to a total of €117,348,759, divided in the same number of shares.

From 30 December 2020, ACCIONA has released the following relevant information:

- 18 January 2021: ACCIONA reports on the transactions of the Liquidity Contract for periods ranging from 16/10/2020 and 15/01/2021, inclusive

Detailed information about the operations relevant to the fourteenth quarter of the mentioned contract (from 16 October 2020 to 15 January 2021, both included).

Dividend

On 18 February 2021, ACCIONA's Board of Directors proposed the distribution of a dividend of €213.9 million (€3.90 per share) charged to the results of the 2020 financial year.

Share data and share price performance

ACCIONA Share Price Evolution (€/share)



Key Share Data

	31-Dec-2020
Price at 31 December 2020 (€/share)	116.70
Price at 31 December 2019 (€/share)	93.80
Low in FY 2020 (19/05/2020)	79.15
High in FY 2020 (04/03/2020)	125.50
Average daily trading (shares)	129,362
Average daily trading (€)	9,343,798
Number of shares	54,856,653
Market capitalisation at 31 December 2020 (€ millions)	6,402

Share Capital Information

As of 30 December 2020, ACCIONA's share capital amounted to €54,856,653 divided into 54,856,653 shares of €1 of nominal value each.

The group's treasury shares as of 31 December 2020 amounted to 296,422 shares, which represent 0.5404% of the share capital.

The changes in treasury shares in financial year 2020 were as follows:

	2020		2019	
	Number of shares	Cost	Number of shares	Cost
Opening balance	398,641	28,633	2,902,115	199,616
Additions	1,797,781	174,343	1,536,056	144,099
Retirements	(1,811,840)	(174,879)	(1,545,975)	(144,035)
Liquidity contract movements	(14,059)	(536)	(9,919)	64
Other additions	--	--	--	--
Remaining retirements	(88,160)	(6,048)	(2,493,555)	(171,047)
Other movements	(88,160)	(6,048)	(2,493,555)	(171,047)
End balance	296,422	22,049	398,641	28,633

Events after the reporting period

There have been no significant events since 31 December 2020 and up to the date these financial statements were prepared.

Main Risks associated with the ACCIONA Group's business activities

The risk scenarios considered in the Acciona Risk Management System have been classified into eight groups: **financial, strategic, operational, unforeseeable, environmental, social, compliance and tax**, with the first two groups identified by the Group's executives as those presenting a higher risk profile.

1. Financial and Economic Risks:

Mainly fluctuations in exchange rates, interest rates and financial markets, liquidity, cash flow, late payment or loss of clients.

In order to mitigate the exchange rate risk, Acciona engages currency derivatives (mainly exchange-rate hedging instruments) to cover significant future transactions and cash flows in line with the tolerated risk thresholds. Note 21 to the financial statements for 2020 includes detail of current and non-current assets and liabilities and of equity at 31 December 2020 in the main currencies in which the Group operates.

Interest rate risk is particularly material with regard to the funding of infrastructure projects, in concession contracts, in the construction of wind farms or solar plants and other projects where the variation in interest rates may have a strong impact on their profitability. It is mitigated by hedging transactions through the engagement of derivatives. (Mainly interest rate swaps, IRS) and by the increase in project financing with fixed-rate corporate financing. This financing of the company's needs through the Group's finance company (Acciona Financiación y Filiales) has contributed not only to reducing exposure to variable interest rates, but also to the gradual reduction in the cost of the Group's debt.

As regards credit and liquidity risks, the Group negotiates operations exclusively with solvent third parties and requires sufficient assurances to mitigate the risk of financial losses in the event of any default.

Together with a suitable level of reserves, it also constantly monitors the forecasts and the current levels of cash flows to match these against the maturity profiles for financial assets and liabilities.

2. Strategic Risks:

They are risks that have the consequences of reducing the growth of the company and failing to meet the objectives due to inability to respond to a dynamic and competitive environment. These risks include organisational changes, investments and divestments, threats from competitors, economic, political and legal changes, and the impact of new technologies or research and development.

Acciona minimises this type of risk through its own strategy and business model by applying adequate sectoral and geographic diversification of its businesses; the performance of exhaustive market research, surveys of competitors and the countries in which its activities are carried out; as well as through the encouragement of Research and Development.

3. Operational Risks:

They are risks concerning processes, people and products. They are related to regulatory, legal and contractual compliance, control systems and procedures, the supply chain, auxiliary services, information systems, employee productivity and the loss of key personnel.

In each business area, specific systems are established to cover all the business requirements, to systematise and document processes, and to manage quality, operations, planning and financial control.

In order to mitigate the risks in the procurement process, controls have been established to favour free competition and transparency in the processes and to avoid violating Acciona's commitment to ethical behaviour in these processes. Acciona mitigates the main risks in its supply chain related to economic, environmental and labour matters by carrying out a thorough analysis of its critical suppliers.

4. Unforeseeable Risks:

They are risks related to damage caused to company assets and civil liability risks that could negatively impact the company's performance, including criminal acts of a cyber nature.

The company has various insurance programmes to mitigate the impact on the balance sheet of the materialisation of a large number of risks. In particular, there is coverage for "cyber risks" that cause a loss of income, extra costs or expenses for the recovery of digital assets, coverage for claims for damages caused to clients and third parties for privacy and data protection or for a security breach, among others.

5. Environmental Risks:

These are the risks associated with the company's contribution to climate change through greenhouse gas emissions, waste management, natural resource use and energy efficiency.

The management of environmental risks is integrated into the company's general risk management, while the way it is carried out is defined in the Corporate Environmental Risk Management Standard and its associated procedures (on Environmental Responsibility, Climate Change and Water Resources). This standard details the process to be followed to identify, assess, prioritise and communicate to ACCIONA's decision-making bodies the potential events that, in relation to the environment, could have an impact on the company and its centres; and conversely, the risks generated by its activity that could have an impact on the environment. Thus, the procedure establishes performance policies and tolerance thresholds that provide reasonable assurance that the objectives will be achieved.

In addition, Acciona has a Corporate Management System for Environmental Crises. This system includes measures to be followed and the allocation of responsibilities and resources necessary for the adequate management of a crisis situation following any incident occurring at facilities owned or operated by the Company and leading to consequences for the environment.

6. Social Risks:

These are the risks associated with human rights, labour standards in the supply chain, health and safety in the workplace, and the relationship with communities to obtain a social license to operate. ACCIONA applies its own Social Impact Management (SIM) methodology with which it is aware of the social risks that its works, operations or services could cause in the areas of influence of its projects from the tender or design phase. It aims to generate positive impacts and minimise negative impacts on the local communities and environments in which it operates.

Furthermore, in view of the critical situation created by the COVID-19 virus pandemic, ACCIONA has been taking all necessary measures since this crisis began to protect the health and safety of all its employees, while ensuring the continuity of its businesses and services, some of which are essential for community life. ACCIONA has also launched a number of cooperation initiatives with various public institutions and social agents to contribute to the fight against this pandemic.

7. Compliance Risks:

These refers to a set of rules or principles that define ethical behaviour, rights, responsibilities and expectations among different stakeholders in corporate governance.

Acciona established a Crime Prevention and Anti-Corruption Model following the reform of the Spanish Penal Code. A Criminal Risk Map has been developed since then with the aim of fully integrating the regulatory control system and so that the controls introduced are perfectly aligned and audited.

Risks derived from conduct that is contrary to ethics and integrity. The markets in which Acciona operates could be exposed to risks of an ethical nature that go against the principles of integrity and respect in existing legislation. Acciona has put in place a Code of Conduct which establishes the basic principles and commitments that all directors and employees of the divisions as well as suppliers and third parties in contact with these companies must fulfil and respect when carrying out their activities. There is a whistle blowing channel, communicated at all levels of the Organisation, to enable information to be passed on, with guarantees of confidentiality, regarding any irregular conduct relating to accounting, supervision and auditing as well as any other non-compliance or breach of the behaviour promulgated in the Code.

Social, environmental and governance risks are identified and assessed so that Acciona can improve its sustainability performance, improve its response to multiple scenarios and changing environments, and improve confidence among its stakeholders.

In addition, Acciona has a Corporate Management System for Environmental Crises. This system includes measures to be followed and the allocation of responsibilities and resources necessary for the adequate management of a crisis situation following any incident occurring at facilities owned or operated by the Company and leading to consequences for the environment.

8. Tax Risks:

As regards the **tax risks** faced by the Group, these are basically compliance, procedures, communication with business areas that may lead to an inadequate technical analysis, changes in tax regulations or administrative and jurisprudential criteria, as well as the reputational risk arising from tax decisions that may damage the Group's image and reputation. Acciona has defined a tax risk management policy for such issues which is based on a suitable control environment, a risk identification system, and a continuous monitoring and improvement process on the effectiveness of

the established controls. Since 2020, ACCIONA has also been carrying out a Tax Risk Map where it identifies and quantifies all the Group's tax risks so that they can be monitored.

Foreseeable Evolution

The world economy is experiencing a deep recession as a result of the lingering impact of the COVID-19 pandemic. Recent vaccine approvals and the start of vaccination campaigns have raised hopes that the pandemic will reach a turning point later this year, but new waves and variants of the virus raise concerns about the outlook.

Amid this exceptional uncertainty and after the estimated -3.5% contraction in 2020, the world economy is projected to grow by 5.5% in 2021 and 4.2% in 2022³. The projections for 2021 have been revised up by 0.3 percentage points from the previous forecast, in view of expectations that activity will strengthen later in the year on the back of vaccines and additional policy support in some large economies.

Policy measures must ensure effective support until recovery is firmly on track, with the key imperatives being to stimulate potential output, ensure inclusive growth that benefits all, and accelerate the transition to lower carbon dependence. A stimulus to green investment, coupled with an initially modest but steady increase in carbon prices, would achieve a needed reduction in emissions and, at the same time, underpin the recovery from the recession caused by the pandemic.

To control the pandemic worldwide, close international cooperation is needed. These efforts are to strengthen funding for the Global Vaccine Access Fund (COVAX) to accelerate access to vaccines in all countries, ensuring universal distribution of vaccines and facilitating access to affordable treatment for all. Many countries, particularly low-income developing economies, were already experiencing high levels of indebtedness at the onset of the crisis, which will tend to increase during the pandemic. The global community will need to continue to work closely together to provide those countries with adequate access to international liquidity. In cases where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the common framework agreed by the G-20.

The strength of recovery varies considerably across countries, depending on access to medical interventions, the effectiveness of policy support, exposure to cross-border economic repercussions, and the structural characteristics of each economy at the onset of the crisis.

For advanced economies, growth is projected at 4.3% in 2021 and 3.1% in 2022. In the United States and Japan, activity levels from late 2019 are expected to recover in the second half of 2021, both economies boosted by fiscal stimulus measures announced in late 2020. Thus, for the United States, growth is projected at 5.1% in 2021 (2 percentage points higher than the previous estimate) and 2.5% in 2022. In Japan, a variation of 3.1% is expected in 2021 (also revised upwards, in this case by 0.8%, with respect to the previous estimate) and 2.4% in 2022.

In the Eurozone and the UK, however, the level of activity is expected to remain below 2019 levels until 2022, due to the growth in the number of COVID-19 infections and new restrictions. Thus, in the Euro zone, an aggregate growth of 4.2% is expected in 2021 and 3.6% in 2022. Spain is expected

³ *International Monetary Fund World Economic Outlook, WEO January 2021, available at: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>*

to be the Eurozone country with the highest growth rate in 2021 (+5.9%) after the estimated decline of 11.1% in 2020, the worst performance in the Eurozone. By 2022, Spain is also expected to continue to grow above the European average (+4.7%, compared to +3.6% estimated for the Eurozone). As for the United Kingdom, after an expected fall of -10% in 2020, growth of 4.5% is expected in 2021 and 5% in 2022.

As regards emerging markets, their economies as a whole are expected to grow by 6.3% in 2021 and 5% in 2022, with a wide divergence from one country to another. In the case of China, growth is expected to be +8.1% in 2021 and +5.6% in 2022, as a result of effective pandemic containment measures, a strong public investment response, and liquidity support from the central bank. India⁴ is also expected to rebound strongly in 2021 (+11.5%) and 2022 (+6.8%). In Latin America, the economies most dependent on oil and tourism have worse prospects, given expectations of a slow return to cross-border travel and a subdued outlook for oil prices. In this context, for Latin America and the Caribbean as a whole, growth is expected to be 4.1% in 2021 and 2.9% in 2022. Brazil is expected to grow 3.6% in 2021 and 2.6% in 2022, while the expected growth for Mexico is 4.3% and 2.5%, respectively.

Sustainability events

Non-financial information

ACCIONA closed 2020 as the leading electricity utility company in sustainability, according to the Sustainability Yearbook 2021, elaborated by S&P Global. ACCIONA, with a score of 90 out of 100, leads the electricity sector.

For the preparation of this Yearbook, S&P Global analysed more than 7,032 top-level international companies, belonging to 61 sectors of activity. The applied methodology evaluates a broad concept of sustainability that includes economic, environmental, social and human resource variables.

As a result, S&P Global awarded ACCIONA the SAM Gold Class, a distinction that places it on the podium of the best utilities in the world in terms of sustainability.

Participation in initiatives

- ACCIONA joined the **European Alliance for a Green Recovery** alongside European business leaders, ministers, members of the European Parliament, and leaders of civil society, with the aim of urging governments in the European Union to give priority to green investments in their plans for economic recovery after the COVID-19 crisis.
- In response to the call for action against the COVID-19 pandemic by member companies of the **UN Global Compact** and the **World Business Council for Sustainable Development**, ACCIONA signed the manifesto by UN Secretary General António Guterres in favour of a green recovery, and it highlighted its response to the coronavirus by demonstrating how it had assured the continuity and quality of essential services with sustainable infrastructure solutions in Spain and other countries.

⁴ In the case of India, the data and forecasts are based on the tax year; the 2020/2021 tax year begins in April 2020. India's growth projections are 7.6% in 2020 and 11% in 2021 on a calendar year basis.

- ACCIONA has joined the global campaign '**Race to Zero**', within the United Nations Framework Convention on Climate Change (UNFCCC), to mobilise the leadership and commitment of companies, cities, regions and investors to achieve a healthy, resilient and low-carbon recovery that prevents future threats, creates jobs and unlocks inclusive and sustainable growth.
- The World Economic Forum chose ACCIONA's **GREENCHAIN®** as the innovation of the decade in the energy field. This blockchain-based platform guarantees the traceability of ACCIONA's renewable energy and is included in the catalogue of solutions that accelerate the energy transition.
- ACCIONA has joined the **Women's Empowerment Principles** by the **Global Compact** initiative, to promote gender equality through principles that serve as a guide for companies in areas such as women's empowerment, gender equality in the workplace and business environment.
- ACCIONA joined the **Target Gender Equality** initiative by the **Global Compact**.

Sustainable finance

ACCIONA uses two sustainable financing mechanisms: one aimed at projects or activities with sustainable objectives whose objective is to promote concrete positive impacts linked to financing, and corporate financing that entails commitments to improve ACCIONA's ESG performance.

Type of Financing	No. of current operations	No. of new operations or extensions in 2020	Current outstanding amount (€ M)
Project-directed financing	18	10	1,761
Corporate financing with sustainable commitments	5	--	3,712
Total	23	10	5,473

During the last year, the following operations stand out:

- NSV loan of 30 million euros to its green financing instruments.
- A bilateral green loan with Bankia of 165 million Australian dollars to finance the construction of the Mortlake wind farm.

ACCIONA has a Green Financing Framework under which eligible activities are those that are aligned with a low-carbon economy. The Framework has been reviewed by Sustainalytics, which issued a Second-Party Opinion (SPO) confirming that it is aligned with the Green Bond and Green Loan Principles.

During 2020, the Group added AUD 265 million in two green loans and issued close to EUR 370 million in debt capital markets. As a result, the financing instruments under ACCIONA's Green Financing Framework amounted to €1,700 million as of 31 December 2020.

On the other hand, the group receives financing linked to the achievement of environmental, social and governance (ESG) performance targets. In 2020, ACCIONA has 5 active operations where the

interest rate of this financing has been linked to its score in the S&P Global Corporate Sustainability Assessment (CSA), meeting the objectives set to date.

In both cases, the company's investment is linked to the company's vocation to develop the sustainable agenda, such as renewable energy, access to water and sanitation, sustainable mobility or circular economy, and adaptation to climate change.

In addition, ACCIONA's funding position in the context of a green recovery was enhanced in 2020 by the assignment of an investment grade rating (“BBB” long term and “R-2 (middle)” short term) by DBRS Morningstar. This score is within the criteria for eligibility for the European Central Bank's bond purchasing programmes, including the Pandemic Emergency Purchase Programme (PEPP).

During 2020, ACCIONA classified its activities in accordance with the European Union taxonomy for sustainable finance. In 2020, it has republished and verified the degree of alignment with the taxonomy's demanding standards that require a substantial contribution to a low-carbon economy. 84% of its capital expenditure, 84% of its EBITDA and 47% of its revenues fall within the requirements established¹

For more information:

<https://www.acciona.com/es/accionistas-inversores/informacion-bursatil/financiacion-sostenible/>

Average period of payment to suppliers and Corporate Social Responsibility

To the effects of the provisions in article 262.1 of Royal Legislative Decree 1/2010, of 2 July, whereby the consolidated text of the Capital Companies Act is approved, the information on the average period for payment to suppliers is contained in Note 24 to the financial statements. In addition, and in conformity with recommendation 55 of the Code of Good Governance of Listed Companies, it is hereby indicated that the aspects related to Corporate Social Responsibility are discussed in the Sustainability Report.

Annual Corporate Governance Report

The Annual Corporate Governance Report is available in its entirety on the National Securities Market Commission website (www.cnmv.es) and on the Company's website (www.acciona.es).

In addition, the Annual Corporate Governance Report will be notified to the National Securities Market Commission as a Material Event.

Non-Financial Information Statement

The Non-Financial Information Statement, prepared as required by Law 11/2018 of 28 December, which transposes Directive 2014/95/EU of the European Parliament into the Spanish legal system, forms part of this Directors' Report and is presented in Acciona Group's Sustainability Report 2020, which is available on the Company's website(www.acciona.com).

Doña Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009 nombrada por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación certifica que la que sigue en 232 páginas es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.

En Madrid, a 29 de marzo de 2021

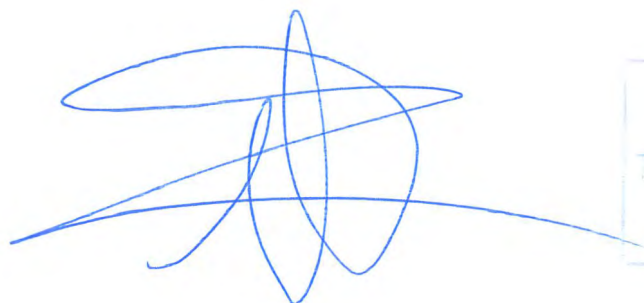
Firmado:



Ms Clara Lois Lozano, Sworn English Translator and Interpreter number 10009, authorized by the Spanish Ministry of Foreign Affairs, European Union and Cooperation certifies that the succeeding, contained in 232 pages, is a truthful translation into English of a document written in Spanish. In case of any discrepancy or ambiguity, the original document shall prevail.

Madrid, on the 17th day of March 2021

Signed:



SUSTAINABILITY REPORT 2020

NON-FINANCIAL INFORMATION STATEMENT 2020

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081



BUSINESS AS UNUSUAL

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

The attached Non-Financial Information Statement, prepared in compliance with Law 11/2018, of 28 December, which incorporated into Spanish law Directive 2014/95/UE of the European Parliament, is an inseparable part of the ACCIONA Consolidated Director's Report for the 2020 fiscal year.



Contents of the Sustainability Report

4.	Letter from the Chairman	133.	Energy business	
6.	The first company of a new sector	143.	Infrastructure businesses	
12.	Degree of fulfilment of commitments	157.	Other businesses	
	People centric 30	162.	About this Report	
	Planet positive 53			
	Exponential leadership 75	164.	Annex of itemized indicators	3
	Integrate to transform 117			
		174.	Tables of contents	
		191.	Independent Assurance Report	

This table of contents refers to the page numbers in the Sustainability Report, which appears in red in the side margin. It does not correspond to the page numbering for the Directors' Report, which is at the bottom.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081



Letter from the Chairman

José Manuel Entrecanales. Chairman of ACCIONA

In this year 2020, which we assess in this report, we have experienced difficult moments arising from the pandemic and its economic consequences; but it has not been a lost year.

Putting the growth of nations back on track will require a sustained effort over time, and also vision and determination to overcome the health and economic crises we are experiencing and the third crisis that we are facing: the climate crisis.

During these months in which our attention has been focussed on people's health, the challenges of the global agenda have not only not improved, but it has become clear that they cannot remain pending for much longer.

We begin this new decade hopeful that we will achieve an increasingly broader social consensus about the urgent need to address changes in the current model of economic development which, despite the many successes, has regrettably functioned with its back turned on people and the planet on too many occasions.

The solidarity we have seen in the streets and in companies, society working together to create a vaccine in a few months and the return to the negotiating table – finally – to neutralise urgently emissions of greenhouse gases or to decide on the approach to be taken by recovery plans if we are to transform our economy into cleaner and more inclusive models, amongst other objectives, may be good reasons for optimism.

Now is the time for accountability

In this report we take stock of our 2015-2020 Sustainability Master Plan, five years in which our commitments, acquired through responsibility, have become ACCIONA's strategic purpose.

During this period, ACCIONA has managed to avoid the generation of more than 70 million tonnes of CO₂. This figure supposes more than 80 times the emissions we needed to produce and purify more than 4000 cubic hectometres of water, build hundreds of kilometres of metro used every day by millions of citizens in Quito, Dubai or Sydney, or collect and treat thousands of tonnes of urban waste, amongst other basic infrastructures we have developed during these years in different parts of the world.

In 2020, more than eight out of every ten euros invested by ACCIONA businesses financed projects that contributed to reducing greenhouse gases "significantly", according to the demanding criteria of the European Union's taxonomy of sustainable activities.

To reach this point, however, we have taken a path in which we have invested more than a billion euros in sustainable innovation. Technologies integrated in ACCIONA projects that have allowed us to increase our positive impact, opening up the way to address major challenges of our times, include the following: traceability of renewable energy using blockchain technology, reduction in waste through the use of 3D printing, and optimising the construction and operation of infrastructures using robotics, artificial intelligence or data science.

Sustainability has made us better

As we review the progress made in the plan, we reach the conclusion that thinking and acting with sustainable criteria has undoubtedly made us better; as a company and as a human group, more diverse and committed.

Our main competitive advantage comes from our people. From each and every one of them. Making them central to our decisions has been a priority in the cycle now coming to an end, and as you will be able to read in this report, will be an essential criterion in our sustainability policies in the immediate future.

In this financial year some of the measures we have adopted have included flexible working days during pregnancy or after maternity/paternity leave, new economic assistance to promote a healthy work-life



balance and to assist with childcare, and we continue to make progress in the incorporation of women into management positions.

The company's solid performance during these years has been recognised with major awards in 2020. ACCIONA has been designated a sustainability leader in the sector by S&P Global, has received from Energy Intelligence the award for the greenest utility company in the world, and has been included in the top 100 most sustainable companies in the Corporate Knights ranking. However, in this financial year and in this report, those who really deserve a special mention are the teams in ACCIONA's different divisions. This human group has been exemplary in the way it has tackled the far from simple task of ensuring the continuity of business and services, many of them essential.

Protecting people is always a priority for ACCIONA, but this has been particularly true in the circumstances we have experienced this year. From the outset we have maintained a proactive and preventive approach, working hand in hand with governments and health authorities to halt the spread of COVID-19 in all the countries where we are present.

We have tried to focus on a moment in which we have experienced particular uncertainty. In addition to the necessary measures of flexibility and remote working, almost 40,000 voluntary tests have been carried out to date, and we have made available to our workforce a personalised service providing support in health, economic and psychological issues for anyone requiring them. We have adopted hundreds of measures for prevention and effective control of transmission which are explained in greater detail in this report.

Through proximity and direct contact, we have also tried to take the company's capabilities to those places where we believed we could contribute more and better. With specific actions, helping to build field hospitals, strengthening the resources of health workers, donating protective equipment, and providing logistical support for the public administrations, amongst many other actions.

We are embarking on a new cycle, in a new context in which we need to move faster

With our accumulated experience and large doses of ambition, we are embarking on a new 2021-2025 Sustainability Master Plan. We have created it in the months when the world has been practically at a standstill. Perhaps this was when the silence of the streets gave us all time to value even more the key role played by infrastructures in society.

We are at one of those times experienced by a generation when it seems as though we are being offered a second opportunity to define the future we want to live in, the company we want to be.

And, amongst other aspects, our new 2021-2025 Sustainability Master Plan gives us a chance to make a particular impact on the social dimension of our activity, placing people at the centre, through the development of an ambitious programme called "People ACCIONA", which is one of the basic pillars of the Plan.

In circumstances like this, it is not enough merely to try to avoid the negative impacts of our work, of generating and using products and services. Contributing positive net value also has to be part of the necessary transformation of the production model. This means establishing a relationship of regeneration between technological progress and the ecosystems that support it. In short, speeding up that regeneration allowing us in the future to be closer to our global objectives than we are today.



The first company of a new sector

We reimagine infrastructures by boosting their regenerative capacities

At ACCIONA we develop sustainable solutions for urgent global challenges such as global warming, the growth of urban areas or the shortage of water.

ACCIONA invests in and develops infrastructure assets to make our planet more sustainable. This approach is designed to create a positive impact on people's lives and on the planet, which we call regenerative.

What does "regenerative infrastructure" mean to us?

- > **Making our actions people-centric**, because people are our main competitive advantage.
- > **Achieving a positive planet**. We look to make a positive net contribution to the biocapacity of the planet.
- > **Making an effort to be leaders of sustainable transformation**. Remaining at the forefront by contributing innovative solutions and promoting the need to act using cleaner and more inclusive development models.
- > **Integrating sustainable solutions to transform our businesses**. Being able to create the sustainable difference in each project.

A DIFFERENT WAY OF DOING BUSINESS

The agenda of global priorities is guided by the United Nations Sustainable Development Goals (SDG) which were approved in September 2015 by the UN General Assembly. It includes 17 global objectives and 169 targets to be met by 2030, with the aim of eradicating poverty, protecting the planet and guaranteeing prosperity for everyone as part of a new sustainable development agenda.

The need for investment and the available capital

The United Nations has estimated that developing countries are facing an annual investment shortfall of 2.5 trillion dollars between now and 2030, to meet the SDGs.

Investment in infrastructure has a direct or indirect effect on meeting all the SDGs. According to recent studies, the development of infrastructure is linked to meeting at least 72% of the targets of the SDGs, above and beyond its effects on increased productivity and employment.

In the context of the pandemic, this effect is underlined by the enabling effect of infrastructure. Infrastructure, or rather the lack of it, has been a determining factor in the impact of COVID-19 on the SDGs, affecting millions of people. Water, energy and transport services are critical in any society, and this has been particularly true in the case of a shock of the dimensions created by the coronavirus.

ACCIONA profile

ACCIONA is one of the leading Spanish companies in the IBEX 35, present in more than 40 countries. The company is an expert in the design of a better planet, providing a response to basic infrastructure, water and energy needs through innovative, responsible solutions that generate real progress based on a new model of doing business.

The company develops its activity with nearly forty thousand professionals and sales reaching 6.472 billion euros that have obtained a gross operating result (EBITDA) of 1.124 billion euros in 2020.

6

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS

N.º 1081

Investing in the planet

Connecting supply and demand

What we are seeing at the moment is a lack of connection between the need for investment in basic services – water, energy, transport – highlighted by the SDGs, and the great availability of capital currently on the market with historically low interest rates.

The principal obstacles include a scarcity of operators with the appropriate technical capacity, international presence and balance sheet structure like ACCIONA to connect supply and demand, address the challenges underpinning the SDGs and make the opportunities to provide integrated solutions a reality.

The complexity and the connection between the global objectives of the 2030 Agenda means that these challenges cannot be addressed efficiently by the traditional sectors. The problems posed by water, climate change and mega-cities, for example, require new approaches that can see beyond the singular projects and solutions integrating capital, talent, techniques and technology in a different way from the one used in the past.

This is why ACCIONA does not see itself as a construction company that has diversified into the energy business, or as an energy company with a construction legacy; it is a company in a new sector that orients its strategy and its solutions to the development needs and opportunities of the sustainable agenda defined by the SDGs and the transformation to a low carbon economy. A new sector in which ACCIONA can consider itself the first company and the benchmark.

Resilient and balanced project portfolio

ACCIONA manages a stable, predictable and growing business, which has a portfolio of projects that has proven to be resilient with a balanced risk profile and attractive yields. This allows ACCIONA to maintain a strong competitive position and a solid capital structure, which it uses in the constant search for opportunities with added value.

The balance in ACCIONA's risk profile is due to the balance between greenfield and brownfield portfolios.

The greenfield portfolio includes infrastructure projects with development risk and therefore greater short-term profitability, which generate liquidity for the company to invest in other new ones. This process of project selection and investment supposes a value for the company's shareholders and investors. On the other hand, ACCIONA purchases and operates brownfield assets, which have lower risk, create greater security for their investors, and provide solvency. For example, urban metros provide recurring cashflows, which contribute to maintaining capital that is always available for long-term reinvestment in greenfield projects.

Pioneers in sustainable financing products

The ACCIONA business model, focussed on sustainability and with a balanced and resilient portfolio of projects, make the company a benchmark in the sector.

ACCIONA uses sustainable financing mechanisms directed at projects and sustainable corporate financing.

The strategic alignment with an investment in sustainable assets can be seen in the analysis that the company has been carrying out since 2019, when it began to analyse its activities according to the criteria established by the European Union's taxonomy of sustainable finances. ACCIONA was the first company to publish the degree of alignment with the demanding parameters established by this taxonomy.

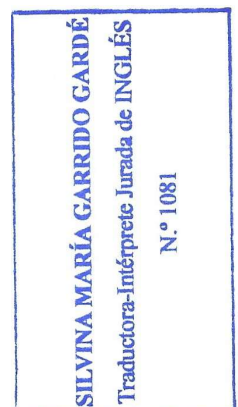
Experts in designing a better planet

ACCIONA has developed a broad portfolio of innovative solutions allowing it to offer a comprehensive response to a great many of the sustainable development model challenges that society faces in this century.

Solutions that can turn traditional projects into assets that multiply their value for the community in fundamental areas such as energy, transport, water, waste management and social infrastructure.

- > Energy: ACCIONA is the world's largest energy operator working exclusively with renewable energy. With more than 30 years of experience in the sector, the company owns and operates more than 10GW of onshore wind, photovoltaic, biomass, hydroelectric and solar thermal power facilities in 16 countries on five continents.

7



- > **Transport:** with its experience of building more than 10,000km of communication routes, ACCIONA is a benchmark in the construction and operation of infrastructure for passenger and cargo transport (roads, bridges, railways and tunnels).
- > **Water:** ACCIONA is a leader in the water treatment sector, with the capacity to design, build and operate drinking water treatment plants, wastewater treatment plants, tertiary treatments for reuse and reverse osmosis desalination plants.
- > **Cities:** The urgency of providing cities with the capacity to deal with the principal challenges faced by the planet has prompted ACCIONA to design essential urban services. The company is addressing the management of waste and the circular economy, is extending electric and shared mobility, revitalising urban spaces efficiently and increasing green areas.
- > **Social:** ACCIONA develops infrastructure solutions for health, education and cultural engineering, as well as for the preservation and cleanliness of the natural environment with a focus on people and the environment.
- > **Real estate:** the company is committed to real estate development and offers supplemental services designed to support sustainable population growth, in line with global trends. ACCIONA's real estate activity focuses on the development and management of real estate complexes, backed by solid technical and professional experience.
- > **Financial:** through Bestinver, ACCIONA offers asset management and capital market services that channel the savings and the investment to companies, thereby generating profitability for investors.



More information on ACCIONA's business model in the Integrated Report

<https://www.acciona.com/shareholders-investors/financial-information/integrated-annual-report/>

2020 RESULTS

Energy

The energy division is a unique global operator in the renewable energy sector, with a significant presence in more than 15 countries on five continents. Special focus is placed on emerging countries with needs for sustainable solutions to boost their development. The company works exclusively with renewable technologies, with emphasis on five types: wind, photovoltaic, solar thermal, hydraulic and biomass. It produces clean and emission-free energy for the equivalent of 7 million homes.

	2019	2020
Turnover (million €)	1,976	1,765
EBITDA (million €)	845	831
Installed capacity (MW)	10,117	10,694
Total production (GWh)	22,994	24,075

Infrastructure

Construction

Construction is at the forefront of R&D&I and ACCIONA is one of the world's leading companies in the sector, using some of the most highly advanced techniques available for its projects. This line of business covers all aspects of construction through specialised business units (bridges, roads and special structures; railways and tunnels; and finally, ports and hydraulic works), as well as engineering and other businesses.

	2019	2020
Turnover (million €)	3,315	2,668
EBITDA (million €)	289	50
No. of employees	11,330	10,189

Industrial consolidates its figures within Construction.

Concessions

Concessions is one of the world's leading companies in private infrastructure development, in terms of both projects and turnover. This company has accumulated experience in more than 40 concessions throughout its history, with a team that takes a global approach which is fully adapted to local needs and peculiarities.

	2019	2020
Turnover (million €)	78	97
EBITDA (million €)	33	67
No. of concessions	22	17

Water

ACCIONA's end-to-end management solutions for the whole water cycle are leaders in different parts of the world. Its activity focuses on serving communities, ranging from water collection to drinking water purification, including desalination, wastewater treatment and return to the environment. It also manages integral services covering all the stages of water treatment until it is suitable for human consumption. It supplies water to the population and processes urban and industrial wastewater, directly billing the end users.

	2019	2020
Turnover (million €)	758	973
EBITDA (million €)	66	84
Treated water (hm ³)	1,030	923

Services

ACCIONA services solutions offer customers a single business model that can handle everything from contracting maintenance and specialised operation to the possibility of complete management of their non-core business activities.

	2019	2020
Turnover (million €)	719	637
EBITDA (million €)	43	11
No. of employees	21,997	20,780

Other businesses

These include Bestinver, a financial services firm that offers fund management and stock brokerage; Real Estate, with more than 20 years of experience and one of the leading housing development companies; ACCIONA Cultural Engineering, a world leader in the creation of cultural and brand experiences; and Grupo Bodegas Palacio 1894, a hundred-year-old winery with processing and aging centres in five of Spain's most prestigious wine regions.

	2019	2020
Turnover (million €)	345	377
- Bestinver	98	114
- Real Estate	137	198
- Corporate and other	49	30
- ACCIONA Cultural Engineering	61	35
EBITDA (million €)	84	80

ACCIONA IN THE WORLD

Present in over 40 countries on five continents.



SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081



11

	North America	Central and South America	Spain	Rest of Europe	Asia and Oceania	Africa
REVENUES million euros	637	438	2,673	891	1,729	104
ENERGY PRODUCED Total GWh	6,342	1,688	12,486	992	1,606	962
WATER TREATED FOR CUSTOMERS hm³	0	9	314	149	209	241
R&D&i million euros	17.1	97.4	47.2	10.8	35.9	28.7
EMISSIONS AVOIDED thousands of tonnes of CO ₂	3,783	1,226	5,446	661	1,329	753
EMISSIONS GENERATED thousands of tonnes of CO ₂	40	9	44	9	28	3
EQUIVALENT WORKFORCE no. of employees	1,563	6,722	20,860	4,640	4,433	136

Degree of fulfilment of commitments

Sustainability governance

ACCIONA has a model for monitoring and managing its sustainability commitments, with the main objectives being transparency and continuous improvement.

Since 2009, the Board of Directors at ACCIONA has a Sustainability Committee as the body responsible for leading sustainability-related actions.

Functions of the Sustainability Committee¹

- Identify and guide the group's policies, objectives, good practices, and sustainability and corporate social responsibility programmes.
- Evaluate, monitor and review the execution plans for the policies formulated by the group's executives.
- Periodically review the internal control and management systems and the degree of compliance with these policies.
- Draft the annual *Sustainability Report*, which is submitted to the Board of Directors for approval.
- Submit the sustainability and corporate social responsibility programmes, objectives and policies to the Board of Directors along with the corresponding expenditure budgets for the execution of such programmes.

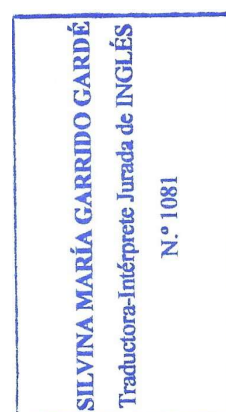
12

The topics discussed at the meetings held in 2020 were as follows:

- > Monitoring, approval and analysis of the progress made in the Sustainability Master Plan (SMP) during 2019.
- > Approval of the 2019 Statement of Non-Financial Information.
- > Approval of the Sustainability Master Plan objectives for 2020.
- > Review of the creation of the Sustainability Master Plan 2025.
- > Presentation and analysis of the results of consultations carried out with third parties, particularly with communities and investment analysts.

Since 2012, the contents of the *Sustainability Report* have been subject to review and approval by the General Shareholders' Meeting. In 2020, the *Sustainability Report* constitutes the *Non-Financial Information Statement* for the first time, and was submitted to a vote as required by Law 11/2018. Shareholders have the opportunity to express their opinion on the initiatives and performance described above. In May 2020, the General Shareholders' Meeting approved the report with the favourable vote of 99.97 % of the capital in attendance.

The Corporate Sustainability Area coordinates and promotes the initiatives and commitments contained in the SMP 2020, defined as specific targets for each one of ACCIONA's business lines. This area reports directly



¹ Full explanation of the functions, competences and members of the Sustainability Committee available on the website: <https://www.acciona.com/shareholders-investors/corporate-governance/board-directors-committees/>

to the Sustainability Committee and one of the members of the Management Committee, who is the corporate representative responsible for sustainability.

The corporate sustainability function has evolved from an ESG (environment, social and governance) reporting approach to one that is geared towards maximising the impact of the company's solutions. This approach is aided by higher performance efficiency thanks to digitization and a greater effort to highlight ACCIONA's leadership on non-financial matters.

Every division has appointed individuals responsible for sustainability whose teams drive and monitor the specific initiatives they each have within the framework of the SMP 2020. Those responsible for business sustainability, together with the Corporate Sustainability Area, form a group of around 100 professionals who meet monthly at the Global Sustainability Leaders Meeting. Corporate strategy is coordinated and the group's most important projects are analysed at these meetings.

In addition, there are sustainability representatives in the company's strategic markets such as Australia, Canada, Chile and Mexico. This affords direct insight into the social and environmental context in the different international markets, and greater coordination when implementing initiatives.

COMPLIANCE WITH THE 2020 SUSTAINABILITY MASTER PLAN OBJECTIVES

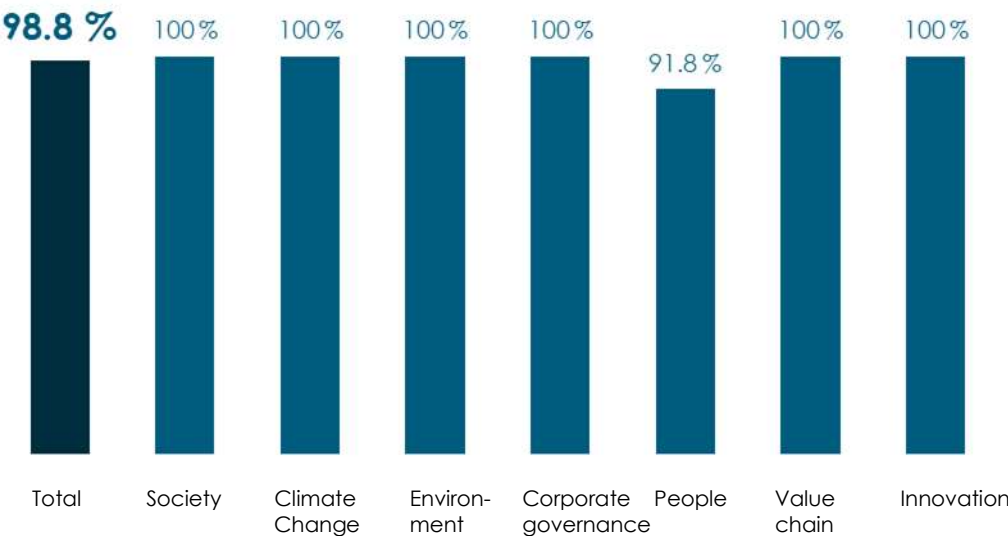
ACCIONA's sustainability strategy is articulated principally through Sustainability Master Plans (SMP). Since 2009, the actions and objectives contained in these plans have been promoted, approved and overseen by the Board of Directors' Sustainability Committee.

The Management Committee coordinates and promotes the initiatives and commitments, which are translated into specific targets to be achieved by ACCIONA's different corporate areas and business lines. Each division has designated people responsible for promoting and monitoring the initiatives established within the framework of the SMP.

The implementation of the company's sustainability strategy and the meeting of commitments are linked to a percentage of the bonuses received by directors, managers and some technical and support staff. In this annual evaluation, the achievement of sustainability targets such as the reduction of greenhouse gas emissions, the reduction of on-the-job accident rates or objectives linked to gender equality are considered.

The SMP 2020, which was operative from 2016 to 2020, was structured in strategic and operational objectives, applicable to the whole organisation, in the following areas: society, climate change, environment, corporate governance, people, value chain and innovation. In the year it ended, 98.8 % of its objectives were met.

Degree of compliance with SMP 2020



SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

SMP achievements in the period 2016 to 2020



SOCIETY

Social Impact Management in **127** projects

Accumulated social contribution of **59** million euros



CLIMATE CHANGE

Science-based reduction in emissions of **38%** (Scopes 1 and 2), and **33%** (Scope 3).

70 million tonnes of CO₂ avoided



ENVIRONMENT

75% reduction in waste sent to landfill since 2015, reaching **recovery of 77%**

Water treatment in areas with accumulated water stress of **1,488** hm³



CORPORATE GOVERNANCE

Evaluation of ESG, criminal and fiscal **risks**

Digitized, transparent and half-yearly **non-financial report**



PEOPLE

34% reduction in frequency rate

Global Diversity and Inclusion Plan



VALUE CHAIN

Risk Map of **45,641** suppliers

Evaluation with ESG criteria of **partners and customers**

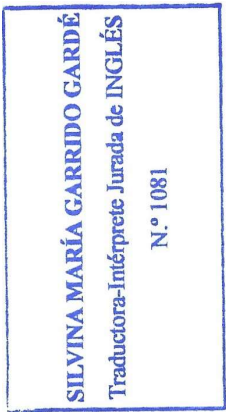


INNOVATION




Accumulated innovation figure of **1.096** billion euros

Accumulated savings from improved processes of **113.6** million euros



14





Detail of the progress made in the SMP 2020 by area of work



Area of the SMP	Objectives and commitments	Degree of compliance	Detail of the progress
 SOCIETY	Strengthen the management of the social impact of the company's activity	100%	<ul style="list-style-type: none"> Implementation of the Social Impact Management (SIM) methodology in 127 projects in 30 countries. Social Impact Management audits in 32 projects since 2017. In 2020, its scope was extended with new relevant measurement criteria. Creation of new organisational structure for the development of high impact solutions associated with projects. Measurement of the socioeconomic impact of 19 projects. Tool for automated calculation of the socioeconomic impact developed. Calculation methodology validated by the University of Zaragoza.
	Strengthen the company's Social Action Plan	100%	Social contribution: 59 million euros and 10.4 million beneficiaries.
	Maintain the leadership position in benchmark international initiatives and continue working on the company's relations with stakeholders	100%	Participation in international forums and initiatives to disseminate our commitment to energy transition, the recovery from COVID-19 based on green projects and the European taxonomy of sustainable finances: Davos 2020 meeting of the World Economic Forum: Summit of Leaders on the 20th Anniversary of the Global Compact, High Level Panel in the New York Climate Week during the 75th UN General Assembly; Vision 2050 of the new WBCSD criteria; OECD Forum on Green Finance and Investment; World Bank Sustainable Mobility for All Initiative, amongst others.
	Volunteering: boost the commitment of employees to sustainable development	100%	Participation of 6,532 ACCIONA volunteers in different initiatives in 24 countries (Volunteer Day, Integra Foundation, Princess of Girona Foundation, Inspiring Girls and acciona.org Foundation, etc.), accumulating a total of 49,511 hours of volunteer work.
 CLIMATE CHANGE	Carbon neutrality: reduce and offset emissions	100%	<ul style="list-style-type: none"> Carbon neutrality since 2016 by offsetting emissions that cannot be reduced. SBT objective met in a scenario of 1.5°C: GHG emissions reduced by 38% for scopes 1 and 2 and 33% for scope 3. Constitution of a Decarbonisation Fund designed to finance emission reduction measures.
	Design and draw up climate change risk maps	100%	Climate change risk maps designed and drawn up in coordination with the business units.
	Draw up and implement plans for adaptation and management of climate change risks in the business strategy	100%	Plans for adaptation to climate risk drawn up and incorporated into the business strategy.
	Train the company in climate change risks and the management thereof	100%	Advanced climate change course designed for company employees and suppliers.
 ENVIRONMENT	Eco-efficiency in operations: make progress in a circular economy programme	100%	<ul style="list-style-type: none"> In 2020, 77% of non-hazardous waste recovered and generation of such waste reduced by 29% compared to 2015, the base year for the waste management plan, to stimulate the circular economy. Certification in circular economy strategy obtained for all the group's activities. Circular economy plan 2021-2025 designed in the framework of the new Sustainability Master Plan.
	Improve the efficiency of water consumption	100%	<ul style="list-style-type: none"> 1,488 hm³ treated in areas with accumulated water stress in the period of the SMP 2020. 61% reduction in water consumption (compared to base year 2017).

15

Area of the SMP	Objectives and commitments	Degree of compliance	Detail of the progress
 CORPORATE GOVERNANCE			<ul style="list-style-type: none"> 48% of the water used was from recycled, tertiary or rain sources in 2020.
	Neutral biodiversity footprint	100%	<ul style="list-style-type: none"> Biodiversity footprint measurement tool developed. Measurement carried out. Digitized biodiversity scorecard developed with important measurement indicators. Public commitment in relation to protected areas established.
	Ethics: <ul style="list-style-type: none"> Adapt the Code of Conduct to the most advanced practices Have an International Crime Prevention and Anti-Corruption Model for 100% of businesses 	100%	<ul style="list-style-type: none"> Review and update of the Code of Conduct. Launch of a training course and communication plan for all employees. Adoption and execution of the Organisation and Management Model for Crime Prevention and Anti-Corruption. Dual certification for Criminal Compliance Management System and Anti-Bribery Management System obtained (Infrastructure and Construction Spain) and the ISO 37001 for Water in Italy. Implementation of GRC (Governance, Risk and Compliance) tool.
	Adopt the most advanced practices in good corporate governance	100%	<ul style="list-style-type: none"> Review and modification of the Director Selection Policy. Review and modification of the Communication Policy and Contacts with Shareholders and Investors. Formulation of the Regulation on the Appointments and Remuneration Committee, Regulation on the Sustainability Committee and modification of the Audit Committee Regulation and Board of Directors Regulation.
	Include the management of non-financial risks (human rights, climate change, anti-corruption and environment, amongst others) in management of the businesses	100%	ESG (environment, social and good governance) risk maps drawn up. Risk treatment records created.
	Transparency: <ul style="list-style-type: none"> Make progress in the company's non-financial information reporting on global and local level Adopt policies for greater fiscal transparency 	100%	<ul style="list-style-type: none"> Strengthening of collection of non-financial information through gradual implementation of reporting tools, automation of data loading and generation of data lake and associated scorecards. Tax Monitoring Framework and reporting of Tax Information in the Sustainability Report, including: commitments adopted in the framework of the Code of Good Tax Practices (Tax Office - AEAT), and the policy on tax risks approved (Tax Risk Map). Inclusion in the 2020 Non-Financial Information Statement of the principal items in the CbC Report ("Country by country tax report").
 PEOPLE	Safety: reduce the accident frequency rate by 15% below the figure for 2015	100%	<ul style="list-style-type: none"> Frequency rate reduced by 34% below the figure for 2015.
	Healthy ACCIONA: providing all employees with access to health and healthy lifestyle programmes	100%	<ul style="list-style-type: none"> Video medical appointments implemented in Spain. Healthy Cities project launched: analysis of actions aimed at increasing employees' physical activity. Digital transformation of the medical department. Analysis and health service surveys in the platform countries.
	Development and incentives: devise specific programmes for attracting, recognising and retaining talent in countries with more than 300 employees	95%	<ul style="list-style-type: none"> Performance Status consolidated as the overall tool for evaluation of performance and potential for 9,535 ACCIONA professionals. Workday tool implemented as the single people management platform worldwide.

Area of the SMP	Objectives and commitments	Degree of compliance	Detail of the progress
 <p>SILVINA MARÍA GARRIDO GARDÉ Traductora-Intérprete Jurada de INGLÉS N.º 1081</p>			<ul style="list-style-type: none"> Talent Plan implemented around the world to guarantee the availability of talent in all businesses and functions. Global Graduates Programme implemented with an 8-module postgraduate qualification on transversal knowledge and skills. More than 90 young people took part in the first edition. Internal Mobility Committee constituted, articulated around a working group made up of representatives of all the company's businesses. Consolidation of the Technical Leaders group as a benchmark for management and knowledge transfer at ACCIONA. Launch of the New Manager Program worldwide as a programme for initiation in management careers. ACCIONA Academy implemented internationally. The Accionate programme has been implemented throughout the organisation to promote a culture of inclusion.
	Diversity and inclusion: establish diversity plans in all countries with more than 300 own employees, with specific objectives depending on the country's circumstances	88%	<ul style="list-style-type: none"> Approval of Global Diversity and Inclusion Plan. The Refinitiv Diversity & Inclusion Index has ranked ACCIONA among the one hundred best companies worldwide in diversity and social inclusion. New programmes implemented to promote gender diversity: global mentoring programme for women in pre-executive positions, global acceleration programme for women with potential, Management Development Programme for High Potential Women and Programme for Reincorporation of Women into the labour market. Target to increase the percentage of women in management positions met, with a figure of 23% in Spain, Canada and Norway. Worldwide, the figure is 20.75%. ACCIONA is a signatory of the Global Compact's Women's Empowerment Principles, and in 2020 it signed up to the Target Gender Equality initiative. Global Gender Equality Programme for training of all employees. Initiatives launched in projects with the objective of gender parity: Loreto Project (Australia), Sala Cuna del hospital Marga Marga (Chile), Talca prison (Chile), and Grid Code Conecta 50:50 Project (Spain).
	Training: provide employees with sustainability knowledge and skills to enable them to do their work in a way that is consistent with the company's strategy	100%	<ul style="list-style-type: none"> T-MAX+ 2020 programme to consolidate technical team functions and training needs. Training activity at the ACCIONA Corporate University that offsets the emissions made. Designed in collaboration with the School of Industrial Organisation (EOI). Business school programmes adapted to the format of 100% online teaching. Language school open to all employees inaugurated. Six different languages can be studied. Sustainability courses launched (for different profiles): advanced course in climate change, human rights course and course in management of the social impact.
	Implement a human rights respect, protection and remediation programme for all activities and markets	68 %	<ul style="list-style-type: none"> Updated human rights risk assessment. Human rights training sessions carried out. Pilot due diligence projects carried out in the infrastructure and energy businesses. ACCIONA Human Rights Guide being prepared. Human rights controls identified and validated for the whole organisation. Human rights training for suppliers and employees.



Area of the SMP	Objectives and commitments	Degree of compliance	Detail of the progress
	Mitigate environmental, social and corporate governance risks in the supply chain and create new sustainable solutions	100%	<ul style="list-style-type: none"> ▪ Increase in the percentage of suppliers on the PROCUR-e platform (99.7% domestic, 93.6% international). 100% of the suppliers awarded in PROCUR-e have a Risk Map. ▪ Monitoring of MACS (critical suppliers, from risk countries and own works) carried out. 53 of the 57 MACS suppliers have been audited. ▪ Annual increase in sustainability training for suppliers, up by more than 25% in the last year.
	Mitigate environmental, social and corporate governance risks in relations with partners: consortia and joint ventures	100%	<ul style="list-style-type: none"> ▪ ESG assessment process for partners implemented: 38 partners evaluated through PROCUR-e 3P. ▪ Dow Jones KYBP tool prepared for evaluation of trading partners.
VALUE CHAIN	Customers:		
	<ul style="list-style-type: none"> ▪ Build long-term customer loyalty and trust based on ACCIONA's commitment to sustainability ▪ Define No-Go policies with sustainability criteria (third party due diligence) 	100%	<ul style="list-style-type: none"> ▪ Dialogue sessions and consultations held with customers on ACCIONA's sustainability performance. ▪ Criterion of ethical and anti-corruption evaluation of customers as part of the approval procedure for Infrastructure tenders.
	Maintain a sales innovation figure above the European average to ensure ACCIONA maintains its innovative leadership	100%	Certified accumulated innovation figure since 2016 of 1.096 billion euros. The ratio of innovation to sales at the close of the SMP is 3.7%, more than double the European average.
	Collaborative innovation: collaborate with third parties to develop innovative technologies that guarantee the sustainability of the company's business	100%	<ul style="list-style-type: none"> ▪ Intrapreneurship programme l'MNOVATION #Challenges: five pilot projects, two business projects. ▪ New web platform implemented to attract start-ups before the next edition of the l'MNOVATION #Startups acceleration programme. ▪ Advance in the implementation of innovative digital technologies that improve processes in ACCIONA's businesses in collaboration with the Corporate Digital Innovation HUB. ▪ ADIH technology hub created to generate knowledge and new skills through skill centers.
INNOVATION	Operational innovation: creating and improving efficient processes that generate savings of at least €75 million (€15 million each year)	100%	Savings from improved operational innovation processes amounting to 113.6 million euros (period 2016-2020).

18

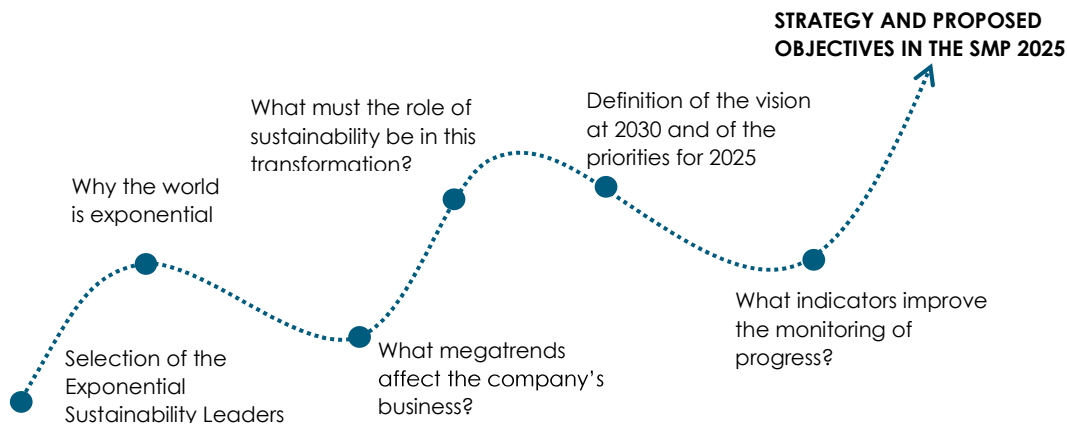
SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

THE NEW SUSTAINABILITY MASTER PLAN 2025

The purpose of the Sustainability Master Plan (SMP) 2025 is to encourage ACCIONA to reimagine infrastructures. ACCIONA invests in, develops and operates infrastructure assets that can make our planet sustainable. In short, making the company a recognised leader in developing basic infrastructure assets with an added value, with people and the planet in mind; in a word, regenerative.

ACCIONA's ambition with the SMP 2025 is to increase investment and double its impact

The process of drawing up the SMP was carried out throughout 2020 and culminates in the first quarter of 2021 with approval of the strategy and the objectives by the Board of Directors' Sustainability Committee.



Exponential Sustainability Leaders

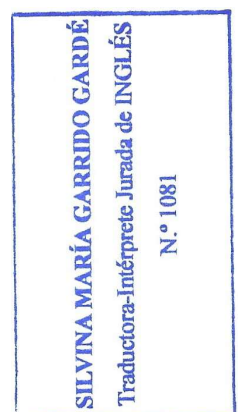
The first part of the approach has been promoted by a group of 26 international professionals from ACCIONA's different business units. The diversity of these experts' specialisation has contributed an overall vision of the business.

The mission of the Exponential Sustainability Leaders has been to identify and assess the market trends affecting the company. Using these as a starting point, the pillars of the plan have been defined through a process of co-creation.

Trends affecting the organisation (GRI 102-47)

The factors affecting ACCIONA are a reflection of the global megatrends identified in works like the WBCSD Vision 2050 and the Global Infrastructure Hub's *Infrastructure Futures Report*. These initiatives resulted in the identification of 25 trends. Of these, the Exponential Sustainability Leaders selected the following:

- > Remuneration of the impact: the remuneration of the projects will depend, in part, on objective measurement of the positive effects they create.
- > Digitization: the production systems and processes change as procedures are digitized.
- > IoT data: the data are converted into part of the service provided by the infrastructure.
- > Price of financing: investors will value the environmental and social impact of the projects on the cost of the funding – the greater the negative impact, the more risks and the more expensive the financing.
- > Public customers: this type of customers prefer developers who are able to add more value to the prosperity of communities and promote improvements in the environment.
- > ESG as a decisive factor: investors will not invest in projects that may have a negative impact.
- > Multidimensional infrastructures: the future projects will improve their area in more than one aspect, modernising their features to achieve a greater impact.
- > Biodiversity: protection of the environment will be an essential factor for the business, both for the effects on the environment and the use of certain materials.



- > Circular opportunities: new solutions will be developed for waste treatment and management because of a greater demand for circularity in the economy.
- > Circularity policies: countries will develop policies and regulations designed to minimise the waste produced by the infrastructure projects.
- > Climate events: extreme climate phenomena will increase and will be variables included in the design of projects, with an impact on their price and cost.
- > Decarbonisation of the economy: political leaders will articulate strategies and rules to guarantee a **low carbon-emission economy** in 2050.
- > Associations between customers, developers and financiers: as solutions become more complex, the design of the collaborations is key for winning projects.

Materiality analysis (GRI 102-46, 102-49)

Whereas the study of risks is carried out with a one-year timeframe, other tests – called materiality analyses – have a five-year timeframe. This analysis provides information on the importance of matters related to the business strategy and determine the expectations and needs of the interested parties. In 2020, they coincided with the drawing up of the SMP 2025, and so they have fulfilled the dual purpose of providing material for the new SMP and the contents of this *Report*.

Materiality analyses combine the internal vision of the different businesses and the external vision of the stakeholders, applying the Global Reporting Initiative (GRI) “Principles for defining report content” found in Standard GRI 101: Foundation. The approach is both financial and non-financial, in line with the dual materiality perspective of the European Directive on Non-Financial Information. The evaluation takes into account both the consequences of the company’s activities on non-financial matters, and the way in which these impact on the company itself.

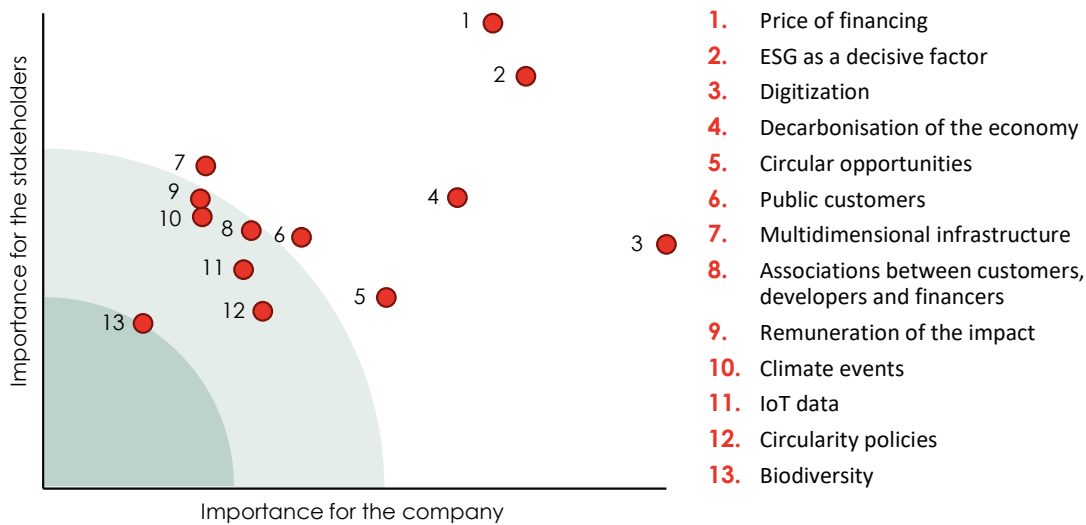
The internal vision is extracted from the assessment of the Exponential Sustainability Leaders through the strategic analysis of ACCIONA Resilience, which has allowed a determination of the impact, probability and speed of each strategic factor, and also its relationship with other matters.

The external vision is obtained through consultations with international bodies and sectoral institutions, press analysis and information requirements provided by investors. The consultations are made taking into account the countries where ACCIONA has the greatest activity: World Wildlife Fund (WWF), Chilean Association of Renewable Energies and Storage (ACERA), Spanish Association of Renewable Energies Companies (APPA), American Wind Energy Association (AWEA), International Energy Agency (IEA), Canada Green Building Council, Australia Green Building Council, World Economic Forum, Water Association, Canadian Water and Wastewater Association (CWWA), Mexican National Association of Water and Sanitation Companies (ANEAS) and the World Business Council for Sustainable Development (WBCSD).

The materiality matrix shows on one axis the internal vision of impact and probability, and on the other the external vision of the importance of each trend.



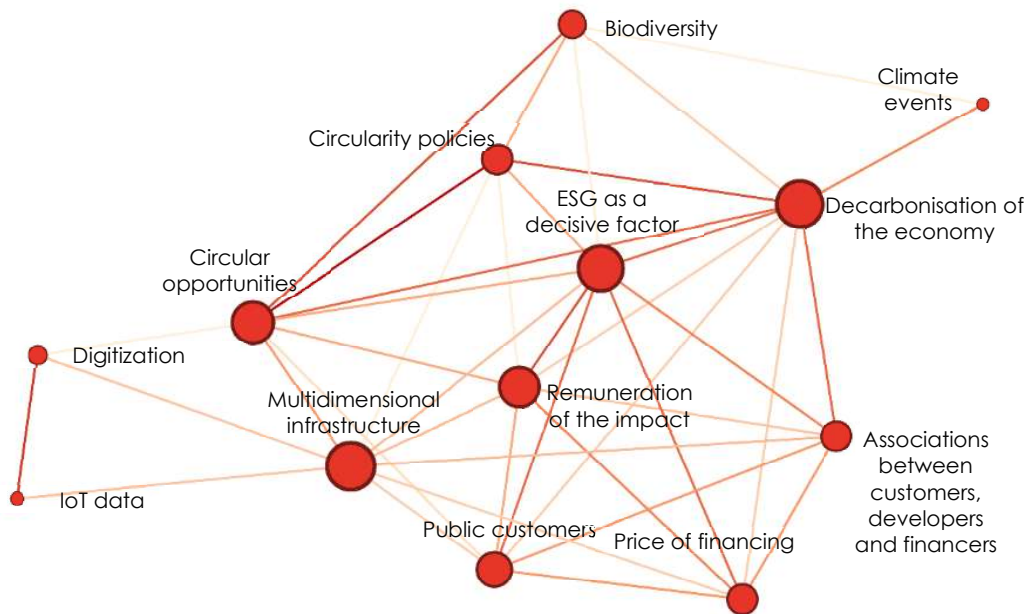
Traditional materiality matrix



This analysis highlights the issues “price of financing”, “ESG as a decisive factor”, “digitization” and “decarbonisation of the economy”. The remaining issues are close to each other, making analysis and decision-making difficult.

For this reason, a more advanced analysis is carried out using the ACCIONA Resilience strategic analysis tool, which gives a better understanding of the importance of the issues. All the trends are inter-related, which means that progress in one is correlated to the progress made in others to a greater or lesser extent. Using the expert assessments, Resilience constructs a “network of relationships”, which uses a centrality algorithm to position each issue close to those with which it has a greater connection. The most central topics on the graph – shown in larger size – are the most connected, and more important than the more isolated ones. The darker coloured lines indicate a greater relationship.

Network of relationships between the material issues obtained with ACCIONA Resilience



The network of relationships shows that the five most influential trends are ESG as a decisive factor, the decarbonisation of the economy, multidimensional infrastructure, circular opportunities and remuneration of the impact. Acting on these five issues will have a greater positive impact on the rest than doing so on the priority issues obtained with the traditional materiality matrix.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081



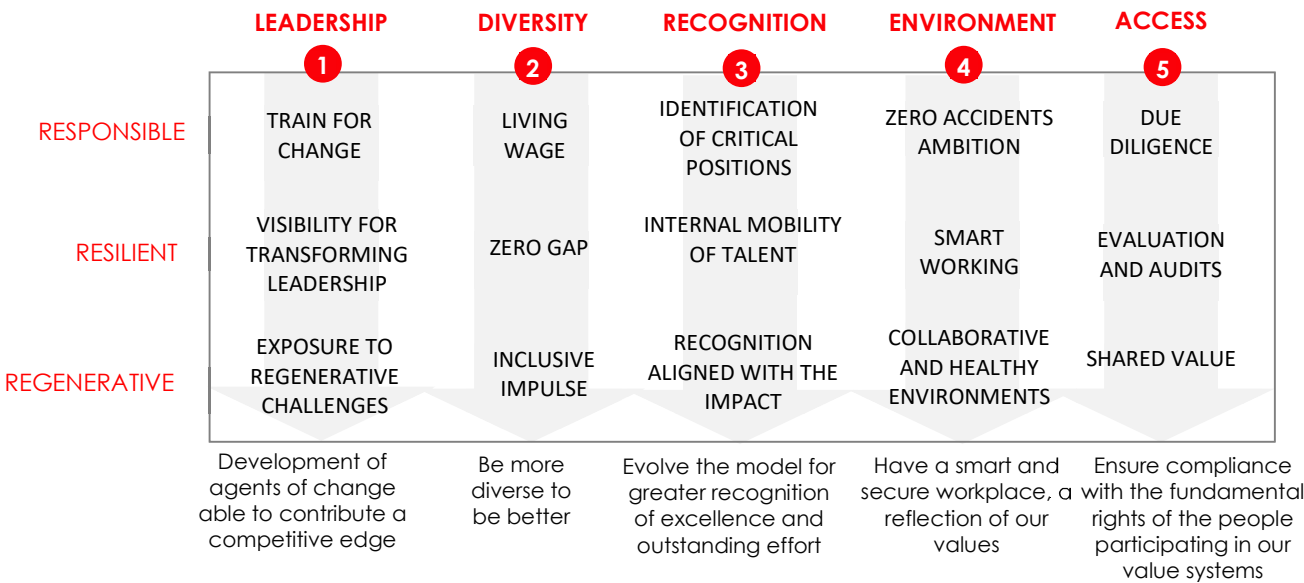
More information on the Resilience decision-making tool created by ACCIONA at <https://resiliencetool.net/en/>

Pillars of the plan

The results of the relationships map have been used to group together the works in the Sustainability Master Plan into pillars. Each pillar is composed of a different part of the graph. To assist in the definition of the pillars, consultation meetings were held with the WBCSD, Global Compact, CLG Europe, Global Environment Facility and World Bank initiatives. The conclusions also apply to the selection of contents for the Report, which are selected and grouped together in chapters called the same as the pillars of the SMP.

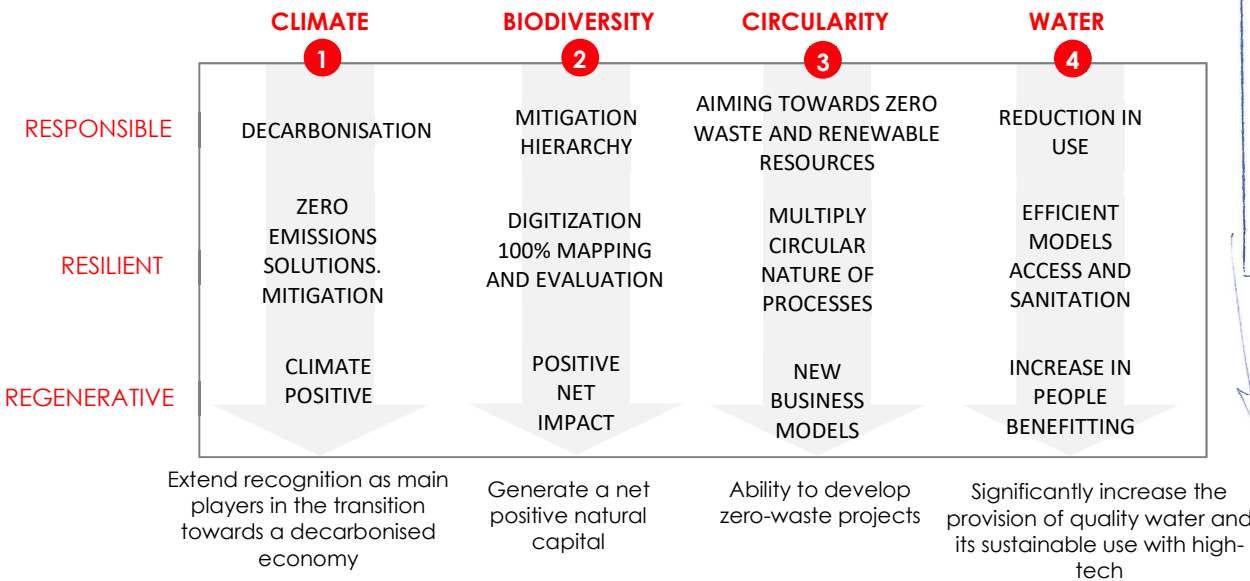
Each of the four pillars of the SMP 2025 has various areas of action and an established route that includes activities ranging from responsible to resilient, taking in those that contribute a regenerative impact. They are as follows:

PEOPLE CENTRIC | *quality of life, inclusive future* | **Our advantage comes from people**



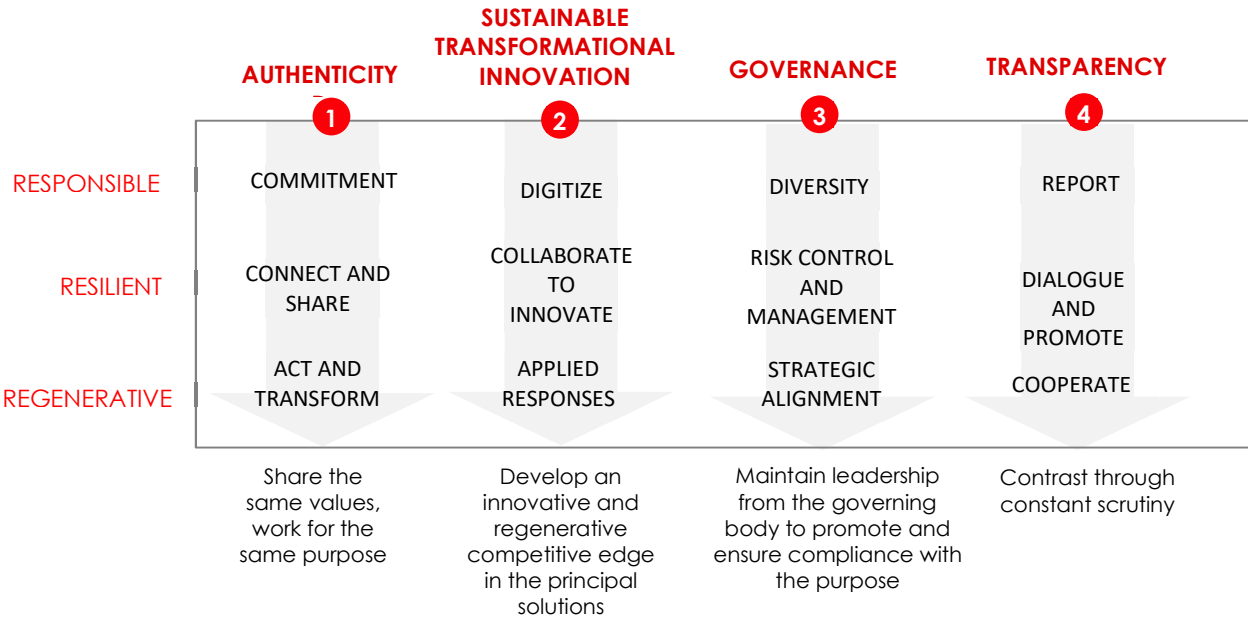
22

POSITIVE PLANET | *from net zero to positive contribution* | **Invest to regenerate the planet**

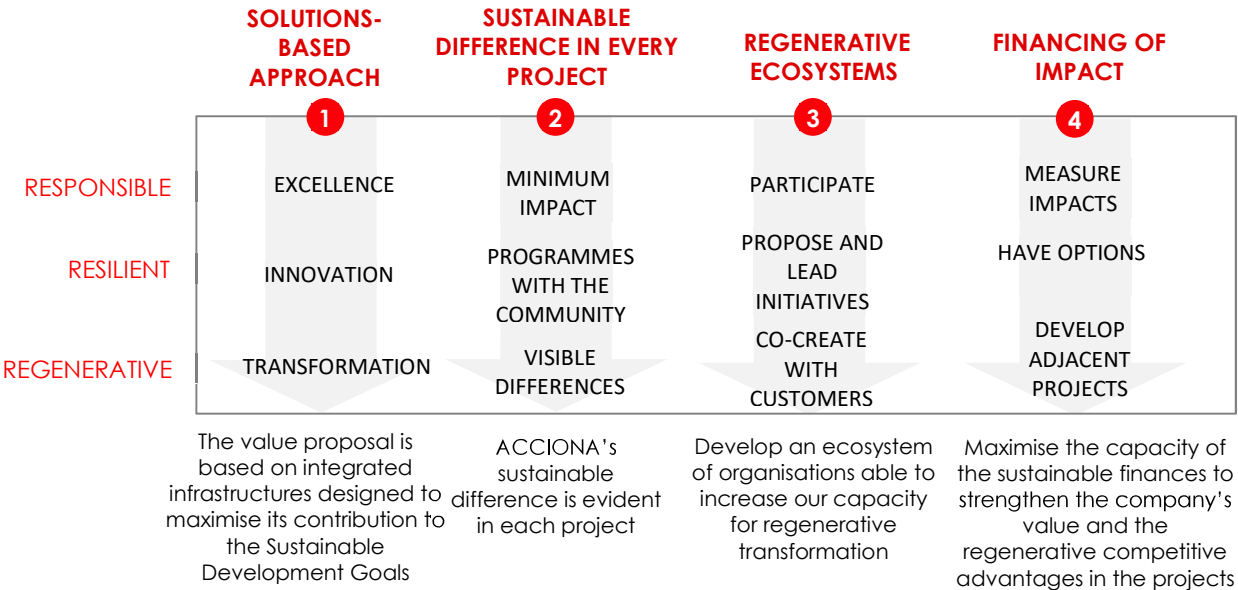


SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

EXPONENTIAL LEADERSHIP | authenticity, transparency | We pursue a purpose



INTEGRATE TO TRANSFORM | connect to impact | Difference in every project



23

Indicators and objectives

The strategic lines take the form of indicators and objectives proposed by the corporate and business areas with direct responsibility for them. The objectives at 2025 will be reviewed to raise the level of ambition if necessary.

Principal indicators for improvement in the framework of the SMP 2025

Pillar of the SMP	Five principal indicators
PEOPLE CENTRIC quality of life, inclusive future	Activity covered with leadership promotion programmes that integrate evaluation tools, improved competences, mobility, team management and career development

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Pillar of the SMP	Five principal indicators
Our advantage comes from people	<ul style="list-style-type: none"> People covered by a living wage Reduction in the salary gap between men and women Indicators of ESG performance in variable remuneration Sites with internal "ACCIONA Well" certification
POSITIVE PLANET <i>from "net zero" to positive contribution</i> Invest to regenerate the planet	<ul style="list-style-type: none"> CAPEX aligned with the European taxonomy Reduction of emissions in Scope 1+2 aligned with SBTi Number of trees planted and monitored Renewable and recycled resources, recovered waste Own consumption of water
EXPONENTIAL LEADERSHIP <i>authenticity, transparency</i> We pursue a purpose	<ul style="list-style-type: none"> Perception as one of the companies that contributes most to sustainable development Innovation projects that incorporate a regenerative vector Women members of the Board of Directors Project information accessible to interest groups Suppliers receptive to information on ESG performance
INTEGRATE TO TRANSFORM <i>connect to impact</i> Difference in every project	<ul style="list-style-type: none"> No. of solutions integrated with at least three business areas Develop a model for measurement of productivity and regeneration Hours of volunteer work invested by ACCIONA employees Regenerative initiatives in conjunction with partners, customers and suppliers Amount of regenerative investments mobilised

MANAGEMENT OF NON-FINANCIAL RISKS

Risk management is a process driven by the ACCIONA Board of Directors consisting of identifying, assessing and managing the potential events that might affect the company and the effects they have. In addition to the Board, the bodies responsible for the Risk Management System are the Audit Committee, the Finance and Risk Department, the Risk Management and Control Units, and the Divisional Management Committees².

Each risk event (financial and economic, strategic, operational and unforeseeable) is assessed by ACCIONA's directors using criteria such as probability, economic-financial impact, impact on image, impact on sustainability and development, the company's ability to manage risk and the company's established risk management policy. The timeframe for this assessment is one year.

The analysis is conducted from four perspectives: market, financial, emerging trends (including cyber security) and ESG - also known as non-financial or sustainability.

En 2020, ACCIONA improved its ESG risk management model through the new internal Resilience tool. This mechanism is key when it comes to taking decisions on inter-related matters, such as the case of these extra-financial risks scenarios: not only does it facilitate study of the risk as an isolated entity, but also according to its links with the other risks.

In 2020, the company held different Resilience workshops with the business units, which have contributed to generating a common space where ESG risks can be assessed and the reports, rankings and interconnection networks of resulting topics can be accessed.

The outcome of the assessments for each of the risks has been compared to the exposure that each of the businesses has in the countries where they do business. This exposure is based on external indexes that allow the company to make this comparison to detect potential points to be reinforced. Specific plans have been devised to deal with the most significant risks in order to minimise the associated consequences and/or probability. These risk management measures are implemented through the objectives of the Sustainability Master Plan and by continuously improving the business management systems.

² More information on the Risk Management System in the Corporate Governance Report: <https://www.acciona.com/shareholders-investors/corporate-governance/annual-corporate-governance-report/>

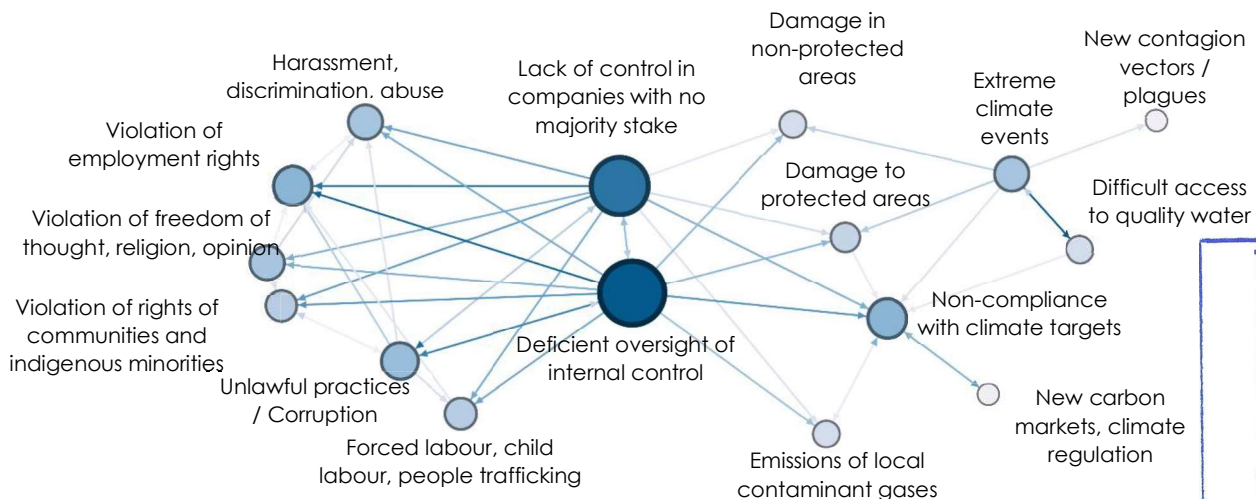
Priority areas for sustainability actions, by business line, in 2020

Energy	Water	Construction	Services	Concessions	Real Estate
● Damage to protected species	● Infringement of rights of indigenous communities and minorities	● Damage to protected areas	● Infringement of labour rights	● Damage to protected areas	● New carbon markets, climate regulation
● Acoustic impact	● Non-compliance with climate objectives	● Damage to non-protected areas	● New carbon markets, climate regulation	● Non-compliance with climate objectives	● Damage to protected areas
● Damage to protected areas	● Infringement of freedom of thought, religion and opinion	● Emissions of local polluting gases	● Unlawful practices / Corruption	● Harassment, discrimination, abuse	● Emissions of local polluting gases
● Unlawful practices / Corruption	● Emissions of local polluting gases	● Infringement of rights of indigenous communities and minorities	● Damage to non-protected areas	● Infringement of labour rights	● Damage to non-protected areas
● Environment	● Social	● Labour	● Governance and corruption		



More information on the analysis of risks and opportunities of the climate emergency in the “Climate” section of the chapter “Positive planet”

Set of risks assessed



Assessment of ESG risks from the identification of the business opportunity

ACCIONA considers it a priority that its actions comply with increasingly stringent national and international standards, in order to contribute to a carbon emissions-free future, which is fair and equitable for everyone. For this reason, the phase prior to the contracting of projects now includes an analysis that assesses their coherence with the group's sustainability strategy using the following criteria:

- 1. Exposure and alignment of the project with the activities included in the European taxonomy.** Assessment of whether the project is covered by the activities that the European Commission catalogues as “low-carbon”, as well as whether it complies, has the potential to comply or does not comply at all with the thresholds established therein; if necessary, corrective measures will be implemented so that the project fits into the taxonomy.

2. **Risks inherent in non-compliances deriving from environmental impacts.** A check is carried out of whether the project is in or near a protected area; if it has the potential to generate substantial damage in terms of water, circular economy, pollution and ecosystems or whether it is likely to contribute significantly to ACCIONA's reduction objectives (emissions, water use, waste, materials, etc.). The ultimate goal is to implement measures to avoid, mitigate or remedy the risks and improve environmental performance.
3. **Risks inherent in non-compliances relating to people's rights.** There is an assessment of whether the sector and the country encourage the violation of human rights of both own employees and subcontracted personnel, and of communities, with the aim of applying measures to avoid or mitigate the likelihood of this happening or to remedy the situation if it occurs.
4. **Risks inherent in operations with third parties.** There is an analysis of the country-risk depending on the strength of the public institutions and the robustness of the legislation and the anti-corruption bodies. This information is supplemented with the analysis carried out using the Dow Jones "Know Your Business Partner" tool.

This assessment allows us to identify and prioritise the projects in line with the European taxonomy with a view to increasing the company's portfolio of low carbon activities, and also to ensure that all the group's projects adapt to the highest sustainability standards. In those cases where substantial risks of non-compliance are identified, an additional due diligence process is carried out.

POLICY BOOK

The ACCIONA Policy Book reflects the commitments and principles of action applicable to the company's firms regarding economic, social and environmental issues and good governance. In 2018, the Sustainability Committee of the Board of Directors approved the new Policy Book, which includes revised versions of existing policies and new policies, integrating them into a single document comprising the following sections:

- > Sustainability policies:
 - Sustainability and Innovation
 - Economic and Good Governance Area
 - Social Sphere
 - Environmental Sphere
- > Other policies: these include the Policy on Communication and Contact with Shareholders and Investors, the Director Selection Policy, the Remuneration Policy for Directors of ACCIONA S.A., and the Personal Data Protection Policy.



More information on the Policy Book at <https://www.acciona.com/shareholders-investors/corporate-governance/rules-governance/corporate-policies-book/>



FINANCIAL AND NON-FINANCIAL BOTTOM LINE

Evolution of key indicators

	2018	2019	2020
FINANCIAL PERFORMANCE			
Sales (million €)	7,510	7,191	6,472
EBITDA (million €)	1,245	1,356	1,124
CAPEX (million €)	643	1,270	1,024
NON-FINANCIAL PERFORMANCE			
Workforce at year end	38,544	39,699	38,355
Female executive managers (% of total)	13.99	15.25	16.36
Average training hours per year per employee	18.47	14.52	10.64
Number of fatal accidents (staff and contractors)	3	0	0
Accidents: global frequency rate (own employees and subcontractors)	2.4	2.5	1.9
Emissions generated (millions of tonnes of CO ₂)*	0.18	0.17	0.13
Emissions avoided (millions of tonnes of CO ₂)	14.7	13.1	13.2
Sales aligned with the European taxonomy of low carbon activities (%)	NA	58	47
CAPEX aligned with the European taxonomy of low carbon activities (%)	NA	93	85
Water used by ACCIONA (hm³)	4.29	3.66	4.68
Treated water (hm³)	790	1,030	923
Non-recovered waste (million tonnes)	4.1	0.9	1.5
Total innovation (million €)	225.4	230.4	237.0
Innovation intensity (% of total R+D+i / sales)	3.0	3.2	3.7
% local suppliers	87	91	94
Revenue certified with ISO 9001 (%)	91	87	84
Global customer satisfaction index (%)	97	97	99
Projects with Social Impact Management (no.)	98	124	127
Social contribution (million €)	13.7	12.5	11.7

* Historic CO₂e data recalculated (as stipulated by the GHG Protocol), due to the fact that Trasmediterranea was deconsolidated from ACCIONA in 2018 and that two centres with significant consumption are no longer attributable to ACCIONA.

27

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Pilot scheme for monetary valuation of impact

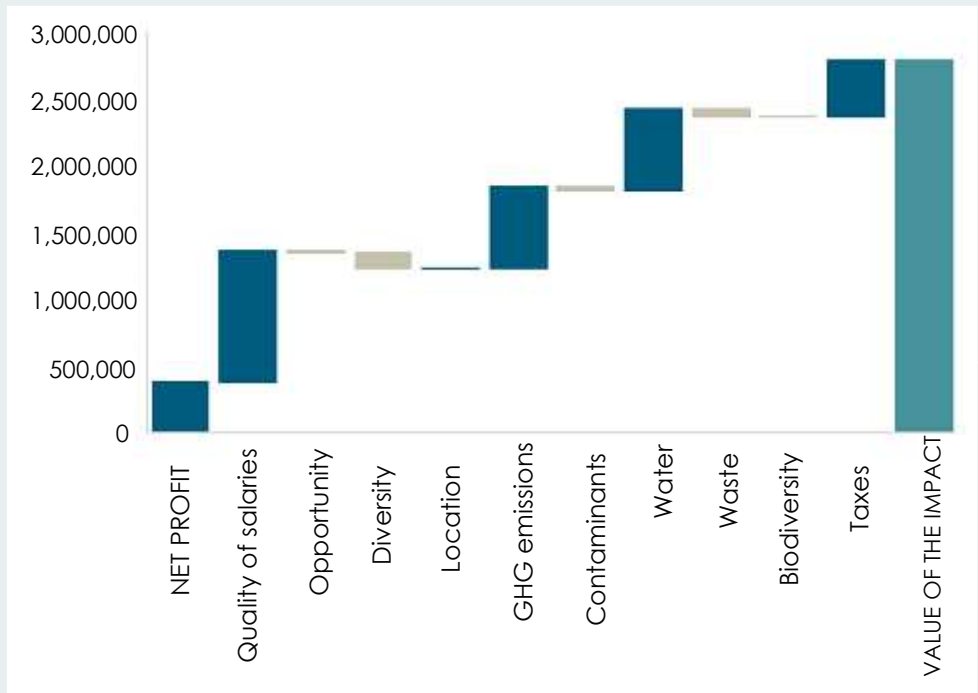
Investors are increasingly demanding information on the quantification and monetary valuation of the impacts deriving from business activities. Harvard Business School has launched its Impact-Weighted Accounts Initiative (IWAI) which develops a methodology allowing the financial, social and environmental performance to be reflected in a transparent manner, useful both to investors, and for the management of the company itself.

ACCIONA has decided to form part of this initiative by drawing up a pilot scheme. This involved calculating the social externalities using the Harvard methodology, and the environmental externalities using a variety of monetisation factors disseminated in the Environmental Prices Handbook (EU 28 version) and True Pricing, amongst other references.

The monetary value of the impact generated in society deriving from ACCIONA's activity in the last year has been obtained. These calculations provide a single, comparable measurement that can assist in decision-making when there are trade-offs between various impacts.

The graph shows the monetised value of the positive and negative externalities, which are added to or subtracted from the net profit.

Estimated annual monetary value of ACCIONA's impact in 2020 according to the IWAI methodology (thousand euros)



The externalities taken into account to calculate the value of the impact generated are:

- Quality of salaries: this measures the quality of the salaries that ACCIONA pays its employees, adjusted according to each country's minimum living wage and the gender salary gaps.
- Opportunity: this measures the difference in opportunity between men and women when occupying senior positions.
- Diversity: this measures the similarity between the demographic distribution of the labour force and the demographic distribution of the local population in each country.

- Localisation: this measures the value of the local employment created, based on the hypothetical rate of unemployment without the company.
- GHG emissions: this takes into account the total emissions generated throughout the value chain, and the emissions avoided deriving from ACCIONA's direct activity.
- Contaminants: this adds the negative impact deriving from the direct emission of NO_x, SO_x and PM₁₀.
- Water: monetised value measured as the difference between the negative impact deriving from the use of drinking water, and the positive impact deriving from the production of drinking water and wastewater treatment.
- Waste: this measures the negative impact deriving from waste generation.
- Biodiversity: sum of the negative impact deriving from the occupation and transformation of habitats, and the positive impact deriving from the restoration thereof.
- Taxes: economic value added to society from the payment of taxes.

It is estimated that the company's activity contributes annually a direct benefit of almost 3 billion euros, taking into account the monetised impacts. This added value is due principally to the quality of the salaries paid, to the greenhouse gas emissions avoided, to water management (desalination, treatment and purification), and to the economic contribution to society deriving from the payment of taxes.

This pilot project has confirmed that the actions that generate the greatest added value for society are those aligned with ACCIONA's values and strategies: the importance of people, the fight against climate change and water scarcity, and support for local economic development.

More information on the Harvard Business School initiative: <https://www.hbs.edu/impact-weighted-accounts/Pages/default.aspx>



People centric

Quality of life, inclusive future | Our advantage comes from people

ACCIONA seeks to become the value proposal centred around people.



KEY MILESTONES 2020

- > First stage of the Talent module implemented in the Human Capital Management system to improve the talent management tools and the employee experience.
- > Reduction of the salary gap to 2.8% from 5.0% the previous year.
- > Design and implementation of a plan for conciliation and co-responsibility measures for all businesses and countries.
- > Actions to combat COVID-19 for employee protection: action protocols, early detection campaign and raising awareness for active prevention.
- > Successful transfer of training courses and programmes to an online format and strengthening of the smartworking courses.
- > Complete review of controls relating to compliance with human rights policies for all activities.



MAIN CHALLENGES 2021

- > Opening up of the Workday single people management platform to all the company's professionals.
- > Approve a Diversity and Inclusion Policy.
- > Continue to increase the percentage of women in executive and pre-executive positions.
- > Achieve or maintain the accident frequency rate in the upper/higher fifth percentile of each reference sector.
- > Promote the involvement of workers in physical and emotional Well-Being Plans.
- > Implement a renewed system of due diligence in human rights.

30



This year, the company has taken on board all the challenges we have experienced during the pandemic, and despite the major impact on the life of the people working in ACCIONA, it has continued to persevere in its purpose of being the best company to work in and promote initiatives that improve the life of the people in the communities where it is present. To do so, it has marked out a global strategy, which is its value proposal for employees: PEOPLE, in which people are at the centre and which revolves around four fundamental pillars: recognition, diversity and inclusion, environment and leadership.

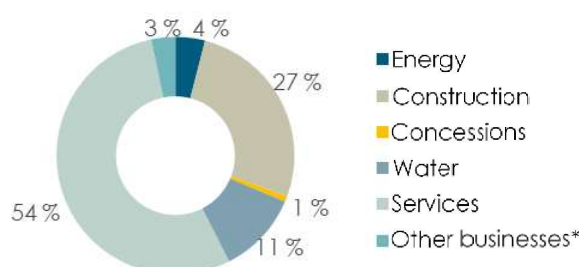
MERIT RECOGNITION

The ambition in this area is to create new forms of recognition that open up ways to reward in accordance with the aspirations, the attitude and the proactivity of highly involved people. This recognition will be supported by making the people who have made an exceptional contribution to projects and initiatives visible both internally and externally.

Profile of ACCIONA's human team

At the close of 2020, the overall workforce was 38,355 people, with 33% women. There is a total of 131 nationalities.

Breakdown of the total workforce by line of business (%)



* Includes Bestinver, Corporate, Grupo Bodegas Palacio 1894, Real Estate and ACCIONA Cultural Engineering.

Evolution of management indicators

	2017	2018	2019	2020
Revenue (million euros)	7,254	7,510	7,191	6,472
Workforce cost/Revenue (%)	21%	20%	22%	24%
Revenue/workforce (euros)	193,941	194,830	181,138	168,739
EBITDA (million euros)	1,275	1,245	1,356	1,124
EBITDA/workforce cost (%)	85%	84%	85%	72%
EBITDA/workforce (euros)	34,094	32,292	34,384	29,305
Workforce cost (million euros)	1,497	1,486	1,599	1,551

Development and promotion of talent

ACCIONA's people management model is supplemented by policies and initiatives designed to optimise employee performance, enhance their professional development and manage objective-based compensation. The Performance Management Model is based on three pillars: Setting Objectives, My Development and Performance Status. The purpose is to identify, develop and recognise the talent of ACCIONA's professionals.

Performance Status

In 2020, special emphasis was placed on identifying performance and potential, the so-called Performance Status.

In its third year, this process was consolidated as a global tool for evaluating performance and potential at ACCIONA, as a way of providing a comprehensive view of internal talent and enabling decisions to be made and action plans to be designed on the basis of the needs detected.

For the launch of the process in 2020, a specific guide was defined for managers to help them interpret and understand the questions on the questionnaire.

All the business lines and countries within the target area participated in this process, in which each hierarchical manager completes a questionnaire on the members of their team (with the possibility of involving the functional managers as well).

The target group was 9,535 professionals and 1,580 evaluators took part in the process.

Employees subject to the Performance Status process by gender and professional category

	Men	Women	Total
Directors and managers	2,026	555	2,581
Technical staff	5,478	2,776	8,254
Support staff	26	66	92
Operators	76	6	82
Total	7,606	3,403	11,009

97% of the professionals subject to performance evaluation were evaluated through Performance Status

Internal mobility

Another of the key levers in workforce management is professional growth through promotion within ACCIONA. Improved access to the opportunities offered by the company, as well as the possibility of subscribing to newsletters, encourages the employees themselves to be responsible for their professional growth.

The number of vacancies filled by internal mobility was 32% in 2020.

Bringing management closer to people through digitization

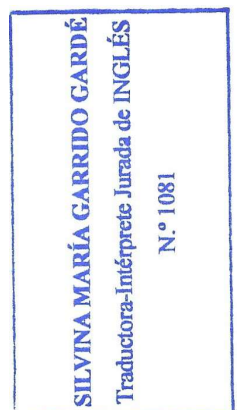
The project to implement the Workday tool has given the company a single people management platform that operates worldwide, allowing processes to be standardised based on reliable, consolidated data that can be accessed online.

250 professionals have participated throughout the project, which now encompasses more than 80 global management processes and more than 70 integrations.

Thanks to the implementation of the people management tool, the company now has a **Global Talent Marketplace**. This is a space where vacancies are published internally, and can be accessed by all employees; it offers the possibility of establishing filters and alerts in the search, enabling any professional to stay up to date with the opportunities. This has improved transparency when it comes to offering possibilities of internal movements, and makes it easier for professionals to participate in the selection process with their employee profile.

This process, which has lasted approximately two years, had the following objectives:

- > To increase the ability of employees to help themselves and reach all the company's professionals.
- > To provide real-time information to managers, thereby facilitating decision-making.



- > To increase the level of support of the Talent and Organisation function to the whole workforce.

Compensation policy

ACCIONA rewards its employees according to the following criteria: sectoral and geographical competitiveness, internal equity and merit. ACCIONA works in a variety of production sectors in over 40 countries. Under current law, payment of employees is subject to the applicable collective bargaining agreements (in Spain, 295 agreements of varying scope in 2020). This means that remuneration of employees is defined according to results and a position classification system that organises objectively each worker's contribution to the company. In addition, there is no gender-based differentiation and any decision on individual payment review is approached objectively, ensuring that the compensation is fair according to the level of responsibility and the contribution to the company's objectives.

Gender pay gap analysis

ACCIONA is determined to ensure that there is no gender-based inequality in its activities, to achieve equal pay between genders in all the businesses and countries where it operates. To this end, the company has developed a salary analysis methodology based on best international practices, validated by an independent external party.

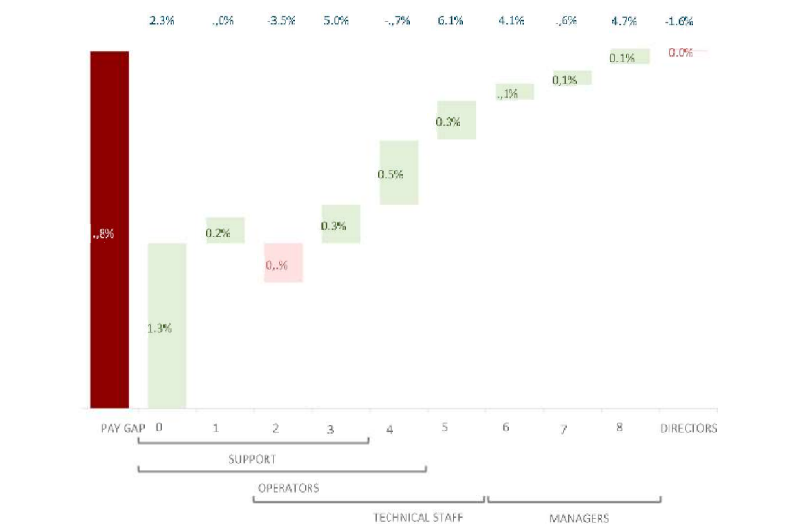
According to the definition of “equal pay”, compared to the definition of “salary data”, the calculations must isolate all those variables that might explain a person’s salary above and beyond gender. In ACCIONA’s case, the following independent variables must be taken into account: country, business, professional classification, map of levels (business roles compared to support role) and collective bargaining agreement. This determines standardised segments of population in which differences can be measured, providing highly reliable results that they are effectively gender pay gaps.

The following formula is used to determine the fairness of each segment:

$$\text{Equal pay per segment} = \frac{(\text{average fixed salary for men} - \text{average fixed salary for women})}{\text{average fixed salary for men}}$$

Specifically, in 2020, ACCIONA found a gender pay gap between men and women of 2.8% at the global level. This gap has been reduced compared to the three previous years, when it was higher than 5%.

Gender pay gap analysis



With this information, the data is studied annually for each business line and level of responsibility to define whether there is unequal pay for equal work or if the difference is due to any other cause (seniority, performance, results, etc.). Specifically, the aim is to eliminate any detected cases of this type of inequality. Each year, a specific analysis of unequal pay situations is also carried out through the annual salary review

1

process. This action plan is periodically monitored by management, which assesses the progress being made at each level of the organisation.

Variable remuneration plan: ACCIONA Bonus

The program for employees with variable remuneration, in place since 2012, considers criteria related to both the company's financial results and the fulfilment of individual goals, and is based on objective and pre-established metrics. In accordance with the objectives set out in the Sustainability Master Plan (SMP), ACCIONA Bonus is being extended internationally to all divisions in key countries.

In 2020, a total of 5,714 employees in 30 countries benefited from the ACCIONA Bonus, including 95.1% of directors, and 55.9% of managers and technical and support staff.

Standardized structure of objectives that make up the Bonus

ACCIONA's overall results	Specific targets	Individual goals	Criteria linked to sustainability
Represent 10% for all employees and 15% for directors.	Relative to the division, country or business unit with its own income statement.	The basis is the individual assessment of performance.	They represent around 5% of the targets. This has increased from 3.5% in 2019 and the aim is to continue increasing its weight.

The ACCIONA Bonus includes targets for reducing emissions of polluting gases, implementation of the methodology for evaluating the social impact of the projects, an increase in the number of women in management positions and consultations with stakeholders, amongst others.

In the Bonus to be paid in 2021, managers can make the proposal for meeting individual objectives in the Salary Review tool, which applies to the calculation of the individual part of the Bonus. The criterion for this individual part will be established according to the personal contribution to the results of the business. For guidance purposes:

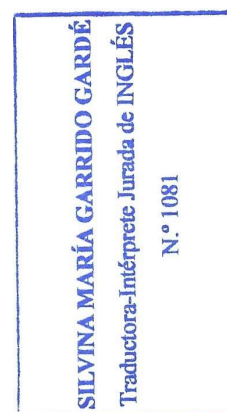
- > The specific contributions (individual objectives) and the technical excellence in the work that contributes to progress made in the income statement.
- > The work and objectives planned at the start of the year, and any objectives or priorities that may arise subsequently.
- > Support for long-term transforming projects: sustainability, digitization, etc.
- > Contribution to the multidisciplinary and multifunctional work teams.
- > Contribution to the results in terms of flexibility and adaptability to the requirements.

Employee benefits

The employee benefits offered by ACCIONA in 2020 include:

- > **Economic coverage for employees hospitalised because of COVID-19 for more than five days.**
- > **Travel assistance:** this is provided globally to all employees travelling abroad, regardless of their country of residence. It covers health care while travelling, in addition to other guarantees such as loss of luggage or flight connections.
- > **Life and accident insurance:** all employees in Spain are insured in accordance with the commitments assumed in collective agreements for death or disability from any cause. Coverage is also provided for death due to illness and accident and partial, absolute and major permanent disability as a result of an accident occurring anywhere in the world.
- > **International medical insurance:** covers health care for expatriate employees and their families, spouses and children.

In addition, the Flexible Remuneration Plan allows the group's employees to optimise their salaries. They can select, acquire and/or contract certain benefits at deep discounts, which will allow them to maximise their remuneration. The following products and services are adapted to their needs: medical insurance, meal and



childcare vouchers, transit passes and training programmes linked to their professional development. In 2020, 8% of those eligible took advantage of the plan.

Meanwhile, the Shareholders' Plan is a voluntary company share purchase plan that allows ACCIONA professionals to buy a stake in its share capital. This plan is aimed at all permanent employees who are tax residents in Spain and offers them a tax break. A total of 516 employees took part in the 2020 Shareholders' Plan, an increase of 14% on the previous year. 25,401 employees were eligible for the plan, representing a participation rate of 2% and the delivery of 40,301 shares.

Selection policies

ACCIONA's success depends largely on the talent and qualifications of its workforce. It is therefore essential to attract the most talented professionals and provide them with the best training to promote their professional development on an ongoing basis.

The object of the Talent Plan is to ensure that the necessary talent is available for ACCIONA's businesses and functions. The plan is global in reach, applying to all countries and businesses.

The Talent Plan consists of:

- > Analysing business challenges and opportunities and their influence on people management and the organisation.
- > Identifying the most talented ACCIONA professionals in order to assign them individual development plans and include them in the succession plans of each organisation.
- > Identifying professional profiles with a need to resort to the external talent market because of the experience and skills required.

Global Graduates Programme

This programme is intended for recent graduates with up to two years' employment experience. Once the first year in the company is completed, the graduates begin a postgraduate qualification, given by a business school, which gives the graduates knowledge, skills and tools to discover and make maximum use of their potential in the first stage of their professional life.

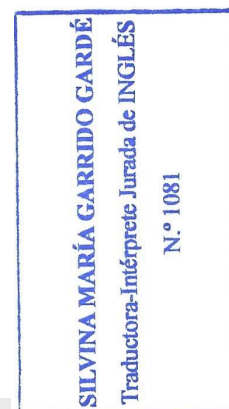
It consists of eight modules: economic environment, strategy, project management, marketing and sales, finances, digital business models, personal skills and sustainability. The participants acquire a base of transversal knowledge and skills such as team work, critical thinking, creativity and communication skills.

This programme has generated a global community of graduates in which cooperation and the generation of a network of contacts is promoted. More than 90 young people took part in the first edition of this programme this financial year.

The Global Graduates Programme encourages cooperation and the generation of a network of contacts from the earliest moment of the professional career

Evolution of new hires by business line (no. of employees)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Energy	251	96	347	152	53	205
Infrastructure	12,278	6,695	18,973	6,256	3,608	9,864
▪ Construction*	3,402	487	3,889	1,598	402	2,000
▪ Concessions	21	39	60	20	26	46
▪ Water	1,260	275	1,535	941	170	1,111
▪ Services*	7,595	5,894	13,489	3,697	3,010	6,707
Other businesses**	160	112	272	92	55	147
Total new hirings	12,689	6,903	19,592	6,500	3,716	10,216



* The large volume of hires is due to the temporary nature of the contracts and the hiring cycles, which depend on the projects.

** Including Bestinver, Corporate, Grupo Bodegas Palacio 1894, Real Estate and ACCIONA Cultural Engineering.

DIVERSITY AND INCLUSION

Both diversity and inclusion form part of our values. Over and above the principles included in the company's Code of Conduct, and the rest of the company's policies, we are convinced of the benefits they bring for everyone.

ACCIONA is firmly committed to effective equal opportunities. This commitment promotes diversity as a key competitive advantage for our businesses and priority strategy for people management. The group aspires to be the best company to work with, where people can develop their career with completely equal opportunities. Another ambition is to generate an inclusive culture that promotes the balance between professional and personal life in all areas.

The structure driving the policies and programmes is formed of the Diversity Management Area on a global scale, and the Diversity and Inclusion Committees in all the strategic businesses and countries. There are 11 committees formed by groups of employees representing all the collectives that form part of the company. Their mission is to create a network of ambassadors, collect the information from their environment and generate specific diversity and inclusion proposals and initiatives.

In 2020, the Refinitiv Diversity & Inclusion Index positioned the company among the top twenty-five globally in terms of diversity and social inclusion.

Gender diversity

In order to promote effective equal treatment and opportunities for men and women, ACCIONA has continued to work in two fundamental areas:

- > Ongoing review of the Human Resources processes to promote the attraction, retention and promotion of talent in the different stages of women's professional careers.
- > Promotion of an inclusive culture with behaviours contributing to the removal of barriers impeding equal opportunities in the workplace.

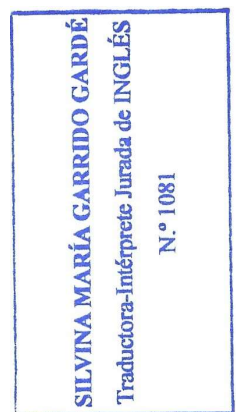
New programmes to promote gender diversity

- Global mentoring programme for women in pre-executive positions, with the participation of 35 women.
- Global acceleration programme for women with potential, involving the participation of 67 women in pre-executive roles.
- Management Development Programme for Women with High Potential, aimed at women with a clear career projection in the company. In the 2020 edition, a total of 21 employees successfully completed the programme, compared to 16 participants in 2019.
- Programme for Women to Rejoin the labour market. Because of the impact of the pandemic, this has focussed on providing employment opportunities for women with family responsibilities who are at risk of social exclusion.

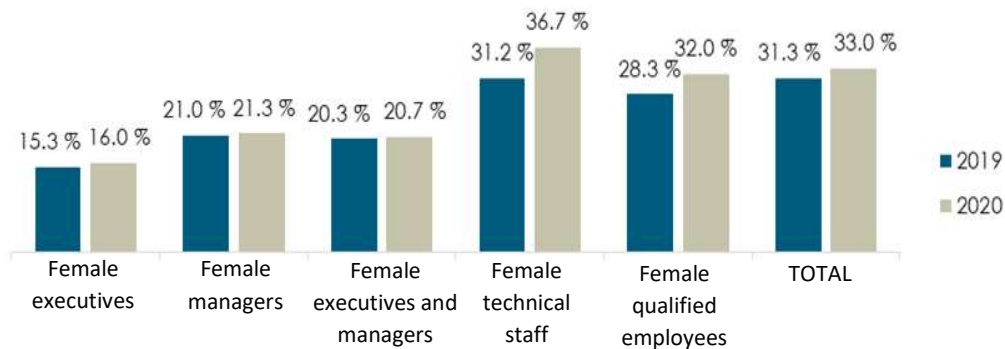
In terms of hiring, the hiring of women has been promoted, or there is a guarantee that at least one woman's CV will be included in all the processes.

These actions are aligned with the set objectives, to increase the number of women in management and executive positions, achieve equal pay and promote women's leadership programmes. Meeting these objectives is linked with the bonus, so that it impacts directly on the variable remuneration of all the people in the company that benefit from it.

For 2020, the company set itself the objective of increasing the percentage of women in executive and pre-executive positions to 23%. Although the overall figures are close to this objective without reaching it, in some key countries like Spain, Canada and Norway the 23% figure is exceeded.



Evolution of the percentage of women by category (% of employees)



In Spain, all the business lines are covered by Equality Plans, in accordance with Organic Law 3/2007 for effective equality between men and women, signed with the most representative trade unions and in which the results are reported and evaluated jointly every six months. All the Equality Plans are published and are also available on the intranet for everyone in the company. There are similar mechanisms implemented in other countries where we are present. In addition, the engineering, facility services and energy businesses also have the equality label.

ACCIONA is a signatory to the Global Compact's Women's Empowerment Principles, an initiative advocating real and effective gender equality through work. In 2020, it also signed up to the Target Gender Equality initiative.

In 2020, training initiatives in equality, diversity and inclusion, non-discrimination and multiculturalism have been developed through a variety of training programmes such as the Global Gender Equality Programme for all employees and other specific programmes intended for technicians and managers. A total of 23,835 hours have been given, compared to around 8,000 teaching hours in 2019.

To endorse the commitment to effective equal opportunities, communication and awareness-raising initiatives are carried out, giving visibility to the company's professionals and projects led by women, in recognition of their reference role and their leadership.

37

Gender Balanced infrastructure Projects involving 50% women and 50% men

The company has launched initiatives in projects with a gender parity objective:

- > **Loreto Project, Australia.** The result was the construction of this school with a team made up of 53% women.
- > **Neonatal unit in the Marga Marga hospital, Chile.** Training was given to 200 women, of whom 74 were awarded certificates and 34 have been hired. The local authorities are actively involved and it will be the country's first public infrastructure work constructed with a gender focus.
- > **Talca Prison, Chile.** There are 60 vacancies for women, who will be hired to work on the project after completing a training course in which they will be certified as painters.
- > **Project Grid Code Conecta 50:50, Spain.** The goal of this project is to strengthen the power systems/network code team so that it can respond globally to the requirements and processes for interconnection of energy projects, all with a gender perspective.

Workplace inclusion and non-discrimination

ACCIONA's Code of Conduct promotes equal opportunities effective beyond gender diversity and under no circumstances accepts any form of discrimination in the workplace on grounds of age, race, gender, religion, political opinion, nationality, sexual orientation, social background or disability.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Inclusion of people with disabilities and vulnerable groups

The average number of employees with a 33% level or more of disabilities was 995 workers in Spain³ (direct and indirect employment). This represents 3.97% of the total workforce, the same figure as the previous year. Direct employment accounted for 3.46%. The remainder comes from purchases from Special Job Centres and donations to third sector organisations.

The company also continues to hold the Bequal certificate, with Bequal Plus rating, which certifies its compliance with the law and ACCIONA's commitment to inclusive disability policies through an external audit.

Other noteworthy initiatives in 2020 in the area of inclusion in the workplace of people with disabilities and other vulnerable groups include:

- > 161 people hired through the Fundación Integra, with which the group collaborates nationwide on the insertion of people with disabilities, the long-term unemployed and victims of gender violence in the workplace.
- > 478 people hired through the Fundación Inserta, with which the group collaborates nationwide on the placement of people with disabilities in the workplace.

In 2020 objectives were set to promote socially responsible hiring in four key countries: Australia, Canada, Chile and Mexico. At least 1% of the workforce must be made up of workers with disability and, in any event, a percentage that exceeds the legal minimum.

Inclusion of other minorities

ACCIONA does business in 39 countries and, as a company and employer, is aware of the role it plays in the communities in which it operates. In accordance with its code of conduct and its policies, it respects the rights of the local communities and the people living and working in them in accordance with international human rights rules, and makes an effort to create positive impacts that improve the life of people in the communities. In this regard, it encourages local hiring and protects minorities (BBEEE requirements in South Africa, First Nations in Canada, indigenous people in Australia, immigrant groups in the Middle East and Asia, and other communities). To do so, it develops specific plans in its projects that include training, awareness-raising, elimination of barriers, employment hiring and collaboration with bodies and institutions.

38

TRANSFORMATIVE ENVIRONMENTS

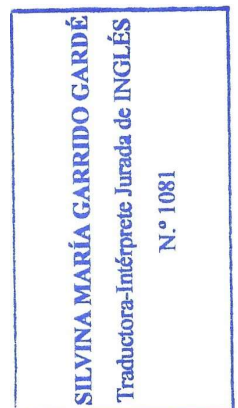
The environment is an opportunity that contributes to the transformation of the business culture. We stimulate a collaborative, innovative and inclusive working environment, adapted to new working methods and the future needs of the company, with technology as the facilitating factor.

Organisation of working time and the work-life balance

The company is committed to the integration of personal and professional life as a means of promoting genuine equality, and to that end has measures in place, beyond compliance with the law, in the businesses and the different geographical areas where it is present.

A support programme for mothers and fathers has been developed with universal measures, beyond compliance with the laws, and with a co-responsibility based approach. The principal measures implemented are:

- > Support programme for pregnant women with working days of six hours with no reduction in salary, parking spaces and economic assistance for travel to medical tests.
- > Programme for mothers and fathers with measures introducing a flexible working day with no reduction in salary, which they can enjoy when they return from their maternity and paternity leave, respectively. This is available in Spain and is currently being extended to other geographical areas.
- > Programme for parents with children suffering from serious illness, with a part-time working day with no reduction in salary, complementing the legal frameworks in each country.



³ There is no detailed record for other countries that is comparable to the information derived from the Spanish Disabilities Act. Outside Spain, there is a commitment to comply with current legislation on under-represented groups, which includes both disabilities and minorities.

- > Improvement of the policy of advances for cases related to child care in those countries where the tax system allows this.

In Spain, these are complemented with other measures such as flexible entry and exit times, continuous working days, canteen services, medical centres, physiotherapy and sports clubs at its locations. In countries such as Australia, Canada, the US and South Africa there are special measures for flexible working hours after maternity/paternity leave and for childcare, which are higher than the legal minimums.

The implementation of information technologies in the employment context has multiple advantages such as increased efficiency and productivity, and improved flexibility. However, it also brings disadvantages that must be addressed and solved. In the framework of the collective agreement in the energy business, ACCIONA undertakes to respect and ensure respect for the right to digital disconnection in the work environment, in accordance with current legislation.

Employee satisfaction and commitment

People's satisfaction and commitment are the key attributes of the relationship model that ACCIONA aspires to maintain with its employees. The climate and commitment survey, conducted globally every two years, is the tool that allows the company to identify the factors that could distort these attributes.

In the latest survey, the commitment of ACCIONA's employees in global terms stood at 63%. The survey showed that 88% of respondents would not hesitate to recommend the company to a friend. Meanwhile, 81% say that ACCIONA inspires them to do their job better every day.

Evolution of turnover by gender, age and workplace (%)

	2017	2018	2019	2020
Turnover among men	4.86	3.23	3.43	6.36
Turnover among women	3.29	4.10	3.91	9.90
Turnover of people under 30	8.84	9.15	5.94	17.70
Turnover of people 30-50	5.32	4.22	4.07	6.23
Turnover of people over 50	3.77	3.49	3.57	5.02
Turnover in Spain	2.02	2.01	2.40	2.55
Turnover of people working outside Spain	6.35	6.19	5.49	13.50
Total turnover*	7.6	7.17	7.05	12.92
Voluntary turnover**	3.74	3.49	3.57	7.56
Average hiring cost per employee	-	1,200	1,200	1,200

* Total turnover = total no. of departures/employees.

** Voluntary turnover = no. of voluntary departures of employees with indefinite contract / employees with indefinite contract.

Since January 2021 data managed through Workday are taken, which allows the incorporation of a broader type of movement s of people joining/leaving that reflect a more accurate picture of turnover in the company.

Health and safety

The health and safety strategy revolves around the Human Resources and Occupational Risk Prevention Policy and the action plan that defines its objectives is in line with the SMP 2020 and 2025. In 2020, the Health and Safety Management System was adapted to the global pandemic.

100% of the workers participate in a programme that deals with the prevention and correction of the causes of health and safety risks in the workplace with the aim of creating a working environment that is as safe and healthy as possible for employees and contractors. In the process, ACCIONA assesses the specific risks associated with its activities: linked to occupational illnesses, the performance of construction work, the use of machinery, working at heights, electrical contacts, etc.

ACCIONA uses the representative bodies required by the laws in the countries where it operates, such as the Health and Safety Committees in Spain, as a channel for consultation and participation. Employees in each business line also have specific communication tools and mailboxes through which they can report occupational safety incidents or possible threats.

39

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS

N.º 1081

The company also has programmes in place to guarantee occupational risk prevention for its contractors and it collaborates with the public authorities on initiatives to promote health and safety in the workplace.



More information in the sections on health and safety in the sections titled "The energy business", "The infrastructure businesses" and "Other businesses".

ACCIONA and the coronavirus crisis

Given the critical situation created by the COVID-19 pandemic – an unprecedented threat to public health, society and the business fabric – ACCIONA has taken all the measures necessary to protect the health and safety of all its employees, while ensuring the continuity of its businesses and services that are essential for community life.

The company's principal responsibility is to help to stop the spread of the disease, complying at all times with the recommendations made by the governments and the health authorities in all the countries where it operates.

Health and safety: protocols and guides

ACCIONA has implemented all the necessary measures, in line with the World Health Organisation (WHO) and health authority recommendations, to minimise the risk its employees might be exposed to.

These measures include the following:

- > **Action protocols and guidelines.** The objectives of these are to mitigate the health risks, identify the possible impacts of the health crisis on the company's activities, establish the management criteria necessary, and implement the measures decreed by the relevant authorities. They help to prevent infection and guide the actions to be taken.
- > **Remote working.** Remote working measures have been implemented in all the countries where the company operates, limiting the possibility of infection.
- > **On-site safety.** To guarantee the health and safety of all its employees in all the active services, the company has made protective equipment and the necessary hygiene measures available to them.
- > **Health Clinic.** ACCIONA has strengthened its medical video-call service to deal with any medical queries employees might have.

The company has maintained a proactive approach, providing human and material means for early detection and effective control of transmission, carrying out screening diagnostic tests from the outset of the pandemic, and actively monitoring the cases detected and the contacts identified.

Continuity of essential businesses

Electricity, water, hospitals, airports, railways, waste management, etc. must be fully available in a health crisis. They are vital services enabling communities to continue operating as normally as possible, given the circumstances.

ACCIONA, for example, has a Renewable Energies Control Centre (CECOER), with sites in three countries, which manages more than 15,000 MW. Wind farms and solar plants need operating and maintenance services to guarantee the electricity supply.

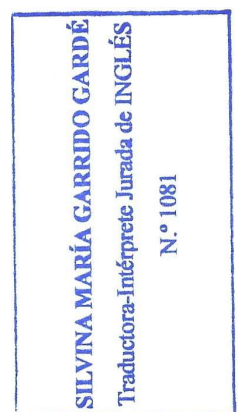
In Spain alone, ACCIONA operates 150 waste water treatment plants, 20 drinking water treatment plants, and manages just over 80 water management services providing a service to almost 750,000 people.

The company also manages and provides services in a number of hospitals in Spain, Mexico, Canada and Qatar, is responsible for the cleaning and maintenance of more than 1,800 railway stations and waste management and cleaning for a number of municipalities.

Impact on ACCIONA

ACCIONA's activity fell sharply in March and the beginning of April, and recovered gradually at the end of April and in May and June. The businesses with essential activity continued, while the greatest impact was seen in the construction works of the water and construction businesses. At the start of March, 59% of these projects were paralysed, and 34% continued with some type of impact. By June, only 1% was stopped (one project in Panama and another in the Philippines) and 80% went ahead with minor alterations.

A total of 37,647 diagnostic tests have been performed on workers: PCR, antigen test and detection of antibodies.



Indicators of COVID-19 illness

Frequency rate	Severity rate	Absenteeism
11.6	272	1,898

Social Collaboration

In response to the critical situation, a team was created and organised specifically for the purpose, and has carried out a variety of collaboration actions with more than 75 public institutions and social agents around the world to contribute to mitigating the effects of the virus.

- > **Electricity customers.** Given the problems faced by many small and medium-sized enterprises in Spain, a deferment of payments for the electricity supply service was offered.
- > **Strengthened management of hospitals managed by ACCIONA.** Services were strengthened at the Infanta Sofía Hospital (Madrid Region), with measures established for staff rest times and financial recognition of their effort.
- > **Field hospitals.** ACCIONA has collaborated in the implementation of the facilities necessary for the correct operation of the IFEMA field hospital in Madrid, with a team of more than 30 people, for the assembly of the medicinal gases installation for patients. In Panama, ACCIONA collaborated with the authorities in executing, maintaining and supplying the Albrook field hospital, with 100 beds and ten ICUs.
- > **Protective equipment.** Major donations were made to hospitals and institutions at the moments of greatest shortage. This equipment included face masks, disposable hairnets and other materials.
- > **Logistics and cleaning support.** Public administrations and a variety of organisations involved were supplied with skills, resources and personnel in transport (vans or motorbikes), logistics (storage spaces), structures (positioning of worksite huts), cleaning (normal and specialised) and maintenance.
- > **In Mexico, Chile and South Africa a variety of donations were made** (hygiene kits, prevention kits, food, containers for isolated medical spaces, etc.) to some 45 communities in the vicinity of the renewable energy farms.

Our intention at all times has been to cooperate as much as possible with proximity and direct contact, contributing the group's capacities in specific actions that have directly impacted on citizens.

41

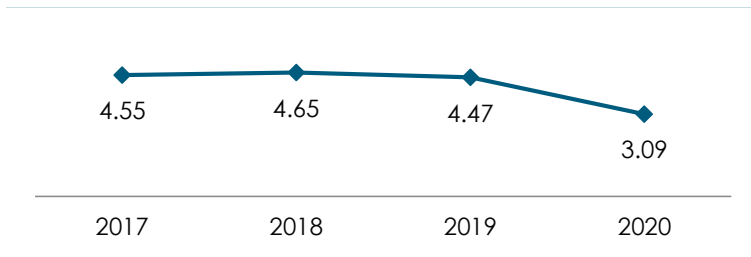
Evolution of the principal accident indicators

In 2020, there were a total of 2,408 accidents involving ACCIONA's own employees. This represented a fall compared to the previous year's frequency rate, influenced by the health and safety policies and programmes implemented, without underestimating the increase in remote working and, consequently, the smaller weight of onsite activities because of the pandemic. A total of 1,759 accidents involved men and 649 women, which equates to a frequency rate of 3.10 and 3.07, respectively.

As regards the severity rate, this was 114 in the case of women and 105 for men, which means that the aggregate rate has fallen. For the third year running, the number of fatal accidents involving own employees was zero.

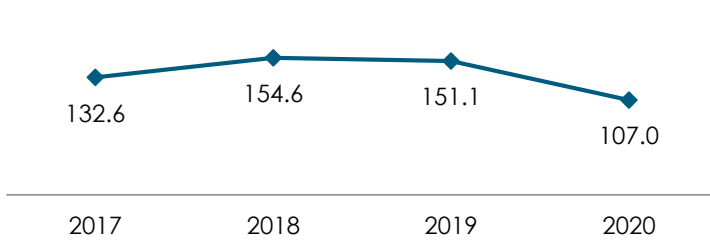


Evolution of the frequency rate (own employees)



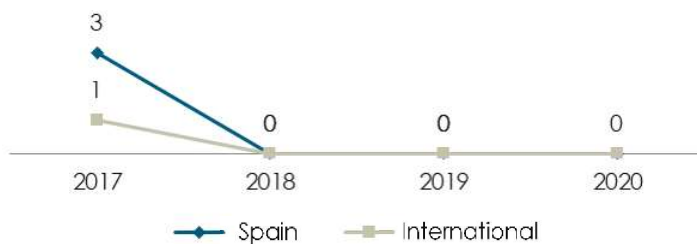
Frequency rate: (no. of accidents with work loss/hours worked) x 200,000.

Evolution of the severity rate (own employees)



Severity rate: (no. of working days lost due to work accident/hours worked) x 200,000.

Evolution of fatal accidents (own employees)



42

Health and safety in employee performance evaluations

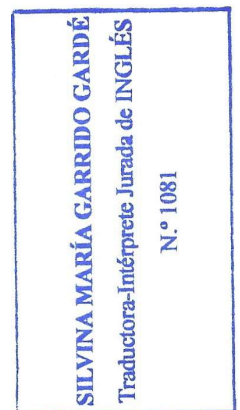
Compliance with the health and safety objectives defined in the SMP 2020 is one of the parameters directly linked to performance evaluation in ACCIONA's various divisions. Whether or not they are met determines the bonus that employees receive.

Specifically, the target set for the group in 2020 was to reduce the frequency rate for employees and subcontractors by 3% compared to 2019. The overall objective is to reduce this rate by 15% between 2015 and 2020, a target that has been exceeded, with a figure of 34% reached. In addition, each of the company's divisions sets its own annual targets, defined at the beginning of each year and reviewed monthly.

The frequency rate for 2015 to 2020 has been reduced by 34% (2020 target: 15%)

Meanwhile, the absenteeism rate remained the same as the previous year.

A breakdown of these figures by business line is shown below. The information is prepared in a standardised manner for all the countries, and always according to the international standard.



Evolution of the rate of employee absenteeism by business line

Business	2017	2018	2019	2020
Energy	0.84	0.70	0.95	0.92
Infrastructure	4.90	5	5.30	5.28
Other businesses*	4.65	1.96	1.86	2.28
Total	4.71	4.80	4.99	4.99

Absenteeism rate: (no. of days lost due to absenteeism/no. of days worked) x 100

*Includes Bestinver, Corporate, ACCIONA Cultural Engineering, Wineries and Real Estate.

Number of hours lost due to absenteeism

	2019		2020	
	Women	Men	Women	Men
Spain	1,756,537	1,816,087	1,101,458	1,672,942
International	265,722	239,029	287,576	250,671

Absences due to accidents, maternity, common illness and COVID illness are taken into account. The figure is reported by hours in compliance with Law 11/2018. The system outside Spain compiles the figures in days. Given the number of agreements in force, the calculation of hours is only an estimate, establishing an average time of 8 hours/day.

Road safety

At ACCIONA, the initiatives to promote road safety cover both accidents related to vehicular traffic (work-related) and those occurring during travel to and from work (commuting). Notable among the measures that contribute to reducing commuting accidents is the bus service at its corporate headquarters in Madrid, which reduces the use of private transport. In 2020, commuting accidents were reduced to normal levels after the high figures recorded in 2019. Work-related accidents have seen a slight upturn in the infrastructure area, in the majority of cases in the international area, influenced by an increase in hours worked.

43

Evolution of commuting accidents (with and without medical leave)

Line of business	2017	2018	2019	2020
Energy	26	20	11	12
Infrastructure	163	157	296	218
Other businesses *	22	6	11	5
Total	211	183	318	235

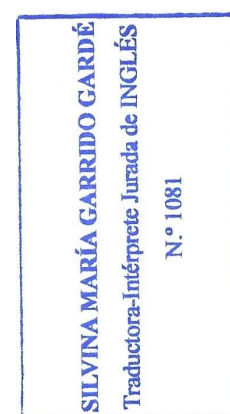
* Includes Bestinver, Corporate, ACCIONA Cultural Engineering, Wineries and Real Estate.

Evolution of work-related travel accidents (own workers)

Line of business	2017	2018	2019	2020
Energy	8	2	2	5
Infrastructure	14	13	19	35
Other businesses *	1	1	0	0
Total	23	16	21	40

* Includes Bestinver, Corporate, ACCIONA Cultural Engineering, Wineries and Real Estate.

In 2020, ACCIONA maintained awareness-raising campaigns on this subject active on the company's intranet.



Prevention and healthy lifestyles

To evaluate the possible impact of occupational risks on the health of workers, annual medical check-ups are offered, adapted to the specific risks of each worker. Based on the results obtained, a decision is made as to the worker's suitability to perform the tasks inherent to his or her position. Moreover, these medical data are used to conduct an annual epidemiological study on a global scale to assess the health of ACCIONA as a whole.

The company also runs disease prevention and early detection campaigns. It also monitors workers who travel internationally, providing them with medical information on the destination area and immunization if necessary. The company enters into agreements with private health companies, offering competitive services and conditions.

No. of occupational diseases by region (own employees)

	2017	2018	2019	2020		
				Women	Men	Total
Spain	16	21	34	17	20	37
International	2	0	1	2	7	9

There are also other activities in several divisions that may cause occupational diseases in very specific cases due to exposure to biological risk, overexertion, noise, silicosis and asbestosis. In all such situations, the necessary actions have been taken to eliminate or minimise the risk (training, awareness, protective equipment, etc.). Likewise, all workers exposed to risks of this kind are monitored.

ACCIONA has a Health and Wellness Programme to promote integral employee care. It is a three-part programme focussed on a healthy diet, physical activity and emotional management. The initiatives developed as part of the Health and Wellness Plan include:

- > Medical video consultations for employees in Spain.
- > Publications on general health topics, pregnancy and breastfeeding, ergonomics and the pandemic. The last of these accounted for 58% of the communications made.
- > Health monitoring programme for COVID-19, with medical diagnostic tests for early detection and control of the spread of the virus.

Certifications

74% of ACCIONA's activity is certified according to international standard ISO 45001. The target was 50%. There is a 7% certified in OHSAS 18001 still being progressively replaced.

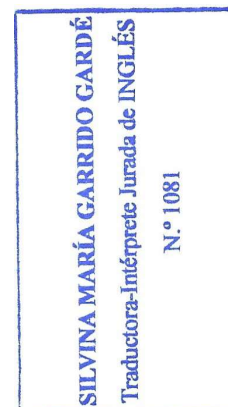
ISO 45001 certification by line of business

Line of business	2019	2020
Energy	100 %	100 %
Infrastructure	36 %	58 %
> Construction	76 %	93 %
> Concessions	0 %	90 %
> Water	93 %	100 %
> Services	19 %	40 %
Other businesses	25 %	80 %

Percentages calculated taking into account companies with more than 150 FTEs, except in Other Businesses in which all companies are taken into account.

Employee participation

44



ACCIONA's different divisions have participation schemes that comply with local legal requirements, such as Health and Safety Committees, the function of which is to channel worker consultation and collaboration in occupational risk prevention. In addition, workplaces are visited to encourage their involvement. At these meetings, information is provided on all matters relating to prevention: accidents, safety inspections, employee complaints, risk assessments and the activities of the Prevention Department.

Some of the divisions also have email accounts or suggestion boxes where workers can ask questions, make suggestions and raise concerns about health and safety.

Personnel from collaborating companies also participate through business activity coordination committees created in all the work centres where concurring business activities are identified. These committees are attended by the health and safety employees appointed by each represented company.

Training and awareness-raising

All the company's businesses have training and awareness-raising programmes in their annual plan, as well as training requirements in occupational risk prevention.

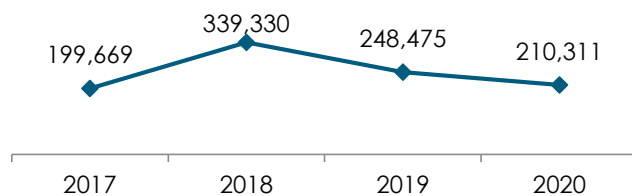
ACCIONA also has internal communication mechanisms that are key to preventing accidents and preserving the health and safety of employees. Among the most widely used tools are the intranet, newsletters, e-mail, suggestion box, communications via posters or payroll and specific actions in the workplace.

Training in occupational health and safety at the Corporate University

	2020
Energy	20,656
Infrastructure	186,798
Other businesses *	2,857
Total	210,311

*Other Businesses include: Corporate, Bestinver, Real Estate and Wineries.

Evolution of the total number of training hours in occupational health and safety

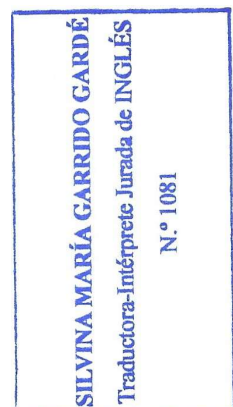


Extending the commitment to prevention to the supply chain

One of ACCIONA's main goals is to extend its culture and commitment to health and safety to the entire supply chain. In this regard, the company tracks the accident rates in its network of suppliers, contractors and subcontractors. Generally speaking, there is full participation in practically all prevention-related activities, collaborating in the procedures of the company's normal management systems (risk identification, definition of controls, inspections, training, information, safety programmes based on conduct, etc.). The rates have gone down as a result of a proactive workplace health and security policy. This has reflected the fact that the number of onsite activities was reduced because of the pandemic.

 **More information** in the "Supply chain" section of the chapter "Exponential leadership"

Evolution of accident indicators for contractors



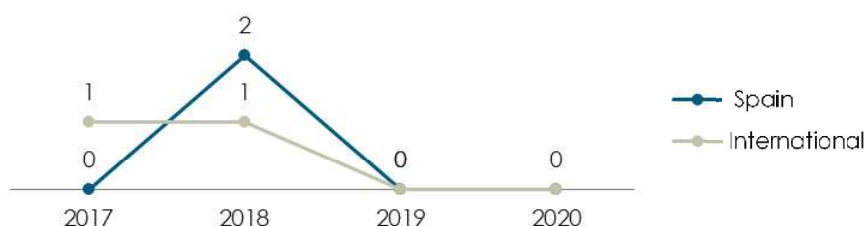
	Severity rate				Frequency rate			
	2017	2018	2019	2020	2017	2018	2019	2020
Energy	3.6	21.6	24.4	7.7	1.1	0.6	0.8	0.7
Infrastructure	19.1	18.8	23.1	17.1	0.9	0.9	1.0	0.8
Other businesses*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	18.1	18.9	22.9	16.1	0.9	0.9	0.9	0.8

Severity rate: (no. of days lost due to occupational accidents/hours worked) x 200,000.

Frequency rate: (no. accidents with loss of work/hours worked) x 200,000.

* Includes Bestinver, Corporate, ACCIONA Cultural Engineering, Wineries and Real Estate.

Evolution of fatalities involving joint ventures and contractors



In 2020 there were no fatal accidents involving employees or contractors for the second year running

LEADERSHIP

ACCIONA promotes leadership models in which every employee can take responsibility and share the company's purpose so that the whole organisation is aligned to meet the objectives.

Managing knowledge

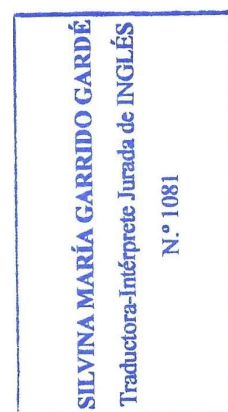
ACCIONA's people management model is based on the definition of roles as basic organisational units in which jobs that share a mission, responsibilities, knowledge and skills are grouped together.

This model makes it possible to pinpoint the skills needed to achieve objectives and fulfil business strategies. The framework facilitates a standardised application of human resources policies, both in terms of recruitment and compensation, training and development. Moreover, it contemplates the possibility of a dual career path: technical as well as management.

Within the professional development model, ACCIONA continues working towards the goal of favouring the development of each and every one of its professionals. In connection with the process for the identification of training needs, the company has redirected it to help team managers define these needs. Personnel managers have been granted access to the Training Needs Identification Process from the corporate intranet. As hierarchical managers, they can identify the most appropriate training actions for each member of their team.

The aim is to organise the training schedule for the entire 2020 financial year, identifying the most appropriate programmes/actions through the training catalogue for each business.

One of the most noteworthy tools is the Knowledge Map, which facilitates the identification of knowledge categories that serve as support for the development of business strategies and the achievement of goals in the different areas of the organisation. Every year, this knowledge map is then used to prepare the Training Needs Identification process, which is distributed to the management team, to prepare the training plans.



Global careers: the Technical Leaders programme

ACCIONA has created a Technical Leaders group comprising people who provide exceptional technical knowledge in key business areas. These professionals, who are capable of transforming this knowledge into high-value technical skills, are recognised, possess a global profile, and have published their own work in specialised media, or teach in different forums.

The goal of this initiative is to recognise and support people with differential technical knowledge and skills, allowing ACCIONA to continue positioning itself as a leading company in technical excellence, innovation and sustainability. In 2020, the programme continued to be successfully implemented. The following are worthy of note:

- Launch of knowledge management platforms and open training.
- Launch of the Digital Transformation / Mastering Digital Skills programme for this group, carried out in conjunction with the Polytechnic University of Madrid (UPM).

This programme includes a group of graduates to support the work of the Technical Leaders and promote the development of knowledge focussed on the coming generations.

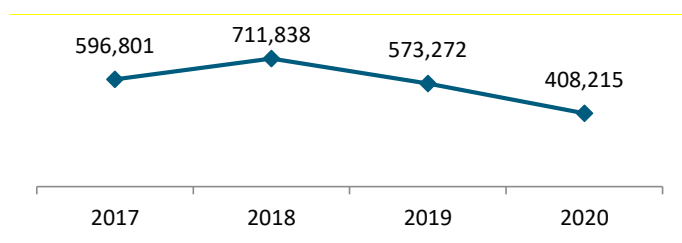
ACCIONA University

ACCIONA's Corporate University has the mission of ensuring training and ongoing development of the whole workforce, in line with the business needs.

In addition to a corporate training centre, equipped with multiple classrooms and high-tech rooms, employees have access to the Corporate University's Online Campus which includes the latest advances in e-learning methodologies. In 2020, the number of virtual classrooms has continued to grow through online classes, with intensive use increasing because of the pandemic.

The unification of processes for the identification of training needs and evaluation of their effectiveness has also been consolidated in 2020, with the aim of improving the analysis and planning of ACCIONA training programmes. This has allowed us to make progress in the effectiveness assessment process.

Evolution of the training received by employees (hours)

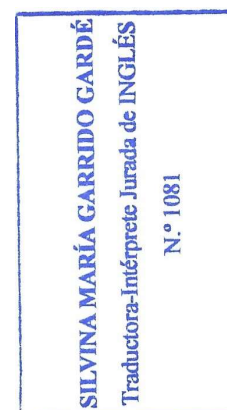


Investment in training (euros)

	Directors and managers	Technical staff	Support staff	Operators	Total
Total investment	2,453,255	2,369,277	100,357	924,375	5,847,266
Investment per employee/year	929	345	96	33	152

The Corporate University has a process for evaluating the effectiveness of training:

47



Evaluation levels

1 – REACTION	2 – LEARNING	3 – BEHAVIOUR	4 – RESULTS	5 – RETURN ON INVESTMENT
Equivalent to measuring the participants' satisfaction.	Determines whether knowledge and learning transfer has occurred.	Analyses changes in the job position of the person attending the training.	Evaluates the business results achieved through the training.	Return on the investment.
<i>Evaluation questionnaire to be completed by the participant at the end of the course.</i>	<i>Test on evaluation of knowledge at the end of the training process.</i>	<i>Questionnaires to evaluate the effectiveness of the training.</i>	<i>Questionnaires to evaluate the effectiveness of the training.</i>	<i>Analysis of the impact of the training on selected business indicators.</i>

Note: In 2020, evaluations were carried out at levels 1, 2 and 3.

ACCIONA's training programmes are continuously reviewed and adapted to the new needs of the company and its professionals. Content continued to be reorganised in 2020 and new topics were analysed for 2021 in the various schools, with special emphasis on the Skills Development Centre, Business School and Technical Schools.

Skills Development Centre

The Skills Development Centre provides the workforce with the so-called Professional Skills Courses, designed to promote skills related to the position of each person in the company. These courses have expert videos and learning modules available on the Online Campus. A battery of more than 50 courses was launched, and more than 1,200 employees have participated.

Similarly, smartworking courses have been strengthened to deal with the pandemic in 2020. The aim of this initiative was to provide help and strengthen the skills necessary for remote working, in addition to providing useful tools offering guidelines for distributed work, improved productivity and in the organisation of the working day.

T-MAX+ 2020 Programme

The T-MAX+ skills training programme is intended specifically for ACCIONA's technical staff. Its aim is to consolidate the functions of this group and their training needs. This is the first ACCIONA Corporate University training course that offsets the emissions it emits. It was designed in collaboration with Spain's School for Industrial Organisation (EOI).

In addition to curriculum content, batteries of additional and complementary webinars have been developed relating to diversity and inclusion and communication skills in videoconferences and virtual meetings.

Business School

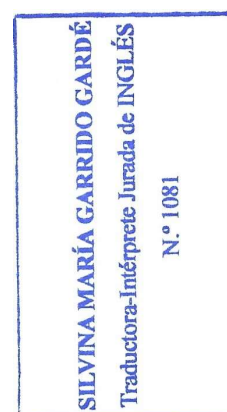
The business school programmes have moved to a 100% online format:

- > **M3+ Programme:** created for ACCIONA managers, this year a total of 643 employees have participated, receiving 1,900 hours of training. This year's programme went into greater depth in the area of people management and economic management.
- > **Executive MBA:** the 10th edition of this course was attended by 35 ACCIONA professionals from different countries around the world. It is organised in collaboration with the EOI.

Technical Skills

These training spaces were designed to improve productivity, technical excellence and the specialisation and internationalisation of ACCIONA professionals, guaranteeing a high level of qualification.

48



Each itinerary contains specialities and sub-specialities. The training activities are planned as a structured educational sequence. They have been very well received by General Management, the business units and employees.

- > **IMPA, International Master in Project Administration:** this is a global Master's Degree offered in collaboration with the Polytechnic University of Madrid (UPM). The programme focuses on the strategic needs of ACCIONA's infrastructure businesses, with special emphasis on technical skills for managing complex projects in different lines of business and countries.

Language Schools

Open to 100% of employees, this platform offers studies in up to six different languages. The teaching model is complemented with new digital itineraries and specific webinars.

ACCESS TO RIGHTS

Workers' coverage (GRI 102-41)

At ACCIONA, practically all groups of employees are covered by collective bargaining agreements in the different countries where they operate. In certain countries, and for implementation or legislative framework reasons, there may be small groups of workers that are not covered, although these would in any case represent less than 1% of the total workforce. For these exceptional cases, in 2020 the company has specific procedures for protection of workers' rights, particularly in Gulf states: Saudi Arabia, Bahrein, Qatar, United Arab Emirates, Iraq, Iran and Oman.

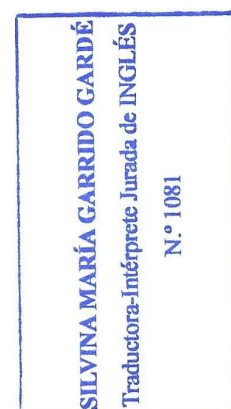
Employees covered by collective bargaining agreements by country (%)

Country	Employees covered by collective bargaining agreements
Spain	100%
Germany	100%
Australia	100%
Brazil	100%
Canada	100%
Chile	100%
USA	100%
Italy	100%
Mexico	100%
Norway	100%
Poland	100%
Portugal	100%
Qatar	0%
Ecuador	100%
United Arab Emirates	0%
Peru	100%
Rest of the world	99%
Total employees	100%

Collective agreements and/or conditions are signed at all construction sites and projects, except in those countries where union membership or representation is not a standard practice or is considered illegal. In such situations, mechanisms have been established to control the conditions agreed upon by the company and its suppliers. ACCIONA holds regular, ongoing meetings with all trade union and employee associations to prevent any issues that could lead to conflict, thereby minimising the incidence of such situations.

In Spain, the company has 625 workers' legal representatives and 355 collective agreements are applied in different areas.

The company is also a member of the Building and Wood Workers' International (BWI), which covers the work in all the group's sectors. Through this association, the company has worked actively in some of the most



representative countries to strengthen the collaboration between different trade unions. In addition to the general and sector-specific collective agreements, depending on the applicable legislation in each country, ACCIONA has signed collective agreements with the trade unions registered in the aforementioned International Trade Union Organisation in key projects.

Respect for human rights

As established in the Code of Conduct, the Human Rights Policy and the Human Resources and Occupational Risk Prevention Policy approved by the Board of Directors, ACCIONA supports, respects and contributes to protecting internationally recognised fundamental human rights. The company makes every effort not to be complicit in any way with abuse or infringement of human rights among workers, suppliers, contractors, collaborators, partners, competitors, customers, local communities and society in general. Consequently, it is committed to defending respect for these rights in all the activities and geographical areas where it is present.

Respect for human rights is a responsibility of all the people and organisations to which the Code of Conduct applies, including all businesses and project managers. Among the basic behavioural guidelines to which ACCIONA adheres are the Universal Declaration of Human Rights and the corresponding international Agreements adopted by the United Nations General Assembly, and the Declaration of Fundamental Principles and Rights at Work and ILO Conventions; the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; the OECD Guidelines for Multinational Enterprises; the United Nations Convention on the Rights of the Child; the United Nations Global Compact and the Seoul Declaration on Health and Safety at Work.

In 2020, the company updated its Human Rights Policy, which will be approved in 2021, to adapt it as far as possible to the terms of the UN Guiding Principles on Business and Human Rights. This readjustment sees ACCIONA assuming responsibility for avoiding the possible negative effects of its activities and taking the measures necessary to prevent, mitigate and, where relevant, remedy them.

To ensure the projects are coherent with its sustainable business model, in 2020 the company has worked on the design of a system of human rights monitoring for all its businesses and geographical areas. An exhaustive analysis of both the company processes and procedures and the national and international standards has been carried out, in order to identify possible areas for improvement in the systems. Using the Metric Stream tool (operational in 2021), approximately 80 interventions on this subject were recorded; these affect the corporate areas and businesses transversally. These areas will be responsible for publishing the functioning of the controls periodically.

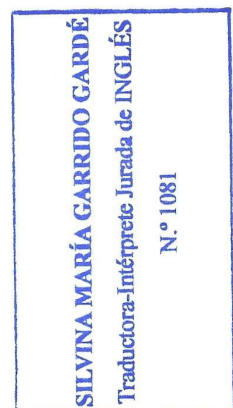
This oversight applies to all the company's social processes in relation to its value chain. Not only does it endeavour to guarantee fair, equitable and ethical employee selection and hiring practices in all countries, and prevent any type of harassment, discrimination or abuse, it also ensures that its suppliers, partners and customers comply with the values governing the company, and respect for the communities in which it operates.

A system of human rights monitoring has been designed for all the businesses in the group and all the countries where ACCIONA does business

The controls arise from the need to mitigate the possible social risks identified that derive from the company's activity and its relations with stakeholders:

- > Participating or being complicit, both directly and indirectly, in harassment, discrimination, abuse, severe, degrading or inhuman treatment (such as detentions, arrests, torture, etc.).
- > Violating or being complicit in violating, directly or indirectly, the right to freedom of thought, conscience, religion and opinion.
- > Incurring directly or indirectly in the promotion or use of forced labour or modern slavery for the performance of projects, and/or people trafficking.
- > Incurring directly or indirectly in the promotion of child labour practices.
- > Participating or being complicit, both directly and indirectly, in violating the right to association and collective bargaining.

50



- > Violating the rights of workers to defend their interests.
- > Not ensuring conditions of health, safety and well-being of workers, both own and subcontracted workers, who carry out their work for ACCIONA.
- > Participating in or benefiting directly or indirectly from unfair, illegal and/or unethical hiring conditions.
- > Undermining fundamental rights to obtain direct or indirect benefit.
- > Using the personal data of employees or third parties to the benefit of the organisation or an unauthorised third party.
- > Harming, directly or indirectly, the rights of communities and minorities.

Due diligence in Human Rights matters

ACCIONA understands the concept of Human Rights Due Diligence (HRDD) as an ongoing process to identify, prevent, mitigate, remedy and inform about the negative consequences, either real or potential, of its activities on Human Rights, in accordance with the United Nations Guiding Principles on Business and Human Rights and as provided for in the OECD Guidelines for Multinational Enterprises.

In 2019, ACCIONA gave three training workshops on HRDD with the aim of providing the business and its projects with the necessary skills in this matter. In fact, two pilot in energy and water projects in Mexico incorporated this skill.

Thanks to the lessons learned from the pilots, in 2020 a process has been designed in which due diligence in human rights begins during the identification stage of a business opportunity. Before presenting a bid, ACCIONA determines the most notable inherent risks according to the country and the sector in question, so that they can be prevented and managed. Using this analysis as a starting point, those projects in which medium or high human rights risks are detected must establish, using the internal Social Impact Management (SIM) methodology, specific processes and procedures to establish prevention measures for the potential impacts. There will also be an undertaking to develop, or cooperate in the design of, remediation mechanisms, including effective reporting channels which are culturally appropriate, accessible (in physical and linguistic terms), transparent and responsible, guarantee confidentiality and offer the appropriate protection against reprisals.

It is worth highlighting that the company's Ethical Channel can be used to communicate any alleged breach or violation of the behaviour guidelines included in the Code of Conduct, including human rights issues. ACCIONA did not receive any complaints of human rights violations in 2020 through this channel.

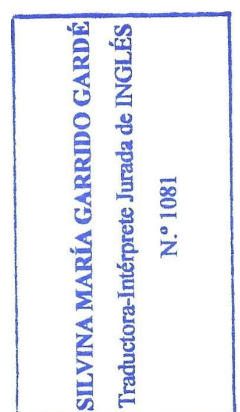
Before presenting a bid, the inherent social risks depending on the country and the sector are evaluated

Likewise, ACCIONA has revised its Human Rights diagnosis using the Danish Institute's guide as a reference. As part of the ESG risk analysis, the Human Rights risk categories in the countries where the company has operations were reviewed and analysed. It was concluded that 38% of the markets in which the energy business is present, and 59% of those in which Infrastructure operates have a very serious risk of violating one or more human rights, according to Maplecroft.

Some of the categories included in this study were: freedom of opinion and expression, minority rights, indigenous communities, women and girls, employment discrimination, rights of access to basic services, freedom of association, rights of migrant workers, fair pay, working hours, health and safety, forced and child labour.

The infrastructure business has a Standard for the Welfare of Migrant Workers that sets out minimum compulsory requirements for the processes of hiring, employment and accommodation of workers and subcontractors on projects located in the Gulf states (Saudi Arabia, Bahrain, Qatar, United Arab Emirates, Iraq, Iran and Oman). ACCIONA's aim is to extend the scope of this Standard in 2021 to other countries where there are risks of human rights violations.

Since the company joined the Executive Committee of Building Responsibly, ten guides have been approved that include references for the practical application of the principles of workers' well-being throughout the



A handwritten signature in blue ink, appearing to be 'Sil' followed by a stylized flourish.

value chain. This international initiative formed by companies in the construction and engineering sector seeks to elevate the promotion of workers' rights and well-being in this industry.

Human rights in the communities

Using its Social Impact Management (SIM) methodology, ACCIONA analyses any possible violations of human rights that may arise among local communities and other stakeholders in connection with a particular project or service. It also assesses the severity of any impacts, and whether they cause significant changes in the social, economic or cultural structure of a community or group of employees. In those cases in which possible infringements of human rights are identified, the SIM methodology requires that prevention and mitigation measures be established. In 2020, in 25 projects where the SIM system has been implemented, a risk of possible violation of human rights was found. In all of them, measures were taken to prevent such infringements occurring.

Human rights in the supply chain

Through the supplier portal and the group's tendering tool, ACCIONA establishes different mechanisms that help prevent the violation of Human Rights throughout its supply chain: Self-Declaration of Responsibility for Suppliers, Ethical Principles for Suppliers, Contractors and Collaborators, Risk Maps, Supplier Evaluation and Approval Procedures, general contracting clauses, supplier audits and No Go Policies. In 2020, the company did not identify any suppliers or contractors that violated or endangered Human Rights compliance.

Training

In 2020, a specific Human Rights training course run in collaboration with the Spanish Global Compact Network, and available to both employees and the company's suppliers, was launched again. 176 employees took the course last year (352 hours), added to the 338 who did so in 2019.



Planet positive

Towards a positive contribution | Invest to regenerate the planet

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



KEY MILESTONES 2020

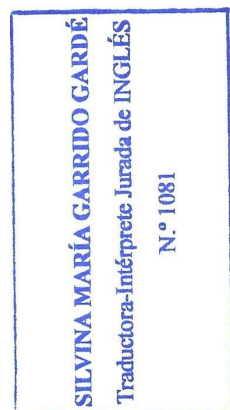
- > GHG emissions reduced compared to the base year 2017 by 38% (Scopes 1 and 2) and 33% (Scope 3⁴ categories in SBT), in line with the science-based target and the carbon neutrality in its direct operations.
- > A fund set up for decarbonisation innovation projects of 1.1 million euros.
- > 62.2% use of electricity from renewable sources achieved and total energy consumption from fossil fuel sources reduced by 86% compared to 2017.
- > 61% reduction in use of municipal, surface water and groundwater for consumption compared to 2017, and 34% in the total use of water for own consumption.
- > 77% of non-hazardous waste recovered and 75% reduction in generation and despatch of such waste to landfill compared to 2015.
- > 10% of recycled or renewable raw materials and material resources used.



MAIN CHALLENGES 2021

- > Reduce GHG emissions by 18.46% (Scopes 1 and 2) and by 14.46% (Scope 3) compared to 2017, in line with the SBT at 2030 of a 1.5°C reduction, and maintain carbon neutrality in its direct operations.
- > Invest 90% of CAPEX in low carbon activities according to the European taxonomy of sustainable activities⁵.
- > Establish/Promote Biodiversity Action Plans linked with operations in 2 projects of more than 75 million euros².
- > Reduce the amount of waste sent to landfill by 10% compared to 2020².
- > Achieve 12% consumption of resources from a renewable or recycled source².
- > Reduce the use of surface water, groundwater and municipal water in water-stressed areas by 10% compared to 2020².

53



⁴ The categories of purchased goods and services, capital goods, energy-related activities, upstream transportation and distribution, employee commuting and use of sold products, which represent more than two thirds of the company's total emissions in Scope 3

⁵ In line with the global target of the SMP 2025.

CLIMATE

A low-carbon business strategy

ACCIONA is a leader in sustainable infrastructure solutions and renewable energy projects worldwide. It represents a special case in the sense of it invests in the projects it builds and operates.

The company's business model is based on the performance of sustainable activities that are notably in line with the requirements of the European taxonomy, and are focussed particularly on mitigation and adaptation to climate change, whether this is in the area of renewable energy, construction, water management, transport, housing, or any of its other technical capacities.

ACCIONA promotes the adoption of ambitious global targets for decarbonisation of the economy, and its business model takes into account the management of climate change risks and opportunities and communicates them 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).

European taxonomy of environmentally sustainable economic activities: ACCIONA case

The active involvement of financial markets in financing the sustainable economy is indispensable for the European Union's plans to move towards a low-carbon economy.

The EU taxonomy Regulation, which came into force on 12 July 2020, will help to create the world's first 'green list', a classification system for sustainable economic activities, which will develop a common language for investors and companies when it comes to financing projects or goods and services with a substantial positive impact on the climate and the environment.

The development of the technical criteria for selection of activities within the taxonomy is at different stages of progress, and is most advanced in the targets for mitigation and adaptation to climate change. In these two areas, the Commission presented a draft delegated act at the end of 2020, (based on the recommendations of the Technical Group of Experts in Sustainable Finances published in March 2020 and previously in June 2019), which will become effective on 1 January 2022. For an activity to be classified as taxonomic, apart from meeting the technical selection criteria, it must also satisfy a minimum of social safeguards and must not contradict any of the other four objectives sought by the regulation: water protection, transition to a circular economy, control of pollution and healthy ecosystems.

Again in 2020, ACCIONA carried out a classification of its activities using the criteria in the most recent version of the European taxonomy (draft Delegated Act at the end of 2020), so that 85% of CAPEX, 84% of EBITDA⁶ and 47% of the company's sales meet the requirements established in relation to the mitigation of climate change.

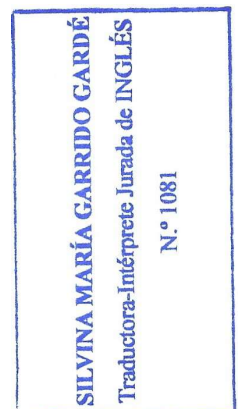
The variation in the percentage alignments with 2019 (93% of CAPEX, 83% of EBITDA and 58% of sales) occur for a number of reasons:

- > The CAPEX figure within the taxonomy has changed compared to the previous year because of an extraordinary contribution to the figure attributable to the acquisition of a portfolio of construction projects in Australia. Discounting the effect of this extraordinary contribution, the CAPEX figure within the taxonomy would have been 91%.
- > The technical requirements for the classification of activities have been updated compared to the June 2019 TEG recommendations document used last year. This circumstance impacts principally on the sales figure within the taxonomy which, using the previous criterion, would have been 50% of the total figure.

Notable among the activities contributing to these figures are the following:

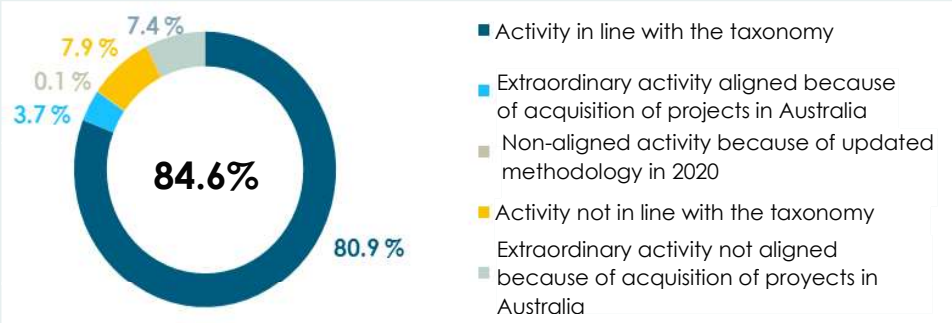
- > Energy: the construction and operation of production and transport installations for exclusively renewable source energy produced using wind, photovoltaic, hydraulic, biomass and solar thermal technologies.

⁶ This figure has not been verified because it does not form part of the key indicators of results associated with environmentally sustainable economic activities observed by the Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments.

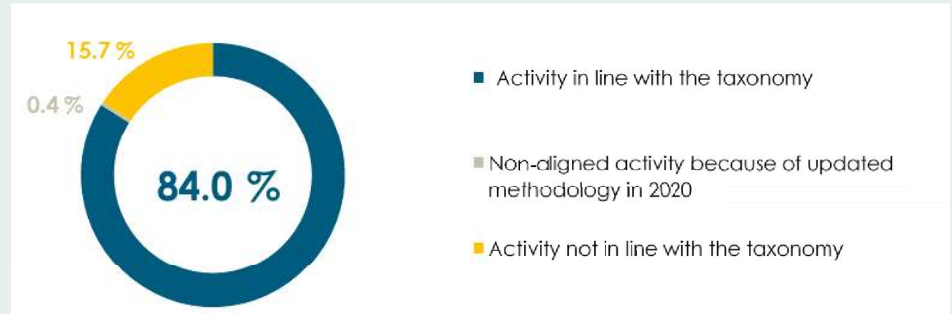


- > Transport: the construction of low-carbon transport infrastructure, principally urban and intercity railway infrastructures and the operation of mobility services using 100% renewable electricity.
- > Other taxonomy activities: waste water treatment with renewable energy use and the efficient supply of drinking water, especially in water-stressed regions; provision of management services for waste ready for recovery; Construction and promotion of certified sustainable buildings; the development of energy-efficient services; investment in manufacture of wind generators and reforestation services.

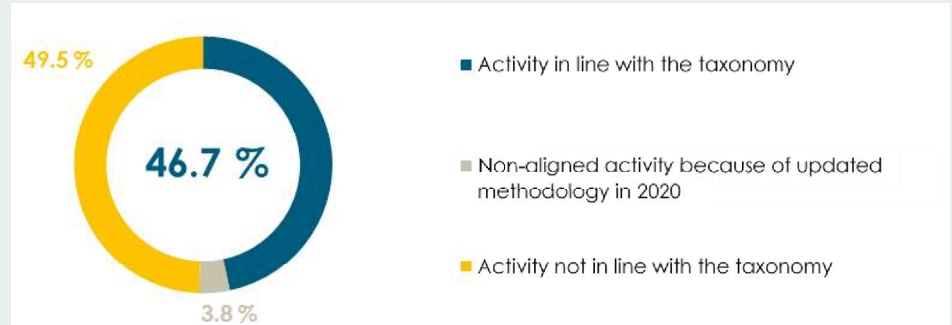
Alignment of CAPEX with the European taxonomy



Alignment of EBITDA with the European taxonomy



Alignment of sales with the European taxonomy



55

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Governance and strategy in line with global economic decarbonisation targets

ACCIONA fully shares the objectives of total decarbonisation of the economy through public commitments, policies, specific procedures and objectives, and an economic incentive model linked to achieving GHG emission reductions for directors, managers, technical and support staff (see chapter 'People centric').

In terms of climate change governance, the body responsible is the Board of Directors' Sustainability Committee, which since 2009 has been performing the following functions, amongst others, on a quarterly basis (more information in the chapter on "Degree of Fulfilment of Commitments"): identify and guide the group's climate change policies, objectives, best practices and programmes; evaluate, monitor and review the plans for implementing these policies drawn up by group executives; periodically review internal control and management systems and the degree of compliance with these policies; and report to the Board of Directors on climate change policies, objectives and programmes, and the corresponding budgets for their implementation.

ACCIONA's Climate Change Policy, which has been approved by the Board of Directors, is reviewed in accordance with the corporate management system standards and one of its priorities is to lead the transition towards low-carbon business models. This climate agenda is embodied in the objectives of the Sustainability Master Plan (SMP), whose initiatives and commitments are managed by the Corporate Sustainability Area, reporting directly to the Sustainability Committee and to one of the members of the Management Committee (the corporate sustainability director). The climate change targets and principles as articulated in the 2020 SMP are as follows:

- > To reduce its own emissions and those of its supply chain in the period from 2017 to 2030, in line with the needs established by science to keep the increase in global temperature below 1.5°C (60% reduction in Scope 1 and Scope 2 emissions, and 47% reduction in Scope 3 emissions⁷). These are targets approved by the Science Based Targets initiative.
- > To be a carbon neutral company in its direct operations, so that, once the reduction in emissions in line with science is achieved, the remaining emissions in Scopes 1 and 2 can be offset. Since 2016 ACCIONA has been offsetting these emissions by cancelling carbon credits generated by renewable generation projects.
- > To develop projects, products and services that contribute to the reduction of greenhouse gases, thus facilitating access to renewable energy.
- > To promote adaptation to climate change through access to water and resilient infrastructure.

Elsewhere, ACCIONA promotes the fixing of a carbon price that helps to redirect investment towards more sustainable production and consumption models.

Over the next five years, the new SMP 2025 will be extended to include new targets in relation to the European taxonomy of sustainable activities, the use of renewable energy in projects, reduced emissions overall and also by project, and the identification of zero carbon or ultra low carbon alternatives.

Progress on climate action

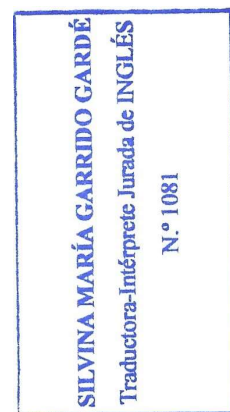
ACCIONA met its emissions reduction targets in 2020, reducing Scope 1 and 2 by 38% compared to 2017 and Scope 3 by 33% for suppliers. These results were possible thanks to the commitment to renewable energy and energy efficiency, and also to the quantification of climate change risk in the supplier selection process, although they were also affected by the pandemic situation around the world during the year. The company has also continued to evaluate and manage its climate change risks by monitoring and consolidating the climate adaptation plans of its businesses.

Use of the internal carbon price

The company subscribes to the petition of the Carbon Pricing Leadership Coalition (CPLC), a group comprising political leaders, companies, civil society and academics, for stable, long-term carbon pricing policies. Charging the price of carbon to operating costs is a very effective measure in the fight against the climate emergency.

Since 2016, ACCIONA has committed all its business areas to internalising their CO₂ costs to become a carbon-neutral company in its direct operations.

⁷ See section on Scope 3 emissions.



The company has a Guide to the use of internal carbon pricing which explains which uses of carbon pricing are favourable to the company's activities, each with its own objectives, scope and price levels:

- > Decarbonisation price: this price, €7/t CO₂e in 2020, applies effectively to all ACCIONA's business units, which are required to pay according to the GHG emissions they generate. A part of the amount raised is used to offset the emissions generated, while the rest is set aside for the decarbonisation fund, constituted in 2020 to provide incentives for investment in measures to reduce the carbon footprint.
- > Shadow price: this price, €39.4/t CO₂e in 2020 (+2% on the 2019 price), is based on the estimated cost of the external effect of the company's greenhouse gas emissions. It is used in certain bidding for medium and long-term projects as an additional element in the risk analysis of the tender, which contributes to anticipating the resilience of the project to regulatory scenarios arising from compliance with the Paris Agreement.

Decarbonisation fund

Charging the price of carbon to operating costs is one of the most effective measures any company can take in the fight against the climate emergency.

Since 2016, ACCIONA has had a fund for which the budget arises, precisely, from charging the internal price of carbon to each of its businesses, and reinvesting in the carbon neutrality of the company's direct operations and in actions to reduce GHG emissions.

Financing for decarbonisation activities through the fund is awarded by means of an internal bidding mechanism, in which the company divisions present their proposals. A selection committee decides which initiatives are priority according to their impact and return, and finally a committee comprising members of senior management is responsible for allocating funds to the most interesting projects.

In 2020 had a budget of €1.1 million, intended for 14 projects which are estimated to achieve reductions of GHG emissions of close to 27,000t CO₂e.

Managing the risks of climate change

Management of climate risks at ACCIONA is carried out through the application of a specific corporate procedure, which identifies, evaluates, prioritises and communicates to the company's decision-making bodies the risks associated with climate change that might affect the group and its centres. This process results in the establishment of policies for action and tolerance thresholds that provide a reasonable guarantee that objectives will be met, both in the short term (one year), the medium term (the five years in which each Sustainability Master Plan is in force) and the long term (10 years, in accordance with observations of mega-trends and already established targets, such as the SBTs).

A number of tools are used to identify climate risks and opportunities, notable among which is the company's digital climate change model that monitors, for all ACCIONA centres, the historic and projected climate variables under different temperature increase scenarios and with different timelines provided for in the latest IPCC reports. This instrument also oversees the production, financial, emissions generation and energy consumption variables. It also includes references to the climate policies and the carbon markets in each region, thereby constituting an essential source of information when it comes to anticipating situations, particularly those related to medium-long term physical events and short-medium term transitions. Specifically, in order to provide for medium-long term transition scenarios, the identification of activities within the European taxonomy is a necessary reference point. In addition, during the identification process other tools are used that are not yet integrated in the digital model, such as those devoted to the identification of legal requirements; also indispensable in this regard is the experience of the members of the groups evaluating the scenarios.

The risk management process is an annual process that begins with the configuration of groups of experts at the level of each business. Using the tool mentioned above, the experts propose a battery of risk scenarios for each ACCIONA location, group of locations and/or line of business (or its value chain), taking geographical exposure and vulnerability into account.

The climate scenarios most commonly used to identify risk cases are those that foresee a limited temperature increase of 1.5°C to 2°C in the case of transition risk scenarios, and an increase of at least 3°C in the case of physical risk scenarios (RCP 6 and RCP 8.5).

Once identified, each risk scenario is evaluated in terms of the probability of it occurring and the economic and reputational consequences. These variables are then used to determine the risk level of each of the scenarios considered (see chart with the climate risks highlighted). For those with a greater risk of occurring, each assessment group prepares specific reports informing the company's decision-making bodies about mitigation options and the estimated costs associated with them.

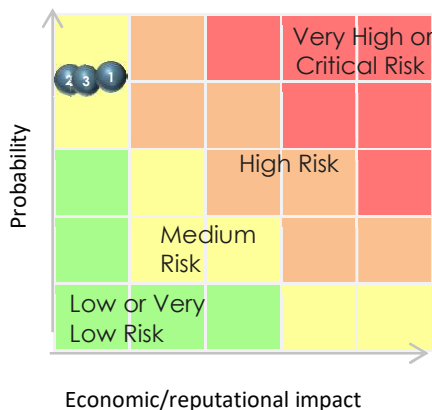
At the final stage, the climate risk scenarios are integrated into ACCIONA's general risk management process, which is overseen by the Board of Directors (which has a Sustainability Committee, convened quarterly, as the body ultimately responsible for climate change in the company), the Audit Committee, the Finance and Risk Department and the Divisional Management Committees.

Key climate risks and opportunities

Shown below is an evaluation of the most significant climate risk and opportunity scenarios for ACCIONA in 2020, together with their potential impact and timeline, geographical scope, business lines affected and the actions taken to manage them. Generally speaking, it can be affirmed 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

In 2020 it so happens that the most notable climate risks are located in the same geographical area.



58

No.	Category	Description	Type of impact	Business	Risk management and mitigation
1	Physical	Lower hydraulic generation in Spain due to reduced run-off. A medium risk is identified in the long term.	Decreased revenue (low)	Energy	Processes for monitoring and controlling changes in the production and management of reservoirs are being implemented with weather forecasting to enable better planning and management of the reservoirs.
2	Physical	Loss of efficiency in the electrical conversion of wind turbines in Spain due to increased working temperatures. A medium risk is identified in the long term.	Decreased revenue (low)	Energy	The capacity to manage risk is limited but a policy of geographical and technological diversification of installed capacity has been implemented to mitigate the risk
3	Regulatory	Increase in the operational cost of the Business's machinery in Spain to adapt it to	Increased costs (low)	Construction and Services	Inclusion of energy efficiency and emissions criteria in the decisions on

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

No.	Category	Description	Type of impact	Business	Risk management and mitigation
		the regulation on energy efficiency and GHG emissions. A medium risk is identified in the medium term.			acquisitions of new machinery and vehicles. Replacement of older machinery with more efficient models. Consideration of leasing options.

Key climate opportunities

Category	Description	Type of impact	Business	Opportunity management
Products and services	Increase in the demand for renewable generation infrastructure due to changes in climate change regulations. The regulatory development of the European Union Green Deal promotes this type of opportunities in the short, medium and long term.	Increased revenue (very high)	Energy	Investment of at least €4 billion in renewable generation during the 2020-2024 period, increasing the installed capacity by at least 5GW. This figure might even be exceeded when planned and pipeline projects with a greater likelihood of being carried out are taken into account. (See updated information in the "Presentation of Results. FY 2020 – January-December", and in the successive quarterly presentations)
Products and services	Increase in the worldwide demand for low carbon transport infrastructure because of the predicted mobilisation of capital for investment in sustainable activities in line with the requirements of the European Union taxonomy in the short, medium and long term.	Access to financing (high)	Infrastructure	Structuring of the Infrastructure projects portfolio with greater weight for projects in line with the opportunity detected ⁸ .
Products and services	Increase in the demand for water treatment infrastructure in regions where greater shortages are predicted because of climate change. Opportunity in the short, medium and long term.	Increased revenue (high)	Infrastructure	Structuring of the water treatment infrastructure portfolio with notable presence in the countries identified, which are where currently more than half of the economic activity is generated.

59

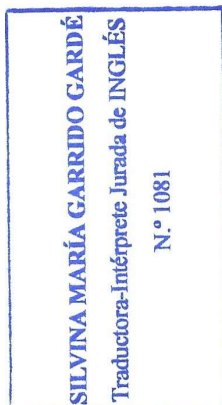
Key climate metrics and indicators

Emissions generated

The emissions generated are calculated according to the criteria defined in the GHG Protocol, under the financial control scheme, consolidating as CO₂ equivalent emissions corresponding to all the GHGs that are important for the company: CO₂, CH₄, N₂O, HFC and SF₆. The criterion for the consolidation of energy consumption and other emissions follows the same accounting criterion.

The conversion factors used are those indicated by:

⁸ More information on sustainable financing in the chapter "Integrate to transform".



- > 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's Green Energy business line.
- > The UK Department for Environment, Food and Rural Affairs.
- > The European Environment Agency.

Scope 1 and Scope 2 emissions

In 2020, the company's target, in line with the science-based target for 2030, was to reduce its Scope 1 and Scope 2 GHG emissions by 13.86% compared to the base year 2017. It has managed to reduce them by 38%.

The sum of Scope 1 and Scope 2 CO₂e emissions generated in 2020 was 133,146 tonnes, of which 98,194 tCO₂e were Scope 1, and 34,952 tCO₂e were Scope 2 market-based (107,663 tCO₂e Scope 2 location-based).

Evolution of emissions generated (thousands of tonnes of CO₂e)

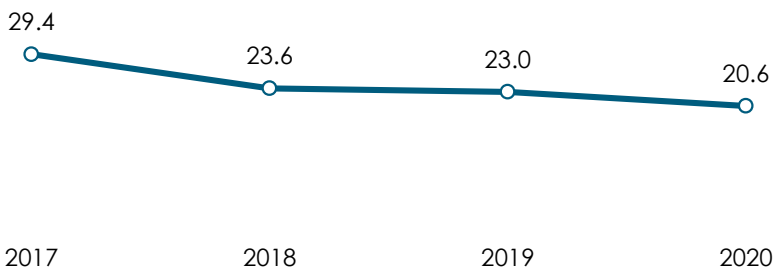


60

ACCIONA's carbon intensity value was 20.6 tCO₂e /million euros of sales (Scopes 1 and 2).

The fall in GHG emissions was due to an increase in the use of electricity to the detriment of fossil fuels in some processes. For example, electrification of tunnel building has allowed a reduction of 219 tCO₂e. Also particularly important are the implementation of energy efficiency measures, such as adjustment in biomass combustion plants, which has reduced CH₄ and N₂O emissions by more than 4,000 tCO₂e. Finally, the drop in activity deriving from the world pandemic also contributed to the reduction in GHG emissions last year.

Intensity of GHG emissions (tCO₂/sales)



Scope 3 emissions

For 2020, ACCIONA set a science-based target to reduce scope 3 GHG emissions by 10.85% compared to base year 2017 for the set of categories "Products, services and raw materials; Capital goods; Activity related to energy use (non-scope 1 and non-scope 2) and Upstream transport and distribution". The scope 3 emissions

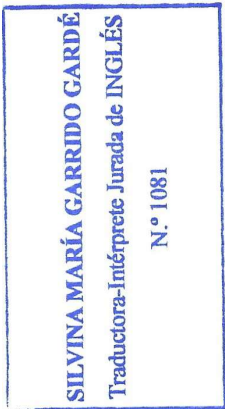


figure for these four categories decreased by 33% compared to 2017, while the scope 3 emissions overall were down by 21 %.

In 2020, ACCIONA continued to implement measures to reduce scope 3 emissions. For example, it introduced life cycle analysis tools into project design, also reducing GHG emissions in phases that have no direct relationship with the execution of works. In addition, it included the climate change risk (Env/CO₂ variables) in the supplier risk map⁹ and has made training courses on sustainability available to suppliers.

Scope 3 emissions in relevant categories for ACCIONA (tCO₂e)

Item	2017	2018	2019	2020
Purchased goods and services	947,033	764,918	948,031	993,471
Capital Goods	630,764	299,156	400,978	255,640
Fuel and energy-related activities (non-Scope 1 and non-Scope 2)	147,461	25,109	26,626	23,375
Upstream transport and distribution	203,034	48,443	37,179	27,976
Waste generated in operations	14,861	10,451	3,764	6,189
Business travels	17,190	17,785	14,336	3,973
Employee commuting	55,568	61,957	61,487	60,198
Upstream leased assets	486,985	557,942	649,565	589,267
Use of sold products	10,677	54,657	13,325	21,291
End-of-life treatment of sold products	144	191	155	161
Investments	39,040	19,346	26,775	29,804
Total (tCO₂e)	2,552,757	1,859,956	2,182,221	2,011,346

The headings "Downstream transport and distribution", "Processing of sold products", "Downstream leased assets" 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.

Other emissions

Global emissions of NO_x in 2020 were 1,539 tonnes, SO_x 141 tonnes, PM₁₀ 51 tonnes and SF₆ 0.055 tonnes. The company set a target to reduce this type of emissions by 1.5% compared to the 2017 figures (discounting activities no longer attributable to ACCIONA). The target was met for all the indicators.

In 2020, biogenic emissions generated totalled 462,803 tCO₂.

Evolution of other emissions

Item (t)	2017	2018	2019	2020
NO _x	14,683	1,767	1,673	1,539
SO _x	3,351	248	193	141
PM ₁₀	958	76	74	51
SF ₆	0.094	0.050	0.059	0.055

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

NO_x 1,797 (2017) and 1,762 (2018)

SO_x 185 (2017).

PM₁₀ 79 (2017).

Emissions avoided

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

⁹ More information in the chapter Exponential leadership-Supply chain

At the end of 2020, ACCIONA had 10,694 MW of renewable capacity installed, having generated 24,075 GWh. This renewable production avoided¹⁰ the emission into the atmosphere of 13.2 million tonnes of CO₂e, 10,966 tNO_x, 31,412 tSO_x and 256 tPM₁₀.

Own energy consumption

In 2020 ACCIONA consumed 7,316 TJ of energy, 75% of which came from renewable sources.

This means that the company's fossil-fuel energy intensity stood at 0.3TJ/million euros sales, while energy intensity from renewable sources was 0.8TJ/million euros in sales.

The company has also established a target for reducing non-renewable energy consumption in line with its science-based GHG emission reduction objective (13.86% compared to the 2017 figure, consolidated under the same criteria as in 2019). This target was met, with non-renewable energy consumption falling below the 2,2562 TJ target.

Furthermore, in the framework of its new SMP 2021-2025, ACCIONA will have a target for renewable electricity consumption in 100% of its projects (provided there is availability).

Energy consumption (TJ)

	2017	2018	2019	2020
Renewable	5,740	5,698	5,432	5,461
- Fuel	4,384	4,712	4,621	4,543
- Electricity	1,356	986	811	917
Non-renewable	13,331	4,488	2,013	1,855
- Fuel	8,787	1,692	1,623	1,297
- Electricity	4,544	2,796	390	557
Total (TJ)	19,071	10,186	7,445	7,316

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

Renewable 5,625 (2017) and 5,476 (2018)

Renewable electricity 1,241 (2017) and 763 (2018)

Non-renewable 2,619 (2017) and 2,157 (2018)

Non-renewable fuels 1,902 (2017) and 1,604 (2018)

Non-renewable electricity 717 (2017) and 553 (2018)

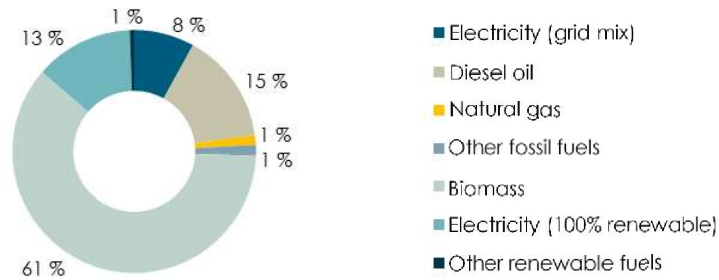
Total 8,244 (2017) and 7,633 (2018)

62

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Energy consumption by source

¹⁰ 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.



Third-party energy consumption

Presented below is the most relevant energy consumption outside the organisation, calculated according to the company's Scope 3 categories. Its variation compared to the previous year was influenced by the pandemic, both in the volume of purchases from suppliers and their location, and in employee travel.

In 2020, ACCIONA had a Scope 3 energy reduction target in line with its science-based GHG emission reduction target.

External energy consumption (GJ)

Item	2017	2018	2019	2020
Purchased goods and services		11,327,661	14,551,269	14,718,262
Capital goods		4,231,087	5,697,955	3,608,315
Fuel and energy-related activities (not Scope 1 or Scope 2)	21,891,112	517,024	543,894	506,160
Upstream transport and distribution		659,103	503,346	372,464
Waste generated in operations	197,506	138,896	50,023	82,248
Business travels	242,624	251,756	203,160	57,607
Employee commuting	788,330	853,119	850,388	852,323
Upstream leased assets	1,815,757	145,453	6,063,896	5,316,475
Use of sold products	836,599	622,020	201,701	279,147
End-of-life treatment of sold products	1,909	2,542	2,062	2,143
Investments	350,478	423,611	625,681	682,533
Total (GJ)	26,124,314	19,172,272	29,293,375	26,477,676

The items "Downstream transport and distribution", "Processing of sold products", "Downstream leased assets" 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 2017 and 2018 figures include or exclude activities whose attribution to the Company as energy consumption of third parties has changed in the subsequent years. With the current attribution, the figures would be:

Assets leased to the organisation: 4,045,881 (2017) and 4,625,865 (2018)

Employee commuting: 761,393 (2017),

Products, services and raw materials, Capital goods, activity related to energy consumption (not Scope 1 or Scope 2) and upstream transport and distribution: 20,936,195 (2017),

Total: 27,372,585 (2017) and 23,652,684 (2018)

63

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

WATER

ACCIONA has a specific water policy approved by the Board of Directors' Sustainability Committee, the main objective of which is to support the fundamental human right of access to drinking water and sanitation.

ACCIONA recognizes that water is a finite and irreplaceable natural resource, and so its water management strategy takes into account the availability and quality of this natural resource and the equilibrium of the ecosystems where it is found.

ACCIONA's water agenda is determined by strict compliance with the law, responsible and efficient management, the establishment of specific objectives through the Sustainability Master Plan, the development of new technologies, the integration of water into risk management, the extension of its principles to the value chain and transparent communication.

ACCIONA's use of water

There are four different ways in which ACCIONA uses water in its operations:

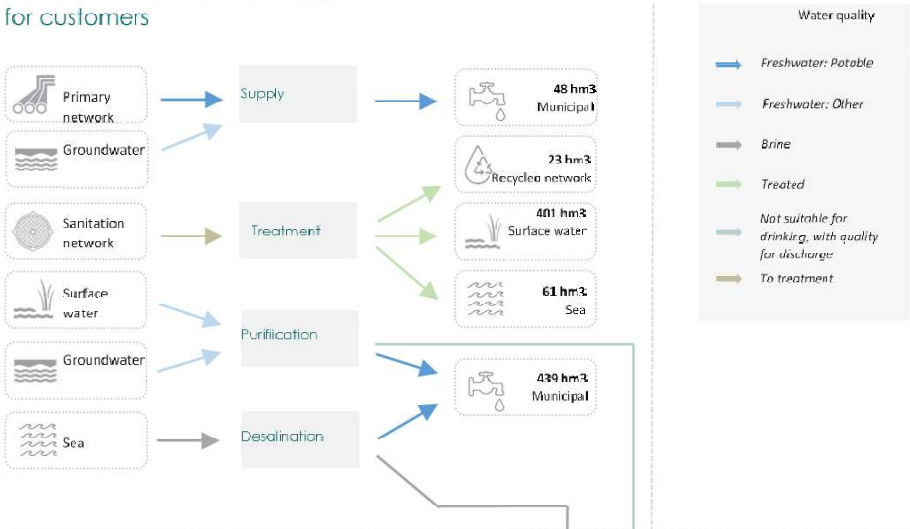
- > **Treatment and distribution of water for customers:** this is water that is captured in desalination, drinking water and water treatment plants or services operated by the company for the supply of water to customers. The principal characteristic of these waters is the fact that the quality levels must be fit for human consumption or compliant with the legally established decontamination levels. In 2020, the volume of water treated by ACCIONA was 923hm³ (439hm³ in water-stressed countries), while water supplied from primary networks and groundwater sources amounted to 48hm³.
- > **Water for internal consumption:** this is water used by the company at its own facilities. This use includes freshwater obtained from the municipality, as well as surface and groundwater, for which ACCIONA has set a reduction target of 7% in 2020 compared to 2017 (in 2020 the reduction was 61%). It also includes the use of water from sources that do not deplete available natural reserves, such as rainwater, recycled mains water and water reused or recycled on site (in 2020, 48% of ACCIONA's total water for internal consumption came from one of these three sources).
- > **Discharge:** this refers to the residual water from ACCIONA's internal consumption that has not evaporated or been used in any company asset and that is removed from the facilities as specified in the relevant discharge permits. This section includes brine discharged from the desalination plants operated by ACCIONA which account for the highest percentage of its discharges. All wastewater discharged by ACCIONA complies with the specifications in the relevant discharge permits.
- > **Transferred water:** this refers to water that enters and leaves ACCIONA's facilities (hydroelectric and biomass plants) without generating any type of consumption and without the quality of the water or the ecosystems being affected in any significant way.

The company and bodies responsible for the environment implement prevention measures to minimise possible impacts on species that might be found in river ecosystems and other bodies of water, as well as rules for respecting the environmental flow system and the technical requirements set by the administration itself. The processes that guarantee compliance with the requirements for water collection and discharge are part of the environmental management systems implemented, verified and certified by the company according to the ISO 14001 international standard.

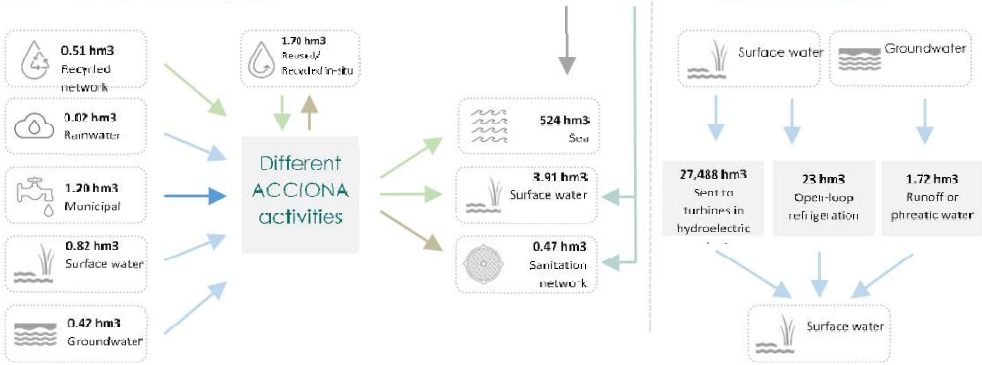


Water usage in 2020

Water treatment and distribution for customers



Water for own consumption



65

The volumen of treated water in 2020 went down, due principally to the fall in generation of desalinated water in the Middle East region, in all likelihood as a result of the COVID-19 pandemic.

Meanwhile, the volume of water for internal consumption increased, particularly in the category of water that is recycled/reused in-situ, as a result of the appearance of volumes used basically for consumption in the WWTP (Wastewater Treatment Plants).

ACCIONA also calculates the water consumption (surface and groundwater) associated with its suppliers, resulting in just over 5hm³ for its direct suppliers and 34.7hm³ for its entire supply chain.

The generation of discharges remained relatively stable.

The volume of transferred water was up, due to a better hydrological year, resulting in higher turbine flows at hydroelectric plants.

Water-related risks and opportunities

As with climate risk management, the management of water-related risks is part of the company's environmental risk management strategy and is implemented using a procedure that identifies, assesses and prioritises the potential events that might be harmful to the company and its centres. This procedure enables the company to establish policies and tolerance thresholds that provide a reasonable guarantee that objectives will be met. The process includes the assessment of physical and transitional risks and other threats.

The possible present and future scenarios (short term - 1 year, medium term - 5 years and long term - 10 years) in which these risks may arise are evaluated in terms of probability of occurrence and consequences for the company (operational, economic and/or reputational). To this end, different variables of exposure are

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

analysed and different tools are used, such as: i) tools to monitor consumption and discharges, ii) identification of consumptions in the supply chain, iii) water risk maps provided by reference organisations (WRI Aqueduct, Maplecroft), iv) tools for identifying legal requirements, v) procedures for social impact management, vi) procedures for environmental management and vii) know-how of the company's qualified personnel. In 2020, as with the rest of the ESG risks, the process was complemented with an analysis of the relationship between environmental, social and governance risk scenarios, which has pinpointed those that occupy a notable position in the company.

The main opportunities deriving from the company's activity in water resources are managed by the Water division, which currently takes its treatment, purification and desalination solutions to areas of the planet struggling with major water needs.

The process of managing water risks is addressed by each business on an annual basis.

CIRCULAR ECONOMY

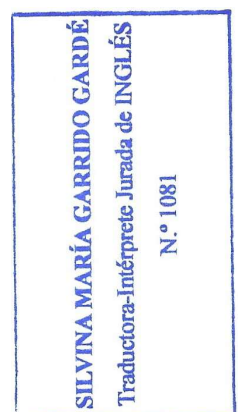
ACCIONA is a pioneer in the transition to a circular economy. In fact, it was the first company in its sectors of activity to be awarded the AENOR circular business strategy certification.

The company carries out multiple actions testifying to its performance in this area. For example:

- > It generates renewable energy from inexhaustible sources such as the sun and the wind, and from agricultural and/or forest waste.
- > It produces drinking water from seawater in areas with water stress, using the best available techniques from an energy expenditure standpoint. It also purifies waste water, preserving and improving the natural capital, which also facilitates its reuse.
- > It develops infrastructure that results in benefits for transport efficiency, the generation and transport of renewable energy, waste management and the sustainability of cities.
- > It provides services in shared electric mobility, infrastructure maintenance, energy management and segregated collection of waste, in addition to transport, classification and recovery of said waste.

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

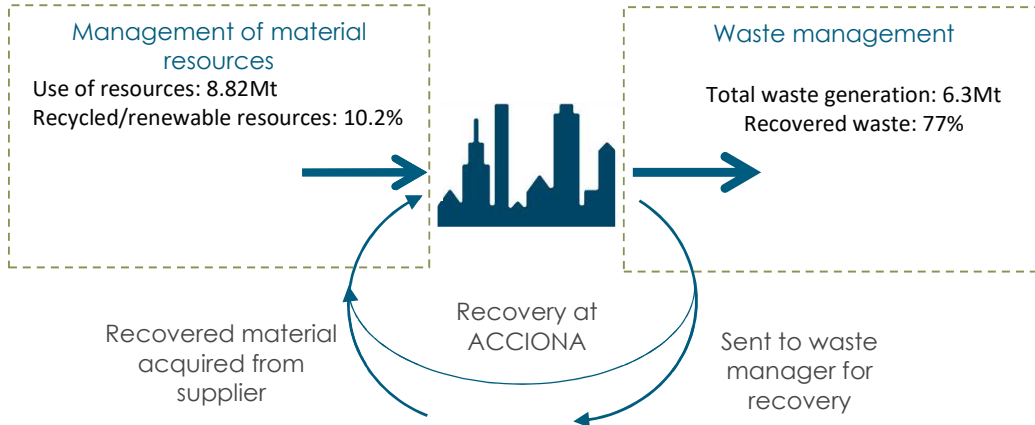
- > It uses life cycle analysis tools (16 LCAs carried out in 2020), allowing it to assess and reduce the impact of its developments, and also its consumption of material and energy resources.
- > It minimises its fossil fuel energy use.
- > It rationalises its water use and makes use of alternative water sources that do not exhaust the existing resources.
- > It gives a second life to the waste and subproducts deriving from its processes, such as soil, rubble, ash, slag, plant remains and sewage sludge.
- > It maximises the use of materials and uses sustainable materials such as recycled aggregates, renewable materials such as FSC certified wood and biomass, or advanced materials such as composites, which reduce to a minimum the amount of components used.
- > It carries out intensive R+D+i work in all areas of its activity, improving the efficiency of its processes and the performance of the resources used.
- > It uses digitization as a catalyst for circular opportunities in construction, through technologies such as building information modelling, machinery automation and 3D printing.
- > It works closely with its stakeholders in training and awareness-raising on the circular economy.



Resources and waste management in line with the circular economy

The following diagram shows, as in the Circle Economy *circularity gap* graph¹¹, the flows of materials at ACCIONA in 2020.

Material flows at ACCIONA



Waste Management Plan 2016-2020

This year saw the end of the Waste Management Plan 2016-2020, which came into being at the same time as circular economy legislation was being developed worldwide. It covers the most representative types of waste at ACCIONA and aims to establish a general strategy in waste policy to promote the circular economy model.

The overall objectives pursued by the Plan in 2020 are:

- > A 10% reduction in non-hazardous, non-recovered waste generated in 2015.
- > A 10% reduction in hazardous non-recovered waste generated in 2015.
- > The recovery of 50% of the total waste generated.

The plan also included recovery targets with different degrees of ambition for soil waste, rubble, dehydrated sewage sludge, slag, ash and plant remains.

In addition, the company expected to reduce the generation of contaminated soils by 10% in 2020 compared to the base year 2015.

Looking to the new period 2021-2025, ACCIONA has resolved to increase its efforts in the area of the circular economy, and plans to halve the amount of non-recovered waste generated in 2020, and double the percentage of renewable/recycled resources used.

In 2020, the company generated a total of 5,071 tons of hazardous waste (49% less than in the base year 2015) and 6,269,769 tonnes of non-hazardous waste (30% less than in 2015), of which 1,457,220 were sent to landfill (75% less than in 2015) and 4,812,549 were recovered (reuse, recycling or other means). The latter figure constitutes 77% of the total non-hazardous waste generation. It is worth highlighting, for example, the 100% reuse of legally recoverable slags and ashes generated in the company's biomass plants. The increase in waste generation on last year is due to the greater generation of soils at worksites such as a building work in Madrid and a road in Logroño (both in Spain).

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

¹¹ The Circularity Gap Report: <https://www.circularity-gap.world/>

Waste generation and management

	2017	2018	2019	2020
Non-hazardous waste (tonnes)	12,118,376	9,602,772	3,784,469	6,269,769
Non-hazardous waste to landfill (tonnes)	6,923,817	4,053,423	940,177	1,457,220
% of non-hazardous waste to landfill	57%	42%	25%	23%
Non-hazardous waste recovered (tonnes)	5,194,559	5,549,349	2,844,293	4,812,549
% Non-hazardous waste recovered	43%	58%	75%	77%
Hazardous waste (tonnes)	21,104	8,633	2,761	5,071

Use of resources

	2017	2018	2019	2020
Total resources (tonnes)	8,940,928	17,403,599	5,452,965	8,823,293
Recycled or renewable resources (tonnes)	1,763,063	5,065,995	490,135	901,199
Recycled or renewable resources (%)	20%	29%	9%	10%

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

BIODIVERSITY

Principal lines of action

In 2020, the UN Convention on Biological Diversity (CBD) published its fifth Global Biodiversity Outlook report (GBO-5), in which it presents a final assessment of progress towards the Aichi Biodiversity Targets 2010-2020: 6 of the 20 targets were achieved "partially". The document describes eight major transitions necessary to slow down the accelerated decline in biodiversity and includes the scientific basis for a new world biodiversity framework post-2020.

The national reports submitted to the CBD provide proof that the transitions necessary to protect biodiversity have already begun and that practically all countries are adopting measures.

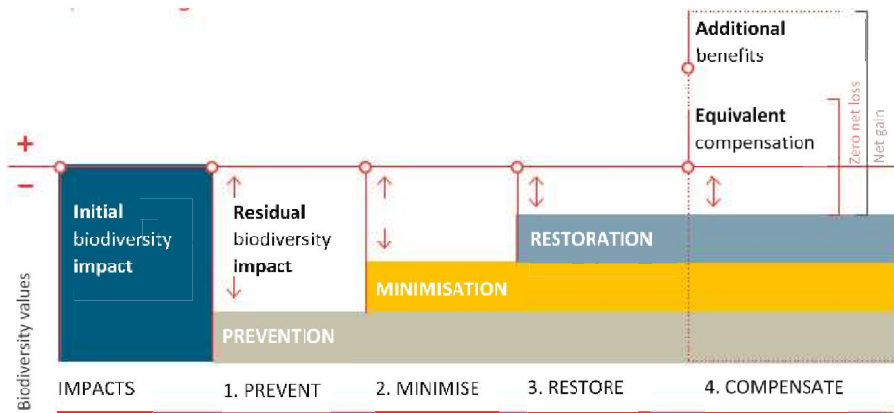
From a business point of view, we cannot remain on the sidelines. ACCIONA views biodiversity conservation and the responsible use of natural heritage not only as an ethical commitment but also a necessary condition for global sustainability. ACCIONA has drawn up a specific Corporate Biodiversity Policy which uses a variety of principles to promote the appreciation for and conservation of animal and plant species as a necessity for economic development and social progress.

In its new 2025 Sustainability Master Plan, ACCIONA has included a strategic line on biodiversity, with the aim of both applying the hierarchy of mitigation of impacts in all its projects and setting targets that can deliver a positive material result for the environment and biodiversity through natural science-based solutions.

Hierarchy of mitigation in biodiversity

ACCIONA accords priority to the hierarchy strategy of mitigating impacts on biodiversity, identifying and preventing potential impacts that might occur, minimising those that cannot be avoided, taking restoration actions and, finally, proposing offset actions to achieve a Net Positive Impact. The company develops environmental surveillance plans to control and monitor the measures implemented.

Hierarchy of mitigation diagram



Biodiversity Enhancement and Compensation Programme

As part of its strategy on mitigation hierarchy, ACCIONA has a programme for the design and execution of voluntary initiatives that go beyond governmental requirements and the aim of which is to contribute to the Net Positive Impact on Biodiversity, favouring the situation of certain threatened species and/or ecosystems.

The company publishes information on its actions to offset its environmental impact under this programme, as well as the results obtained. Additionally, it communicates best practices in biodiversity linked to the development of the activity of its different businesses, in order to share knowledge and determine whether it is possible to replicate them in other operations. This information is outlined in the report ACCIONA, Global Commitment to Biodiversity.

Nest boxes for protected species in ACCIONA installations

Nocturnal birds of prey play an essential role in the ecological balance of many ecosystems on the planet. This is why these species are protected by law in many countries. In recent decades, the populations of some species have fallen in several countries, including Spain, because of the shortage of suitable nesting sites.

To encourage birds of prey to nest, ACCIONA has installed nest boxes in different production centres (facades of buildings, water treatment plants, renewable energy installations, vineyards, etc.). Since the project began, more than 500 have been built. Special Employment Centres collaborated in installing them.

The occupation of the nest boxes was monitored during the breeding season to check on the number of chicks born. It is estimated that every year around 100 have hatched in the nest boxes installed. This means that this initiative has facilitated the birth of more than 800 nocturnal and diurnal bird of prey chicks.

In 2020, the scope of the project was extended with the installation of 47 new nest boxes around the company's vineyards in Spain, not only for birds of prey but also for insect-eating birds and bats. These species are vital for ecosystems and biodiversity because of their significant ability to pollinise, spread seeds and control plagues of insects.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

[Handwritten signature]

Neutral biodiversity footprint

Within the framework of the 2016-2020 Sustainability Master Plan, ACCIONA set itself the goal of developing a methodology allowing it to measure its biodiversity footprint and achieve neutrality, i.e. a target to achieve Net Zero Loss on biodiversity and, where possible, a Net Positive Impact.

The methodology, developed in collaboration with PwC, focuses on material aspects and integrates two internationally recognized tools that consider various impact categories: e.g. toxicity, climate change, water, land use and transformation or acidification.

As a result of this procedure, and thanks to the hundreds of hm³ of wastewater treated and the millions of tonnes of CO₂ avoided annually at the company's renewable energy installations, ACCIONA obtains a positive overall result for its biodiversity footprint, equivalent to restoring a degraded space of several hundreds of km².

However, to make it easier for the company's locations to manage the risks and impacts of their activities on fauna and flora, ACCIONA has developed specific biodiversity scorecards based on a digital repository of public biodiversity information and internal data, interconnected by cartographic representations and data analysis applications. These scorecards enable each operating centre to have updated data analyses of the principal biodiversity KPIs, and their referenced geographical position according to maps of protected areas.

Biodiversity performance indicators

Location with respect to the protected area

Location with respect to the protected area	Area (ha)
Internal	1,762
Partially internal	1,301

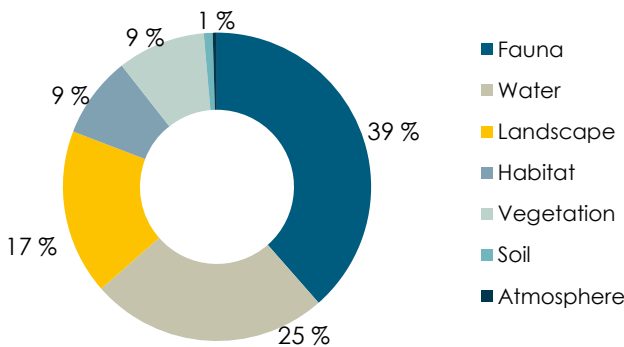
Identification and assessment of the most significant impacts

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.

In 2020, the most significant impacts were seen on fauna (39%) water (25%), and the landscape (17%) and, to a lesser extent, on vegetation, habitat, soil and atmosphere.

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



SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Protected species

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

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 included on this list but are protected by national catalogues.

Protected species affected by ACCIONA facilities

IUCN Red List Protection Category		No. of species
CR	Critically endangered	1
EN	Endangered	3
VU	Vulnerable	12
NT	Near threatened	7
LC	Least concern	155
Other national catalogues		11
TOTAL		189

Habitat restoration and protection

	2017	2018	2019	2020
Surface (ha)	126	14.56	34.4	120.24

ACCIONA's projects consider the protection and restoration of those areas that could be affected by its facilities. As such, these projects involve work to protect and restore habitats, such as replanting, maintenance of forests and planting of affected areas.

Throughout 2020, the company has protected and restored 120 hectares in the areas surrounding its projects, and in practically all cases the success of the measures was verified by independent external professionals. Likewise, the services business has carried out the restoration, cleaning and environmental maintenance of hundreds of hectares of high environmental value.

As a result of these habitat restoration and protection actions, as well as other work in landscape integration or plantations in degraded areas or those lacking in vegetation, over the past year, a total of 861,561 plants were planted.

Bodies of water significantly affected by catchment or discharge

ACCIONA needs to withdraw and discharge water for certain activities: for example, the production of renewable electric power in hydroelectric power plants, where the water, after passing through the power plant, is sent back to the riverbed without its composition being altered; also for the supply of drinking water at drinking water treatment plants (DWTP) and seawater desalination facilities; and finally, for construction work.

Therefore, the company uses prevention measures, such as water treatment prior to discharge or the installation of systems that improve the connectivity between river sections, that help minimise any potential impacts on species that may be present in river ecosystems. This also guarantees respect for the regime of environmental flows and the technical requirements established by the competent authorities.

INTEGRATED ENVIRONMENTAL MANAGEMENT

ACCIONA's business model is based on the development of sustainable infrastructure. This is a challenge which has mainly been focused in recent years on the decarbonization of the energy mix through the generation of renewable energy; the design, construction and operation of resilient infrastructure; and the mitigation of water stress in large regions of the planet. Since all industrial activity involves a significant impact on the environment where it takes place, the company adheres to the precautionary principle, especially

when it comes to managing environmental, climate and water risks in an integral way, reducing and offsetting emissions, promoting the circular economy, and conserving biodiversity.

Environmental protection is included in the Code of Conduct and is developed through four action policies that cover the main operating risks: Environmental Policy, Climate Change Policy, Water Policy and Biodiversity Policy.

Integrating the environmental variable and applying the environmental policies and principles to operations in ACCIONA's businesses is guaranteed through strategies that are referred to the Board of Directors' Sustainability Committee. As such, compliance with the goals in the areas of the environment and climate change is ensured.

ACCIONA has especially qualified staff in each of the functional, hierarchical and geographical areas. This means that top quality and experience can be employed at all times in pursuing the company's business, always according to the strictest environmental standards.

Environmental investment and expenditure

Last year, the company allocated €69.8 million to the management (prevention, reduction or correction) of the environmental impacts generated by its operations (€65.9 million in expenditures and €3.9 million in investments).

Breakdown of expenses and investments for the management of environmental impacts (million euros)

Category	2017	2018	2019	2020
Minimising environmental impact	36.09	47.53	38.76	48.87
Environmental research, development and innovation	13.00	8.07	10.32	9
Staff dedicated to environmental activities	11.01	9.61	9.56	5.39
Investments in tangible fixed assets to avoid impacts and protect the environment	3.82	14.02	3.56	3.86
Environmental advice and consultancy	2.61	2.37	2.06	1.18
Others	2.70	1.61	0.75	1.47
TOTAL management of environmental impacts generated	69.23	83.20	65.02	69.77

72

Environmental training

ACCIONA continues to promote its commitment to environmental training. In 2020, employees received a total of 3,889 hours of training in areas such as climate change, environmental management systems, waste management and environmental restoration of degraded areas, among others.

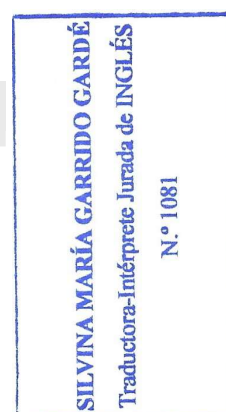
Environmental training (hours)

Division	2018	2019	2020
Energy	2,187	2,171	1,627
Infrastructures	3,152	5,060	1,969
Other businesses	32	118	293
TOTAL	5,371	7,349	3,889

Environmental best practices and actions

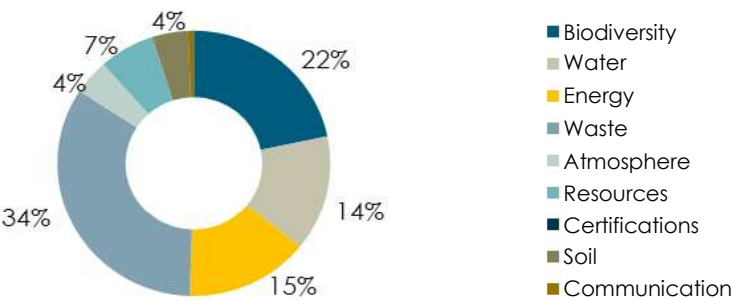
The company identifies, analyses and assesses the environmental actions it carries out, and selects those that stand out for their clearly positive effects on the environment, their innovative nature or their scientific and/or social significance. The object is to distinguish and disseminate the most relevant ones within and outside the organisation.

In 2020, the actions identified, analysed and evaluated in the different business lines break down as follows: 79% in infrastructures, 15% in energy and 6% in other businesses (Bodegas Palacio 1894 Group and Real Estate).



[Handwritten signature]

Main fields of environmental action analysed



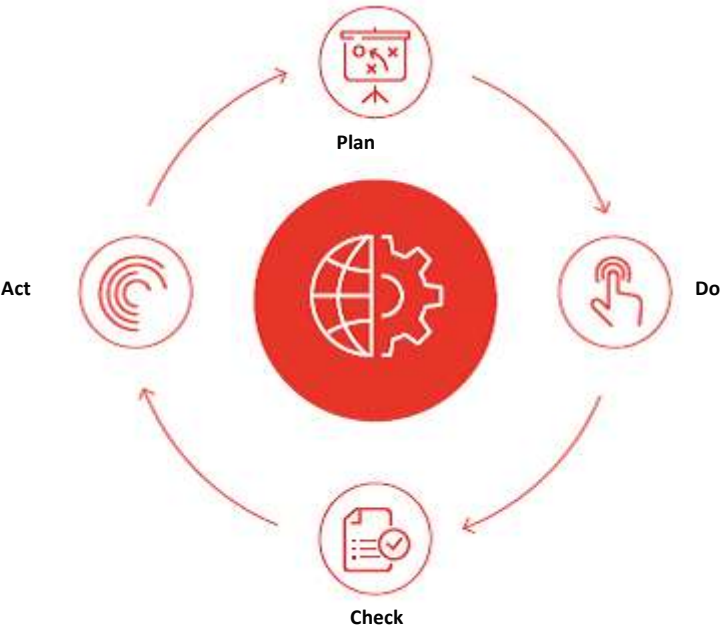
Principles of successful environmental management

ACCIONA's environmental management model, based on the principles of improving environmental performance, establishes a common framework of action that facilitates the coordination of the different environmental management systems of each one of the divisions. This model addresses the determination of environmental aspects from a life cycle perspective, and the identification of risks and opportunities as a way of ensuring improvement.

Through the company's environmental management systems, the potentially negative impacts of the company's carbon emissions and other harmful gas emissions, discharge, waste generation, use of resources in addition to noise and light pollution, are identified, evaluated and minimised, while maximising the positive impacts.

ACCIONA's environmental management systems are verified and certified by accredited independent bodies, according to the ISO 14001 standard.

Implementation of continuous improvement tools



The components of the management model are as follows:

- > Identification, evaluation and minimisation of environmental alterations that may be caused during the company's activities.
- > Analysis of environmental risks through a regulated technical procedure that quantifies the risk of an accident that could cause environmental damage or have a negative environmental impact on ACCIONA's business.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

- > Identification and verification of legal requirements using tools especially designed for this purpose which make it possible to manage compliance with administrative obligations and other commitments, in addition to legal requirements.
- > Operational control using corporate tools which compile quantitative environmental information for each location, thereby making it possible to manage the environmental evolution of processes, set targets and define strategies.
- > Recording and classifying environmental near-misses¹².
- > Implementation of tools for continuous improvement, identification and dissemination of lessons learned and good practices.
- > Establishment of annual goals on all businesses, taking as a reference the identification of the most significant environmental aspects in the management systems and the SMP.

Evaluation and management of environmental impact

In 2020, 95 ongoing projects were subject to an Environmental Impact Assessment (EIA), 68 of which are being processed by the competent public authorities. In 13 cases, favourable environmental impact statements were obtained. The EIAs for these projects were published in the corresponding official bulletins and platforms were set up by the government to channel citizen participation and obtain their feedback in this regard.

In addition, ACCIONA tracked 254 Environmental Monitoring Plans (EMPs) at centres and facilities that were under construction, up and running or under maintenance.

Environmental fines and penalties

During the 2020 financial year, a total of 13,402 euros was paid, corresponding to 7 fines and penalties of an environmental nature. Among the total amount of fines closed in 2020 there is one over 5,000 euros, the amount of which was 9,001 euros (in the construction business).

In addition, a total of 20,052 euros was paid in compensation. Provisions relating to probable or certain liabilities, litigation in progress and indemnity 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. (Further information is provided in the sections on activities with an impact on the environment, provisions and litigation in the Consolidated Financial Statements).

74



¹² An environmental near miss is any incident that does not result in damage to the environment but has the potential to do so. In 2020, the company has recorded 735 environmental near-misses, most of which were insignificant spills. Eight incidents involving spills were quantified, with a total discharge volume of 291 m³. All cases were resolved by adopting corrective measures.

Exponential leadership

authenticity, transparency | We pursue a purpose

ACCIONA has deep commitment as an actor in the sustainable transformation of this decade.



KEY MILESTONES 2020

- > I'MNOVATION #Startups has held an event in Spain and another one in Chile to attract startups from 20 countries and pilot startups with 7 business units.
- > Digital innovative technologies implemented that improve processes in the business in collaboration with the Digital Innovation HUB.
- > Participation in sustainability forums renowned globally such as the World Economic Forum and Global Compact, among others.
- > Review and amendment of the Director Selection Policy.
- > Dual UNE 19601 and ISO 37001 certification for Infrastructure and Construction obtained in Spain and ISO 37001 for Water obtained in Italy.
- > Gradual implementation and development of the KPIs of the corporate tax function.



MAIN CHALLENGES 2021

- > Develop open innovation programmes promoting projects that deal always at least with one of the SDGs.
- > Work with startups and cities in the search for regenerative solutions for citizens.
- > Reinforcement of the responsible sourcing strategy.
- > Adaptation of the Articles of Association and other governing rules to the changes in Draft that will amend the Corporate Enterprises Act.
- > Launch the process to renew the purpose, principles and promise, as well as the Code of Conduct.
- > Obtain the UNE 19602 certification in tax compliance management systems for ACCIONA S.A.

75



AUTHENTICITY

This area of work of the PDS 2025 arises with the ambition to prove that our commitment is authentic and that everyone in the group is aware of it and share it. The values are recognisable and are present in everything the company does. ACCIONA's people acknowledge in the management trustworthy and reliable people, with values and commitment to the purpose. They are proud to work in the organisation and meet their need to contribute with their dedication and knowledge to improve the life of the people in the environment where they work.

Transformation leverages

- > Redefine the purpose, the promise and the principles of the company in a new code of conduct that relies on extensive participation as the basis for ACCIONA Way of Doing common to all the business.
- > Have quality and satisfaction indicators of information for customers, investors, employees and suppliers, verified by independent third parties, that promote annual improvement plans.
- > Extend a common virtual meeting place accessible to all people from ACCIONA and the development of informal networks of practitioners around the company's core commitments.
- > Establish immersion processes in corporate values, especially in onboarding and in inherent rotation businesses.
- > Programme of rules on the position of the company regarding its commitment and defence of more sustainable development models.

Relations with stakeholders (GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44)

Communication and constant dialogue are the cornerstones of ACCIONA's relationship with its stakeholders, namely the individuals and organisations that are directly or indirectly involved in the activity of the company. In short, employees, customers, local communities, partners, suppliers and subcontractors, public administrations and regulatory bodies, investors and analysts, and the media.

The Sustainability Committee of the ACCIONA Board of Directors drafted and approved a Stakeholder Relations Policy in 2018. This policy identifies the main stakeholders and outlines the company's principles for learning about the needs and expectations of its stakeholders. It thus facilitates the generation of shared value and the establishment of long-term relationships.

The relationship with local communities, suppliers and customers is dealt with in the following sections. The communication with the rest of stakeholders appears below.

Employees

The company manages information, collaborative dynamics and dialogue with employees through an internal communication area. The COVID-19 pandemic has required reinforcement of the information on measures of prevention, safety, health and work organisation, this being the topic that has generated the most interest.

In 2020, the interaction with the employees, especially by means of the most effective and preferred channels for the workers, has improved. Direct communications by means of email and newsletters has increased in 88% compared to the previous year, until it reached 1,577 actions.

The global intranet, Interacciona, reached its maximum number of unique users per year with 13,327 people accessing the platform and viewing just over 5.4 million pages and 1,540 pieces of news. The intranet video channel has increased by 453% views. A tool was launched for the employees to share audiovisual content. In total, 118 videos have been generated.

Although in 2020 there was no global engagement survey (as this survey is conducted every two years and the plan is to have the survey in 2021), fourteen other surveys were taken in which around 9,000 employees took part.

As for meeting points, live broadcasts with participation, new digital solutions have been used, which increased by 45% the events up to 32 events held. Again, the topics that generated the most interest were those related to health and prevention against COVID-19.

76

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Local communities

Dialogue with communities enables ACCIONA to learn about and manage the concerns and expectations generated by its operations. This allows the company not only to integrate its projects into the social and environmental surroundings, but also to identify opportunities for sustainable development.

The Code of Conduct reflects ACCIONA's commitment to shared value with the local communities where it operates. This commitment is developed in the Sustainability Policy, the Social Action Policy and the Stakeholder Relations Policy, on the understanding that dialogue and cooperation with local communities enables the company to increase the positive impact of its activities on society. Within the framework of the Stakeholder Dialogue Policy, specific corporate guidelines on communications and dialogue with communities and other stakeholders were developed in 2018 and updated in 2019. These guidelines provide employees with tools to promote and manage relations with different groups.

The company has different communication channels, such as web forms, e-mails, phone numbers, suggestion boxes and local community offices, through which the stakeholders affected by a project can convey their queries, complaints or suggestions.

In 2020, the Sustainability Committee was informed on a quarterly basis of the relations maintained with local communities and the methods of communication and dialogue with them.

Public administrations and regulatory bodies

ACCIONA participates and collaborates responsibly with public institutions and transparently offers its vision on matters affecting its business areas and the sectors in which it operates. It also cooperates with various associations that participate in the definition of regulations and policies developed by the various public administrations.

In accordance with its Code of Conduct, ACCIONA does not make financial contributions for political purposes or to obtain preferential treatment. Nor does the company use sponsorship or donations as a means of achieving this.

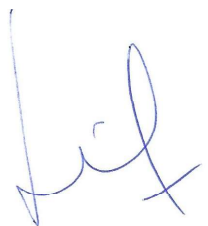
Within the European Union, ACCIONA has been registered since 2013 in the EU Transparency Register¹³, where the interests it pursues, who defends them and the related budget are published in a transparent manner.

In 2020, the group's dialogue with the institutions and business associations focused primarily on contributing to public consultation processes and supporting policy development in the following areas:

Actions that apply to the whole group

Basic lines of action	Examples
Incentives for non-polluting behaviour and activities	<ul style="list-style-type: none"> - Contribution to the European Commission's public consultation on the EU Green deal and other initiatives, supporting public policies and rules focused on promoting rapid ecological transition. - Participating and contributing ideas for the debate on the elaboration process of the Climate Change and Energy Transition Act and implementation rules. - Support for measures to implement the national integrated energy and climate plan. - Proposals to improve taxation to implement the polluter pays' principle.

SILVINA MARÍA GARRIDO GARDÉ
 Traductora-Intérprete Jurada de INGLÉS
 N.º 1081



¹³ More information at <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=451019811573-55&indexation=true&locale=es#es>

Action in the energy area

Basic lines of action	Examples
Development of an energy model based on increased penetration of renewable energies	<ul style="list-style-type: none"> - Stable regulatory framework to promote renewable technologies. - Design of an appropriate system of auctions to grant incentives to renewable energies. - Regulation on access and connection of generators to electrical networks according to the national renewable energy goals. - New options enabled for greater integration of renewable energies into the grid and the market (hybridisation, storage, repowering, etc.).
Electrification as an indispensable tool for the transition to a decarbonised economy	<ul style="list-style-type: none"> - Promotion of sustainable mobility based on electric vehicles with renewable energies. - Active participation in the development of a methodology for charging, supporting a scheme that encourages electrification and eliminating costs that are not related to electricity. - Proposal for environmental taxation to encourage the consumption of electricity (preferably renewables) as opposed to fossil fuels. - Participation in the development of a road map of hydrogen, supporting renewable hydrogen as a subsidiary vector of direct electrification.

To develop these policies, ACCIONA participates in sectoral associations at the regional and national levels (e.g. AEE, APPA and UNEF), and also at the European (WindEurope and CLG Europe) and international levels (GWEC). The company is an active participant and holds positions of responsibility in their governing bodies.

Actions in infrastructure, water and service areas

Basic lines of action	Examples
Development of regulatory frameworks conducive to green public procurement	<ul style="list-style-type: none"> - Regulatory proposals aimed at enhancing the consideration of sustainability criteria in public procurement. - Recommending incentives to public procurement for electricity supply from renewable energies.
Support for policies that favour energy saving and efficiency	<ul style="list-style-type: none"> - Proposals aimed at providing incentives for the adoption by public entities of energy efficiency and renewable energy measures. - Regulatory proposals aimed at facilitating the participation of energy service companies in improving processes with the objective of achieving greater energy efficiency.
Policies to ensure the sustainability of the urban water cycle management sector	<ul style="list-style-type: none"> - Analysis of weaknesses and strengths in the water sector in Spain, and proposals for measures to ensure market unity and improve consumer protection. - Proposals for measures aimed at developing new technologies for a more responsible use of this resource.
Promotion of sustainable mobility	<ul style="list-style-type: none"> - Proposals aiming at facilitating the deployment of electric vehicles with renewable energies. - Proposal of measures to contribute to eliminating the barriers to the development of shared electric mobility systems.

To promote its positions in these areas, the company collaborates with associations such as SEOPAN, in the field of infrastructure; the Business Association for the Development and Promotion of Electric Vehicles, AEDIVE; ANESE, in the field of energy efficiency, and AGA and AEAS, to promote and defend the common interests of service companies related to the integral water cycle.

Investors and analysts

The Investor Relations area is an important channel of communication between the company and the financial community, allowing information to flow both ways. Relevant facts and information is transmitted to shareholders, analysts and potential investors to resolve doubts and raise awareness of ACCIONA, its strategy and possible sources of value creation. Reports, opinions and market trends are analysed to internally convey the main strengths and weaknesses perceived by investors and analysts, as well as the threats and opportunities detected in the market. Contacts with the financial community are maintained in strict compliance with applicable laws and paying special attention to the policy on information and

communications with shareholders, markets and public opinion, including, where appropriate, the content of the information provided on the website.

Within this context, more than 800 contacts were made with investors and analysts during the year, which included participating in and/or hosting investor conferences, road shows, reverse roadshows and earnings reports.

It must be highlighted that in 2020, in general, the trend to prioritise ESG criteria investments has increased, therefore, events, analysts and investment criteria related to environmental, social and corporate governance policies of the company have multiplied. In these contacts, ACCIONA has positioned its low-carbon activities designed by the EU. This circumstance represents an opportunity to promote the interest of investors in knowing the company and investing in it.

Media

In 2020 and despite the difficulties arising from the impact of the pandemic, the need to accelerate the decarbonisation process has been a priority in the company's communication. The health, economic and social crisis has made it clear that the fight against climate change is essential for the recovery and an opportunity for ACCIONA's business model.

This trend has led ACCIONA to consider, as part of its commitment to sustainability, making additional efforts in the dissemination of decarbonization, mitigation and resilience solutions in the face of global warming.

The company has fulfilled this commitment by means of multidisciplinary analyses and debates in various media outlets. The group addresses in them the challenges and proposals for business, academia, government and politics to move towards a low-carbon economy.

As a result of its efforts to disseminate information, ACCIONA has strengthened its ties with the important forms of social media: radio and television. During this year, the company has laid the foundations to expand the company's media dimension using materials and resources capable of generating interesting audio-visual and radio content.

The creation of a network of communications managers in ACCIONA's priority countries has already created a climate of proximity and sharing with the leading media in those markets. The company is gradually becoming a model of sustainability, consolidating the image of a compact company in the countries where it operates.

Other stakeholders: ACCIONA on the social networks

The company has increased this year also its strong position on the social networks as it exceeded 2.9 million interactions and experienced an increase of its community in about 230,000 people, the highest growth among the rival companies analysed.

In a year marked by the pandemic ACCIONA has adapted its message to the reality to demonstrate how it has contributed, through its business, to mitigate the effects generated by the health and economic crisis. The company has become one of the leading corporations in digital communication in Spain about the coronavirus, according to a report published by the consultancy company Epsilon Technologies.

CUSTOMERS

Meeting the needs and expectations of its customers and users is ACCIONA's priority objective. The diversity of its business is reflected in the types of customers, which are primarily large customers from both the public and private sectors, such as corporations - Business to Business (B2B) - and financial investors. However, some group companies, such as the water, services, Grupo Bodegas Palacio 1894 and real estate businesses have direct relationships with the customers or users of the services provided -Business to Customer (B2C)-.

79



Communications and customer relations

Just as the customers are diverse, so are the communication channels the company uses to seek greater accessibility and agility in the dialogue with them and with other ACCIONA stakeholders.

Communication channels with customers



- > Customer websites, such as the private area for customers in wineries, real estate and Bestinver, or the water platform that offers 360-degree viewing for users.
- > Apps for interaction with customers.
- > Digital media and support. The real estate business established several virtual open days.
- > CRMs, such as the energy sales area, airport and energy services.
- > Call centre service for the real estate business or the energy sales business.
- > Physical service points at water service or solar offices; sales booths on real estate development sites or the reception of real estate's student residences.
- > Meetings. Bestinver held one streaming conference for customers in 2020.
- > Personalised managers for the wind projects of the energy business and service managers for waste removal contracts and landscaping businesses.

Among the matters discussed in 2020 communications with customers to keep them permanently informed of the protocols of actions for the COVID-19 pandemic and the follow-up and coordination committees set up for this, must be highlighted.

Customer satisfaction

Measuring customer satisfaction makes it easier to plan actions aimed at improving their relationship with the company. Given the diversity of ACCIONA's products and services, the company considers a variety of factors in measuring customer satisfaction: evaluation of deadlines and starting in the energy and construction areas; sales management, meter readings or billing by Green Energy; or availability rates and incident resolution by Service. In Wineries, for example, customers evaluate the characteristics of the product, the attention received, logistics management and the brand. ACCIONA Cultural Engineering looks at the assessment of the concept and design of the project, among other issues.

Surveys are the most common method of collecting information on customer satisfaction and/or experience with ACCIONA products, services and projects. In 2020, a total of 7,991 surveys were sent out, with a response rate of 49%.

Evolution of satisfied customers

	2017	2018	2019	2020	2020 Goal
Satisfied customers	99.8 %	97 %	97 %	99 %	97 %

Complaints and claims handling

ACCIONA faces with due diligence the complaints lodged by customers by means of:

- > Specific procedures in all the division to manage complaint, claims and suggestions.
- > Accesible channels for customers to submit their complaints, claims and suggestions in specific areas of the websites, such as Water or Green Energy. Also, computer applications such as the one enabled by Construction to collect complaints related to work or the digital mailboxes of Service in various municipalities.
- > Complaint managers are appointed to evaluate the complaints and claims and coordinate their resolution.
- > Information is provided to customers and users on the status of their complaints and their resolution and closure, once an agreement is reached with the person who filed the complaint.
- > The number and measurement of complaints received is recorded annually.
- > The number of complaints that are closed or pending and the time spent on them is measured. Definition of action and/or improvement plans as needed.

The number of B2B complaints decreased to 1,059 and the number of B2C complaints decreased to 0.07 per thousand customers. 88% of the B2B and 79% of B2C complaints were successfully closed.

Evolution of the claims

	2017	2018	2019	2020
Business to Business (B2B)				
Number of claims	1,043	861	1,335	1,059
B2B claims successfully closed (%)	95 %	85 %	86 %	88 %
Business to Consumer (B2C)				
Number of claims (per thousand customers)	13.7	17.4	17.0	0.07
B2C claims successfully closed (%)				79 %

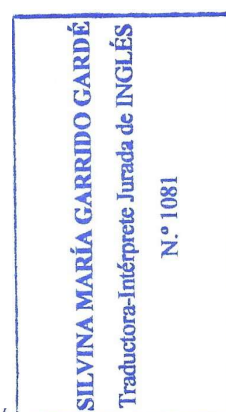
Complaint resolution times vary from one ACCIONA business to another, depending on the nature of the business. Across all divisions, more than 90% of complaints were resolved in less than 30 days. For instances, in the urban and environmental services activity the average time is one day and in the case of solar farms, each complaint is immediately resolved, except in some specific circumstances.

More than 90% of the claims have been resolved in less than 30 days

Loyalty, recommendation and comparison with competitors

Most of ACCIONA's businesses use additional assessments to measure customer satisfaction:

- > The recommendations or level of satisfaction expressed by customers when asked: "Would you recommend ACCIONA to other companies? For example, the facility service in Mexico uses the NPS (Net Promoter Score) indicator which measures the difference between the percentages of detractors and promoters, receiving a score of 68 (excellent). Or Bodegas Palacio, whose level of recommendation was 100%.
- > The degree of loyalty which builds lasting relationships over time, by asking customers a direct question: "What are the chances you would hire ACCIONA again?"
- > The comparison of the company with competitors using a scale such as better, equal, worse.



[Handwritten signature]



More information in the sections “The energy business”, “The infrastructure businesses” and “Other businesses”.

Customer health and safety

The Quality Policy includes the principle of ensuring the health and safety of customers and users. In addition, each of the safety management systems implemented in the company has a policy that specifies the principles and commitments of application, and which is approved by senior management and available to interested parties.

100% of ACCIONA's products and significant activities are assessed for their impact on the health and safety of customers and users, indicating, where appropriate, whether improvements need to be made.

There are a number of things that ACCIONA does to ensure the safety of its products and services:

- > Information to customers on how to safely use its products and services.
- > Specific action protocols for COVID-19 were implemented, including measures for the reinforcement of hygiene and disinfection and availability of means of hygiene for customers.
- > Product quality controls, critical point analysis and safety tests.
- > Regulatory inspections and compliance with applicable laws and international standards.
- > In the plants built by the industrial business HAZOP (hazard and operability) studies are carried out in the design phase, to highlight possible design problems and improve the safety of the installation.
- > In the case of Wineries, food safety risk analysis and exhaustive controls from the reception of raw materials and packaging materials to the production process and the end product.
- > Safety management systems that guarantee that the work is performed in accordance with the reference international standards established for each sector. 6% of ACCIONA's turnover is certified in accordance with various international standards in this area:
 - Road safety: two highways managed by Concessions have safety management systems which are ISO 39001 certified.
 - Rail Transport Safety: Rail Services has its freight transport safety management system approved by the State Railway Safety Agency (AESG).
 - Airport safety: Airport Services are certified by ISAGO (Safety Audit of Ground Operations) at the headquarters in Palma, in Düsseldorf and Santiago de Chile, in accordance with the regulations of the International Air Transport Association.
 - Food safety: three wineries and several Facility Services locations have food safety management systems that are ISO 22000 certified.

Product and service labelling

ACCIONA carries out the appropriate communication actions to inform its customers about the safe use of its products and services, essentially by means of labelling products, providing user manuals, equipment and project documentation or joining international programmes that foster responsible consumption, etc.

In accordance with the applicable regulations on labelling, Grupo Bodegas Palacio 1894 wines are the only product manufactured by ACCIONA that requires specific information. Therefore, 100% of its bottles include information on the packager, the content of the packaging, alcohol content, allergens and bottle recycling. The company's website also has data sheets for each product, with more in-depth information.

Furthermore, the energy sold by Green Energy has a certificate issued by the Spanish National Commission on Markets and Competition (CNMC in Spanish) which accredits the 100% renewable origin of the energy; and the water treated by Water complies with the standards laid down by applicable legislation: quality of drinking, desalinated water, parameters for wastewater discharges, etc.

All projects developed by ACCIONA have all the information necessary in the as-built report delivered to customers.



Meaning of service excellence for ACCIONA

The company's approach to business based on sustainability and technical excellence, combined with the demand to be competitive in a globalised market - with highly qualified and informed customers and users - places the quality of its products and services, as well as the efficiency of its operations, at the heart of the company's strategy. In this aspect, ACCIONA's initiatives are supported by two fundamental pillars: the maximum commitment of senior management, including quality management of the company's processes; and the existence of quality teams with a transversal vision that actively participate in their continuous improvement.

In 2020, 15,962 hours of process and quality training and awareness-raising were provided with the aim of ensuring that employees have the specific knowledge and skills required to perform their tasks and improve their knowledge of customers.

Certified management systems

All of ACCIONA's divisions have certified management systems based on the most relevant international benchmarks in terms of quality, the environment and customer and user safety.

In 2020, 100% of the company's most important activities were certified according to ISO 9001 and ISO 14001. This includes 100% of renewable energy marketed and sold with a guarantee of origin accredited by the CNMC; 100% of installed MW; and 100% of the construction activity in several countries (Spain, Chile, Brazil, Mexico, Ecuador, Peru, Canada, etc.). In terms of food safety, the food safety management systems of Facility Services and Bodegas Palacio 1894 Group businesses are certified in accordance with ISO 22000.



More information in the sections "The energy business", "The infrastructure business" and "Other businesses"

Audits

Internal and external audits by customers and certification bodies are one of the main tools used by ACCIONA to identify opportunities for improvement.

In 2020 a total of 775 audits were carried out, less than in 2019 owing to the pandemic, of which 607 were internal and 168 external. The vast majority of these audits were carried out according to ISO 9001 and 14001. The company also received 76 audits from its customers. The subsidiary engaged in road maintenance received 32 audits from its customers, all of the public entities. Thanks to the audits improvements were implemented such as the incorporation of GPS equipment in the subcontractors or the future hiring of more advanced weather forecast company.

Improvement groups and lessons learned

In 2020, ACCIONA had 50 improvement groups made up of multidisciplinary teams, directly involving over 700 employees, to identify and implement innovative solutions and establish mechanisms to manage the risks associated with the various businesses.

These groups worked in a wide range of areas. For example: improvement of several processes of chain of supply, engineering and construction in the energy business, drafting a wikipedia for the description of all Mobility operational actions, or the use of artificial intelligence to use the knowledge associated with the drafting of proposals in the water business.

The lessons learned are used to document and share the knowledge acquired. In 2020, the company detected, documented and made available to the employees a total of 382 lessons learned.

Personal data protection

ACCIONA is committed to ensuring its subsidiaries and, by extension, all of its value chain, act in an appropriate manner and with the highest standards of diligence in relation to Personal Data protection, processing and privacy. To that end, the Personal Data Protection Policy aims to establish the company's objectives regarding the protection of personal data and to define a working framework to guarantee and enhance such protection, respecting the principles and rights established by the applicable regulations. This policy must be complied with by all the organisational units or group companies and entities, as well as their employees, suppliers, shareholders and customers who register or process personal data.

To ensure appropriate personal data protection management the following organisational structure has been established:

- > Data Protection Department. It reports to the Audit Committee, it ensures application and fulfilment of applicable regulations.
- > Personal Data Protection Committee. This body lays down the personal data protection guidelines; defines short-term, medium-term and long-term strategies; ensures appropriate risk management; and leads the personal data protection governance model.
- > Information and Communications Technologies Management. It implements and manages the strategy in the matter and define the measures to guarantee personal data protection.
- > In charge of personal data protection in all the organisational units or companies of ACCIONA.

Breach of the data protection measures by the employees in charge of managing them will be penalised according to the employment breach provisions included in the Workers' Statute or in the specific developments contained in the collective agreements applicable to each company and following the procedures established in them.

ACCIONA has a course on data protection, which must be taken by all the employees of the company in the European Economic Area (EEA). In 2021 training courses on this matter will also be made available to the employees of the other countries outside the EEA as well as communications related to data privacy.

Among the control mechanisms of the supply chain, ACCIONA's suppliers must agree to the self-declaration document. This includes aspects of information security and personal data protection.

SUSTAINABLE TRANSFORMATIONAL INNOVATION

ACCIONA is committed to innovation in all areas to continuously anticipate future market trends and disruptions, as well as to pursue solutions that can generate new business opportunities in line with commercial objectives. Therefore, one more year the company has continued to promote R&D&I and encourage open innovation.

As part of the ongoing improvement process, in 2020 the company has worked on a new management platform to speed up the processes and decision-making of the management model developed the previous year.

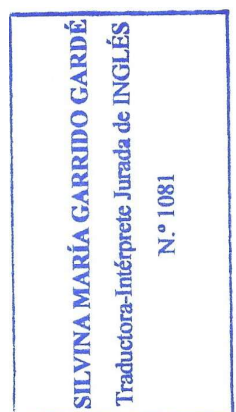
In 2020 the R&D&I Management System continued to operate in accordance with the guidelines set out in UNE 166002:2014, with monitoring of the activities carried out, through review meetings and management indicators defined on the basis of strategic, operational and monitoring and improvement processes. In addition, work was done on the search and implementation of new processes.

The aim of the Sustainability Master Plan 2025 is to link the innovation strategy to ACCIONA's regeneration. We want to be a reference in the development of new and enhanced business operational solutions, more digital and able to increase the sustainability productivity of the projects.

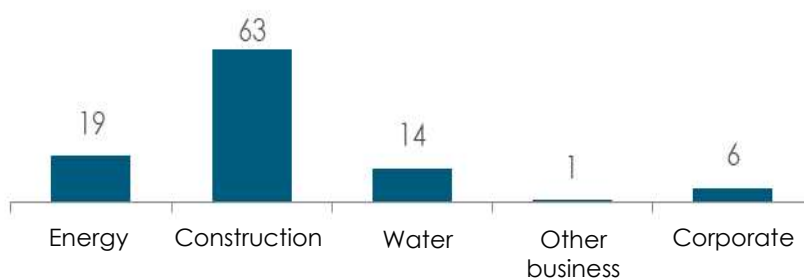
Business innovation and internationalisation

In 2020, ACCIONA reported spending €237 million euros on innovation, 3% more than the previous year. The portfolio of projects for the year totalled 159, 56 of which were research projects and 103 innovation projects.

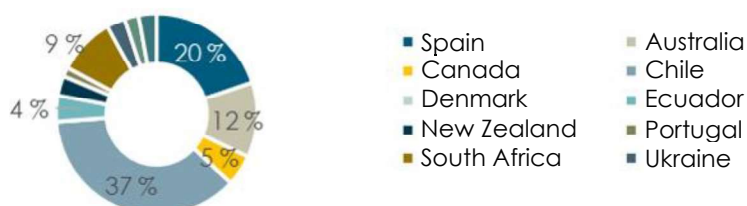
In its effort to internationalise innovation, in 2020 ACCIONA confirmed 15 projects outside of Spain worth €189.8 million euros, representing 80% of the total innovation figure reported by the company.



Geographical breakdown of the number of innovation projects by business



Innovation figures by country (million €)

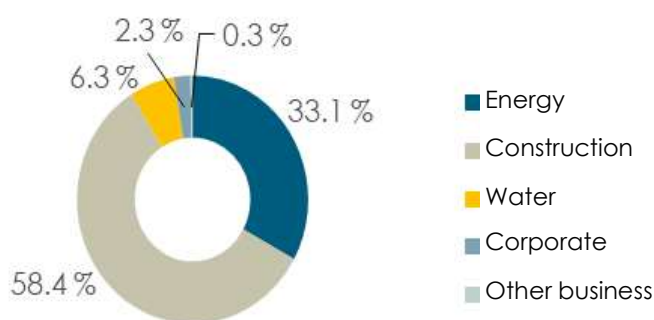


ACCIONA's determination to advance in innovation has enabled the company to stay at the top of the ranking. "The 2020 EU Industrial R&D Investment Scoreboard" report, produced by the European Commission's IRI (Economics of Industrial Research and Innovation), ranks ACCIONA as the sixth Spanish company and the 156th in Europe in terms of R&D&I.

ACCIONA's R&D&I figures

		2017	2018	2019	2020
R&D&I figures (million euros)		209.4	225.4	230.4	237.0
EU Industrial R&D Investment Scoreboard	European Union's ranking	147	150	141	156
	Spain's ranking	6	6	6	6

Breakdown by business line

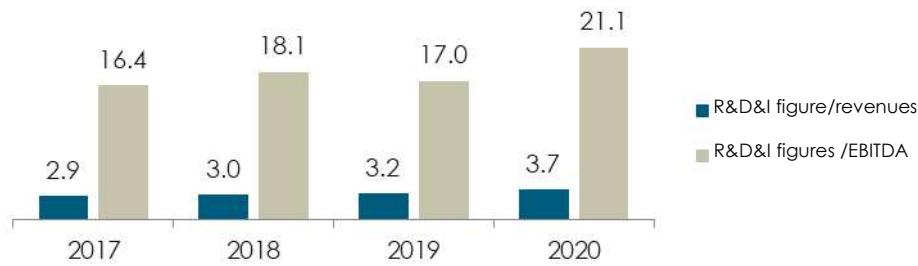


85

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

The innovation intensity ratio, obtained by dividing sales by innovation spending, is 3.7% in 2020.

Evolution of innovation intensity (%)



ACCIONA reaffirms its leadership in innovation with an innovation intensity of 3.7%, higher than the European average

Technology centres and business innovation

ACCIONA has two technological innovation centres in Spain whose lines of research are focused around construction and water technologies. It also has a team dedicated to energy innovation in Spain and Mexico. The innovation function is also present in the rest of the businesses with projects in the engineering, industrial and service fields.

R&D&I units of research in ACCIONA's core businesses

RENEWABLE ENERGIES

- MaxPower
- Digital Innovation Pilots
- Wind advanced technologies
- Advanced technologies in solar PV
- Storage and hybridisation
- Hydropower
- New energy solutions
- Innovation to sustainability
- Life extension

ENGINEERING

- Design with new materials
- New construction processes
- Engineering methods and energy efficiency

CONSTRUCTION

- Innovative materials
- Digitalisation
- Environmental aspects of works

INDUSTRIAL

- Photovoltaic
- Biomass
- Biofuel
- Hydrogen
- Waste to energy
- Solar thermal

WATER TECHNOLOGIES

- Desalination and new technologies
- Purification and water reuse
- Purification and water chemistry

SERVICES

- Service management applications
- Process automation
- Less paper
- Business intelligence dashboard

More information in the section "The energy business" and "The infrastructure business"

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Sharing innovation

Digital Innovation Hub

ACCIONA is aware that new technologies are transforming not only how it does things, but what it does. ACCIONA's Digital Innovation Hub (ADIH) focuses on providing innovative solutions, always striving for excellence under the motto: to do more, better and with less impact in our planet.

ADIH works to ensure that new technologies are integrated into the organisation as a tool for future development, with seven skill centres whose purpose is threefold: to demonstrate, transfer and share technology.

2020 milestones of the Digital Innovation Hub initiative per Skill Centre

- **Large scale 3D Printing:** modular, scalable and reusable 3D-printed housing design.
- **Mixed reality:** implement a complete asset manager with augmented reality in the Gartxeta purification plant which allows immediate access to the information of all the resources of the plant. Also a digital identical twin was created to view the data of the assets and connect to different sources.
- **Connected Things:** development and implementation of the data architecture of the Citizen control centre.
- **Data Science:** construction of a web site as a scorecard for the entire Mobility business.
- **Robotics & Artificial Intelligence:** development and implementation of a robot for ultraviolet-C disinfection in the service contract for 14 hospitals in Doha (Qatar) and in two workplaces of ACCIONA.
- **Blockchain and new technologies:** application of the blockchain technology in the processes to take a water sample.
- **Smart Cities:** launch of the Datacity programme to help reduce energy poverty in Barcelona, in collaboration with the town council of the city.

87

Open and collaborative innovation

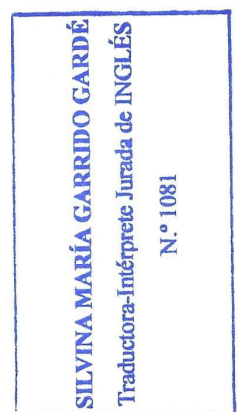
In 2020 in the I'MNOVATION #Startups programme 14 projects with startups were carried out in response to the challenges defined by the business units and customers. The result of 8 of them was presented at the event in Spain and of the other 6 at the event in Chile. One of them was based on the need identified in the Intrapreneurship programme in 2018 related to the last-mile delivery through mobile minihubs.

The I'MNOVATION #Startups programme seeks to coordinate a model of relationship with the entrepreneurship ecosystem to enable the incorporation of external talent to accelerate the innovation in ACCIONA. The initiative seeks to co-create solutions to strategic challenges defined by the company by combining ACCIONA's technical and market knowledge, on the one hand, with the capabilities of the startups on the other. In this way, the company seeks to maintain its competitive advantage in the sectors where it operates while exploring new business models. Furthermore, agile methodologies are used during the development of projects which involve the use of innovative ways of working.

Owing to the situation caused by the COVID pandemic, the Open Innovation department worked in two other new lines:

- > **Positive Energy Initiative.** Together with other energy companies, a reinforcement and support action of the entrepreneurship ecosystem was taken, launching a common initiative to alleviate the impact of the pandemic. The participating companies undertook to activate their available mechanisms to start working in proposals from different startups. ACCIONA activated two proposals.
- > **COVID initiative.** ACCIONA invited those startups that had participated in its I'MNOVATION programme to present ideas to help fight the pandemic. Two projects of the ideas received were launched.

Also, owing to its continuous support for the entrepreneurship ecosystem, ACCIONA started to collaborate with the LANZADERA growth in 2020. After an identification phase of areas of interest, search for startups and filtering, three pilot projects were activated in the field of mobility and smart cities.



Strategic agreements and awards

ACCIONA has established a collaboration network with many centres of excellence in Spain and abroad, with which it participates on various R&D&I projects: Norwegian Geotechnical Institute, Centro Nacional de Energías Renovables (CENER), Circe, Pontificia Universidad Católica de Chile, Massachusetts Institute of Technology, or the University of Southern Queensland.

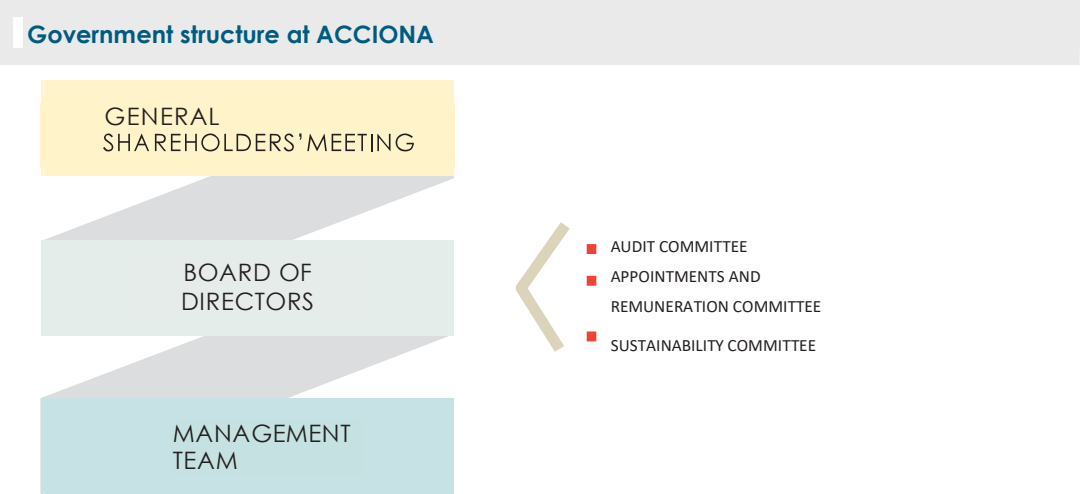
ACCIONA is a member of the Board of Directors of Water Europe and the International Desalination Association (IDA). The company also participates in the European Network of Construction Companies for Research and Development (ENCORD), the Spanish Association of Renewable Energies (APPA), among others.

GOVERNANCE

Corporate governance

One of ACCIONA's commitments in the area of corporate governance is to strive for continuous improvement and greater transparency, efficiency and rigour in the operation of its governing bodies. This factor is decisive for the generation of trust and long-term commitment between ACCIONA and its stakeholders.

The organisation is governed by the recommendations set out in the Code of Good Governance for Listed Companies of the Spanish National Securities Market Commission (CNMV), as well as domestic and international best practices in this area.



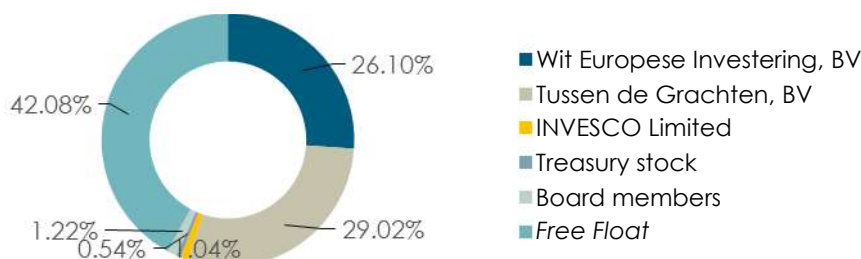
More information in detail of the governing bodies: <https://www.acciona.com/shareholders-investors/corporate-governance/board-directors-committees/>

Shareholders' and General Shareholders' Meeting

As of the date of this *Report*, the parent company's share capital was made up of 54,856,653 fully subscribed and paid-up ordinary shares with a par value of €1 each, registered in book entries.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Shareholding as of the date of preparation of this report



The change in the shareholding structure with respect to last year is due to the private placement by La Verdosa, S.L., in December 2020, of 3.85% of the share capital of ACCIONA, S.A. with qualified investors and the sale of 1.75% of the share capital to company shareholders.

The company's bylaws contain no restrictions or maximum limits on the exercise of voting rights by shareholders. Nor are there any legal or statutory limitations on the acquisition or transfer of shares, without prejudice to the pre-emptive acquisition rights, which are reciprocally granted to significant shareholders declared to the company pursuant to the shareholder agreement communicated to the CNMV (the Spanish National Securities Market Commission) by means of relevant event number 147698, duly registered with the Companies Registry.

ACCIONA has had since 2011 an Electronic Shareholders' Forum prior to the Shareholders' Meeting in order to guarantee and facilitate communications with all shareholders, including minority shareholders, pursuant to the terms of the Spanish Corporations Law. Proposals for adding to the agenda announced in the notice of the General Shareholders' Meeting applications to join such proposals, initiatives aimed at achieving a sufficient percentage to exercise a minority right provided for by law, and offers and requests for voluntary representation are published there. ACCIONA also establishes permanent channels of communication with its shareholders and investors through its Investor Relations department.

89

In addition, ACCIONA makes available to shareholders, on the occasion of the call to the Shareholders' Meeting, and through its web site, a system for remote electronic or mail-in voting in order to facilitate the exercise of voting rights.

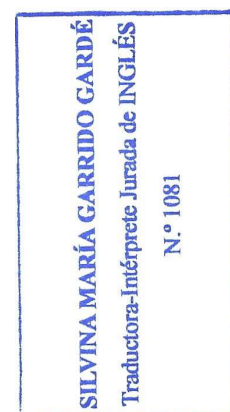
At the General Shareholders' Meeting held on 28 May 2020, various issues were discussed which included the following: (i) the approval of a gross dividend of €1.925 euros per share, paid on 2 July 2020; (ii) the re-appointment of two Independent Directors; (iii) amendments to the articles of association and regulations of the general meeting of shareholders in order to include the possibility to regulate attendance at the General Meeting of Shareholders via electronic means; (iv) the approval of the Remuneration Policy for directors for 2021, 2022 and 2023; (v) modification of the settlement system of the 2014 Share and Performance Share Delivery Plan; (vi) the approval of a new long-term incentive plan for executive directors; and (vii) the approval of the Non-Financial Information Statement and the Sustainability Report for the 2019 financial year. All resolutions were approved with favourable vote of at least 92.71% of the voting capital in attendance at the Meeting.

Board of Directors

The Board of Directors is the highest management and representative body, with the exception of certain matters which are reserved for the General Shareholders' Meeting. Composed of a group of professionals with diversity of knowledge, origins, experiences, nationalities and gender, whose aim is to provide real value to the company, working every day from a position of integrity and transparency in the most efficient and effective way.

The mission of ACCIONA's Board of Directors is to promote the corporate interest by representing the company and its shareholders by administering its assets, managing its business and overseeing its operations.

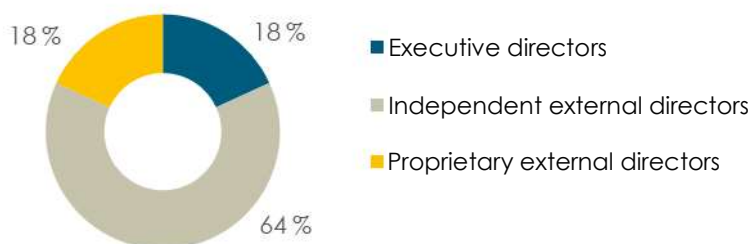
In 2020, ACCIONA amended its Board of Directors Composition Policy (formerly, the Director Selection Policy) to adapt it to the modifications introduced in the Corporate Good Governance Code and thus adapt it to the gender diversity objectives contained in the recommendations of the Code.



Board members serve for a three-year term and may be re-elected one or more times. The Board of Directors of ACCIONA comprises eleven members:

- > Nine are external. Of these, seven are independent directors and two are proprietary directors.
- > Two of the eleven members are executive directors.

Composition of the Board according to the nature of the position



Three women sit on the Board, representing 27.27% of the total number of members, the same percentage as the year before.

The Appointments and Remuneration Committee has been promoting the incorporation of female directors for some time now. At present, the percentage of women on ACCIONA's Board of Directors is close to 30%, although the Board of Directors Composition Policy has been adapted to establish the 40% objective for 2022.

Board of Directors as at 31 December 2020

Member	Profile	First appointment (year)	Committees of the Board of Directors to which he/she belongs
José Manuel Entrecanales Domecq	CEO	1997	
Juan Ignacio Entrecanales Franco	Executive Vice-Chairman	1997	
Juan Carlos Garay Ibargaray	Lead Independent Director	2013	Audit Committee (Member) Appointments and Remuneration Committee (Chairman)
Javier Entrecanales Franco	Proprietary Director	2011	Sustainability Committee (Member)
Daniel Entrecanales Domecq	Proprietary Director	2009	Sustainability Committee (Chairman)
Javier Sendagorta Gómez del Campillo	Independent Director	2018	Appointments and Remuneration Committee (Member)
Ana Inés Sainz de Vicuña Bemberg	Independent Director	2015	Audit Committee (Chairwoman)
Jerónimo Marcos Gerard Rivero	Independent Director	2014	Appointments and Remuneration Committee (Member)
José María Pacheco Guardiola	Independent Director	2018	Sustainability Committee (Member)
Karen Christiana Figueres Olsen	Independent Director	2017	Audit Committee (Member)
Sonia Dulá	Independent Director	2019	
Jorge Vega-Penichet López	Secretary Non-Director	2006	

90

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Attendance and meetings of the Board of Directors and Committees in 2020

	Board of Directors	Audit Committee	Appointments and Remuneration Committee	Sustainability Committee
Quorum	98.34 %	99.17 %	100 %	100 %
No. of meeting	11	11	9	4

In response to the current needs, the Board of Directors has implemented a "Safe Portal" system for directors providing access to information for directors and enhancing communication between the Directors and the Secretary, guaranteeing at all times the confidentiality of documentation and information and facilitating meetings via electronic means in a secure digital environment that is accessible to Directors.

To guarantee the quality and efficiency of its management, every year the Board of Directors evaluates its operation, including the performance and contribution of each director and the diversity in composition and expertise. The evaluation of the functions and the members' position, the Chairman, Vice-Chairman of the Board and Lead Independent Director, and Chair people of the Committees, is based on the reports submitted to them by the Appointments and Remuneration Committee. The evaluation of the Committees' functions and the members' position is also based on the reports of each individual Committee.

The evaluation is carried out by means of individual forms that are completed anonymously by each director. Once completed, the Audit Committee and the Appointments and Remuneration Committee analyse the results and issue the corresponding reports and proposals to the Board of Directors. The Board determines the areas of improvement and oversees their subsequent implementation.

In compliance with the recommendation 36 of the Good Governance Code of Listed Companies, ACCIONA conducts evaluations with the support of external consultants every three years, the last one having been done in 2017 and the next one planned for 2021 regarding 2020, for which purpose the Appointments and Remuneration Committee has already appointed an external consultant.

Furthermore, as an additional evaluation measure, the Regulations of the Committees set forth that the Committees must carry out an annual autonomous evaluation. The Board of Directors of ACCIONA, at the proposal of the Appointments and Remuneration Committee, has a Lead Independent Director. The Regulations of the Board of Directors, in compliance with Best Corporate Governance Practices established in the Good Governance Code of Listed Companies and the Spanish Corporations Law, assigns the following functions to the Lead Independent Director:

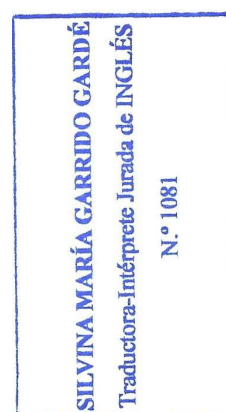
1. Chair the Board of Directors in the absence of the Chairman and the Vice-Chairmen, if there is one.
2. Coordinate and meet with non-executive directors. Voice their concerns.
3. Maintain contacts with investors and shareholders to ascertain their views and concerns, particularly in relation to the corporate governance of the company.
4. Direct the Board of Directors' assessment of the Chairman.
5. Coordinate the Chairman's succession plan.
6. Request the scheduling of the Board of Directors meeting or the inclusion of new items on the agenda of a meeting already convened.

As a result of the greater interaction between the Supervisory Committees, joint meetings of the Audit and Sustainability Committees have been instituted to deal with matters related to non-financial information. In 2020, the joint meeting was held in February in order to prepare the consolidated non-financial information statement.

Management team

In October 2020, the company published the new composition of the Management Team composed of more than 47 professionals in Spain and a similar amount internationally, organised by department and specialisation, as well as per country. In line with this reorganisation of the Management Team, the company notified the CNMV the members of the Management Team who have roles with managerial responsibilities in accordance with the provisions of Regulation (EU) No 596/2014, on market abuse.

This Management Team is the connecting link between the Board of Directors and the rest of the company.



Remuneration policy

A new Directors' Remuneration Policy for 2021, 2022 and 2023 was approved as a separate item on the agenda at the General Shareholders' Meeting on 28 May 2020, in accordance with Article 529 novodecies of the Spanish Corporations Law and Article 31.5 of ACCIONA's Articles of Association. Both establish the obligation to approve the Director Remuneration Policy at least every three years as a separate agenda item. The new guidelines are published on ACCIONA's website¹⁴.

The company's remuneration policy, including that of members of the Board of Directors who perform executive functions, is governed by the following principles:

- > Consistency with business strategy.
- > Corporate governance and transparency.
- > Balanced design.
- > Internal equity.
- > Alignment with market practices.

In addition to the above, the General Shareholders' Meeting approved on 28 May 2020 a long-term incentive plan linked to the creation of value, aimed at the executive directors of Acciona, S.A., named "2020-2029 Long-term Incentive Plan linked to the Creation of Value aimed at the Executive Directors of Acciona, S.A." or the "2020 LTIP" which intends to align remuneration with long-term objectives and interests of the company. The 2020 LTIP is under a multiannual framework to guarantee that the evaluation process is based on long-term results and that it takes into account the underlying economic cycle of the company.

The Annual Report on Directors' Remuneration, approved by the Board of Directors, which includes the remuneration policy for its members, details the compensation received by each individual director (see Annual Report on Directors' Remuneration 2020¹⁵. Section C.1).

Ethics and anti-corruption

Fight against corruption, bribery and money laundering

The specific policies established by ACCIONA to fight corruption and bribery, as well as money laundering, are as follows:

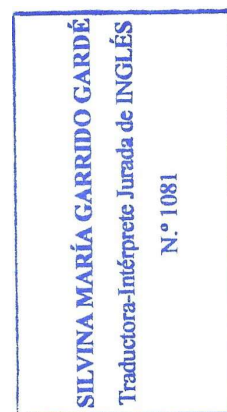
- > Anti-Corruption Policy: approved in 2013, this policy establishes the group's clear and explicit position against any corrupt or criminal act, which extends to all persons who are part of the company in their professional performance.
- > Crime Prevention and Anti-Bribery Policy: approved by the Board of Directors in 2018, it reinforces the group's commitment to zero tolerance of illegal activities, through permanent monitoring measures for prevention and detection, effective communication and awareness mechanisms for all employees and a business culture based on ethics and compliance.

The above policies are based on international standards and were implemented by the company through corporate provisions and instructions regulating aspects such as: donations and sponsorships, hiring of business consultants, interaction with public officials, rules on gifts and hospitality, international trade sanctions, rules on market competition, antitrust compliance, prevention and management of conflicts of interest, personnel selection and the ACCIONA Bonus.

The rules deriving from these policies apply to all companies that are part of ACCIONA, to all its employees and to third parties that are related to the group.

The Anti-Corruption Guidelines were approved by the Board of Directors in 2016. They provide specific guidelines to avoid improper conduct, and are applicable and mandatory for each and every employee and all groups associated with ACCIONA (including agents, intermediaries, advisors, consultants and suppliers).

92



¹⁴ Remuneration policy available at <https://mediacdn.acciona.com/media/vwnpxvln/11-politica-remuneraciones-2021-2023-en.pdf>

¹⁵ More information at: <https://www.acciona.com/shareholders-investors/corporate-governance/remuneration-directors/>

Organisation and management model

The company, in the process of running its business, maintains relations with public administrations and participates in infrastructure bidding processes in various countries. It is therefore necessary to analyse the public corruption risks for each project, based on the country involved and the importance of the operation in question. These notwithstanding, control policies and measures have been implemented to avoid or identify possible cases of corruption.

The General Compliance Management supervises the operation and effectiveness of the procedures, controls and internal commitments established to ensure that obligations, whether legal or voluntary, of an ethical, organisational, environmental or social nature, are complied with, and that the related risks are identified, prevented and mitigated. The Compliance Department reports to the Audit Committee of the Board of Directors.

ACCIONA has adopted and implemented an Organisation and Management Model for Crime Prevention and Anti-Corruption (MPDYA), the characteristics of which are as follows:

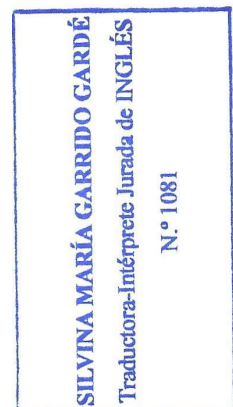
- > It is designed in accordance with the group's organisational structure, assigning specific criminal compliance risks and their corresponding controls to each department.
- > Internal controls have been associated with each risk to mitigate, to some extent, the probability of involving a criminal risk.
- > These internal controls have a series of characteristic attributes, among others, the corporate area or management responsible for them and the description of the specific control activity.
- > In addition, the MPDYA includes supervisory measures pertaining to the group's Internal Financial Reporting Control System (ICFR) appropriate for preventing the commission of certain crimes.

The main activities carried out in 2020 in this area include:

- > Performance of an audit to follow up the Criminal and Anti-bribery Compliance Management System certification of ACCIONA, S.A. The implementation of the System has been verified regarding the specific requirements in the reference standards UNE 19601:2017 and UNE ISO 37001:2017 without requiring corrective measures.
- > Performance of an initial audit of the Criminal and Anti-bribery Compliance Management System certification of the companies ACCIONA Infrastructure and ACCIONA Construction. The implementation of the System has been verified regarding the specific requirements in the reference standards UNE 19601:2017 and UNE ISO 37001:2017.
- > Certification of all controls included in the criminal scope for the companies ACCIONA S.A., ACCIONA Energy, ACCIONA Infrastructure, ACCIONA Construction, ACCIONA Water and ACCIONA Service. The persons in charge of the controls certify not only those that have been assigned to them, but also those that they know and apply the code of conduct and the anti-corruption rules.
- > Supervision of a considerable part of the controls established in the model by requesting evidence of the application of such interventions.

In 2021, the Code of Conduct and the corporate regulations in matters related to hospitality, consultants and shareholders will be reviewed and updated. Furthermore, the scope of the ISO 37001 and UNE 19601 certifications will be extended.

93



A handwritten signature in blue ink, appearing to be 'Sil', located below the stamp.

ACCIONA's anti-corruption guidelines

The company strictly forbids:

1. Offering or accepting bribes to or from civil servants or private individuals.
2. Offering or accepting facilitation payments to initiate or expedite administrative proceedings.
3. Offering or accepting gifts and hospitality to or from civil servants or any other third party in violation of these Guidelines.
4. Making contributions on behalf of the group with political aims.
5. Obtaining preferential treatment by using sponsorship or donations as a means of obtaining it.
6. Using the company's business relationships and contacts for one's own benefit or that of a third party.
7. Establishing business relationships with third parties without complying with minimal due diligence duties as regards third-party knowledge.

Anti-money laundering measures

In terms of money-laundering, Real Estate and Bestinver are bound by the terms of Article 2 of Law 10/2018 and have the internal control bodies and procedures required by current regulations.

ACCIONA has imposed a company-wide obligation on all employees to pay special attention to cases where there are indications of a lack of integrity on the part of the persons or entities with which they have business relations. Except in rare cases, cash payments are not permitted and require explicit authorisation with traceable supporting documentation. Furthermore, the group has established controls in matters of payments and due diligence procedures, suppliers and business partners.

In 2020 compulsory training courses were given to the staff of the liable parties.

Code of conduct

The Code of Conduct sets out the values that should guide the behaviour of all ACCIONA companies. Its aim is to reinforce the type of business conduct that is accepted and respected by all employees and managers.

By complying with it, the company undertakes to carry out its activities in accordance with the laws in force in each of the countries where it does business, always based on the highest international standards. Among others: the United Nations Universal Declaration of Human Rights, the Conventions of the International Labour Organisation (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact.

The Code of Conduct and the Anti-corruption Action Guidelines must be read and accepted by all employees; more than 20,000 people have already accepted them.

On the other hand, the Code of Conduct addresses a variety of issues, from the ethics and compliance model to the basic principles of action or guidelines for behaviour relating to respect for human rights, to the prevention of money laundering.

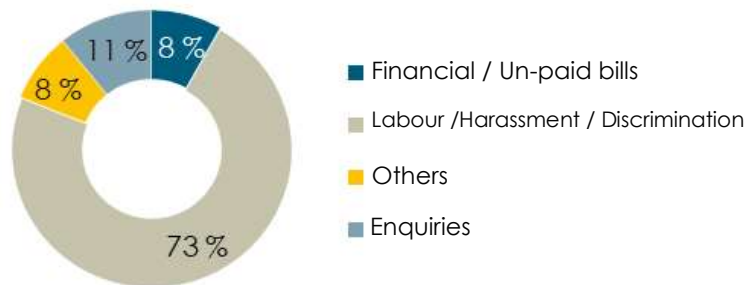
Compliance with and control of this corporate standard is carried out through:

- > The Code of Conduct Committee: a body that analyses reports of non-compliance.
- > Ethical Channel: allows for confidential reporting of irregular conduct related to any alleged breach of the Code of Conduct. The mailbox is available to the company's employees, suppliers and contractors.
- > Protocol for action in situations of harassment: through the Ethical Channel, the Commission assesses the case and establishes the necessary actions. With this protocol, ACCIONA makes clear its intention to adopt whatever measures are necessary to prevent harassment at work.

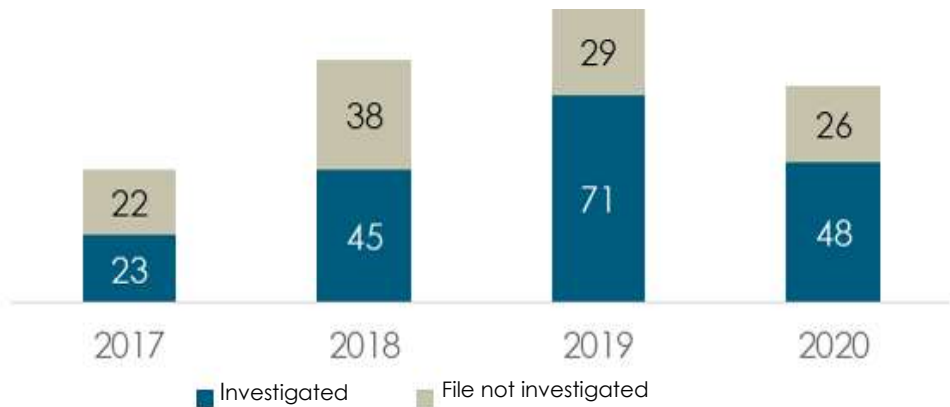


In 2020, 74 reports were received through this channel. Of those, 48 cases were investigated, 12 by an external examiner and 36 by an internal examiner. The remaining reports were dismissed, either ex officio because they do not fall within the competence of the Code of Conduct Committee, or after having received additional information from the corresponding department.

Type of reports



Processing of reports



95

**File not investigated: as the issue is not regulated by the Code of Conduct (anonymous non-financial, purely labour, organisational or functional complaints) notwithstanding the fact that in a large part of the complaints filed, a preliminary investigation is conducted without appointing a specific examiner.*

None of the reports received refers to the giving or offering of bribes or any other type of remuneration or similar consideration, to any public or private person or entity in order to illegally obtain or retain a business or a competitive advantage for the group. No reports related to human rights of tax issues have been received.

Regarding the communication work, in 2020 the Compliance Management published 50 communications on the intranet (30 in 2019), with relevant anti-corruption information, specifically on issues such as gifts, bribes, intermediaries and agents or interaction with civil servants. Also, the importance of the Ethical Channel for reporting irregularities were promoted jointly with a summary of its work.

SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Compliance Planet website: Compliance training

The Compliance Planet website brings together all the courses on compliance. When it was launched, there was an internal communication campaign at international level. A total of 2,681 employees have received training on issues related to anticorruption. At the same time, 2,464 employees participated in the Code of Conduct course last year (since 2017 more than 12,700 workers have received this training), available for the whole workforce in 7 languages. We have also trained 984 employees in other training courses on compliance and 160 employees in a face-to-face course on competition law given by a prestigious law firm.

We also distributed six videos of the online course on the United Nations' Global Compact's fight against the corruption.

Training per country on the Code of Conduct and in the Anticorruption Course (no. employees)

Country	Code of Conduct	Anti-Corruption Course
Spain	618	1,839
Australia	1,069	241
Mexico	320	192
Chile	49	61
Peru	55	69
United States	57	57
Others	296	222
Total	2,464	2,681

96

Contributions to foundations and non-profit organisations

As part of the UNE 19601 and ISO 37001 certification process, the Corporate Donations and Non-Commercial Sponsorship Standard was developed and adopted. The aim of this standard is to establish a framework of action that allows the group to ensure that donations and non-commercial sponsorship to charity or non-profit organisations are not a front for illegal payments to civil servants or other people, which would be an infringement of the company's Anticorruption Guidelines. Any contribution of this type made by ACCIONA should not give rise to any doubt whatsoever as to its appropriateness and, of course, it should not involve the infringement of any applicable law. These rules are must be complied with by all the companies and employees of the group, and also by any third parties acting on their behalf. Similarly, ACCIONA makes no donations to any political party or candidate nor any foundation that could be considered as political contributions in the terms established in the Code of Conduct.

Contributions to foundations and non-profit organisations are made with suitable analysis of the receiving institutions, and also their reputation and financial transparency.

Lastly, all contributions fall under the ACCIONA Social Action Plan, the aim of which is to bring 100 % of the social aid in line with the company's objectives, through sustainable projects in the medium/long term in all the places where it operates.

In 2020 ACCIONA contributed € 2,341,543 to associations or organisations for promoting sustainability and associations in the sector, amongst others.



Contributions to associations for the promotion of sustainability and in the sector

Organisations	Contribution	Institutions receiving the main contributions (in order)
Institutions for promoting sustainability and the global dialogue	€ 778,406	World Economic Forum and World Business Council for Sustainable Development (WBCSD)
Institutions for the technical development of ACCIONA business	€ 533,591	International Emissions Trading Association (IETA), European Australian Business Council, Official Chamber of Building Contractors of Catalonia, Clean Grid Alliance, Innoenergy, Instituto de la Empresa Familiar, Spain's Official Chamber of Commerce in Brazil, Roads Australia, Círculo de Empresarios, Economics For Energy, Spain-Chile Foundation, Tech City Barcelona, Valencia Association of Startups, Lanzadera Spaces
Sector associations	€ 1,029,546	SEOPAN, Australian Contractors Association, Wind Europe, Australian Contractors Association Membership, Global Wind Energy Council, Clean Energy Council (Australia)
TOTAL	€ 2,341,543	



For further information, see the "Measuring social action" section of the "Integrate to transform" chapter

The main areas where contributions were made are the following:

1. Decarbonisation of the economy, clean energy, meeting the goals of the Paris Agreement on climate change:

ACCIONA is focused on actively pursuing implementation of the Paris Agreement and its decarbonisation commitments across all the geographic regions in which it operates. To this end, it is actively involved, either directly or through collective study groups or trade associations, in training and communication, in an effort to implement effective measures to decarbonise the economy. At the global and multilateral level, it mainly channels its commitment through global institutions or associations.

The total amount invested in this area during the year was € 644,234€.

2. A water management model based on environmental and economic sustainability, thus contributing to Sustainable Development Goal 6 on clean water and sanitation:

ACCIONA is firmly committed to meeting the Sustainable Development Goals. Due to the particular nature of the water sector, which is less visible to the general public, the company pays special attention to the work of communicating and informing society and policy makers of the need to achieve more efficient regulation of water management. Water availability and quality will soon be a key issue in many of the countries in which the company is currently operating.

A total amount of €291,905 was invested in this area in 2020.

Due diligence of third parties

This procedure is carried out through the PROCUR-e (for suppliers) and PROCUR-e 3P (partners, intermediaries and commercial agents acting on behalf of ACCIONA) portals for ACCIONA S.A. and its subsidiaries. In addition, the company has three documents that describe how to perform due diligence: the Corporate Procurement Standard, the Corporate Procedure for the Certification and Evaluation of Suppliers, and the Corporate Standard for the Hiring of Commercial Consultants.

At the end of 2020, ACCIONA replaced Procur-e 3P with a new third-party management tool: the Dow Jones RiskCenter KYBP. This allows the company to obtain the necessary information on the identity of the third party, who manages and directs the company, any possible links these individuals may have with public officials, and other important factors, such as any potential litigation in relation to corruption, money laundering, fraud or involvement with tax havens. Since its launch, 15 third parties have been registered in this tool.

97

PROCUR-e 3P and Dow Jones were used to carry out 96 investigations in 2020. A total of 403 third parties (partners, consultants and agents) have already been assessed. A total of 81 third party reports were sent out during the year.

Tax information

Tax policy

Transparency and fiscal responsibility are important issues for ACCIONA, and are directly related to economic performance.

The company's tax policy, approved in 2015 by the Board of Directors, defines the company's approach to all matters relating to taxation, as well as its consistency with the global business strategy. Applicable to all group companies, this policy is based on three fundamental values: social responsibility; financial soundness, return and results; and honesty. It is also based on the following specific objectives and general principles:

1. Compliance with the tax obligations required in each jurisdiction, in accordance with existing applicable regulations.
2. Commitment to our obligation to pay all applicable taxes required by the relevant legal system, based on a reasonable interpretation of the regulations, and in accordance with the group's business activity.
3. The protection of ACCIONA's reputation through the management of significant tax risks, through appropriate mechanisms for their coverage, prevention, reduction and monitoring, while taking into account the reputational factor associated with such risks. The company undertakes to carry out operations with adequate economic consistency, aligning its taxation with the effective performance of its activity.
4. ACCIONA has established a transfer pricing policy and a definition of the value chain for all its operations between related parties and entities, following the principles of free competition, creation of value through functions and assets, and assumption of risks and benefits.
5. The group will not consider the implementation of artificial corporate structures, based on opacity or with little/no economic substance.
6. The promotion of transparent and good faith relations with the tax administrations of each country, aimed at achieving the highest degree of predictability of the tax positions adopted, as well as minimising discrepancies and disputes regarding tax payments. ACCIONA has strengthened its cooperation with the Spanish Tax Agency (AEAT) within the framework of the Code of Good Tax Practices (CBPT).

98

Likewise, the adoption of policies to promote greater fiscal transparency is one of the objectives contained in the Sustainability Master Plan.

ACCIONA currently submits the Annual Tax Transparency Report to the Spanish Tax Agency (AEAT), having signed up to the agency's Code of Good Tax Practices in 2011.

It also submits an annual voluntary Tax Transparency Report to the ATO (Australian Taxation Office).

In relation to the transfer pricing standard and policy, fees for management support services provided by ACCIONA to its investees and related companies are calculated on the basis of the direct and indirect costs incurred by the entity providing the support services, with the application of a market margin. This is consistent with the ranges of market values identified and obtained by independent organisations that provide services of a similar and comparable nature.

The criterion applied by ACCIONA in the valuation and quantification of the different activities it performs is the arm's length principle or market value, as defined in the OECD Guidelines. The arm's length principle used by the company is the internationally accepted standard for assessing the appropriateness of related-party transactions, whose conditions and prices must be the same as those that would apply to independent third parties carrying out the same operations or that would have participated in comparable transactions in similar circumstances. In order to comply with this principle, the group is aware that the results of its application must be within the range of the results of a comparable uncontrolled transaction. The group also understands that results, comparability, reliability and range are of fundamental importance in the process of defining prices and transactions if it aspires to correctly comply with this principle.

ACCIONA's tax policy is available (in Spanish) at:
https://mediacdn.acciona.com/media/pqbhpic5/estrategia_fiscal.pdf.

Governance and control of tax policy

The Board of Directors is responsible for defining the company's tax strategy, as well as ensuring compliance through an appropriate control and supervision system. The Board therefore assumes the following non-delegable powers:

- > The design of the company's tax policy.
- > The determination of tax risk control and management policies.
- > The certification of investments or operations which, due to their high amount or special characteristics, are of a strategic nature or have a particular tax risk, unless their authorisation corresponds to the General Shareholders' Meeting.
- > The certification of the creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories considered tax havens.
- > Consent for any analogous transaction which, due to its complexity, could undermine the transparency of the company and its group.

The Audit Committee is responsible for supervising the effectiveness of the tax risk control and management systems. As part of its 2020 activity, the Committee analysed ACCIONA's corporate tax principles and tax strategy, prior to their consideration and approval by the Board of Directors, as well as its adherence to the Code of Good Tax Practices. It has also monitored the application of all these tax guidelines, analysing any relevant issues related to the legal and tax risks applicable to the group. The results of the monitoring are published on the company's website.

For its part, the Tax Department is responsible for developing the principles of the tax strategy, and establishing the control mechanisms and internal rules necessary to ensure compliance with current regulations and the aforementioned principles. It also advises the Board of Directors and senior management on matters with tax implications, and reports periodically to ACCIONA's governing bodies on the degree of compliance with the tax strategy. The General Manager of the Economic Control and Tax Area reports to the Board of Directors on the year's most significant tax-related issues, as part of the non-delegable functions of the Board of Directors, as well as the management of risks of this nature, and investments or transactions with any tax implications carried out during the year.

Tax risks are incorporated into ACCIONA's Risk Map, using the same methodology and mitigation plans applied to the rest of the group's risks.

The Ethical Channel allows for confidential reporting of irregular conduct related to any alleged breach of the Code of Conduct. The mailbox is available to the company's employees, suppliers and contractors.

Tax-related content presented in the Sustainability Report is verified in accordance with the ISAE 3000 standard by an independent auditor, as is the rest of the report.

Dispute and litigation management

ACCIONA submits an Annual Tax Transparency Report to the Spanish Tax Agency (AEAT). The company has adhered to AEAT's Code of Good Tax Practices since 2011.

In strict compliance with its tax and fiscal transparency obligations, the company delivers a Country-by-Country Report to the Spanish Tax Agency every year.

Since 2018, ACCIONA has also delivered a Tax Transparency Report to the Australian authorities (Australian Taxation Office - ATO).

The Financial Statements also report on "Years open for review by the tax authorities" (note 24).

The company receives and considers the opinions and concerns of stakeholders on tax matters through the Ethical Channel. In addition, Global Sustainability Department compiles and documents the recommendations and feedback on its tax reporting in various public reports. This information is sent to the tax department for evaluation.

99



Country-by-country information

The following table includes information on all the tax jurisdictions in which the entities included in ACCIONA's Consolidated Financial Statements are resident for tax purposes.

Tax information country by country (CbC)

Tax jurisdiction	Total sales (M€)	EBT (M€)	Corporate Income Tax accrued (M€)	Corporate Income Tax paid on a cash basis (M€)	Employees at the close of 2020	Grants (M€)	Footnote explaining effective rate due	Footnote explaining effective rate paid
Spain	2,673	367	51	-0.7	20,860	4.8	1	2
Germany	12	75	-8	-0.1	428	0	1	2
Mexico	238	54	19	7.1	1,978	0	5, 8	9
Australia	881	33	13	0.0	1,704	0	4, 5	10
Poland	335	19	4	1.4	1,523	0	4	9
Saudi Arabia	329	10	6	6.6	131	0	4	4
Portugal	152	9	7	5.2	2,015	0.01	7	11
Brazil	44	-8	-16	0.2	390	0	3	2
USA	71	-41	-6	0.0	184	1.3	7	2, 10
Canada	327	-44	-0,1	0.1	1,379	0	7	2
Others	1,409	35	27	24.8	7,763	0.3		
Total	6,472	508	97	44.5	38,355	6.4		

The complete list of ACCIONA companies, and also their main activities, is published annually in appendices I, II and III of the Consolidated Financial Statements.

Furthermore, the social cash flow and tax contribution is published in the Summarised Report. Notes on the "Reconciliation of the accounting profit to the taxable profit", "Taxes recognised in equity", "Deferred taxes" and "Reporting Obligations" are published in the Financial statements.

The Earnings Before Taxes (EBT) is the consolidated figure after allocating corporate analytical costs.

Explanatory notes on the differences between the effective tax rates and the nominal tax rates:

1. Reversal of non-deductible expenses (non-taxable income).
2. Tax losses in the year.
3. Application of unrecorded tax credits.
4. Allocation of consolidation vs local accounts (Corporation Tax payments).
5. Tax rate for Corporation Tax higher than in Spain.
6. Tax rate for Corporation Tax lower than in Spain.
7. Non-capitalisation (recording) of tax credits.
8. Non-deductible expenses and adjustment for inflation.
9. Application of tax credits.
10. Deferral for accelerated depreciation / unrestricted depreciation.
11. Non-application of the tax consolidation system.

At 31 December 2020, the amount of capital grants and operating grants received by the company amounted to € 848,000 and € 5,539,000.

None of the jurisdictions in which ACCIONA operates is considered a tax haven under Spanish legislation contained in Royal Decree 1080/1991, as amended by Royal Decree 116/2003.

100

Relationship with the auditor

The *Remuneration and other benefits* section of the *Consolidated Financial Statements* contains information on the fees for auditing services and other services rendered by the auditor of the group's consolidated financial statements, KPMG Auditores, S.L., and by companies belonging to the KPMG network, as well as the fees for work invoiced by the auditors of the annual financial statements of the companies included in the consolidation, and by the entities related to them in terms of control, common ownership or management.

The *Audit Committee Report on the independence of the external auditor* is prepared annually. In this report, the Audit Committee of the Board of Directors delivers an opinion on the independence of the external auditor for each financial year in relation to ACCIONA, S.A. and its subsidiaries, and in accordance with applicable legislation on the independence of the Accounts Auditor, specifically Law 22/2015 on Account Auditing, and Regulation 537/2014 of the European Union.

TRANSPARENCY

Other non-financial information reports

In addition to the *Sustainability Report*, the company publishes two other corporate reports with ESG information of interest.

Sustainability Report for the first half of the year

ACCIONA's *Sustainability Report* for the first half of the 2020 financial year was the first non-financial interim report presented by the company. This document monitored the main non-financial indicators and objectives, and listed the milestones achieved in areas of environmental and social sustainability, sustainable finance and external evaluations during the six months in question.

Sustainability accountability needs to be increasingly transparent, and must adapt to the frequency with which financial information is published. This is especially relevant in a year with such decisive events as those that occurred during the first six months of 2020.

Integrated Report

ACCIONA publishes its annual *Integrated Report*, prepared in accordance with the guidelines of the International Integrated Reporting Council (IIRC). The ninth edition will be published in 2021. The aim of this document is to show the relationship between corporate strategy and financial performance in the different contexts in which the company operates. It provides the reader with key information that explains the decision-making process that creates value in the short, medium and long term.

This report integrates all relevant information for the company's stakeholders relating to both financial and non-financial matters, and includes not only a review of the company's performance in recent years, but also a forecast based on the analysis of the current context, expected evolution and future plans.

Dialogue and sustainable leadership

ACCIONA actively participates in international initiatives that strengthen its commitment to sustainable development, the fight against climate change, and its leadership in these areas.

World Economic Forum

Within the framework of the 2020 World Economic Forum (WEF), ACCIONA's Executive Chairman, José Manuel Entrecanales, reaffirmed the need to develop sustainable and scalable business models that help to ensure access to clean energy in the most disadvantaged areas of the world.

In 2020, GREENCHAIN®, ACCIONA's platform that guarantees the renewable origin of the energy generated by the company, has been selected by the WEF as one of the energy sector's most innovative solutions of the decade, according to the *Global Innovations from the Energy Sector 2010-2020* report. Among other WEF projects, ACCIONA participates in the Accelerating Clean Hydrogen Initiative, a collaborative platform to increase investment in clean hydrogen, in view of its costs and scale challenge.

101

United Nations Global Compact

ACCIONA has been a member of the United Nations Global Compact since 2005. It confirms its commitment to the Ten Principles of the Global Compact on an annual basis. The company collaborates regularly with the Spanish, Chilean and Australian Global Compact Networks.

José Manuel Entrecanales participated in the Leaders' Summit to commemorate the 20th anniversary of the United Nations Global Compact (UN), and urged governments to prioritise investments that contribute to decarbonisation within its post-COVID recovery plans.

In addition, as part of Climate Week in New York and the 75th session of the General Assembly, ACCIONA's CEO took part in the *Uniting Business LIVE* conference, organised to address any shortcomings in SDG progress, drive business ambition for the achievement of the SDGs, and highlight cooperative solutions.

Through the *Business Ambition for 1.5°C* campaign, ACCIONA shared its best practices for achieving its decarbonisation targets under the 1.5°C scenario. In the '*Putting a Human Face to Climate Change*' working group, the company shared examples of actions to address climate and health issues from a human rights perspective, based on its work with indigenous communities, and in the context of the pandemic.

'RACE TO ZERO' CAMPAIGN

ACCIONA has joined the global 'Race to Zero' campaign, as part of the United Nations Framework Convention on Climate Change (UNFCCC), to mobilise the leadership and commitment of companies, cities, regions and investors to achieve a healthy, resilient and low-carbon recovery that prevents future threats, creates jobs and drives inclusive and sustainable growth.

ACCIONA continued to participate in the EU Peer Learning Group Climate working group, sharing best practices to address the regulatory requirements of the transition to climate neutrality. ACCIONA presented its case study on the use of the European taxonomy of sustainable economic activities.

In 2020, ACCIONA joined the Women Empowerment Principles initiative, led by the Global Compact, to promote gender equality in business. The project has the support of more than 3,000 CEOs, and is based on 7 principles that guide companies in the empowerment of women and the advancement of gender equality in the workplace and the business world. ACCIONA has also joined the Global Compact's Target Gender Equality initiative.

CLG Europe

ACCIONA has been a full member of CLG Europe since 2009 (formerly The Prince of Wales' Corporate Leaders Group), a group of European business leaders convinced of the urgent need to develop new long-term policies to combat climate change.

In 2020, ACCIONA CEO José Manuel Entrecanales endorsed the organisation's *Open Letter*, which called for greater ambition in Europe's climate goals. 170 business leaders call on EU decision-makers to support a greenhouse gas (GHG) emissions reduction target of at least 55% by 2030.

This year's outreach activities support this need to accelerate and focus energy transition efforts to make the EU a carbon neutral continent by 2050. Especially noteworthy, among other actions, is the publication of *The Green Deal and Europe's recovery: Building a prosperous, resilient and climate neutral EU through business and political action*, with recommendations for a green recovery and a just transition.

World Business Council for Sustainable Development (WBCSD)

ACCIONA responded to the call to action to combat the pandemic made by WBCSD member companies by maintaining the continuity and quality of essential services, and providing sustainable infrastructure solutions for the safety and well-being of its staff and affected communities.

Of particular note was ACCIONA's contribution to the updating of the WBCSD's *Vision 2050*, and new membership criteria, with greater emphasis on transparency to accelerate the transition to a sustainable world. In addition, the company has worked on disseminating its leadership in the mobilisation of capital towards sustainability, and the application of the European taxonomy of sustainable activities.

102

ACCIONA has continued to participate in the REScale project to promote the development of corporate long-term renewable energy purchase agreements (PPAs). It has also collaborated in the WBCSD cities and mobility programme, exchanging best practices in transport and building, as part of the *Transforming the Built Environment* project.

Spanish Green Growth Group (GECV)

The GECV has undergone significant development over the last year, and now has over 50 member companies. ACCIONA has actively contributed to this growth, holding the position of general secretary and leading the Energy Transition Working Group.

Particularly noteworthy is the group's support for the *Manifesto for a Sustainable Economic Recovery*, which calls for alliances between political parties, the private sector and civil society to promote stimulus packages based on science and best practices as a means to overcoming the coronavirus crisis.

European Alliance for a Green Recovery

This alliance of business leaders, European ministers, MEPs and members of civil society urges European Union governments to prioritise green investments in their economic recovery plans in the wake of the COVID-19 crisis.

Internal and external dissemination of sustainability principles.

Throughout the year, ACCIONA has attended forums, talks and meetings with various organisations and has also collaborated in numerous publications, promoting regenerative capitalism, a recovery based on green investment, and mechanisms aimed at achieving these goals. The company has focused on disseminating the requirements of the European taxonomy with the Organisation for Economic Cooperation and Development, the Elcano Royal Institute, and the Climate Bonds Initiative; promoting sustainable mobility with the United Nations Environment Programme and the World Bank's Sustainable Mobility for All (SuM4All) initiative; and disseminating ACCIONA's High Impact Solutions approach and the Resilience tool in climate finance initiatives like the Climate Investment Funds' Transformative Change Learning Partnership. Taken together, all these activities have contributed to the consolidation of ACCIONA's leadership in the area of sustainability.

Cybersecurity

The company has an Information Security Steering Committee, composed of the Managing Director of Technology and Innovation, the Director of Security, the Chief Information Officer and the Director of Cybersecurity. This committee is the body responsible for establishing strategy, and for driving, prioritising and managing the follow-up of security plans and programmes in a potential crisis situation that may originate from an incident related to the security of reporting or information systems. It also oversees security risks and issues, reporting to the Board of Directors when requested.

ACCIONA's cybersecurity framework is based on the NIST standard, which defines all processes and activities under the supervision of the relevant management. As part of this instrument, the company has a corporate information security policy and an employee awareness and training plan, as well as procedures and mechanisms for any employee to report a security incident or any suspected incident. It also has an ISO 27001 certification for the information security management system associated with the security services provided internally from the central offices.

The group has established processes to prevent information system interruptions and cyberattacks. A Contingency Plan is in place, which is reviewed and tested on a six-monthly basis, and covers specific applications.

There were no security incidents in 2020 that compromised customers' personal data.

103



SUPPLY CHAIN

ACCIONA communicates its commitment to sustainability to its supply chain with total transparency, seeking excellence in management and the generation of shared value. We are experiencing exceptional times as a result of the COVID-19 crisis, which has had a direct impact on risks, with interruptions of deliveries, factory closures, labour shortages and the disappearance of companies, among other issues. Now more than ever, minimising these risks and implementing a sustainable supply chain management strategy is reliant on having a more resilient network of suppliers and contractors. Over the last few years, ACCIONA has been "creating long-term value" by establishing lasting relationships with the supply chain. An approach which, in these complicated times, helps to avoid jeopardising projects and provide a better response to customers.

Responsible procurement management

ACCIONA's supply chain management strategy is determined by the Procurement Coordination Committee, made up of the Procurement Managers of the infrastructure and energy divisions. Various actions were undertaken in 2020 in connection with the pandemic situation:

- > Evaluation reports on the impact of coronavirus on procurement. The greatest impact was on projects in the Middle East, although the cost overrun detected in the procurement process was kept below 0.05%.
- > COVID-19 Procurement Plan. Managed by a multidisciplinary working group, this plan guaranteed the supply of PPE to 100 % of the critical infrastructures at all times.
- > Promotion of paperless technologies: purchasing through electronic catalogues (an increase of 179.8% compared to 2019); the *Procurement to Pay* (PtoP) platform, whose deployment plan will be addressed in 2021, which avoids paper ordering and invoicing, and the consolidation of electronic signatures and e-contracts for corporate and water suppliers. Over 712 contracts were signed using this tool, and teleworking was facilitated for employees.

The Corporate Purchasing Standard, together with the related procedures integrated into the main ERPs, the planning and reporting tools, and the PROCUR-e system, are the instruments that record, support and control purchasing operation and management.

Since 2015, PROCUR-e has been the driving force behind the functional, digital and process transformation of the entire purchasing cycle. This is the key mechanism for identifying and managing supply chain risk through the Risk Map, and for dealing with tenders and supplier relations.

PROCUR-e in figures:

Almost 50,000 registered suppliers, more than 45,600 with Risk Map.

More than 8,400 RFQs awarded.

More than €1,147 million awarded in 2020.

More than 2,300 users around the world.

2020 saw the following advances made in procurement management:

- > Promotion of digital transformation.
 - Implementation of the new CATMAN module, which digitises the purchasing strategies of Category Managers in the infrastructure division. This is one of the main methods for sharing and publishing the sustainable development strategy of the most critical suppliers.
 - Supply Chain Visibility (SCV): a new tool which allows stakeholders to consult the status of their purchasing processes in real time.
 - ALIA: the water and construction businesses have defined common requirements for digitising the processes associated with supply chain management in the four areas of activation, quality, logistics and warehouse management.
- > Electrification of the vehicle fleet, reflecting a clear commitment to replacing the fleet of company vehicles with less polluting models.

104

- > International expansion of the purchasing function. Particularly noteworthy was the implementation of systems, processes and procedures in the new business unit in Australia.

Purchasing function

86% of employees in the purchasing area have objectives linked to sustainability, and employees have received a total of 3,450 hours of training on the subject, more than twice the number of hours in 2019.

Supply chain management objectives

This year closes the cycle of the Sustainability Master Plan 2020. The following graph shows the fulfilment of the annual objectives to contribute to the global goal to "Mitigate environmental, social and good governance risk in the supply chain".

Degree of fulfilment of the objectives of the supply chain under the 2020 SMP

SUSTAINABILITY MASTER PLAN	PERFORMANCE INDICATORS – CLOSING CYCLE OF THE SMP 2020				
<ul style="list-style-type: none"> Extending the scope of the suppliers Risk Map 	<ul style="list-style-type: none"> Extending the scope of the Risk Map 	<ul style="list-style-type: none"> Extending the scope of the international risk map 	<ul style="list-style-type: none"> 100% Suppliers Awarded under PROCUR-e with Risk Map 	<ul style="list-style-type: none"> Critical suppliers Own Works with Risk Map (97% national and 80% international) 	
<ul style="list-style-type: none"> Expounding on the supplier risk map 	<ul style="list-style-type: none"> Defining Supply Chain Variables 	<ul style="list-style-type: none"> Introduce Supply Chain Variables into the Risk Map 	<ul style="list-style-type: none"> Measure, over 80% of approved suppliers 2019 with Supply Chain analysed 	<ul style="list-style-type: none"> Measure, over 90% of approved suppliers in the year with this variable analysed 	
<ul style="list-style-type: none"> Development and introduction of No Go Policies 	<ul style="list-style-type: none"> Introducing No Go policies in purchasing process 	<ul style="list-style-type: none"> Introducing Solvency and Legal Documentacion into No Go Policies 	<ul style="list-style-type: none"> 0% orders to No Go suppliers 	<ul style="list-style-type: none"> 0% orders to No Go suppliers 	
<div> <div>...</div> <div>2017</div> <div>2018</div> <div>2019</div> <div>2020</div> </div>					
<div> <div>Complete 100%</div> <div>Incomplete</div> <div>In Progress</div> </div>					

105

In 2020, ACCIONA placed purchase orders with 19,420 suppliers for more than € 3,600 M

2021 challenges in the supply chain management

- 0 % of general purchases from No Go suppliers, as they involve a high risk to sustainability.
- ESG assessment: 85 % of critical suppliers (national and international) in the company's own works must be approved.
95 % of the approved suppliers during the year will have analysed the supply chain variable.
- 90 % of the suppliers undergoing the process for certification/audit and having risks in OHS issues will be subject to an action plan for reducing the risk.

Distribution of suppliers by type and division

Business line	Total No.	% Outside of Spain	% Critical	% Local
Energy	2,492	61 %	13 %	93 %
Infrastructure				
- Construction	8,774	55 %	12 %	96 %
- Concessions	244	33 %	7 %	57 %
- Water	2,920	44 %	10 %	91 %
- Services	2,680	20 %	7 %	99 %
Other business*	2,310	15 %	6 %	87 %
Total	19,420	44 %	10 %	94 %

* Other Business: Real estate, Bodegas Palacio, Corporate, ACCIONA Cultural Engineering, AMISA and Forwarding. The assigning of supplier/business is made to companies with a higher volume of contracts with the supplier.

Breakdown of purchases by geographical area

In terms of geographical regions, 86% of the total volume of purchases in 2020 was concentrated in 10 countries, while 46% was located in Spain. The diversity in the nationality of the suppliers contracted is directly related to the company's presence in the country. Canada and Norway entered the top 10, while China and the United Kingdom dropped out.

Critical suppliers

The criticality level of suppliers and contractors is based on economic risk: any supplier with an annual business relationship exceeding €250,000 is considered critical. At the end of 2020, this figure was raised to €400,000, which will serve as a threshold in the following reports. Throughout the year, 10% of the supply chain base was deemed critical, accounting for 85% of procurement.

The number of critical intermediary companies has decreased, due to a change in criteria made as part of a project to optimise the supplier certification process (see section: *Supplier Certification and Evaluation Procedure*).

Local suppliers

ACCIONA believes that working with local suppliers not only has a positive impact on the economic development of the communities in which it operates, but also minimises operational risk by reducing product delivery and service execution times. 94% of companies and distribution channels are contracted locally.

Sector-specific characteristics of the supply chain

The purchasing categories with the highest volume of spending by the group are wind and solar energy generation components, water treatment equipment, construction and civil works. Seventeen percent of the group's purchases are accounted for by 10 suppliers in these categories, six of which are related to high-technology equipment.

Risks and controls in the supply chain

The objective of the purchasing function is the continuous optimisation of processes for the correct identification of potential risks in the supply chain. ACCIONA recognises two types of risks associated with purchasing processes:

- > Operational risks: these affect business results or contravene the Corporate Purchasing Standard and related procedures.
- > Compliance, sustainability, environmental and social risks: linked to bad practices in the area of corporate responsibility and sustainability.

For each of the risks detected, specific preventive control mechanisms, updated and periodically configured, are developed, in order to minimise the probability of their occurrence.

106

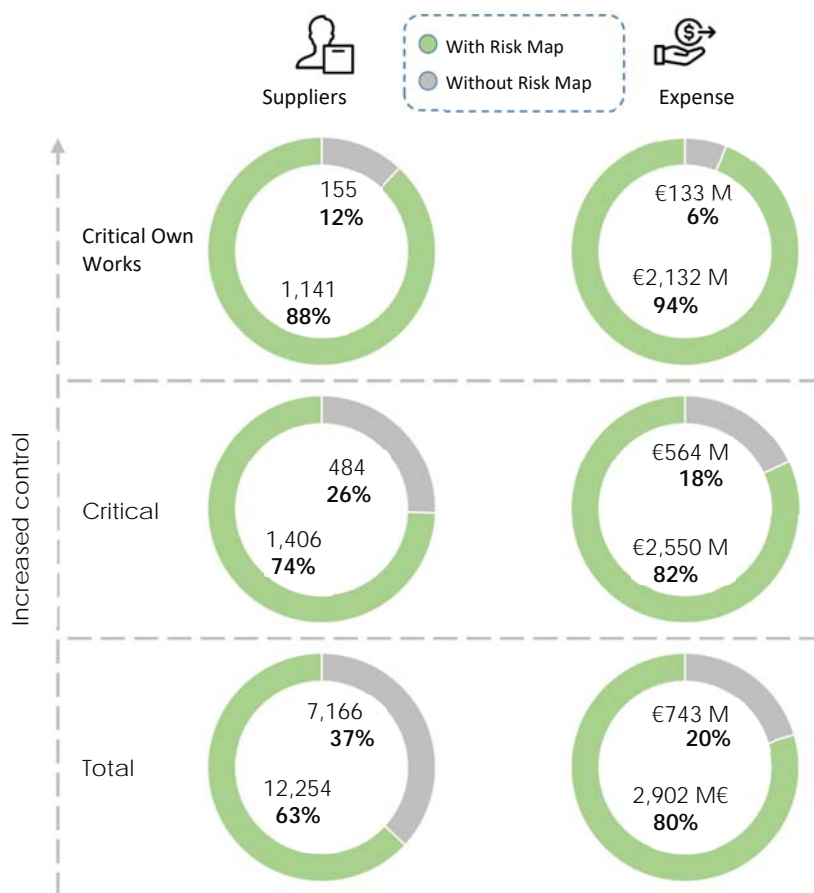
Supply chain risk map

The Risk Map is ACCIONA's primary supply chain risk control and management tool. This mechanism enables the company to transfer its corporate responsibility and sustainability criteria and policies to its entire supply network. In 2020, a new risk assessment model was implemented, which brings sustainability closer to suppliers of smaller amounts, and always includes an ESG analysis.

A supplier's Risk Map is made available prior to contracting. The map currently comprises 11 variables, including ESG, ethics, integrity and governance, as well as other factors that support the purchasers' decision-making process, such as performance assessment and financial solvency.

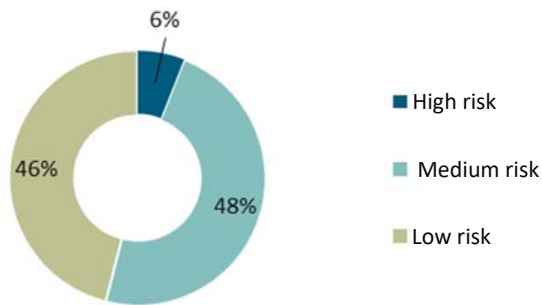
At the end of 2020, the Risk Map v 4.0 in PROCUR-e included a total of 45,641 suppliers, an increase of 55% compared to 2019.

Risk Map of the suppliers contracted in 2020



107

Distribution of the risk of all suppliers registered in PROCUR-e

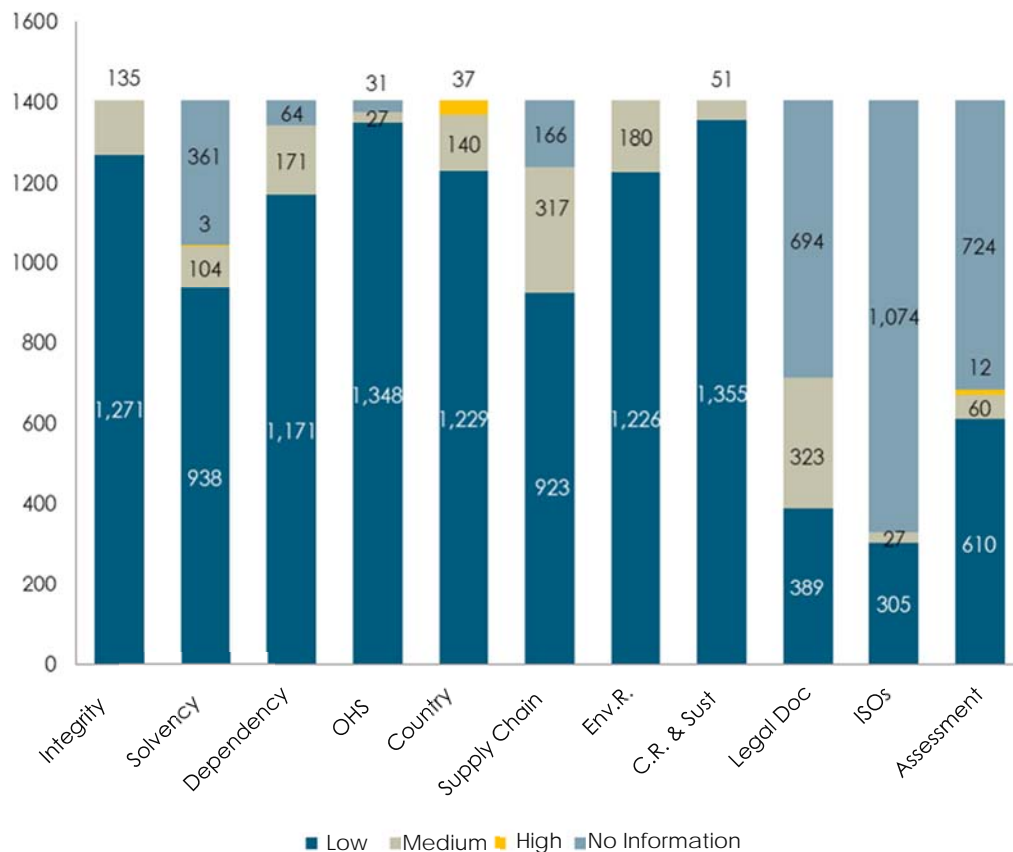


As can be seen, the percentage of the scope of the Risk Map and control is greater in proportion to the supplier's degree of criticality the for the group.

Critical Supplier Risk Map in 2020

In 2020, 1,406 critical suppliers had a Risk Map, which accounts for 82% of all contracts with these suppliers.

Distribution of the risk in the variables of the Risk Map in critical suppliers



108

Note: cases for which there is no information are due to none being available or incomplete in systems external to the company.

Conclusions of the Risk Map:

- > The distribution or level of risk has remained stable with respect to previous years. As a result, 94% of suppliers have a medium/low risk level.

- > The supply chain risk analysis model has been further consolidated, with far greater visibility and scope. This year, ACCIONA has 55% more suppliers with Risk Map, and a total of 45,461 companies are monitored on a daily basis.
- > In 2020, the Risk Map for suppliers covers:
 - 79.6% of total contracts.
 - 82% of contracts with critical suppliers.
 - 94% of contracts with critical suppliers' own work.
- > Control over suppliers from designated high-risk countries continues to increase, as they pose the greatest threat to the group. These are known as "MACS" (Mandatory to be Audited Critical Suppliers).
- > As in previous years, there is no supplier with a high-risk integrity variable that has not been considered No Go, since there can only be two possible options for this type of supplier: not contracting the company or creating a Reinforced Due Diligence process that mitigates the company's risk level.
- > 51 critical suppliers with Medium CR and Sustainability Risk were detected, and the company will work with these suppliers to reduce this risk over the course of 2021. This represents a 50% reduction when compared to the figure 2019.
- > The Risk Map for critical suppliers for own work includes 1,141 companies, exceeding the target for this type of collaborating firms, with 99.7% at national level and 93.7% at international level (the targets were 97% and 80%, respectively).

Supply Chain variable and non-Tier 1 suppliers

ACCIONA uses the Supply Chain variable to determine whether suppliers identify, monitor and evaluate their supply chain, and build improvement capacity. In 2020, the objective was to analyse this variable in more than 90% of suppliers approved in PROCUR-e, and the figure has now reached 98.6%.

In addition, although ACCIONA does not have a direct contractual relationship with its suppliers' supply chain, it is aware of its duty to supervise all its agents. In this context, the company considers *non-Tier 1* suppliers (suppliers of its suppliers) that carry out work in its facilities and projects to be critical from a health and safety point of view. The control of these suppliers is regulated through contractual clauses during the relationship with Tier 1 suppliers, and specific tools for the Coordination of Business Activities. A total of 6,660 indirect suppliers were registered on these platforms by the end of 2020.

109

Human rights assessment

The company assumes its responsibility for identifying, preventing, mitigating and responding to the negative impact of its activities on human rights, and is therefore committed to conducting due diligence on its suppliers. In 2020, the ACCIONA carried out 45,641 company human rights assessments through the Risk Map.

ACCIONA establishes various mechanisms to prevent and control the risk of human rights violations:

- > Self-Declaration of Responsibility for Suppliers, including, but not limited to, the Ethical Principles for Suppliers, Contractors and Collaborating Firms.
- > CR self-assessment questionnaire, in which companies, upon registration, answer questions on international standards. If the answer is negative, this impacts the Risk Map, prevents supplier certification, and triggers the audit process.
- > Help sheets that suppliers can access when filling in the questionnaire, which are intended to inform, raise awareness and provide training in the area of human rights.
- > Risk Map with "Country Risk" variable comprising several indexes extracted from Maplecroft and linked to various factors: child labour, freedom of association and collective bargaining, forced labour, decent working hours, fair minimum wage and discriminatory practices. The countries that score the lowest are considered high risk, and must be audited as required by the Approval Process. These suppliers are known as "MACS" (Mandatory to be Audited Critical Suppliers).
- > Auditing processes involving on-site verification of correct compliance in human rights management throughout the supply chain.

- > Visits by ACCIONA personnel to verify minimum human rights standards.

31% of suppliers registered in PROCUR-e with a Risk Map report that they conduct regulatory compliance and international standards audits of their own suppliers.

Focus on the Integrity Variable

The Integrity variable analyses the supplier's position on issues such as money laundering, tax havens, corruption litigation, presence on international sanctions lists, etc.

The integrity variable of 10,005 suppliers had been monitored by the end of 2020, which represents 72% of the year's contracts. ACCIONA monitors the most important companies, whether for certification reasons, or because the company is one of ACCIONA's main agents, or because the company is recurrent, or working in a country at risk, etc.

In addition, there are 20 suppliers with significant risk in the Integrity variable. Of these, 15 have No Go status, another 2 have Invalid status, and 3 have lost their approved status and will be investigated in 2021.

In addition, 8 suppliers were subject to Enhanced Due Diligence (EDD) procedures in the integrity area, in line with the provisions contained in both the company's anti-corruption guidelines and the *Integrity Interpretation Guide*. Having conducted the EDD, all of these suppliers no longer constitute a high integrity risk.

No Go suppliers

Non-compliance with the minimum requirements set out in the No Go Policies means that a supplier cannot be contracted until the reasons for this status are resolved. ACCIONA has met the 2020 target of 0% general purchase orders from companies with this status.

The No Go policies are based on the following assumptions:

- > Suppliers with significant risk in terms of ethics and integrity, as their names appear on international sanctions lists or because there are serious indications of corruption, fraud or money laundering.
- > Critical suppliers in at-risk countries that have not been audited, or have been audited and have one or more unresolved Serious Nonconformities.
- > Proven non-compliance with the United Nations Global Compact.
- > Economic solvency risk (contracts over €1 million).
- > Outstanding tax or social security debt.
- > Companies penalised for their performance assessment in previous activities or for deficiencies detected in audits that remain unresolved.

171 suppliers were considered No Go in 2020, 53 of which have been removed from this category following audit, action or improvement plans, or Enhanced Due Diligence.

Supplier certification and evaluation procedure

The Supplier Certification and Evaluation Procedure remains one of the main mechanisms for managing supply chain risks and generating improvement opportunities and sustainable growth in the purchasing processes. By the end of last year, 426 suppliers from 55 different countries were certified.

In 2020, this global procedure was subject to two updates: 4.0 (1st Quarter) and 5.0 (4th Quarter). This change, which stems from a project to optimise the supplier approval system, seeks more transparent, efficient and exhaustive processes that are tailored to the needs of the markets in which the group operates, while still maintaining focus on risk management.

The main impacts of these changes are:

- > 55% increase in the scope of the Risk Map.
- > Increased certification. Version 4.0 was created in order to serve as a transition to edition 5.0. The price considered during the transitional period was €250,000, with the limit necessary to approve a supplier being finally set at €400,000 in the 5.0 edition.



- > Implementation of the delegated supplier management function in Australia's energy and infrastructure business units, in order to carry out this task in closer proximity to the business, while at the same time ensuring compliance with corporate policies.

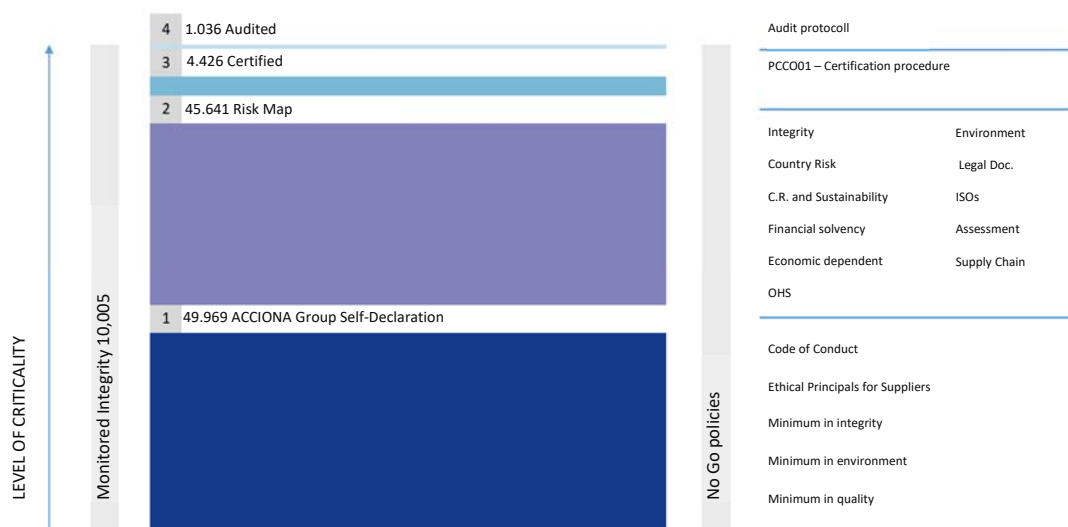
Supply chain controls

Supply chain controls are defined by levels of criticality. This means they become more exhaustive as risks of any kind increase, whether economic, country, activity or CR and Sustainability. The levels are:

1. Suppliers must accept the group's Self-Declaration document, which contains the Code of Conduct, the Ethical Principles, and basic objectives in terms of Integrity, Environment and Quality. This is an indispensable prerequisite for accessing the Supplier Portal.
2. To be able to bid, collaborating companies must fill in the self-assessment questionnaire in PROCUR-e, so that the company's Risk Map can be calculated and monitored.
3. In order to be awarded contracts over € 250,000 (those considered critical suppliers), an additional control is required, as stipulated in the Supplier Certification and Evaluation Procedure
4. Finally, the highest level is aimed at critical suppliers in "MACS" risk countries or with significant or recurrent contracts. For this group, social and regulatory compliance audits are carried out by an external organisation that performs an on-site evaluation using the Group's Audit Protocol.

Integrity analyses and monitoring of No Go policies are common at all levels, regardless of their criticality.

Controls in the supply chain



111

Improvement plans for the certification process

Improvement plans are an opportunity to improve supplier business management and reduce supply chain risk. ACCIONA implements these plans as a result of the supplier certification process, mainly in the areas of occupational risk prevention, financial solvency and environmental issues.

In 2020, the company analysed 46 suppliers that required certification, due to having a high risk with regard to occupational risk prevention. Following assessment, a total of 16 suppliers signed up to an improvement plan, 5 took the online course for suppliers, and 10 resolved the situation in other ways. The remaining suppliers will not be certified until they join the action plan. Of the 4,426 certified suppliers, 133 have signed up to improvement plans for occupational risk prevention.

In addition, of the total number of certified companies in ACCIONA, 1,779 required an additional assessment of their financial risk, due to their failure to make this information public, or for representing a solvency risk, and therefore endangering the company. 4 suppliers had a significant risk in this variable at the end of 2020, so extraordinary control measures were established in coordination with the financial department.

However, no environmental risk has been detected in any of the suppliers that have required certification.

Supplier performance assessment

When evaluating a supplier in a project, it is important to know exactly how the supplier has managed its performance in its business relationship with ACCIONA. Throughout 2020, suppliers continued to be assessed according to criteria of deadlines, occupational risk prevention, quality, environment, compliance with administrative obligations, and technical capabilities. More than 4,693 order evaluations were carried out on more than 2,337 companies. 95% of the analyses resulted in type A or B (highly recommended or recommended supplier). The number of suppliers evaluated increased by 20% compared to 2019, while the percentage of A+B evaluations increased by 2 percentage points.

Environmental, labour and social assessment of suppliers and audits.

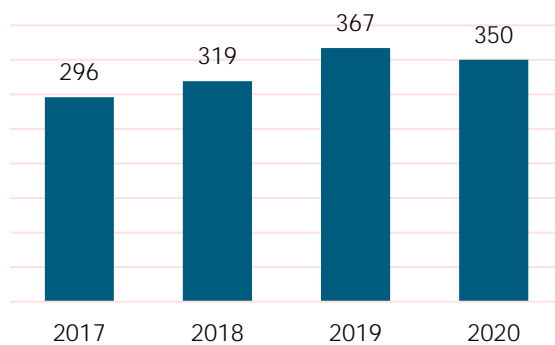
The Risk Map assesses suppliers using ESG criteria: environmental, social, human rights, ethics, integrity and governance. This assessment is verified in the certification and audit processes.

External audits

Since 2013, the group has been conducting annual ESG audits of suppliers. During this time, 2,010 audits have been completed. These audits are carried out by international or local auditing companies with local knowledge of the country, and always in accordance with a highly comprehensive protocol that not only examines aspects relating to ESG, but also issues related to finance and quality.

Due to the restrictions arising from the pandemic, most of the audits have been carried out remotely. Last year, 350 suppliers were audited (342 direct and 8 *non-Tier 1*). A total of 1,036 suppliers had been audited by the end of 2020, a 5.5% increase over the total for the three previous years.

Evolution of supplier audits



112

As established in the supplier certification and evaluation procedure, there are two types of audits:

1. Approval audits for critical suppliers, which are mandatory for suppliers in at-risk countries. 64 audits of this kind were carried out in 2020, in China, Saudi Arabia, the United Arab Emirates and India. ACCIONA is aware that its verification efforts must focus on countries where human rights risks are most likely to occur.

Moreover, one of the SMP targets states that "90% of critical own-work suppliers from at-risk countries (MACS) must be audited". The company once again achieved this target in 2020, as 93% of these suppliers are currently audited. Last year was especially challenging, due to water business projects in at-risk countries.

2. Monitoring audits, carried out on suppliers of interest to the group, either due to their recurrence, criticality or specialisation. 286 audits of this type were carried out in 2020.

The energy business also successfully completed the "Tier 2 Audits" pilot project, which will enable ACCIONA to gain a better understanding of the suppliers in its supply chain. The pilot project required the auditing of 84 companies.

Internal audits

In terms of internal control, ACCIONA made on-site visits to more than 1,250 suppliers in 2020, mainly through employees assigned to the quality and purchasing areas. The aim of these visits is to ensure compliance with the group's standards, especially in terms of product and service quality. In addition, 77 of these audits verified suppliers' application of the minimum requirements in areas relating to safety, quality, the environment, human resources, and health and safety, as set out in the *Guidelines for Minimum Sustainability Checks during Onsite Visits*. Non-compliance in these areas was not detected in any of the 77 visits carried out.

Questionnaire verification

The veracity of the information on suppliers registered in PROCUR-e is also checked with third-party document management tools that validate and monitor the data. Information on 3,597 collaborating firms was double-checked by RePro/Achilles, and another 4,482 companies by Obralia/Gestiona.

Resolution of serious non-conformities

ACCIONA works together with its suppliers to resolve any Serious Non-Conformities (SNC) detected in the audits, initiating action plans if necessary. If the deficiencies found cannot be resolved within a reasonable period of time, the company is considered a No Go. This helps to significantly minimise risks in the supply chain.

Focusing on the Non-Conformities of the 342 direct suppliers audited in 2020, it should be noted that:

- 49% had zero SNCs, 4 percentage points higher than the previous year.
- The remaining 51% have benefited from the various action plans. Of this percentage, 15% have not fully resolved their SNCs and have moved to No Go status.

With regard to suppliers in risk countries, of the 64 suppliers audited:

- 26% had zero SNCs.
- The remaining 74% have implemented various action plans. 76% have been resolved and the rest have either moved to No Go or were on schedule.

As in previous years, the highest number of SNCs occurred in the areas of health and safety, quality, and the environment. These are therefore the areas in which ACCIONA is making the greatest effort to implement its improvement plans.

ACCIONA is aware that insisting on the resolution of Non-Conformities identified during the audit is the right way to help its suppliers improve as a company and to mitigate the risks associated with the supply chain. Working with suppliers who comply with the standards enhances performance and generates shared value.

113

Monitoring compliance with the Disability Law

PROCUR-e monitors supplier compliance with the General Disability Act (LGD). Of 18,874 collaborating firms in Spain that were aware of the issue, 99.9% stated that they comply with the law or have a certificate of exemption. At the international level, of the 2,654 suppliers consulted, 84.2% stated that they apply the laws of their respective countries.

Ethics for hiring suppliers, contractors and collaborators

ACCIONA considers the dissemination of the company's Ethical Principles to its supply chain as key to consolidating a network of suppliers, contractors and collaborators consistent with corporate values. Throughout 2020, there were more than 193,000 communications via acceptance of the Supplier Self-Declaration of Responsibility (any supplier that does not accept this document is prohibited from working with the company), and also through orders, contracts and bidding conditions, where mandatory clauses include aspects such as Ethical Principles for Suppliers, sustainable procurement, confidentiality, information security and data protection. Such clauses have been incorporated into 95% of the group's orders. The remaining 5% are mainly related to projects with partners.

Of the suppliers with a Risk Map, 51% declare that they have their own Code of Conduct.

Training and communication with suppliers

The ACCIONA Corporate University Suppliers Campus is integrated into PROCUR-e, and is available to 100% of the supply chain free of charge.

Within the framework of the PDS 2020, 3,499 suppliers and 5,052 supplier employees have taken an interest in these courses. Of all these courses, *Sustainability applied to your company* was particularly noteworthy, with a 61% increase in participation compared to 2019.

2020 has proved to be the best year in terms of supplier training, thanks to various campaigns and specific courses on sustainability, in which emphasis has been placed on the importance of full awareness of the issue and the application of everything related to this subject.

Training of supplier employees (cumulative volume)

Course taught	2017	2018	2019	2020
Code of Conduct	789	908	927	1,049
Sustainability applied to your company	16	165	219	373
RC and sustainability in the supply chain	683	790	805	957
OHS basic concepts, management and regulations	650	794	851	1,026
Equality and prevention of discrimination	616	700	708	708
Raising awareness about disabilities	555	640	653	653
Climate change	0	0	0	157
Human rights	0	0	0	129
Total	3,309	3,997	4,163	5,052

114

Communication with suppliers

Suppliers can make use of a wide range of communication channels to raise any kind of questions about their business relationship with ACCIONA:

compraresponsable@acciona.com, boletinproveedores@acciona.com, proveedores@acciona.es y procure.helpdesk@acciona.com.

Similarly, companies can use the Ethical Channel to report any irregular practices detected, which will be duly analysed by ACCIONA.

Supplier satisfaction survey

For the fourth consecutive year, the "Supplier Satisfaction Survey" was conducted among 22,187 collaborating firms, of which 15% responded. The main objective of the survey is to gather information about ACCIONA's relationship with its supply chain through suppliers' opinions, assessments and experiences.

Key findings include:

- > 97% of suppliers consider ACCIONA's commitment to sustainability to be good or very good. 95% say that the ACCIONA inspires confidence, and they would recommend it to other companies. These figures have remained very similar year after year.
- > 73% of supplier companies stated that they apply one of the following measures to mitigate the greenhouse gas emissions they produce: calculate, reduce and/or offset.
- > Almost 100% of suppliers rate the areas of Occupational Health and Safety and Human Rights as "very important" and "quite important", respectively.
- > 90% consider the group's impact on the local communities in which it operates to be good or very good.

In 2020, sustainability and innovation consultancy was carried out with 5 of the main suppliers. The result has shown the varying degrees of progress in awareness and implementation in matters relating to sustainability. All companies will develop a tailor-made improvement plan in line with their capabilities, activities and resources, which will provide them with long-term value and increase their competitiveness.

First edition of the Energy Supplier Prize

Two of the main product suppliers have been recognised (Best Product Supplier Prize). On the basis of an excellent evaluation (type "A" highly recommended suppliers), the following criteria are assessed, which all have an implicit sustainability component: occupational health and safety, excellence in execution, active search for solutions, competitiveness of products and/or services, and collaboration in management and innovation.

115

Integration of ESG principles into the procurement process

ACCIONA's *Sustainable Procurement Guide* ensures that sustainability criteria are incorporated into the company's procurement and contracting management. 1,784 orders were considered sustainable in 2020.

Sustainability criteria in procurement and contracting management



Renewable energy

In total, 344 GWh of energy from renewable sources was consumed in Spain in 2020. Furthermore, 1,214 facilities used 100% renewable energy, 30 more than in 2019.



Eco-efficient vehicle fleet

The operational fleet for executives consisted of 383 vehicles in 2020, of which 102 have emissions lower than 120 gCO₂/km. 100% of the cars have EURO6 engines, 17.5% are hybrid vehicles, and 0.8% are electric vehicles, which means lower CO₂, NOx and particle emissions.

As for the service fleet, ECO or zero-emission vehicles increased by 233% in 2020, with 102 electric, hybrid and LPG/CNG vehicles now available.



Sustainable materials

2,185 tonnes of wood with chain of custody certification (FSC, PEFC, or similar), and herbaceous waste were purchased at a cost of 17.2 million euros.



Working with
Special
Employment
Centres

Contracts were signed with 19 Special Employment Centres that promote the incorporation of people with disabilities into the labour market. Expenditure amounted to almost two million euros over the year. ACCIONA works with these companies primarily to supply work clothes, laundry services, security equipment, travel agency services, printing, vending machines and consultancy services.

116



Integrate to transform

Connect to impact | Difference in every project

ACCIONA has the capacity to create a unique sustainable difference with a portfolio of solutions perfectly aligned with the sustainable transformation required to meet the challenges defined in the Sustainable Development Goals.



KEY MILESTONES 2020

- > Review and validation of socio-economic and environmental impact methodology by the University of Zaragoza.
- > Identification and commencement of work on three high-impact solution projects.
- > Total funding instruments under the Green Financing Project to exceed € 1,700 million



MAIN CHALLENGES 2021

- > Design and implementation of a digital tool to measure socio-economic and environmental impact that can be accessed by all company businesses.
- > Implementation of high-impact solutions in the three projects on which work has started.
- > Design of new financing frameworks that promote high positive impact or regenerative projects.

117

A SOLUTIONS-BASED APPROACH

The *"Integrate to Transform"* chapter describes a new working area included in the Sustainability Master Plan 2025, and is a new addition since the previous SMP. Its value proposition is based on integrated infrastructures designed to maximise the contribution to the Sustainable Development Goals. The various divisions of the company work together to design and offer their customers solutions that advance the achievement of the SDGs to the greatest possible extent.

Transformation levers

- > Development of analysis and diagnostic tools that allow for the identification of regenerative opportunities, with the incorporation of local assessment of SDG compliance, in order to develop solutions that will have a positive impact on a larger number of sustainable variables.
- > Incorporation of the analysis and coordination of differential sustainable capacities into the project design and management process, from the opportunity stage through to implementation.
 - Potential regenerative capabilities to be created and enhanced.
 - Cross-capabilities in the company.
- > An internal organisational system that optimises resources and coordination between the different business units.

Measuring socio-economic impact

Since 2015, ACCIONA has been measuring the socioeconomic and environmental impact of its projects in different countries, in order to understand and enhance the benefits they generate throughout their life cycle. Using an econometric model based on input-output tables (an analysis of the relationships between different industries that compares purchases and sales between the various economic sectors in the region), the company obtains specific figures on the direct, indirect and induced impact of its activity in terms of job creation and contribution to the country's gross domestic product, and identifies other positive effects on the environment and communities. In 2020, work was carried out on the design of a digital tool to facilitate and accelerate the execution of these studies.

During 2020, the University of Zaragoza reviewed the ACCIONA model, based on two socio-economic impact studies in Australia and Ecuador. The review had two main objectives. The first was methodological, based on the detection of possible errors and inconsistencies in the loading and use of statistical data, the allocation of inputs by sector and the interrelationship between sectors, and the calculations and hypotheses. The second objective was to make improvements designed to make better use of the data in terms of environmental and social externalities, databases and calculation tools.

In collaboration with the University of Zaragoza, 2020 also saw the introduction of a five-session training course for employees on the application of the methodology. This will enable employees to incorporate the methodology in the bidding process and current projects. The course was attended by approximately 50 employees, who gave the course a score of 4.25 out of 5.

SUSTAINABLE DIFFERENCE IN EVERY PROJECT

The company aims to demonstrate the sustainable difference inherent in each activity it undertakes. During execution, the business lines, and especially the projects, develop their own distinctive regenerative/sustainable features, which are recognisable by third parties.

Transformation levers

- > Establish a widely accepted model for measuring the total productivity and regenerative capacity of projects: ACCIONA Compass.
- > Identify and develop a catalogue of sustainable differences in the company's business lines. This will provide an inventory of sustainable improvements and synergistic solutions with the company's core businesses that can enhance the regenerative nature of the projects. Examples of such sustainable differences include initiatives undertaken mainly by women, landscape concealment measures, and the recovery of adjacent spaces.

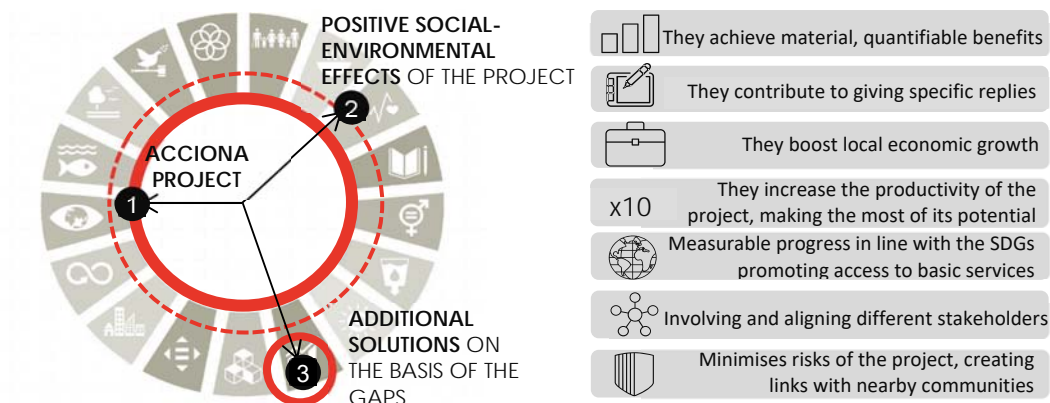
118

- > Development of specific job profiles with knowledge and expertise in incorporating sustainable advantage in bidding processes and project implementation.
- > Implement a working protocol with partners for operations not carried out by ACCIONA, in order to improve the sustainable performance of joint projects.
- > ACCIONA.EDU: introduce a programme for developing knowledge and training for the transformation of the regenerative economy, in collaboration with leading educational institutions.

High Impact Solutions

ACCIONA seeks to enhance the transformative effect of its projects by maximising the impact they generate in terms of local impact, return on investment, and the acceleration of sustainable development. To this end, it has designed business solutions called High Impact Solutions, which, through the inclusion of adjacent projects, contribute to improving the living conditions of the population and/or the environment in the vicinity of the company's operations. The ultimate goal is to make projects economically sustainable.

Benefits of High Impact Solutions



119

Infrastructure development is directly or indirectly linked to the achievement of the Sustainable Development Goals. The High Impact Solutions approach helps to channel the necessary investment towards company projects that promote the global sustainability agenda. It acts directly on social gaps identified in the immediate vicinity, such as gender equality and inclusion of disadvantaged groups, entrepreneurship, lack of access to basic services such as water, energy or telecommunications, or other benefits, in order to drive inclusive economic growth. Additional projects are designed to provide sustainable service over time, either through their development as new business models or through collaboration with third parties to ensure their long-term operation and maintenance.

Work tools

In order to implement High Impact Solutions, the company has established a series of tools and work teams:

- > Catalogue of solutions: in order to standardise and facilitate the development of these solutions, ACCIONA compiled a register, in 2020, which details additional standard projects already described. Information for each project includes the definition of the objective, model, context, beneficiaries, milestones, internal capacities, partners, investment and financing model.
- > Working teams: these are the corporate sustainability function, the local teams in each project, the sustainability management of the companies, and the innovation centres.

As these High Impact Solutions are put into effect, ACCIONA will establish a network of partners with which it will collaborate actively in carrying out and operating additional projects: consulting firms with expertise in fundraising and fund management, multilateral development banks and impact and innovation funds, NGOs, cooperation agencies, public administrations and other foundations and companies.

High Impact Solution Methodology

ACCIONA has developed a process whereby, from the phase for identifying a business opportunity (which can begin at any other stage), the company can assess the potential for including this type of solution in a project. The following steps are followed:

1. Project identification.

Implementation of High Impact Solutions can benefit projects in a number of different ways. These include: potential eligibility for sustainable financing with more favourable conditions for the company and/or the customer; differentiation from competitors in the tender phase; improved relationship with communities and prevention of possible risks.

2. Diagnosis of socio-economic gaps in the immediate area surrounding the project.

Identification and analysis of social and environmental gaps, in line with the Sustainable Development Goals in the area of influence of the project.

3. Consultation with local experts.

Analysis of local concerns, as well as consultation with public bodies, social organisations, universities, consultants, partners or other parties to assess the gaps identified.

4. Communication with investment agents and external partners.

Search for and communicate with potential partners and financiers with expertise in sustainable projects, such as the Inter-American Development Bank, the European Union, the International Finance Corporation, the World Bank and the International Fund for Agricultural Development.

5. Definition of solutions and completion of financing.

Definition of priority areas that respond to the identified gaps. Solutions are designed on the basis of knowledge, experience and own resources, as well as customer, community and partner expectations. A key element is completion of financing and the allocation of resources for the implementation of the adjacent solutions, through own or external funds.

6. Implementation of the proposed solutions for adjacent areas.

This includes everything from outreach to the local population and presentation of the project to the relevant authorities, to implementation and operation in collaboration with partners.

7. Measurement and management of impact generated.

Impact assessment and management in accordance with the SDGs, in order to objectively and rigorously assess the positive effects generated during the project lifecycle.

120

Following a review of proposals, 2020 saw work carried out on solutions for three projects in Mexico and Brazil.

High Impact Solution for Tamaulipas wind farms

ACCIONA has one wind farm in operation in Tamaulipas, El Cortijo, and two under construction, Santa Cruz and San Carlos, which are scheduled for completion by the end of 2021.

The company has carried out an expansion of studies into the socio-environmental gaps in the vicinity of these wind farms, including field surveys and on-site visits to the most important *ejidos* (communally owned land), as well as to public institutions at local, municipal, community and state level. Potential High Impact Solutions were analysed, focusing on the supply and distribution of drinking water. Development of the solution will continue in 2021, with a view to its implementation and maintenance in the coming years.

Details of the two projects associated with the infrastructure division can be found in the chapter dealing with this business.

LOCAL ECOSYSTEMS

The goal is to develop an ecosystem of organisations that is capable of increasing the potential for regenerative transformation. Discussions will be held with third parties to establish work programmes, initiatives and collaborative projects to increase the company's capacity to develop or improve regenerative solutions, with the aim of accelerating the achievement of the Sustainable Development Goals.

Transformation levers

- > Develop leverage capacity to highlight the multiplier effect of infrastructure, so as to ensure greater understanding and appreciation of the benefits of the regenerative approach. Use of the total productivity indicator.
- > Establish a mechanism for dialogue, co-creation and development with customers and suppliers, with a view to designing solutions for social and environmental gaps that advance the SDGs.
- > Develop a network of local partnerships in platform countries to facilitate the identification of partners and co-financiers of sustainable difference projects.
- > Promote community integration, volunteer project, corporate and family programmes, among others, in order to promote and share ACCIONA's values with third parties.

ACCIONA's impact on the Sustainable Development Goals

In 2020, ACCIONA developed solutions that had a significant impact on five SDGs:





- > ACCIONA SDG 6 solutions: availability and sustainable management of water and sanitation through advanced technologies.
- > ACCIONA SDG 7 solutions: access to affordable, reliable, sustainable energy and its efficient use.
- > ACCIONA SDG 9 solutions: developing resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.
- > ACCIONA SDG 11 solutions: services that contribute to inclusive, safe, resilient and sustainable development of cities.
- > ACCIONA SDG 13 solutions: development of integrated solutions to combat climate change and its effects.

121





















Having examined each business activity, ACCIONA carried out an analysis of the indicators that are most relevant and have the greatest impact on the targets included in the SDGs. Likewise, the requirements of each country, with respect to a specific SDG, have been studied, using the information gathered in the *SDG Index and Dashboards Report 2020*.

ACCIONA's contribution in the main countries in which it operates is shown below. The impact is only shown for those SDGs where impact remains an important issue, i.e. where there are still significant challenges to be addressed. The last column indicates if ACCIONA's impact has increased, decreased or remained the same over the last year.

Local impact on the SDGs

SDGs Context		ACCIONA Activity	Impact of ACCIONA	Annual Evolution of the impact
Mexico	6  Access to safe drinking water: 43 % Access to safe sanitation: 50 % Ratio of water collected: 32 %	Integrated water management of Boca del Rio Waste Water Treatment plant at Atotonilco	+10.5 M people served	
	7  Renewable energy: 9 %	Five wind farms Puerto Libertad photovoltaic plant	3,528 GWh renewables	



	SDGs	Context	ACCIONA Activity	Impact of ACCIONA	Annual Evolution of the impact
Australia	11	 Concentration of PM2.5: 21 µg/m³	Five wind farms Puerto Libertad photovoltaic plant	1,280 tNOx, 1,790 tSOx and 25 tPM10 avoided	↑
	13	 CO ₂ emissions: 4.0 tCO ₂ e/capita	Five wind farms Puerto Libertad photovoltaic plant	2.0 M tCO ₂ avoided	↑
	7	 Renewable energy: 7 %	4 wind farms Kwinana Waste to Energy	1,239 GWh renewables	→
	9	 R&D expenditure on the GDP: 1,9 % Transport infrastructure quality: 4,0/5	Innovation projects Two highways Sydney light rail network	€28.5 M figure for innovation 60 km roads 12 km light rail	↑
	13	 CO ₂ emissions: 15 tCO ₂ e/capita	4 wind farms	1.0 M tCO ₂ avoided	→
Chile	11	 Hospital beds: 2,2 / 1,000 inhabitants	Two hospitals	Over 300 hospital beds	→
	13	 CO ₂ emissions: 4,6 tCO ₂ e/capita	2 wind farms El Romero solar plant	1.1 M tCO ₂ avoided	↑
United States	7	 Renewable energy: 8 %	8 wind farms Nevada Solar One Thermosolar Plant	2,311 GWh renewables	→
	13	 CO ₂ emissions: 16 tCO ₂ e/capita	8 wind farms Nevada Solar One Thermal solar Plant	1.4 M tCO ₂ avoided	→
Canada	6	 Access to safe sanitation: 77 %	Wastewater treatment plant North Shore water purification plant Saint John	270,000 people served	→
	13	 CO ₂ emissions: 15 tCO ₂ e/capita	4 wind farms	0.36 M tCO ₂ avoided	→ 122
Spain	9	 R+D expenditure / GDP: 1.2 % Quality transport infrastructure: 3.8/5	Innovation projects 4 highways	€47.2 M figure for innovation 27 km of roads	↓
	13	 CO ₂ emissions: 5.3 tCO ₂ e/capita	>200 renewable facilities 6 cities with <i>motosharing</i>	5.4 M tCO ₂ avoided	↓
Cooperation Council for the Arab Gulf States	6	 Ratio of water collected: 374-1,869 %	3 desalination plants in operation	3.4 M people served	→
	9	 R+D expenditure / GDP: 0.5 to 1.3 % Quality transport infrastructure: 3.1 to 4.0 on 5	Innovation projects Dubai Metro, UAR	15 km of lines	↓
Rest of the world	6	Egypt:  Ratio of water collected: 119 % Treated wastewater: 42 %	Gabal Al Asfar wastewater treatment plant New Cairo water purification plant	8 M people served	→
	7	South Africa:  Renewable energy: 6 %	Gouda wind farm Sishen photovoltaic plant	530 GWh renewables	→
	9	Norway:  Quality transport infrastructure: 3.7/5	Follo Line tunnels E6 Motorway Moss Railway line	30 km of railway line 23 km of motorway	↑
	11	Brazil:  PM2.5 Concentration: 13 µg/m³ Satisfaction with public transport: 50 %	Line 6 of Sao Paulo metro	600,000 passengers/day	↑
	13	Poland:  CO ₂ emissions: 8.0 tCO ₂ e/capita	3 wind farms	0.18 MtCO ₂ avoided	↓

Social Impact Management.

ACCIONA's management of the social impact of its projects and services is a strategic component of its sustainable business model. In addition to legal and contractual requirements, more than 10 years ago the company set itself the task of gaining a deeper understanding of the social footprint of its activities, with the ultimate aim of increasing positive social impact and reducing negative impact to the greatest extent possible.

To this end, ACCIONA has its own environmental impact management methodology based on international standards¹⁶, and the implementation of this methodology is considered a cross-cutting responsibility within the organisation. Depending on each phase, implementation may involve the business development and studies departments, the project or service managers, and the quality, environment, prevention and sustainability departments of the various businesses. In addition, the company's Global Sustainability Department periodically monitors the application of the methodology in projects, and updates the methodology when areas for improvement have been identified.

The development of the projects generates numerous positive impacts, including the hiring of local personnel, acquisition of goods and services in the area of influence, training of workers, increased income for employees and improved access to roads. However, the company's activity can also generate adverse effects, such as interruption of supplies to communities, harm to vulnerable groups, temporary cuts in transport routes or alterations in local prices. ACCIONA's specific methodology makes it possible to anticipate the identification, evaluation and management of these impacts.

ACCIONA's social impact management has made excellent progress over the years. In 2020, improvement was especially focused on the area of human rights (further details in the "People centric" chapter); on evolution towards a model the company terms "high impact solutions" (further details in the "Integrate to transform" chapter); and on updating the system for measuring socio-economic impact, in order to establish the extent to which the company's projects affect job creation and contribute to the country's GDP (further details in the "Integrate to transform" chapter).

Methodology stages

- > Description of the social risk: study of the degree of social risk of the project from the design phase and tender stage.
- > Social assessment of the project: analysis of the socio-demographic characteristics of the area of influence of the project, identification and assessment of positive and negative social impacts, and preparation of a proposal for social measures.
- > Communication and dialogue with local communities and other stakeholders with relation to the project, its main impacts, and social measures to be carried out. Depending on the type of infrastructure, specific communication or dialogue channels are established to provide information about the project, its main effects, and the social actions to be carried out.
- > Implementation and monitoring of the identified measures, in order to enhance positive social impacts and avoid and mitigate negative impacts.

123

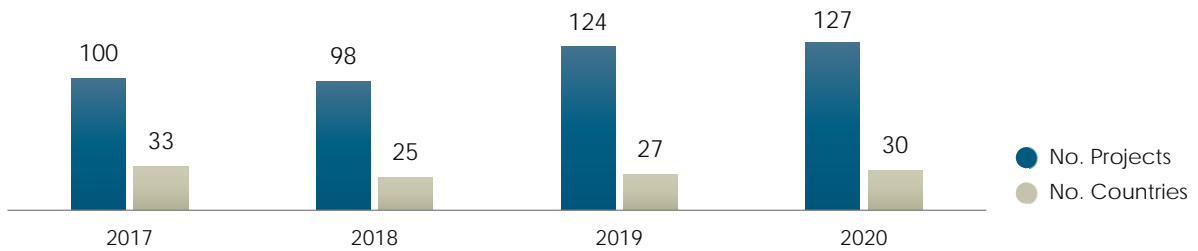
This methodology is implemented in accordance with corporate standards in the main construction, operation and service provision projects of the Infrastructure and Energy divisions, as well as in all the geographical regions in which ACCIONA operates. Over the last year, the methodology was used in 127 projects in a total of 30 countries. This procedure also reinforces the company's contribution to the achievement of the Sustainable Development Goals (SDGs), by monitoring the measures that help to improve the well-being of communities.

¹⁶ IFC performance standards on environmental and social sustainability, Guidelines for Environmental & Social Impact Assessment (ESIA) WBCSD, Guidance for assessing and managing the social impacts of projects (International Association for Impact Assessment), The Equator Principles, World, Bank Environmental and Social Framework.



More information in the chapters 'Energy Business' and 'Infrastructure Business'

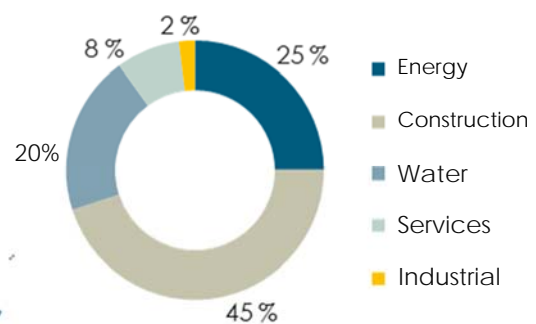
Evolution of the implantation of Social Impact Management (SIM) methods



Countries with projects with SIM



Distribution of projects per business



Phases of SIM methods and status of implantation (% of the total projects with SIM)

DESIGN

CONSTRUCTION/OPERATION

DEFINITION OF SOCIAL RISK

PHASE IMPLEMENTED

77 %

SOCIAL ASSESSMENT OF THE PROJECT

PHASE IMPLEMENTED

94 %

COMMUNICATION AND DIALOGUE BETWEEN COMMUNITIES

PHASE IMPLEMENTED

64 %

IMPLANTATION AND MONITORING MEASURES

PHASE IMPLEMENTED

75 %

Audits

Since 2017 external audits are carried to assess the degree of application of the methods of Social Impact Management, so as to identify and show the positive or negative social impacts, whether real or potential, resulting from operating certain projects.

Furthermore, in 2020 the scope of the audits was broadened with the addition of new criteria and relevant aspects related to best practices, amongst which:

- > Analysis of criteria and relevant aspects under the SA 8000:2014 International Standard, choosing which of them are covered in the projects and which could be included to facilitate their application.
- > Analysis of the “Matrix Outcome” tool of Big Society Capital to identify the areas and beneficiaries on which ACCIONA’s activity has an impact.
- > Analysis of the safeguards established by the European Taxonomy. These guarantees are based on OECD Guidelines on multinational companies, the UN’s Guiding Principles on business and human rights and the fundamental ILO conventions.
- > Analysis of the *Guide to Human Rights Impact Assessment and Management*¹⁷ to ascertain the potential and/or existing risks and impacts of human rights in the projects, and to determine the ability to management them.
- > Analysis of the Life Cycle of projects in order to prioritise and allocate the possible social impacts depending on their stages of development.

Evolution of the Social Impact Management audits

	2017	2018	2019	2020
Total No. of audits	9	8	8	7

The conclusion is that the methods are correctly implemented in each phase. The company has been seen to progress beyond the level established by the standard in certain projects where the impact and contribution to the SDGs has begun to be measured. The need has also been detected to improve the system of recording evidence of communications with the stakeholders, increasing specific training on Human Rights or making an assessment that considers the differences arising between the initial and final phases.

Social Impact Management course

Since 2018 the company has offered a Social Impact Management Course to all employees with direct or indirect responsibility for the application of the Corporate Social Impact Management Standard. 61 employees completed the course in 2020.

Commitment to the community

The company understands that it has to be a key player in the development of the communities in the countries where it does business and contributes to improve people’s quality of life. As part of the Sustainability Master Plan 2020, ACCIONA is committed to aligning 100% of its social contribution with its Social Action Plan. In 2020, the company achieved the following results:

- > Over € 11.7 million in social contributions to the community, equal to 5.50% of the 2020 dividend¹⁸.
- > 30.7 % of of social investment allocated to ACCIONA's priority SDGs: access to water (No. 6), energy (No. 7), infrastructure (No. 9), sustainable cities (No. 11) and climate change mitigation (No. 13).
- > Over 2 million beneficiaries under the various social initiatives.

The Social Action Plan is structured as five core areas:

- Access to basic energy, water and infrastructure services through the Acciona.org Foundation.
- Investment associated with projects.

¹⁷ Guide drawn up by the International Business Leaders Forum, IBLF and the International Finance Corporation, IFC, in association with the United Nations Global Compact Office.

¹⁸ See the figure published in the proposal for distribution of profits in the Financial Statements

- Sponsorship and patronage in the areas of health, culture and education.
- Promotion of sustainability.
- Corporate volunteering.

Access to basic services: acciona.org

- > 63,930 people benefitted in Peru, Mexico and Panama, equivalent to 15,210 homes that have benefitted.
- > 953 rural and indigenous communities served in in Peru, Mexico and Panama.
- > 23 *Luz en Casa* centres run by local microfranchised staff.

The acciona.org corporate foundation, dedicated to facilitating access to basic electricity, water and sanitation services that are affordable, reliable and sustainable, continued to advance in 2020 in spite of the spread of COVID-19.

The pandemic brought about a temporary halt in activity due to the mobility restrictions imposed and to protect the health of the teams and local people. During those weeks the foundation adopted the necessary measures for ensuring the continuity of those services, it cooperated with other organisations and the communities themselves in buying and distributing protection material and items of basic necessity, and in addition it strengthened its procedures for efficiently resuming its activity in the field.

With this, in Peru, acciona.org continued the basic electricity service supplying more than 4,200 homes with *Luz en Casa*, in the department of Cajamarca, and with *Luz en Casa Amazonía*, in the department of Loreto. Here it also started providing electricity to 689 additional families in 18 communities in the river basins of the Amazonas and Ucayali rivers. The supply of the home photovoltaic systems that provide these families with electricity are part of a project that will end in 2021, benefitting some 500 additional homes; it is carried out in conjunction with the Polytechnic University of Madrid and cofunded by the Spanish Agency of International Cooperation for Development (AECID). It also advanced with a pilot project being developed in the department of Ica, for a reliable water and sanitation supply to two rural communities by strengthening their community management organisations, installing additional solar water pumping and purification systems, and through improvements and technical support for the existing infrastructure.

In Mexico, acciona.org began the year with some 8,800 homes to which it had provided access to the basic electricity service in the States of Oaxaca, Chiapas and New León. The most important challenge was the conclusion of the first project under the EncAsa Oaxaca programme, executed under a public-private development partnership with the Government of the State of Oaxaca, AECID and its Mexican counterpart, AMEXCID, with which in 2020 in provided around 300 home photovoltaic systems. The target set for providing access to drinking water, conditioning drainage systems and renovating kitchens was exceeded with 281 systems, benefitting 124 homes, 5 schools, 3 municipal institutions and 1 health centre. The success of the initiative was doubly acknowledged, as it was the winner in the category "International Business Cooperation for Sustainable Development" under the Spanish section of the European Business Awards for the Environment, and by obtaining cofunding from AECID to be able to replicate its success.

In Panama, the foundation provided access for 1,200 homes to the basic electricity service of *Luz en Casa Ngäbe-Buglé*, 568 of which were brought into the programme during the course of the year as a result of the project for supplying the photovoltaic systems, executed under a public-private development partnership with AECID.

At the same time, the organisation continued its work on the project "Alianza Shire: Access to energy for refugee camps and host communities" in cooperation with the Polytechnic University of Madrid, AECID and other Spanish companies, in addition to continuing to participate with ACNUR and other local organisations. The system of access to electricity using home photovoltaic equipment and promoting microbusinesses developed by acciona.org advanced in different aspects, such as identifying beneficiaries and buying materials.

Social investment associated to projects

ACCIONA makes an active contribution to improving the social-economic scenario of the communities in which it operates. Its initiatives contribute to people's well-being, broaden their access to education, promote the conservation of their heritage, care for the environment and biodiversity, and promote sport and healthy

lifestyle. Its projects also focus on job creation by training workers and creating local business as well as improving community infrastructure.

- > 696,309 people have benefitted in 28 countries.

Sponsorship and patronage in the areas of health, culture and education

The company collaborates with different institutions in the allocation of resources with priority objectives within the field of health, culture and education. In 2019, a new version of the Corporate Donations and Non-Commercial Sponsorship Standard was approved, which is compulsory for all ACCIONA companies and employees, and also for third parties that acting on their behalf.

- > Over 244,560 people have been helped.

Sponsorship of the following health-related initiatives is worth noting:

- > Pro CNIC Foundation: joining forces to channel the commitment to heart disease research at the National Cardiovascular Research Centre (CNIC).
- > Spanish Rubinstein-Taybi Syndrome Association: for research into RSTS and support for children affected and their families.

There are also significant actions in the areas of education and culture:

- > ACCIONA Chair, in collaboration with SUR, School of Artistic Professions: to training professionals in the arts. ACCIONA funded 10 scholarships in 2020.
- > Princess of Asturias Foundation: contributes to the promotion of scientific, cultural and humanistic values.

Promoting sustainability

ACCIONA believes it is essential to promote and disseminate sustainable culture in order to create a more responsible and supportive society.

- > 4,957,366 users have been registered on the Sustainability for All web site, which received more than 5.8 million visits. 68% of the visitors came from countries that are critical to ACCIONA's business.
- > Sustainability for All accounts for 41% of the traffic on all ACCIONA's web sites.

Sustainability for All is the online community created by ACCIONA to make users aware of the importance of sustainable development. An entertaining and informative web site designed to make readers aware of the climate emergency on the planet and learn how to lead a more sustainable life.

In 2020, Sustainability for All received over 5.8 million visits from more than 100 countries. The reading time per article has increased by more than 15%.

Volunteering

The purpose of the ACCIONA Volunteer Programme is to channel the solidarity concerns of its employees and to generate within the workforce a culture of collaboration and solidarity with other social groups who are most in need. In 2020, due to COVID-19, most of these initiatives have been put into effect online with the participation of 233 volunteers who have dedicated 1,954 hours to work in the community.

- > Princess of Girona Foundation: Within the framework of the "Rescatadores de Talento" (Rescuers of Talent) programme, 61 managers and directors acted as mentors for university graduates from disadvantaged backgrounds. Training for young students was also extended using the online training resources of T-MAX.
- > Integra Foundation: 19 ACCIONA volunteers participated in the "Escuela de Fortalecimiento" (School for Back-up Skills), where 33 workshops were given on different basic subjects (preparing a curriculum, work interviews, workers' rights and obligations), intended to help individuals in situations of social exclusion to find a job. The programme has benefitted 156 people, 115 of which 115 have now entered the labour market.
- > Acciona.org Foundation: three ACCIONA employees were "virtual" volunteers taking part in the "Water and Sanitation Observatory", a collaboration group on water technology, sanitation

technology and service provision models in which innovative solutions are shared for acciona.org projects.

- > Quiero Trabajo Foundation: this organisation has designed a solidarity programme for training and accompanying women in a situation of high social and economic vulnerability, in which 29 ACCIONA volunteers have helped the women participating.
- > 40 volunteers also participated in a virtual stand which gave training sessions on topics related to looking for work online, in the framework of the Digital Week organised by the Madrid Council's Employment Agency.
- > Tengo Hogar Foundation: as a result of the collaboration of ACCIONA professionals in the Tengo Hogar Foundation initiative 'Reyes Magos', children from 22 families at risk of social exclusion were able to enjoy receiving a present on the day of the "Three Kings".

ACCIONA brought together some 900 volunteers during the beach clean-up day at the Cavero beach at Pachacútec (Peru)

During the event, over 100 tonnes of solid waste were collected which would have been a risk for the marine and coastal biodiversity, and also for the health of the local population. This initiative mobilised ACCIONA workers, people in the vicinity of the project and local and regional authorities and institutions.

Measuring social action

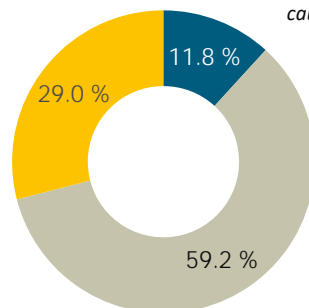
ACCIONA measures and evaluates its social action and the degree to which it contributes to the 17 Sustainable Development Goals, applying the international LBG (London Benchmarking Group) methodology which allows for an overview and comparison of results with other companies.

Motivation of the initiatives

(according to LBG methods)

Initiative in line with the business:

Social interest initiatives designed to directly promote the company's business.



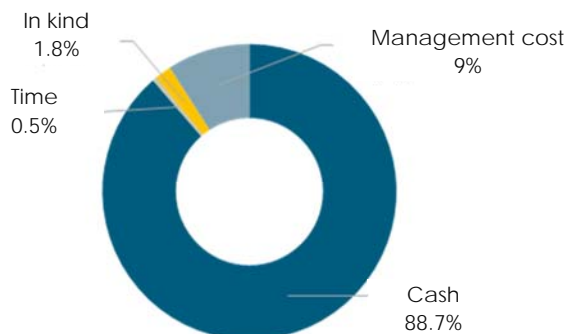
Specific contribution:
Specific support for social causes.

Social investment:
Strategic long term commitment to collaborating with the community.

128

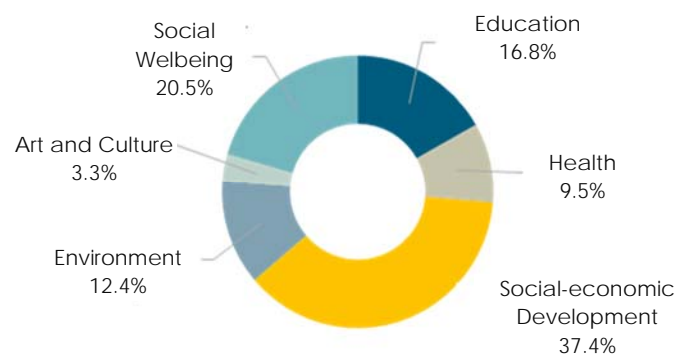
Type of contribution

(according to LBG methods)



Contribution field of action

(according to LBG methods)



Contribution to the SDGs through the Social Action Plan



129

IMPACT FUNDING

Maximizing the capacity of sustainable finances enhances the company's value and the competitive regenerating advantages of the projects. ACCIONA promotes innovative solutions for sustainable funding which make it possible to create differences and advantages in the development of regenerative infrastructure, building on the interest of the capital markets in financing the existing gaps in fulfilment of the Sustainable Development Goals.

Levers for transformation

- > Promoting innovative financing structures that enhance the development of high impact regeneration projects with the creation of an internal investment fund for adjacent projects– ACCIONA regeneration ventures.
- > Having mechanisms for the analysis and adaptation of the investment strategy linked to European taxonomy criteria.
- > Supporting the development of the new sustainable financing tools. Making ACCIONA a reference for socially responsible investment. Identifying and promoting relationships with sustainable investors as part of our value proposition.
- > Maintaining the Tier 1 classifications in the sector in the main ESG ratings.
- > Utilising the offer of ESG funds and services in Bestinver according to advanced practices.

Sustainable financing in 2020

ACCIONA uses two mechanisms of sustainable financing: one aimed at projects or activities with sustainable goals intended to promote specific positive impacts associated to funding and the other is corporate funding that involves undertakings to improve ACCIONA's ESG performance.

ACCIONA's sustainable funding operations

Type of funding	No. of active operations	No. of new or extended operations in 2020	Current outstanding amount (M€)
Funding intended for projects	18	10	1,760.9
Corporate funding with sustainable commitments	5	0	3,711.8
Total	23	10	5,472.7

During the past year, the following operations are worthy of mention:

- > NSV loan for € 30 million to its green financing instruments.
- > Bilateral green loan from Bankia for AUD 165 million for funding the construction of the Mortlake wind farm.


ACCIONA has a Green Financing Framework whose eligible activities are those in line with a low-carbon economy. The framework has been reviewed by Sustainalytics, who gave an second-party opinion (SPO) which confirmed its alignment with the Green Bond Principles and the Green Loan Principles.

In both types of financing, the company's investment is linked to its vocation for implementing the sustainable agenda, such as renewable energies, access to water and sanitation, sustainable mobility and circular economy and adapting to climate change.

During 2020, the group signed two green loans for AUD 265 million and issued around € 370 million on the debt capital markets. As a result, the total of ACCIONA's financing instruments under Green Financing Framework was more than € 1,700 million at 31 December 2020.

At the same time, the group receives funding linked to meeting the targets for improving its environmental, social and of governance (ESG) performance. In 2020 ACCIONA has 5 active operations in which the interest rate for this funding has been linked to its score in the Corporate Sustainability Assessment by RobecoSAM, meeting the objectives set to date.

ACCIONA's funding position, in a green recovery context, was strengthened in 2020 after obtaining an investment grade - "BBB" corporate credit rating in the long term, and "R-2 (middle)" rating in the short term – given by the DBRS Morningstar agency. This score is within the eligibility criteria for the debt purchase programme of the European Central Bank, such as its Pandemic Emergency Purchase Programme (PEPP).

 **More information** on green financing instruments and the projects to which they are allocated: <https://www.acciona.com/shareholders-investors/stock-market-information/sustainable-finance/>

130

External ESG rating

ACCIONA's sustainability has been assessed by different ESG analysts.

ESG analyst ratings



Sector	Electric utilities	Utilities	No sectors	Utilities	Construction	Heavy Construction
Position	Leaders	2 nd multi-utilities	NA	NA	Leaders	5 th in the European sector

* the Sustainalytics ESG Risk Rating gives a lower score to companies with less exposure and better management of their ESG risks

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






ACCIONA closed the year 2020 as the leading electric company in sustainability, as can be seen in the *Sustainability Yearbook 2021*, compiled by S&P Global and RobecoSAM. ACCIONA, with a score of 90 points out of 100, is the head of the electricity sector.

When preparing its yearbook, S&P Global and RobecoSam analysed more than 7,000 top-ranking international companies belonging to 61 business sectors. The methodology applied assesses a broad range of sustainability that includes economic and environmental performance, social variables and human resources.

Consequently, S&P Global and RobecoSAM awarded ACCIONA the Gold Sustainability Yearbook Award 2021, which places it on the podium of the best utility companies in the world in respect of sustainability.

ACCIONA is present in different sustainability indexes which include leading companies in this field.

Presence in sustainability indexes

Supplier	Index Name
	iClima Global Decarbonisation Enablers Index
	Solactive Candriam Factors Sustainable EMU Equity Index
	Solactive Candriam Factors Sustainable Europe Equity Index
	Solactive ISS ESG Screened Europe Small Cap Index NTR
	Ethibel Sustainability Index (ESI) Excellence Europe
	Euronext Vigeo Europe 120
	FTSE4Good Europe Select Index
	FTSE4Good Developed
	FTSE Environmental Markets Index Series
	FlexShares STOXX US ESG Impact Index Fund ESTC

131

ACCIONA has also received the following acknowledgements during 2020.

Presence in rankings and other sustainability acknowledgements

Recognition	Organisation	Position	Description
2021 Global 100 Most Sustainable Corporations	Corporate Knights	31 st in the world	For the fourth year in a row, ACCIONA has been selected as one of the 100 most sustainable companies in the world, from among 8,080 companies evaluated with their turnover higher than US\$1,000 million, for its financial performance and ESG indicators.
New Energy Top 100 Green Utilities	Energy Intelligence	1 st utility in the world	For the sixth consecutive year ACCIONA has again validated its position as the world's "greenest" electricity generation company.
Sustainability Reporting Performance	Ecoact	1 st in Spain and 3 rd in the world	This compares the performance of large global companies in the fight against climate change.
Top 100 Company 2020 Diversity & Inclusion Index	Refinitiv	54 th in the world	ACCIONA is listed among the world's top companies in terms of diversity and social inclusion in the workplace.
CDP Climate Change & Water	CDP	A-	List made up of the corporations with the best practices and results in reducing emissions, tackling climate change and aligning their activities with a low-carbon economy.
CDP Supplier Engagement Leader 2020	CDP	Leader	ACCIONA has been recognised as a Supplier Engagement Leader in 2020 for its actions to cut emissions and reduce risks related to climate change in its supply chain.
Gaia Rating	EthiFinance	N/A	Its performance is assessed on social, environmental and corporate governance aspects, scoring of 78 out of 100, against an average of 51 in the energy sector.

Energy Business

ACCIONA's energy business makes it the greatest independent world-wide operator engaged in producing electricity solely from renewable sources.



133

	2018	2019	2020
FINANCIAL PERFORMANCE			
Sales (million €)	2,206	1,997	1,765
EBITDA (million €)	743	845	831
Gross CAPEX (million €)	554	608	755
NON-FINANCIAL PERFORMANCE			
Workforce at year-end	1,587	1,629	1,543
Women executives (% of total executives)	12.5	10.3	10.5
Accident rate: employee frequency rate	0.5	0.4	0.1
Emissions generated (million tonnes of CO ₂)	0.038	0.030	0.026
Emissions avoided (million tonnes of CO ₂)	14.7	13.1	13.2
Total innovation figure (million €)	61.8	75.4	78.3
Global customer satisfaction index (%)	100	98	99
Projects with Social Impact Management (no.)	17	22	32
Projects with social-economic impact measurement	20	14	19

The main aspects in which the energy business has advanced in 2020 within its strategy for sustainability are shown below.

PEOPLE CENTRIC

Transformative Environments

The health of energy business workers

Energy has an Integrated Management System for the entire business which establishes the minimum health and safety requirements that should be taken into account in any of its companies and countries. Under the multi-site certification format, in 2020 the energy division of ACCIONA maintained the certification in all of its companies in accordance with the ISO45001 standard.

The health and safety strategy of ACCIONA's Energy division is based on excellence (zero accident target), continuous improvement and employee support.

100 % of energy activity has ISO 45001 certification

The possible Energy risks involving health and safety at work arise from two of its main activities: construction and operation and maintenance of facilities.

Identification and management of occupational risk

The identification of any possible labour-related risks, their assessment and control measures for minimising the probability of them occurring is documented in specific procedures for each facility. The risk analysis determines the points that are critical in each centre and the associated preventive action, which affects not only its own employees but also those of contractors and firms collaborating with the division.

In addition, the facilities have their own emergency plans with guidelines on how to proceed in emergency situations. Employed or subcontracted personnel can report any hazardous situation they detect by sending an e-mail to safety.energy@acciona.com or using the occupational risk prevention management tool.

As a highlighted good practice, the energy division makes and publishes safety alerts on its web site involving any incidents from which lessons have been learned that could be of interest to the sector (<https://www.acciona.com/our-purpose/work-with-us/safety-health-well-being/>).

134

The Energy business chairs the Global Wind Organisation (GWO) for the promotion of occupational health and safety standards in the wind energy sector worldwide. This platform promotes safe working environments based on the technical qualifications of the professionals working in the sector, especially in countries where the level of training is lower.

No cases of occupational disease were detected in the division and there were no fatal accidents. In addition, the hygiene risk is minimal or zero.

In 2020, both the frequency rate and the severity index went down by 97% and 75%, respectively, compared to the previous year. This is due to the health and safety policies and programmes implemented, notwithstanding the increase in teleworking and therefore lesser importance of face-to-face activities because of the worldwide pandemic.

Evolution of accident rate indicators for energy employees

	Severity index				Frequency rate			
	2017	2018	2019	2020	2017	2018	2019	2020
Energy	7.9	17.7	19.4	0.5	0.4	0.5	0.4	0.1

Among the objectives defined by energy for the year 2019, the following deserve special mention:

- > A 5% reduction in the accident frequency rate involving its own employees and subcontracted employees being off work, compared to the 2020 figure.

- > To implement the actions defined in the safety improvement programme, Drive Safe, in at least three countries in ACCIONA's Energy Division: Chile, Mexico and Spain.
- > To implement the priority scheduled actions for the first year resulting from the ergonomic analysis made in 2020 in the activities of wind farms and hydraulic plants.
- > To extend the philosophy defined and introduced for the Integrated Management of Engineering and Construction Contractors to the Operation and Maintenance activities.

Act Safe and Build Safe projects

Both projects began in 2019, with defined action plans to be launched in the next two years respectively; both initiatives share the same structure and mode of operation, although each has its own particularities.

- Projects led by the respective O&M and I&C Directorates. The function of H&S is to support this leadership.
- Both have received the advice of the expert health and safety consultant DUPONT.
- Both are based on a diagnosis made by DUPONT regarding the situation of the O&M and I&C services within the Bradley Preventive Culture curve. From there, it was possible to identify where the company is and where it wants to be in two years' time.
- Based on this, action plans have been defined aimed at attaining the objective of health and safety excellence for all activities in the ACCIONA Energy Division (in both O&M and I&C).
- The two projects have their own Steering Committees and Implementation Committee with the active participation of staff at management level in both departments.
- There are actions common to both, such as the development and introduction of a "Preventive Observations" programme, a "Personal Action Plan" programme and a "Rules that Save Lives" programme.
- There are also individual actions, such as "Risk Factor" training within O&M or a "Learning from Major Incidents" programme within I&C.

135

Drive Safe Programme

With regard to road safety, in 2020 the energy division designed a road safety programme with the name Drive Safe. This programme comprises a comprehensive view of road safety as it takes into account both our own employees and those of our new subcontractors, and in addition it covers the risk factors associated with driving skills, environmental conditions and the technical requirements that our vehicles have to meet.

Its application has been tested in three pilot plants pilot in the wind farm and hydraulic plant sector. That experience resulted in an action plan to be put into effect in 2021 in three countries: Chile, Mexico and Spain.

Health and safety in the energy supply chain

Energy's occupational safety policy establishes that the requirements for preventing risks are the same for its own employees as for its subcontractors. At the time of contracting, all suppliers must undergo an assessment of their performance in this area. The company's contract is thus contingent upon effective implementation. Energy has measures in place that cover all phases of the process, from tendering to completion:

- > Limiting the frequency rates of suppliers and contractors in tenders.
- > Personalisation of tasks and periodic compliance assessments.
- > Warning letters and fines for reiterated misconduct.
- > Final occupational health assessment by the manager and the procurement area with a view to future tenders.



In addition, the division periodically organises "meeting points" with suppliers to share experiences and agree on health and safety actions to be taken.

In 2019, accident rates for Energy contractors increased slightly, although none of them resulted in fatal accidents.

Evolution of accident rate indicators for energy contractors

	Severity index				Frequency rate			
	2017	2018	2019	2020	2017	2018	2019	2020
Energy	3.6	22.0	24.4	7.7	1.1	0.6	0.8	0.7

PLANET POSITIVE

Climate

With 25 years' experience in the sector, ACCIONA is present in the main renewable technologies, with activities covering the whole value chain: development, engineering and construction, operation and maintenance, and the management and sale of energy, all renewable.

The energy business stands out for its firm and unwavering commitment to production solely from renewable sources, contributing to replacing fossil fuels in the national electricity mixes. This is the basis of the business model, which has a positive impact, contributing intrinsic value to the fight against climate change and to the contribution of the SDGs.

Greenest electricity company in the world for the sixth consecutive year

ACCIONA has once again confirmed its position as the world's "greenest" electricity generation company, occupying the New Energy Top 100 Green Utilities ranking since 2015. This ranking is drawn up annually by Energy Intelligence, an independent consultancy firm specialised in energy markets.

The ranking selects one hundred of the largest electricity companies in the world and classifies them according to their CO₂ emissions and their installed capacity in renewable technologies, to determine their degree of involvement in the transition to a low-carbon electricity system.

136

In the framework of the Sustainability Master Plan 2020, this business committed to investing \$ 2.500 million in the 2016-2020 period in renewable generation, reaching a total capacity of 10,500 MW. In 2020 the target has been achieved and the emission of a total of 13.2 million tonnes of CO₂ into the atmosphere has been avoided.

For the 2020-2024 period, the company has set itself the new challenge of increasing its installed capacity by nearly 50 %, adding 5,000 renewable MW to its current figures.¹⁹

As a result of technical and economic competitiveness, the investment in renewable energies contributes to reducing the GHG emissions that cause climate change. Nowadays it is seen as the best sustainable energy solution in the long term.

Emissions avoided per country by generating renewable electricity

Countries	Installed capacity (MW)	Production (GWh)	Emissions avoided (tCO ₂ e)
Australia	453	1,239	978,880
Canada	181	503	358,690
Chile	713	1,461	1,072,312

¹⁹ See updated information in the "Presentation of Results. FY 2020 - January- December", and also in successive quarterly presentations.

Countries	Installed capacity (MW)	Production (GWh)	Emissions avoided (tCO ₂ e)
Costa Rica	50	227	154,147
Croatia	30	71	36,779
United States	1,128	2,311	1,402,163
Egypt	186	432	228,369
Spain	5,677	12,486	5,446,283
Hungary	24	42	24,507
India	164	367	349,792
Italy	156	231	104,968
Mexico	1,335	3,528	2,022,024
Poland	101	230	183,581
Portugal	165	351	244,473
South Africa	232	530	524,421
Ukraine	100	67	66,830
TOTAL	10,694	24,075	13,198,219

Due to the nature of its activity, Energy is not a relevant emitter. However, it participates in the achievement of the group's carbon-neutrality objective by offsetting 100% of its generated emissions (25,633 tCO₂e in 2020).

Reducing carbon footprint by adjusting combustion in biomass plants

For generating electricity from biomass, ACCIONA mainly uses agricultural (straw) and/or forestry waste, which guarantee that the CO₂ issued during combustion forms part of the biogenic carbon cycle. However, due to the conditions of temperature and pressure during this process, a minor amount of the gases generated is also issued in the form of methane (CH₄) and/or nitrous oxide (N₂O).

In 2020 the company initiated a combustion process re-engineering project which has managed to reduce the emissions of those two gases to levels that are so low that they are not even recorded by the exhaust gas monitoring equipment. Taking the tolerance values of the measuring system as a reference, it is estimated that they have managed to reduce the emission between 50 % and 60 %, which would be equivalent to more than 4,000 tonnes of CO₂.

Circular Economy

The energy business clearly identifies with the circular economy model in such a way that the generation of renewable energy has for some years now been linked to measures such as the recovery of most of the related waste. It mainly involves slag and ash generated by its biomass plants, which are put to agricultural use. They are used for recovering degraded areas or as an ingredient for producing clinker (the main component of cement), low in carbon. Furthermore, in 2020 this division put the following initiatives into operation:

Incorporation of the Life Cycle Analysis strategy and circular economy into operations

ACCIONA uses Life Cycle Analysis methodology for all new renewable projects. This process shows, for example, that the emissions caused by the construction of a wind farm are compensated during its first 9-10 months of operation, and from then on, the facility becomes a positive carbon emitter until the end of its useful life, 25 or 30 years later.

137

The use of these tools also shows the relevance of the sustainable management of replacement parts during the life cycle of the wind farms, especially for the large components of the wind turbines. The application of the circular economy, with priority for repair over replacement, enables ACCIONA to avoid the emission of more than 6,000 tonnes of CO₂ by extending the useful life of multipliers (>3,500 tCO₂) and generators (2,500 tCO₂).

Biodiversity

The energy division makes every effort to protect and conserve biological diversity. It has initiatives for the conservation of fauna and flora in its facilities, highlighting the following actions carried out in 2020:

Installation of bird detectors on wind turbines

An R&D project was commenced, focusing on analysing and experimenting with technologies aimed at reducing incidents involving birds and wind turbines. These are systems that use high resolution cameras and artificial intelligence for detecting birds in the area of the wind farms and which emit signals in circumstances considered a risk of collision.

The first phase of the project was to carry out flash-tests with bird-shaped drones to compare the results in similar controlled situations. In Autumn 2020, the period began for validating the system in two turbines to test its effectiveness in real situations.

Recuperation of the salmon habitat in the River Nansa (Spain)

ACCIONA has completed the project for recuperating the salmon habitat in the River Nansa, which was split over 60 years ago after being transformed into a hydroelectric power source. The two levels built in recent years (in Celis and Vendul) have been joined by a lift for overcoming the 20 m of the Palombera dam, which constituted the first major obstacle for the salmon to run upstream to spawn.

The salmon cross through small artificial ponds or troughs to enter a metal cabin submerged in the water, which is lifted using a system of rails to the upper part of the reservoir. Here the characteristics of the salmon can be observed, measured and documented before they are deposited in the Palombera reservoir through a network of chutes.

138

Exponential leadership

Authenticity: customers

Long term agreements

There are three factors that make corporate purchasing of green energy a powerful tool for the transition to a decarbonized economy: the competitiveness of renewable technologies, the interest of companies in securing an energy supply at a stable price over time, and corporate climate change policies.

In 2020, ACCIONA continued to reinforce its strategy of selling renewable energy to large corporate customers who wish to reduce their carbon footprint with new agreements for long-term renewable supply, known as Power Purchase Agreements (PPAs).

In 2020, ACCIONA was the 4th developer with the highest number of PPAs signed in the world, according to BloombergNEF. During the year, 10 new PPAs were signed under which 2,770 GWh will be delivered per year in Mexico, Spain, Chile and United States. The contracts are for a term of up to 12 years.

ACCIONA was the 4th developer with the highest number of PPAs signed in the world

Customer relations and services at their disposal

Green Energy Developments, a subsidiary of ACCIONA, manages the sale of 100% of the renewable energy produced at the group's facilities to the electricity market. It also handles the sale of renewable energy of other independent producers, who benefit from the group's technical capacity and experience, adapted to customer needs. Green Energy has a long history of selling energy in wholesale markets.



It also sells 100 % renewable energy certified by the National Commission on Markets and Competition (CNMC) to customers, who it advises on the most suitable contract for optimising their consumption. It is worth mentioning that among the associated services and downloading bills and 24/7 telephone assistance, or the possibility of consulting the consumption history and price forecasts. The company has a CRM system that manages the relationship with the customer, contributes to the provision of the service and effective follow-up.

Regarding the solar farms, 43 % of customers are very satisfied with the service provided by the company, indicating that they think there is nothing to improve on. For the energy business in Chile, the customers gave a 10 out of 10 score on quality, precision, level of detail, clarity and transparency of the bills.

Customer satisfaction and loyalty

Evolution of customer satisfaction

	2017	2018	2019	2020
Satisfied customers	100 %	100 %	98 %	99 %

Includes solar farms, Green Energy, Chile and India.

With regard to complaint handling, the business line has implemented a system for prioritising complaints in order to manage them more quickly. The division received 34²⁰ B2B complaints, of which 97 % were Solar, and 41 B2C, all of which were resolved. Solar resolved them in an average time of 24 hours.

Greenchain: traceability of the renewable origin of electricity with blockchain

ACCIONA's Greenchain project traces the renewable origin of its electricity generation with blockchain technology, so that customers who wish to do so can check in real time that 100% of the electricity supplied is clean. This system increases their confidence and favours the growth of these types of contracts.

In 2020 it has been implemented in Chile with Enami and New Atacama customers.

Greenchain has been selected by World Economic Forum as one of the innovations of the decade, Breakthrough Energy Related Innovations (2010-2020).

139

Non-conformities

The philosophy of the non-conformity report, and also the correct attribution of non-conformity costs, is essential for carrying out a thorough analysis of the lines of action regarding the most critical processes, supplies and/or suppliers.

The company has managed to implement, monitor and obtain a significant reduction of KPI (Costs of Non-conformity / CAPEX of the projects monitored), obtaining a 43% improvement on the previous year, from 0.82 (2019) to 0.47 (2020).

Product security and quality

The Control Centre of Renewable Energy (CECOER), has adapted its processes to comply with CIP regulations (Cybersecurity in the Energy Sector) in USA and Canada. A new infrastructure has been created in the Chicago control centre, monitoring users and access. Furthermore, a new app has begun to be used for improving security in the management of electrical discharges in substations.

²⁰ One complaint yet to be settled due to reasons beyond Acciona's control: resolution depends on the Distributor.

Sustainable transformative innovation

In the energy business, innovation is a founding pillar for staying in the forefront in a sector that is increasingly more competitive. The figure recorded for innovation in renewables in 2020 was € 78.4 million.

Evolution of figure for R+D+i in Energy

	2017	2018	2019	2020
Figure for Energy R&D+i (M€)	66.4	61.8	75.4	78.3

Energy technology management

The Energy Technology Department is located in Madrid and is the core of ACCIONA's renewable energy innovation activity, where most of the strategic lines of research are carried out: wind, solar, electricity storage and new energy solutions. The energy innovation team is distributed among the energy centres in Pamplona, Madrid and Mexico. ACCIONA tests, characterises and integrates the best technologies available on the market and collaborates with various manufacturers on new products to improve the cost and reliability of the energy generated.

Among the key milestones in innovation undertaken in 2020, the following deserve special mention:

Blockchain to energy

ACCIONA is pioneer in using blockchain technology for trading emission allowances, in association with Climate Trade. This platform facilitates contact between the generators of emission (carbon offsets) and organisations that need to buy them in order to comply with their carbon footprint reduction targets.

On-Shore wind area

- > Implantation of innovative control strategies that maximise the power curve in the AW3000 fleet.
- > Study, implementation and validation of noise reduction in wind turbines with different brands of blade.
- > Use of 3D printing to manufacture spare parts, avoiding international logistics.

140

Photovoltaic solar area

Conclusion of construction of the first floating PV plant connected to the Spanish electricity grid in the Sierra Brava reservoir (Cáceres) with 1.125 MW of power.

New energy solutions: hydrogen

Power to Green Hydrogen Mallorca (Spain)

In line with the new EU Hydrogen Strategy, the first green hydrogen industrial plant in Mallorca will also become the first strategic reference (flagship) for Southern Europe, with the creation of a "green hydrogen ecosystem" in the Balearic Islands.

Power to Green Hydrogen Mallorca will generate, distribute and use at least 300 tonnes of renewable hydrogen per year, produced from solar energy. The target is to reduce the island's CO₂ emissions by up to 20,700 tonnes a year.

The project also falls under the "Hydrogen Road Map: a wager for renewable hydrogen", recently approved by the Spanish Government. This initiative seeks to position the country as a technological model in the production and use of renewable hydrogen; in 2030 it will reach a production output of 4 GW, mobilising a total estimated investment of € 8,900 million.

INTEGRATE TO TRANSFORM

Solutions approach

Social-economic impact of the projects

The division uses the economic model based on input-output tables (analysis of the relationships between different industries) to identify and measure the socio-economic and environmental benefits generated by the energy projects from start to finish. Through this tool the company obtains quantitative results of the direct, indirect and induced impact of its operations in terms of job creation and contribution to the gross domestic product GDP of each country, and also in the environment and communities.

In 2020, 19 analyses have been made of the social-economic and environmental impact that has been integrated into several offers, negotiations and tenders, and also in the response to requirements from regulators and customers. The calculation tool has been implemented in the reporting system to gain more speed and reliability in the report, and to include fields and technologies other than wind and photovoltaic energy, such as biomass or hydrogen.

Social-economic impact and environmental in the Macintyre wind farm (Australia)

This 1,026 MW facility will contribute significantly to the country's growth, job creation and improvements in the environment during the entire life cycle of the project, as described below:

- Contribution to the GDP: AUD 1,737 million equivalent to the GDP per capita of 26,754 Australians.
- Job creation: 1,854 direct, indirect and induced jobs during the entire life cycle of the project.
- Emissions avoided: 2,647,700 tCO₂ per year, equivalent to the consumption of 572,000 cars.
- Water saved: 5,468,215 m³ of water per year, equivalent to 2,187 Olympic swimming pools.
- Improvement of air quality: 24,800 tonnes of SO₂ and NO_x avoided per year, which translates as savings in medical costs associated to respiratory diseases amounting to AUD 50 million.

141

Social-economic and environmental impact on the Tolpán Sur wind farm (Chile)

ACCIONA's third wind facility in the country, with the capacity to produce 84 MW of power, creates the following impacts:

- Contribution to the GDP: € 130 million, equivalent to the GDP per capita of 9,655 Chileans.
- Job creation: 1,182 direct, indirect and induced jobs during the entire life cycle of the project.
- Emissions avoided: 266,600 tCO₂ per year, equivalent to the consumption of 55,600 cars.
- Water saved: 534,725 m³ of water per year, equivalent to 214 Olympic swimming pools.
- Improvement of air quality: 2,263 tonnes of SO₂ and NO_x avoided per year, which translates as savings in medical costs associated to respiratory diseases amounting to € 2.78 million.

Local ecosystems

Social Impact Management

ACCIONA uses methods inherent to Social Impact Management (SIM) with which, right from the offer or design stage, it is aware of the social risks that its construction works, operations or provision of services could produce in the areas of influence of its projects. The aim is to generate positive impacts and minimise the negative impacts in the local communities and environments in which it operates. In 2020, Energy has introduced Social Impact Management into 32 wind farm and photovoltaic projects in 10 countries, compared to 22 in 2019.

In line with the Equator Principles, Energy has complaints mechanisms for communities and other stakeholders: specific communications channels in 100 % of its projects and a public form on its web site for people or groups wishing to submit queries and/or suggestions in relation to any project (<https://accionaenergia-old-code.azurewebsites.net/sustainability-innovation/queries-or-suggestions/>).

Projects with highlighted social actions

Initiative for tourist positioning in the Antofagasta region (Chile)

1.5 kilometres from the Uysa photovoltaic plant which ACCIONA is building in the commune of Calama, there are two indigenous communities: the Lyckan Itchai Paatcha indigenous community in Yalquincha and the Hijos de Yalquincha indigenous community. ACCIONA works with these groups to promote their tourist activity. To this end, a tourist positioning strategy has been designed, a starting point for having the area declared a touristic interest zone (ZOIT). Furthermore, a marketing plan and different actions have been worked out for broadcasting the tourism activities carried out in the area. This social initiative will benefit 50 indigenous inhabitants of Yalquincha, and also other communities.

ACCIONA collaborates with the livestock breeders in South Africa with a project for hydroponic fodder production

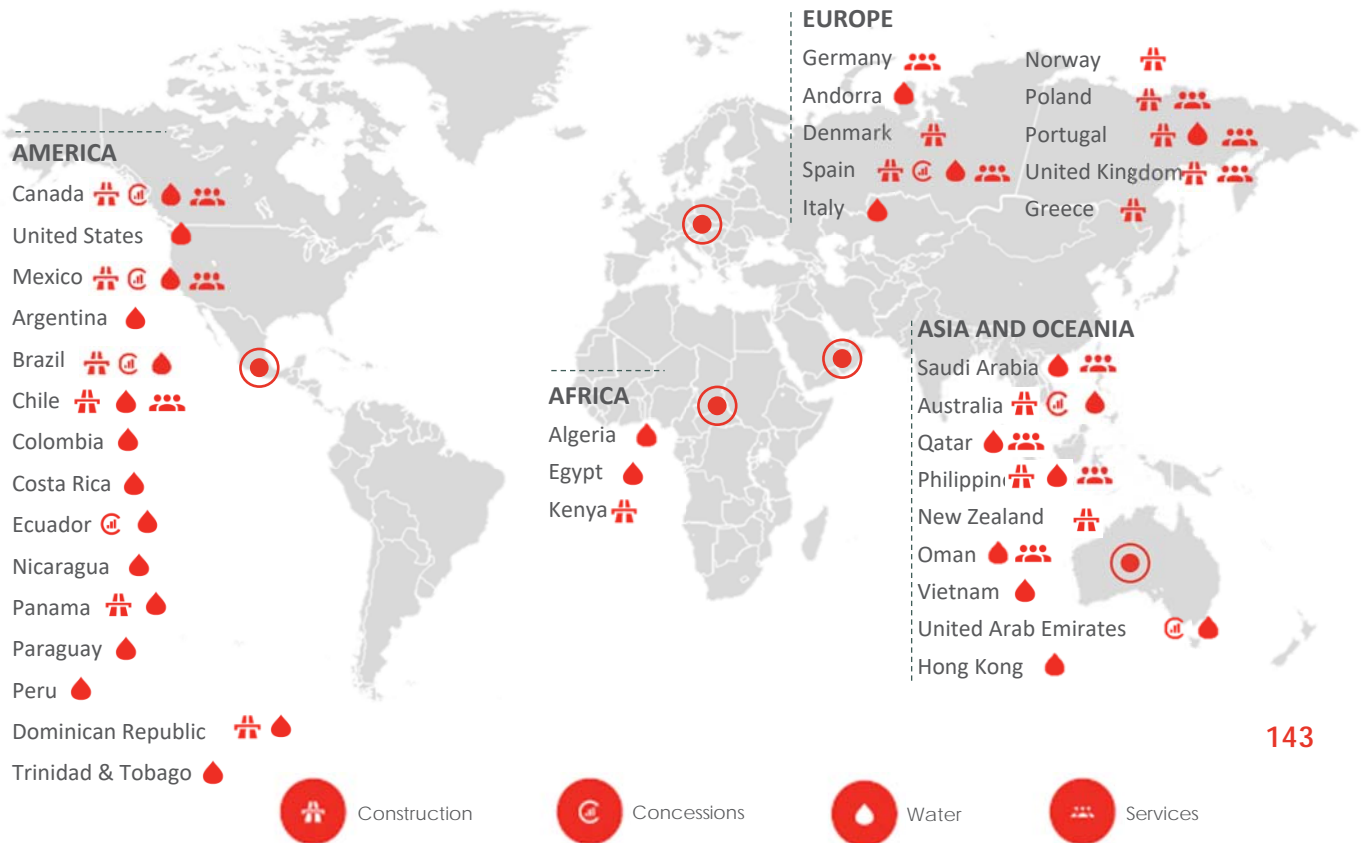
The company, along with local livestock breeders associations in Deben – Northern Cape, South Africa - has promoted the "Green Sprouts" project for sustainable hydroponic cultivation of feed intended for livestock in the area surrounding the Sishen photovoltaic plant. This initiative enables the continuity of communal livestock farms that were in a precarious situation due to drought in recent years, which obliged them to buy feed at a high cost.

This type of cultivation completely dispenses with soil for growing plants, as it works with the roots in suspension and a minimum amount of water that contains the necessary nutrients. This provides a sure, sustainable and nutritious source of food, regardless of the climate or market conditions. The production cost is 75 % cheaper.

142

Infrastructure Businesses

ACCIONA has extensive experience in the development and implementation of complex projects and services around the world.



	2018	2019	2020
FINANCIAL PERFORMANCE			
Sales (million €)	5,059	5,034	4,375
EBITDA (million €)	419	431	213
Gross CAPEX (million €)	145	372	241
NON-FINANCIAL PERFORMANCE			
Workforce at year-end	35,596	37,039	35,558
Women executives (% of total executives)	N/A	9,3	13,2
Accident rate: employee frequency rate	5.0	4,8	3,3
Emissions generated (million tonnes of CO ₂)	0.138	0,134	0,107
Water treated (hm ³)	790	1.030	923
Total innovation figure (million €)	162	149	152.5
Global customer satisfaction index (%)	96	98	97
Projects with Social Impact Management (no.)	81	102	95

N/A: Not available

Below is a description of the main topics in which the infrastructure division has advanced in 2020 as part of the sustainability strategy.

PEOPLE CENTRIC

Transformative environments

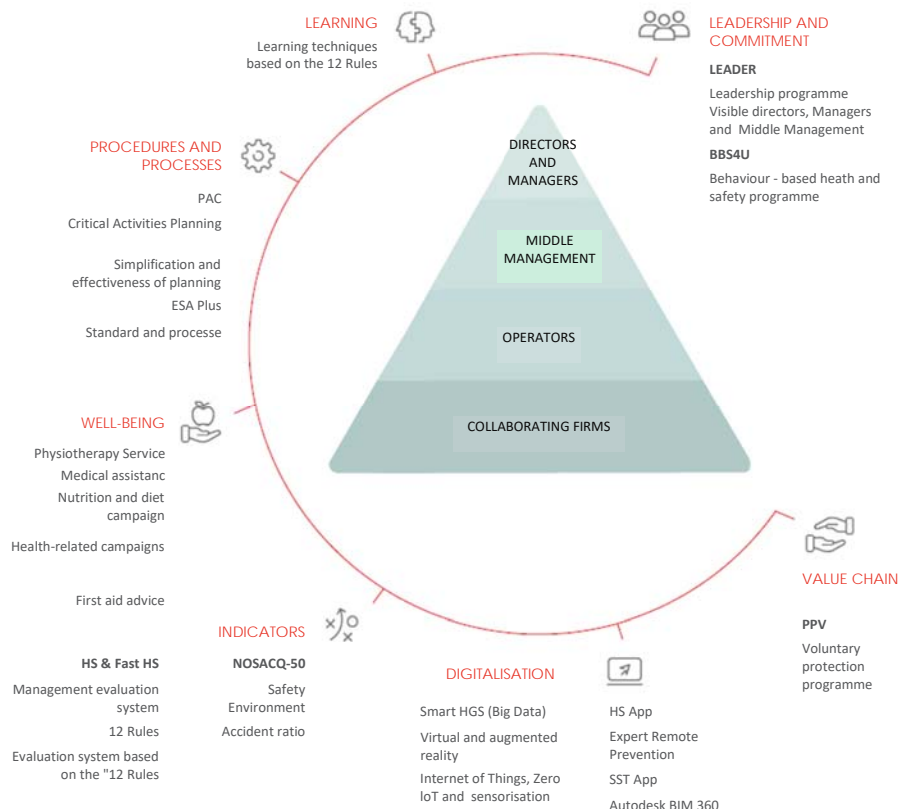
Health and Safety at infrastructure

For ACCIONA's infrastructure division, the Sustainable Development Goals (SDG) allow it to tackle the greatest challenges to humanity from a global and transversal perspective, where the solutions to certain problems produce impacts and synergies in resolving others. In its relationship with society, the company assumes the need to collaborate in improving people's quality of life: the commitment is to create a safe, attractive, inspiring and successful working environment.

The company is working on a model of reference within the culture of excellence in Health and Safety at Work through by creating and improving efficient working conditions, guaranteeing health and safety in the workplace with the aim of creating a healthy environment, improving the well-being of all employees at work, helping to reduce the number of on-the-job accidents and occupational diseases and influencing the entire value chain, especially in collaborating companies. All of this places an increased importance on the human factor by strengthening the relationship between positive behaviour and the management of occupational health and safety in the 21st century, through innovative programmes which are already having success in sectors where it operates.

The model provides a new order of things leading to the consolidation of a new culture of prevention, as evidenced by its visible leadership programmes, safety based on positive behaviour and reinforcements, voluntary protection programmes aimed at suppliers and collaborating companies, high safety standards, or the new critical activity planning models based on intuition, simplicity and documentary economy. In addition to this, a profound technological transformation has resulted in a revolutionary digital management model for preventive management, such as remote assistance in streaming, IoT, virtual and augmented reality, and especially the development of predictive tools.

Intelligent prevention. Cultural transformation.



144

K. Rosenberg

Among the many advances in health and safety at work in 2020, some of the most relevant are:

- > Drawing up and monitoring preventive action protocols against COVID-19.
- > We have continued with the process of migrating to the new ISO 45001 standard with the concessions and industrial business, which was added to the construction, water and services business.
- > The use of the Experta Remote Prevention tool made it possible to continue visits to the work centres for the corresponding inspections (SGV, COVID-19 Checklist, investigation of accidents, etc.), even when most of the population was in confinement due to the pandemic.
- > Introduction of the "6Conecta" tool.
- > Occupational Health and Well-being Programme.
- > Emotional fitness: workshops for understanding and managing emotions.
- > Courses on road safety, efficient driving, use of measuring equipment, good posture, nutrition, diabetes, heat stroke, eye health, first aid, injuries, chronic illnesses, tobacco, alcohol and drugs.
- > Creation of a centralised warehouse for internal management for supplying protection equipment against COVID-19 to all the work centres.
- > Implantation of the process of Safety In Design in an international project.

Project Zero IoT

The ZERO IoT project in which the water and construction businesses participate, is based on the "Internet of Things" (IoT), which connects different wearable devices in real time, such as wristbands or smartbands and sensors, with smartphones, beacons, and tablets. This system enables early detection with alerts for situations of risk that could result in real incidents to both workers and supervisors in a task.

Zero IoT works as a "Zero accidents" programme for workers. It makes it possible to parameterize the "shields" based on the working conditions, with the aim of identifying unforeseen risks in order to avoid them or, in the case of an emergency situation, to intervene as quickly as possible.

In 2020, 3 pilot projects were developed in the Water and Construction businesses, that included the following measures:

- Sensorisation of working areas.
- Generation of real time alerts for situations of risk that warn the worker and the team at the worksite control centre.
- Development of a mobile application for workers and supervisors in addition to a control panel that displays the information in real time.
- Historical analysis of the information.
- Development of the SDA module centred on protecting workers in lane closures using AI, preventing potential accidents.

"6Conecta" tool

6Conecta is a tool for the integrated management of occupational health and safety: behavioural programmes, training, indicators (SVG, 12 Rules, COVID-19 Checklist, etc.), accident rate, evaluation of risks, monitoring and analysis of data, etc.

In 2020 the tool was adapted to the company's Management System and it was launched in Spain in the last quarter of the year.

During the first quarter of 2021 it will be introduced at international level, which will make it possible to have project management data in a single application for later analysis.

Under this model of preventive management, communication and response to incidents are essential. The communication channel established (OHS.infrastructure@acciona.com) has speeded up the management of such incidents.



The severity and frequency indicators went down by 29 % and 31 %, respectively.

Evolution of accident indicators for infrastructure employees

	Severity index				Frequency rate			
	2017	2018	2019	2020	2017	2018	2019	2020
Infrastructure	142.4	165.5	160.5	114.7	4.8	5.0	4.8	3.3
> Construction	53.9	49.2	62.5	24.9*	1.6	1.1	1.9	1.3*
> Concessions	111.9	139.5	191	145.8	2.7	3.1	6.5	6.2
> Water	119.0	172.7	153	134.3	4.4	4.4	3.7	3.9
> Services	194.4	212.0	188.7	137	6.8	6.7	5.7	3.8

*In 2020 it includes the accident rate corresponding to the Industrial business.

Following on from the work in previous years, a series of road safety initiatives was implemented in 2020 to prevent the incidence of occupational accidents while commuting or on work-related travel. During 2020, specific road safety training was given using augmented reality technology. Due to the appearance of the pandemic, the content has not been able to be distributed and it has been postponed until 2021.

Even so, the accident data shows that considerable effort will be required in this area in the coming years. There were 215 commuting accidents and 34 on-mission accidents.

Health and safety in the infrastructure supply chain

In almost all prevention activities ACCIONA has the full collaboration of contractors, subcontractors and suppliers since they participate in the company's regular management system procedures. Generally speaking, the accident rates of Infrastructure contractors increased in 2020.

Evolution of accident rate indicators for infrastructure contractors

	Severity index				Frequency rate			
	2017	2018	2019	2020	2017	2018	2019	2020
Infrastructure	19.1	18.6	23.1	13.4	0.9	0.9	1.0	0,7
▪ Construction	15.8	16.1	19.2	16.4*	0.8	0.8	0.8	0,8*
▪ Concessions	16.9	32.3	116.9	21.9	0.7	0.9	3.6	0,8
▪ Water	43.9	30.7	22.1	4.6	2.0	1.9	0.9	0,2
▪ Services	1.6	0.0	35.7	4.8	0.8	0.0	3.1	0,5

*In 2020 it includes the accident rate corresponding to the Industrial business.

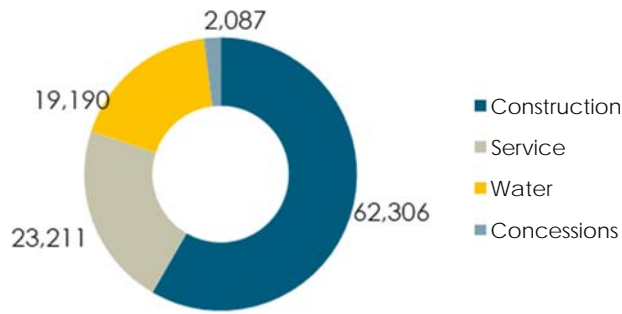
PLANET POSITIVE

Climate

ACCIONA's priority is to respond to the global demand for sustainable infrastructure. In this respect, the division implements energy efficiency solutions at its own locations and those of its customers, optimising consumption and reducing the associated CO₂ emissions.

146



Emissions generated by the division in 2020 (tCO₂e)

The Infrastructure division participates in achieving the goal of carbon neutrality for the entire group by offsetting 100% of the scope 1 and scope 2 emissions generated, which were 106,794 tCO₂e in 2020. To this end, it has developed various solutions for reducing emissions:

Electrification of processes in tunnelling work

Building tunnels using a tunnel boring machine is highly efficient compared to the traditional method of perforation and blasting, involves less execution time and is more environment-friendly. However, the diversity of ground types and dimensions of the excavation work mean these large machines need considerable capacity of adaptation.

For the work of creating the tunnel for transporting water to the Mularroya reservoir in Zaragoza (Spain), ACCIONA has developed an innovative solution that has made it possible to adapt one of its double shield tunnel boring machines to the requirements of the project. The complex geology of the route and the project requirements called for a single shield rock-boring machine with a smaller diameter.

With this modification, other major improvements had also been introduced that resulted in less emissions. The process for the extraction of excavation material was designed using a conveyor belt and electric locomotives, which have achieved a reduction of 219 tCO₂e.

147

Streamlining earthworks

ACCIONA's Construction Technology Centre has developed a digital tool for the comprehensive control and monitoring of the machinery used in earthworks. It is intended to streamline operations and increase productivity in the projects.

The web interface of the tool allows viewing and analysing the figures for production, execution times, distances, volume and performance, following sensorisation of the equipment. It can be implemented in the company's own or subcontracted machinery as it is compatible with any manufacturer.

The mechanism has already been successfully tested on the Puhoi-Warkworth motorway in New Zealand. It makes it possible to improve excavation performance by up to 10 %, reducing the emissions generated in the same percentage.

Control system for improving energy efficiency in water treatment plants

ACCIONA has put the SCREEN project into operation (cloud-based energy efficiency remote control system), a platform that enables the monitoring and streamlining of energy consumption of the WWTPs in each of their processes. The results are shown collectively and separately so specific action can be taken on each component of the system. For example, overconsumption

can be investigated in real time and the cause discovered. Each phase of control can be adjusted until maximum efficiency is obtained. At present, the energy expenditure has been reduced by 15 %.

14 water treatment plants have been connected to the control system, although the target is to bring in all the wastewater treatment facilities operated by ACCIONA over a 5 year period.

ACCIONA extends its motorbike sharing services

Following the launch of the service in 2018, there are now eight cities in which ACCIONA provides shared mobility services using electric motorbikes.

At the end of 2020, ACCIONA had a fleet of more than 12,000 motor-cycles powered by renewable electricity, making the company largest operator in the world in this sector.

Each shared vehicle means two private vehicles can be taken off the road and promotes the use of public transport, which it then complements. This year along more than 850 tCO₂e have been avoided, equivalent to the emissions generated by around 100,000 cars circulating per day, freeing space equivalent to more than 45 football stadiums.

Water

Through the management of the integral water cycle ACCIONA meets the needs of millions of people around the world by responding to one of the greatest environmental challenges facing mankind: access to water and sanitation. In 2020, the treatment plants managed by this business line desalinated, treated and purified 923 hm³ of water (439 hm³ in water-stressed countries), while the water supplied from primary networks and groundwater sources amounted to 48 hm³.

Evolution of the volume of water managed (hm³)

	2017	2018	2019	2020
Desalinated water	296	318	455	322
Purified water	199	26	123	116
Treated wastewater	279	445	453	484
TOTAL	775	790	1,030	923

148

Infrastructure's water consumption

The use of water for internal consumption went up in 2020 compared to 2019 by around 1.4 million m³, mainly due to the upsurge in the use of WWTP recycled water which, to date, had been identified as process waters. With this, the use of recycled water and rainwater went up in 2020, accounting for 59 % of the total.

The execution of on-site work, such as excavation, perforation, concrete production or compacting embankments, requires using significant quantities of water. In order to minimise the volume of water extracted from the environment, ACCIONA includes best practices in this subject:

- > In the construction of the tunnel for the Valls-Montblanc relief road of the A-27 highway (Tarragona), a water tank was installed at the southern tunnel mouth to be used for collecting discharge. Its content will be re-used during the excavation of the tunnel, thus saving almost 18,000 m³ of water.
- > In the work for the Pedralba section of the Pradería- Padornelo Tunnel on the Madrid-Galicia high-speed train line, nearly 7,500 m³ of water coming from the water treatment plant have been used for producing concrete.
- > In the execution of the section of the A-54 between Melide and Palas de Rei, the runoff water crossing the section is redirected toward different temporary separators or interceptors before being returned to the natural sources. That water is re-used by the tanker truck for the daily watering of the main access to the site, cleaning operations or embankment work. This means a saving in consumption of over 7,000 m³ of water.

Reduction of water consumption in the Kwinana waste to energy plant from the design stage

ACCIONA is building the first plant for transforming waste into energy in Western Australia. The plant will process up to 400,000 tonnes of waste per year and will have a production capacity of 36 MW, equivalent to the consumption of 50,000 homes.

The company's proposed design will include significant improvements in water consumption. The use of a fin fan cooler system with evaporative cooling for the auxiliary refrigeration system instead of evaporation towers, has resulted in a saving of around 50 % in water expenditure (some 72,000 m³ per year), in addition to contributing to the achievement of zero effluent discharge.

Water treatments in areas with water stress

As in previous years ACCIONA continues to contribute to guaranteed access to drinking water in areas with water stress and to the sustainability of the environment in areas where the level of sewerage services is low, by building, operating and maintaining water purification, desalination and treatment plants. In 2020, 48 % of the water treated has been generated in places with water stress.

Al Khobar 2 desalination plant

ACCIONA continues to respond to the demand for water treatment infrastructure in regions with water stress or with predicted water shortages due to the climate change. The company, together with RTCC, has been awarded the construction of the Al Khobar 2 desalination plant.

The plant has reverse osmosis technology and its output will be somewhat more than 600,000 m³ of water per day, making it the largest reverse osmosis plant in the world built under the EPC format in a single phase. It will meet the needs of a population of three million inhabitants. With this, ACCIONA consolidates its presence in the water business treatment in Saudi Arabia, a country in which it is currently developing 4 projects.

149

Circular economy

The infrastructure division implements sustainable projects that promote a model of circular economy. In its different business lines, it promotes procedures aimed at waste reduction, segregation, reutilisation, recycling and recovery. It also encourages the use of renewable materials instead of virgin materials.

Excavated earth and rubble are the most common types of waste in the field of construction, so ACCIONA's 2016-2020 Waste Management Plan focusses significantly on re-using and recycling this type of residue. Some of the cases worthy of mention in 2020 were:

- > The expansion of the El Estrellin quarry, where 28,000 tonnes of earth coming from the excavation of the quarry itself have been deposited, 2.5 kilometres away, to be used in the subsequent phase of restoring the northern section of the quarry.
- > All the rubble generated in the refurbishment of the building where the hotel IKOS in Estepona will be located has been sent to a plant for recycling.
- > In the work on the Metro Conexión JV in Malaga, once authorisation was given by the project management, recycled aggregates were used to avoid the extraction of more than 10,400 tonnes of natural quarry material.

Recycled material and re-use of structures in building

The RE4 project, in which ACCIONA has participated, is a research initiative funded by the EU within the framework of the Horizonte 2020 programme, with the collaboration of 13 institutions from the world of the science and industry. Its main objective is to promote new technological solutions and strategies for the development of prefabricated components with a high percentage of recycled material and re-used structural material from demolished buildings.

The project has focused on designing building elements that are easily assembled or dismantled for re-use, containing 65 % of construction and demolition waste. The components will be suitable for use in building and refurbishment.

Recovery of the carbon content in wastewater

ACCIONA forms part of the European Water Mining project, the aim of which is to identify solutions that enable converting conventional waste water and sea water treatment systems into processes for the recovery of resources.

To be more specific, the company has an active participation in the development of technology for the recovery of carbon originating from waste water in the form of biopolymer, a compound that has applications in sectors such as the textile industry, construction or medicine.

Challenges in waste management during the construction of the DEWA III photovoltaic plant

ACCIONA participates in the construction of the largest photovoltaic plant in the world in the United Arab Emirates, that will have 800 MW of nominal power. The size of the project has been a challenge in respect of the separation and recovery of the waste generated by the packaging for the almost 100,000 photovoltaic modules received.

After a complicated beginning, the project managed to improve its recovery statistics up to almost 74 % for plastics, 81 % for wood waste and 99 % for paper and cardboard waste. It also managed to reduce the management expense to almost half as a result of less need for transportation and the revenue generated by the sale of waste to local recovery companies.

150

Use of resources and waste management in Infrastructure

	2017	2018	2019	2020
TOTAL resources (tonnes)	8,548,722	17,389,443	5,441,783**	8,180,828
Recycled or renewable resources* (%)	21 %	29 %	9 %	11 %
TOTAL non-hazardous waste (tonnes)	12,073,759	9,566,294	3,752,589	6,235,078
Non-hazardous waste recovered	43 %	58 %	75 %	77 %

*Recycled or renewables: biomass, certified wood (FSC or similar), soil, aggregates, steel, coal and recycled paper

**Corrected errata in 2019 figure.

Biodiversity

The infrastructure business activities can produce adverse effects for biodiversity. For this reason, all the areas identify and assess any possible alterations in each phase of the projects it carries out, with the aim of implementing the necessary prevention and correction measures.

Rescue and translocation of populations of the Pyrenean desman

The Pyrenean desman (*Galemys pyrenaicus*) is a mammal native to the Iberian Peninsula, classified as "Vulnerable" by the Spanish Catalogue of Threatened Species and by the IUCN. It is a semiaquatic species that lives in mountainous regions.

The Pedralba section of the Pradería-Padornelo Tunnel of the Madrid-Galicia high-speed train line constructed by a consortium in which ACCIONA participates, includes the construction of a viaduct that crosses one of the main habitats of the Pyrenean desman.

The company has put a pioneer programme into effect for the translocation of specimens of this singular species, consisting of reintroducing specimens captured in the section of river affected by the building work back into the environment; specifically a 1km stretch of the river. To this end, radio tracking techniques have been used in a total of 24 specimens, to obtain information on how this species uses and explores the territory, how it uses the shelters and how they behave. After transferring them, they were seen to have adapted rapidly to their new habitat, finding shelters and studying the river environment normally.

Conservation of biodiversity in the maintenance of green zones in Vigo

ACCIONA has been selected by the Vigo Council for the maintenance of more than three million square metres of green zones around the city, in which it will use principles of sustainable gardening. Among the actions that it will be carrying out are:

- > Drawing up a programme for increasing, compensating and improving biodiversity, with actions centred on the fauna, flora and ecosystems of the area.
- > Carrying out a study of bats and nocturnal birds for balancing the ecosystem.
- > Making a detailed report on environmental improvements for the aquatic and wetland environments and the renovation of the interpretative signage of the ornithological route along the River Lagares.
- > Reducing the use of chemicals to a minimum for pest control and replacing them by non-polluting methods of biological control.

151

EXPONENTIAL LEADERSHIP

Authenticity: customers

Relations with customers and services at their disposal

Taking into account the diversity of Infrastructure's customers, communication with them is managed using a wide variety of channels ranging from face-to-face attention to web spaces for each business in the division.

In the Entorno branch, the main topics handled with customers have concentrated on planning service, frequency and special events. This year in particular, the planning for cleaning to combat COVID-19 has been the item most frequently addressed. Another item dealt with was the implementation of the collection of bio-waste in towns. In the Healthcare business, ACCIONA has been informing its customers on the updates of its COVID-19 protocols. Due to the type of service it provides, the adaptation has been continuous and permanent through: a commission that monitors the pandemic on a daily basis, follow-up meetings held weekly with customers, increased number of COVID ambulances with specific personnel and constant announcements.

Quality of the water supplied to customers

Water customers have different channels available to them for managing claims, complaints, suggestions and incident-solving, such as web sites and virtual offices in the concessions, amongst others.



For vulnerable customers, ACCIONA's water services business collaborates with the town councils in order to not leave any customers falling into that category without water.

Global Water Intelligence Awards

The ACCIONA water business has won Global Water Intelligence awards in the virtual event held in 2020. It has two projects that have won "Distinction Awards": the Shuqaiq-3 desalination plant in Saudi Arabia for the best contract, and the Putatan-2 water purification plant in the Philippines for the best treatment plant.

Customer satisfaction and loyalty

The percentage of satisfied Infrastructure customers remained very high in 2020.

Infrastructure customer satisfaction

	2018	2019	2020
Construction*	100 %	100 %	100 %
Concessions**	100 %	100 %	100 %
Water	100 %	100 %	100 %
Services***	86 %	99 %	98.6 %
Infrastructure	96 %	98 %	97 %

*Includes Industrial, which sent no surveys.

** Includes Hospital León Bajío, CHUVI and A2-Tramo 2.

*** Includes AFS Spain, AFS Portugal, Mexico, Environment, Healthcare, Mobility and EROM.

Some indicators to be highlighted in the scope of customer satisfaction during the year are:

- > The implantation of a new virtual customer service has been 75% completed in the water business.
- > A level of 4.5 out of 5 was reached for customer satisfaction in ESCO and an average of over 4 in Facility Services Portugal.
- > In the satisfaction survey carried out with the motosharing customers after the first state of alert, 66 % of participants used the service after the first wave; 83 % of the bike users felt safe with them and 84 % thought the anti-COVID measures taken were sufficient.

152

In this respect the assessment of ACCIONA as compared to its competitors is also significant. With this, 100 % of the customers consulted by ESCO, and 76 % of customers consulted by AFS Spain would contract its services again.

In 2020 a solution was found for 100 % of the complaints received from customers of the concessions and water business lines. 76 % of the complaints received in the construction business were solved, and in the case of services, 99.6 % of the B2B complaints and 80 % of the B2C complaints were solved.

Groups for improvement

At the close of 2020 23 groups for improvement have been identified in the infrastructure division, and a total of 41 lessons learned that are disseminated through a "Knowledge Navigator" portal.

LECTOR (Reader) Project

This is a group of experts in reading specifications sheets and contracts, intended to provide expert contractual and technical knowledge for programming key alerts in software that aids the reading of specifications sheets and contracts using artificial intelligence.

There were 294 alerts programmed until 2020.

Certifications

Infrastructure has Quality Management Systems and Environmental Management Systems certified under the ISO 9001 and ISO 14001 standards respectively, as well as other certifications, to ensure its technical capacity, guarantee its competitiveness and improve its processes

Main Infrastructure certifications in force during the year

CONSTRUCTION	ISO 9001 and ISO 14001: 100 % of the activity in several countries (Spain, Chile, Brazil, Mexico, Colombia, Canada, Australia, etc.).
	PBQP-H Certification (Brazilian Programme for Quality and Productivity of the Habitat) in Brazil.
CONCESSIONS	Green and Gracious Builder Scheme of Singapore
	ISO 9001 and ISO 14001: 7 centres including highways and hospitals.
	ISO 27001: in Gran Hospital Can Misses (Ibiza, Spain).
WATER	ISO 39001: A2 Concession company, section 2 and La Plata Highway.
	ISO 9001 and ISO 14001: 100 % of the water treatment activity in Spain, Italy, Chile. 100 % of the integrated management services.
	ISO 50001: in twelve centres, three of them have been certified this year.
SERVICES	ISO 9001 and ISO 14001: Urban and Environmental Services activity in Spain and Mexico, Renewable Energy Operation and Maintenance (EROM), cleaning trains and railway stations, handling and driving gangways as part of airport services in Spain and Chile, Healthcare and provision of energy services (ESCO), Facility Services in Spain, Portugal and Mexico.
	ISO 22000: 100 % of the facility services activity
	ISO 50001: 100 % of the energy services activity.
	ISO 179002: Quality Management Systems for Medical transport companies under Healthcare activity.
	EMAS: Environmental certificate, engaged in managing landscaping and public spaces, the offices in Avda. de Europa and the gardening centre in León.

153

Sustainable transformative innovation

Infrastructure stands at the forefront in R&D&i with specific solutions with a high technological component for resolving the problems of each of its activities. In 2020, the figure substantiated by the division was € 155.5 million.

Evolution of R&D&i figures per business in Infrastructure (million euros)

Business	2017	2018	2019	2020
Infrastructure	142.4	161.8	149.4	152.5
▪ Construction	119.2	140.5	134.0	137.7
▪ Water	19.7	20.7	15.3	14.8
▪ Services	3.5	0.6	0.1	0.0
▪ Concessions	0.0	0.0	0.0	0.0

Infrastructure has two technology centres in Spain: the Construction Technology Centre and the Water Technology Centres. The innovation function is also present in the development of projects in the other Infrastructure businesses.



Construction Technology Centre

Located in Madrid, it is dedicated to the improvement of construction processes as well as the incorporation of new technologies and efficient construction materials, which gives ACCIONA a competitive edge over other companies in the sector.

Despite the inconveniences that 2020 has brought to large and small businesses, the Construction Technology Centres has managed to continue strengthening its three main lines of action, bringing excellence to the business:

- Improving the environmental aspects of construction projects.
- Implementing digitalisation.
- Providing ongoing solutions using innovative materials.

With this, different platforms have been developed to control processes such as tunnel construction or earthworks; methodologies based on the circular economy have been extended to reduce raw materials in our projects. Furthermore, the centre has included its own developments and tools which enable it to reduce execution times.

Water Technology Centre

This Technology Centre ranges from the most basic laboratory activities to pilot studies and industrial scale-up. It uses powerful modelling software using fluid dynamics and for carrying out structural studies.

The strategic lines are:

- Desalination and new technologies.
- Water treatment and reuse.
- Purification and water chemistry.

In addition to the facilities at the Water Technology Centre (Barcelona), ACCIONA has a series of demonstration plants located in water treatment plants operated by the Water business, where experiments are conducted under real conditions that supplement those conducted at the Technology Centre.

154

Some of the projects that have contributed to cost savings or revenue generation for the infrastructure division in 2020 are as follows:

Innovation in construction and engineering

- > Development of the DIGITUNEL project for the digitalisation of the monitoring and control of construction work in conventional tunnels. Applying it in MossIA ANS, where it is using and validating the new technology in building 10 km of the Moss railway line (Norway).
- > A new device for handling and controlling girders by mechanical drive using a rack. It makes it possible to mount heavy-duty girders on land with gradients of over 7 % when building bridges and viaducts in Cebú, Philippines.

Innovation in services

- > Definition of a model of last mile urban deliveries using mobile mini hubs developed with the VONZU startup under the I'MNOVATION programme.

Innovation in water

- > The STARNIT project is evaluating the use of sludge treatment by-products to optimise nitrogen removal in the main water treatment line, thus reducing energy demand and sludge production. The STARNIT process makes it possible to reduce energy consumption by around 25 % and to cut back to 100 % the need for external organic matter for nitrogen removal.
- > The LIFE-DREAMER project, finished in 2020, has succeeded in increasing the percentage of water recovery in seawater desalination systems from 45-50 % to 80-85 % in reverse osmosis

treatment plants. Similarly, the volume of brine residual currents went down by 65 % and the consumption of chemicals also diminished as a result of the strategies introduced. All these improvements contribute to increasing the sustainability of the desalination process.

INTEGRATE TO TRANSFORM

Sustainable difference in each project

The infrastructure business has identified and began to design High Impact Solutions in Mexico and Brazil.

High Impact Solution in the Atotonilco WWTP

The wastewater treatment plant at Atotonilco (Mexico) enables purifying the water of 12.6 million inhabitants, which is re-utilised for agricultural use or irrigation technification. This is the largest wastewater treatment plant in Latin America and the third largest in the world.

In 2020 work began on designing the implementation of the High Impact Solution concept in order to make a substantial contribution to improving the quality of life of the nearby communities through training, generating quality local employment (in turn reducing the gender gap and inequality gap), improving production output and soil quality.

ACCIONA has presented the proposal to the CONAGUA (Mexican National Water Commission) and to a possible funding partner, who have rated the proposal very highly. It has also advanced in designing solutions in order to commence a plan for closer rapprochement with the community and to implement those solutions during 2021.

High Impact Solution in the São Paulo Metro

The Line 6 concession of the São Paulo Metro is the largest public-private infrastructure project being developed in Latin America, and the biggest project in ACCIONA's history. It is estimated that during the construction period approximately 9,000 direct and indirect jobs will be generated. Once in operation, it will reduce the emission of more than 100,000 tonnes of CO₂ a year and will substantially contribute to reducing the travel time of 600,000 travellers every day. Line 6 connects the city centre to the Brazilândia District, one of the most impoverished areas of the State of São Paulo, where 21 % of the population lives in favelas (approximately 57,000 people).

ACCIONA aspires to convert the project into an example of transformative infrastructure with an additional positive impact for the community through the activation of development vectors based on the socio-economic analysis of the population. To that end, after an exhaustive analysis of the socio-economic and environmental gaps and opportunities in the area, four strategic aspects have been identified: training for the local population, promoting employment and entrepreneurship, introducing electric mobility solutions and promoting the gender perspective in the project. During 2021 it will continue with the development and implementation of the solutions proposed.

155

Local ecosystems

Social Impact Management

Through its own Social Impact Management (SIM) methodology, ACCIONA can know right from the outset what social risks are involved in its building works, operations and services for the areas of influence of its projects. Following this procedure, the positive impacts on the local communities and environments in which it operates are maximised, while the negative impacts are minimised.

In 2020, Infrastructure worked on 95 projects in 24 countries where it has implemented Social Impact Management. The type of projects is varied: from the construction of underground and railway lines, roads, hospitals and tunnels, to buildings or integrated services for managing water and cleaning.

The division currently establishes suggestions and complaints channels in each business line and in projects in which the customer requires or allows it. Using web forms, e-mails, telephones, suggestion boxes and community attention offices, the stakeholders involved in a specific project have been able to submit their queries and/or proposals.

Projects with social actions worthy of mention

Social actions in Facility D Independent and Power Project (Qatar)

- 50 % contracting with local services and hiring local qualified labour.
- Plan for sharing the technical know-how with local students, providing them with active involvement in the plant's operations.
- Employee welfare programme that includes physical and mental health campaigns and also acceptably conditioned accommodation made available to employees and transport from their accommodation to the workplace.
- Welfare programme for subcontracted employees based on transparency, integrity and ethical principles, aimed at maintaining the business relationships.
- Integration and socialising activities between company workers and subcontracted workers from different ethnic groups and their families.

Social actions in Ness Energy Project (Scotland)

- Contracting with local services with the aim of improving the economy of the area.
- Apprenticeship programme aimed at training new employees.
- Qualifying the workforce and obtaining industry certification, which will provide specific career skills for workers.
- Programmes to ensure equal opportunity and decent salaries for workers in the construction and operation phases.
- Meetings with interested parties, such as unions, local communities and schools, with the aim of informing on the project, receiving suggestions on initiatives and establishing future communications. The web site enables direct communication between the interested parties and the project organisation.
- Putting a volunteer "Time Bank" into effect in which the employees make their knowledge and time available to local businesses, for example, creating their web sites and holding informative conferences.
- Joining the "Considerate Constructors Scheme", which is an independent non-profit organisation, intended to raise standards and encourage industry best practices, as part of ACCIONA's commitment with the local communities in the area of influence of the project.


156



Other businesses

All ACCIONA businesses conserve their sustainable vocation, which is comprised in the financial services for fund management and brokerage services through Bestinver, the development of museums and event management through ACCIONA Cultural Engineering, the production of top-quality wines by Grupo Bodegas Palacio 1894 and housing development through its real estate business.

BESTINVER'S SUSTAINABILITY PERFORMANCE

	Over 30 YEARS EXPERIENCE	€114 M REVENUE	€6,397 M UNDER MANAGEMENT
	€63 M EBITDA	€2 M CAPEX	49,966 INVESTORS

Bestinver is a leading company in management services for investment funds, pension funds and other collective investment institutions. Bestinver focuses on delivering attractive and sustainable returns through the construction of robust portfolios. Alignment of interests is fundamental, as both investors and managers co-invest with the same objective: to obtain the best possible returns over the long term. Bestinver's investment philosophy is defined in a simple way: "to obtain returns by investing in undervalued companies through fundamental analysis, appropriate risk management and a long-term time horizon shared by investors and managers".

157

Investor satisfaction

Among the milestones achieved during 2020 in Bestinver business regarding the quality of the service, the standardisation of processes and customer satisfaction, special mention is made of the consolidation of the incorporation of Fidentiis.

With the aim of constantly increasing the satisfaction of its customer base, Bestinver has an extensive investor relations team which has the task of keeping them informed at all times of the status of their portfolios, and also of facilitating operations in the management of their investment and pension funds.

During 2020, Bestinver has continued reinforcing its commitment with its investors, completely renovating its "private area" where now, apart from operating 100% online, the investors intuitively have access to all the information on their investments. The situation caused by COVID-19 required adapting the format for the Annual Investors Conference broadcast by streaming, where over 2,700 investors were brought together live. At this conference it was announced that ESG criteria would be included in all company funds.

Bestinver has a section called "Investing School" where the essential concepts of investing in investment funds and pension plans are provided.

Incorporation of ESG criteria into all funds


Bestinver plays a relevant role in promoting a more prosperous, sustainable world by searching for the positive impact of its investments on society. As a management firm, Bestinver considers that the inclusion of environmental, social and of governance criteria (ESG) in its funds is not only correct in terms of trust responsibility towards the participants and society, but it is also completely in line with its investment philosophy.

The inclusion of these criteria strengthens the pillars on which that culture is based (fundamental analysis, appropriate risk management and long-term horizon), therefore improving Bestinver's ability to generate

sustainable long term returns and contributing to the identification, limitation and management of other non-financial risks associated to its investments.

Consequently, Bestinver has decided to apply ESG criteria across all of the firm's products, for equity, bonds and private markets, in order to consolidate its commitment with sustainable investment and with the spirit of contributing and leading the dissemination of ESG practices, in line with group policy.

SUSTAINABILITY PERFORMANCE OF ACCIONA CULTURAL ENGINEERING

	217 EMPLOYEES	€35 M REVENUE	129 AWARDS
	€1 M EBITDA	8 OFFICES IN 5 COUNTRIES	38 COUNTRIES

Since 1990, ACCIONA Cultural Engineering tackles large-scale international projects in the field of museums and exhibitions, International and Universal Exhibitions and indoor and outdoor events. Its services offer comprehensive solutions to public and private customers and cover all phases of the project: consultancy, planning, design, production, technical and artistic operation, operating and marketing. Quality, excellence and exclusivity are part of the professional seal of sus productions, features that have earned it wide recognition in the sector.

Customer Satisfaction


In the surveys made in ACCIONA Cultural Engineering people are asked to evaluate the concept and design of the project, among other factors.

The percentage of customer satisfaction is 100 %, and during 2020 no complaints were received from customers.

All centres are ISO 14001 certified and as a new development, in 2020 the Madrid office has obtained ISO 20121:2013 certification in the management of sustainable events.

This year saw the mutual transfer of know how between ACCIONA Cultural Engineering and the new events company acquired, Auriga Cool Marketing. Customer and supplier processes, techniques and information have been unified, sharing accumulated experiences. This has been possible thanks to the integration of teams, grouping together qualified people and always with the common objective of establishing strategies for meeting customers' needs.

SUSTAINABILITY PERFORMANCE OF GRUPO BODEGAS PALACIO 1894

	186 EMPLOYEES	€29 M REVENUE	+3,000 CONSUMERS IN THE DIRECT SALE CHANNEL
	€5 M EBITDA	99 % CUSTOMER SATISFACTION	311 DISTRIBUTORS

The Grupo Bodegas Palacio 1894 has vineyards and wineries in the five most prestigious denominations of origin in Spain and a solid presence in 40 markets throughout the world. Its basic pillars are the constant search for excellence, commitment with the environment, sustainability and the ability to innovate, with the aim of the producing and aging quality wine. The group's portfolio ranges from iconic wine to the more widely produced labels.

Planet positive

The respect for the environment shown by Grupo Bodegas Palacio 1894 is in line with the policies and strategies of the rest of the company. Since 2015 it consumes only renewable electricity, having emitted 259 tCO₂e in 2020. As occurs in other ACCIONA businesses, Bodegas Palacio 1894 is a carbon-neutral company that has offset the emissions generated from its activity.

Regarding water consumption, a strategic resource for managing its more than 500 hectares of vineyards, for years the group has been applying efficiency methods such as the use of drip irrigation programmers, the management of water stress in crops or the adoption of varieties of grape with low water requirements. In 2020, the business consumed 270,458 m³ of water, 50 % less than the previous year, mainly due to the higher rainfall which reduced the demand for watering the vineyards.

The business is based on a model that traditionally is highly circular. For example, other elements and drinks deriving from grapes, such as pomace and stems, are managed as by-products. In addition, the main raw materials used come from purely renewable materials, such as cork, or with a high recycling content, such as glass. Lastly, it has been working constantly on reducing bottle weight, lessening the amount of waste generated, at source.

As regards biodiversity, the business workplaces have spaces dedicated conserving and protecting it, for example the network of birdhouses distributed around all of its facilities, or plots of land used solely for developing autochthonous species of flora and fauna.

During 2020, some of the highlighted activities of Grupo Bodegas Palacio 1894 were:

- > The 22 % reduction in diesel consumption per bottled litre in the Peñascal wineries as a result of replacing the boiler burner, and the reduction of electricity consumption by 15 % by making some changes in measures introduced in the past, such as adapting temperatures to the seasons of the year, programming continuous filtration or replacing refrigeration equipment.
- > Changing aerial drip irrigation for buried drip irrigation in the Caserío de Dueñas vineyard, avoiding loss through evaporation and optimising the use of water.
- > The recovery of forests and pine groves belonging to the company (planting trees and plants in the forest along the banks of the River Zapardiel), in the vicinity of its Caserío de Dueñas facilities.

159

Customer satisfaction

At Grupo Bodegas Palacio 1894, customers evaluate the features of the product, sales attention, handling of logistics and the brand.

The percentage of satisfied customers of GBP 1894 was 98.8 % in 2020.

In 2020 the following advances are worthy of mention:

- Transformation of the Online Direct Channel to optimise the customer relationship model.
- Improvement of the process for measuring customer satisfaction, developing a new specific survey for each stakeholder: Marketing Channel.

100 % of the Grupo Bodegas Palacio customers would repeat their contracts for products and services, and 100 % of customers recommend them.

In 2020 Grupo Bodegas Palacio 1894 settled 84 % of the 722 B2B complaints received and 100 % of the 504 B2C complaints. The most habitual causes of B2C complaints are breakages during transportation. The average time for solving claims from B2C customers was 2 days and for B2B claims it was 5 days.

Direct Winery

A new online sales channel has been created offering one of the most complete purchasing experiences on the market. Amongst the offers that make it stand out from the rest are:

- enjoying a Master Class with the Master of Wine, Almudena Alberca
- Hiring a "home sommelier", or

- The possibility of buying in exclusive and personalised formats.

This new e-commerce is based on a consumer centric model.

Commitment to quality and food safety

Grupo Bodegas Palacio 1894 strives to bring maximum quality and safety to the products that it offers its customers, and also to promote responsible consumption. It participates in initiatives such as Wine in Moderation, a project of the European wine-growing sector whose aim is to promote moderation and responsibility in wine consumption and to prevent excessive or improper consumption of alcoholic drinks.

Certifications

- ISO 9001 and ISO 14001: 100 % of wine production at Bodegas Peñascal, Viña Mayor, Caserio de Dueñas and Bodegas Palacio.
- Wineries for Climate Protection: the only specific certification for the wine sector in the field of environmental sustainability and the fight against climate change. This seal requires actions to improve processes that reduce emissions and increase energy efficiency.
- ISO 22000:2018, food safety management system at Bodegas Peñascal, Viña Mayor, Caserio de Dueñas and Bodegas Palacio.

At year-end 2020 there are no non-compliances relating to impacts in the health and safety of products and services.

SUSTAINABILITY PERFORMANCE OF THE REAL ESTATE BUSINESS



136
EMPLOYEES

€19 M
EBITDA

€198 M
REVENUE

+13,000
PROPERTIES

100 %
ISO 14001
CERTIFICATION REAL ESTATE
DEVELOPMENT IN SPAIN

100 %
OHSAS 18001
CERTIFICATION ACTIVITY
IN SPAIN

160

With more than 30 years of experience in the sector, the real estate division is a leader in residential development and management in Spain, having built more than 13,000 homes throughout Spain, Portugal, Poland, and Mexico.

Planet positive: eco-efficient housing

For years, ACCIONA has been committed to having all new developments certified with the BREEAM sustainable seal, aspiring to the qualification of "good" or higher in all of them.

This prestigious method of evaluating sustainability provides tools and procedures to measure, analyse and weigh the levels of sustainability in the design, execution and maintenance of new construction. The certificate applies to both the design and construction phases and establishes ten categories: management, health and well-being, energy, transport, water, materials, waste, ecological use of soil, pollution and innovation.

In 2020, Real Estate delivered 10 residential developments with this certification (61% of the homes are rated "Very Good", which is above target) and at least another 11 are planned or already underway, making over 1,000 additional sustainable homes.

Thanks to the improvement brought about by the sustainability seals, BREEAM-certified homes have higher quality standards than those available on the market. Lower consumption and maintenance requirements make them a more attractive investment. Accreditation of the building's construction quality makes it easier for customers to obtain mortgages with better conditions and thereby speed up the sales and rental operations.

As a result of the improvement brought about by the sustainability seals, BREEAM-certified homes have higher quality standards than those available on the market. Lower consumption and maintenance requirements make them a more attractive investment. Accreditation of the building's construction quality makes it easier for customers to obtain mortgages with better conditions and thereby speed up sales and rental operations.

Improving customer experience and satisfaction

Customers are provided with information through the company's business service, both face-to-face and remotely using a call centre and online services. Communications are continuous during the entire process of buying a property.

During 2020 a system for contracting after-sales companies has been implemented in all the developments delivered, to improve the experience of buying an ACCIONA property.

During the months of confinement, several virtual 'open doors' events were held to continue maintaining contact with customers and resolve any specific doubts customers may have regarding the promotion of the property they are interested in.

In 2020, the business received 4,424 B2C complaints, 72% of which were resolved. Those complaints include requests by buyers for touch-up work in properties.

No customer satisfaction surveys have been made as they usually wait several months after the properties are delivered. In 2020, deliveries were made at the end of the year, so the surveys have not been scheduled yet.

Health and Safety

Safety management at Real Estate is included throughout the entire organisational structure of the company. It is ISO 45001-certified. At all the permanent work centres there is an individual who liaises with the Prevention Service, who is in charge of supervising health and safety. This allows for real integration of preventive action in each workplace.

The circle of influence of the safety culture includes not only the collaborating firms but also customers. Information on risks of the centre and instructions on prevention and action in case of emergency have been included in student residences contracts. These actions are supplemented with awareness-raising talks with all staff members at the beginning of the academic year.

161



About this Report

Transparency and accuracy

This Report meets the requirements of the Spanish Law 11/2018 on Non-Financial and Diversity Information. The information presented fulfils the criteria of comparability, materiality, relevance and reliability.

(GRI 102-46)

This *Sustainability Report* sets out the progress, results and status of ACCIONA's sustainability performance in 2020, as well as its management approach and the challenges it faces. The object of this *Report* is to clearly and meticulously provide the most relevant information about the company as it relates to the most significant positive and negative impacts on its different stakeholders.

The report is based on the challenges described in previous years' sustainability reports and focuses on the progress made during 2020. The content has been expressed to serve as the *Non-Financial Information Statement 2020*.

This *Report* also describes the company's annual progress in implementing the United Nations Global Compact's Ten Principles on human rights and labour rights, the environment, anti-corruption, and ACCIONA's contribution to achieving the Sustainable Development Goals (SDGs) at local level.

The information published in this document is supplemented by other company reports: the *Consolidated Financial Statements and Directors' Report*, the *Annual Corporate Governance Report*, the *Integrated Report* (GRI 102-45). The sustainability content is updated regularly on ACCIONA's website: www.acciona.com.

The company addresses the main sustainability issues that concern its internal and external stakeholders, whether they involve a particular topic or a particular line of business. The first sections deal with the issues regulated in Law 11/2018, with a structure adapted to the Sustainability Master Plan 2025. Following these chapters, the reader will find the most relevant information on sustainability for the different divisions: Energy, Infrastructure and Other Businesses, avoiding the repetition of information already set out in the previous chapters.

The report complies with the principles of comparability, materiality, relevance and reliability:

Comparability

The *Sustainability Report* is published annually and is prepared in accordance with the Reporting Principles included in Standard 101 of the Global Reporting Initiative (GRI). ACCIONA has followed the principles – such as comparability, completeness and balance – described in this standard. This report has been prepared in accordance with GRI Standards: comprehensive option.

Materiality and relevance

The Materiality Analysis 2020, carried out by ACCIONA in keeping with the principles of GRI Standard 101, has made it possible to identify those economic, environmental and social issues that have the greatest impact on the company's activities.

As a result of this study, ACCIONA considers that the information contained in this *Report* is relevant for the company and its various stakeholders. The section titled *Materiality Analysis* describes the development process and methodology used to identify the contents of the document.

Reliability

To check the reliability of the data and the consistency of the information in response to GRI Standards, the company commissioned an external audit of the *Report* through the firm KPMG Asesores S.L.

162

As in previous reports, ACCIONA has self-imposed a reasonable level of review in a large number of relevant indicators. As a result of the audit process, this *Report* contains an *Independent Review Report* detailing the objective and scope of the review, the procedures used and the conclusions reached.

SCOPE (GRI 102-46)

ACCIONA has been reporting on the non-financial performance of its businesses in *Sustainability Reports* since 2005. The company describes all its activities, providing an overview by division and, where possible, by geographical area of operation.

The scope of the report comprises all of the group companies²¹, in all their significant aspects, in accordance with the terms of Law 11/2018, of 28 December, on non-financial information and diversity.

Throughout the report, the scope of each one of the indicators shown is specified. Similarly, data from previous years is provided in order to facilitate a better understanding of the evolution of the company's performance.

The criterion for the consolidation of environmental information is based on the financial control scheme, as it is defined in the GHG Protocol standard.

²¹ All the companies in the group are listed in Annexes I, II and III of the Consolidated Financial Statements of the company. The group companies that meet the requirements set out in article 49.5 of the Code of Commerce are: ACCIONA Facility Services S.A., ACCIONA Energía S.A., ACCIONA Construcción S.A., ACCIONA Agua S.A., ACCIONA Medioambiente S.A., ACCIONA Servicios Urbanos S.L., ACCIONA Airport Services S.A., Energías Renovables Operación y Mantenimiento, S.L.

Annex of itemized indicators

DISTRIBUTION OF EMPLOYMENT

(102-8)

Evolution of distribution of the workforce per contract type and gender (no. of employees)

	2019						2020					
	Temporary			Permanent			Temporary			Permanent		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Energy	42	13	55	1,150	424	1,574	49	16	66	1,072	405	1,477
Infrastructure	8,232	3,366	11,599	17,311	8,129	25,440	6,705	3,164	9,869	17,228	8,461	25,689
▪ Construction	3,451	442	3,893	5,953	1,484	7,437	2,249	431	2,680	6,043	1,466	7,509
▪ Concessions	8	19	27	125	139	264	10	17	27	120	147	267
▪ Water	991	159	1,150	1,796	494	2,290	1,417	269	1,686	2,129	481	2,609
▪ Services	3,781	2,747	6,528	9,438	6,011	15,449	3,029	2,447	5,476	8,937	6,367	15,304
Other businesses*	69	64	133	478	420	898	44	37	80	604	569	1,173
Total	8,343	3,443	11,786	18,940	8,973	27,912	6,798	3,217	10,015	18,904	9,435	28,339

* Includes Bestinver, Corporate, Grupo Bodegas Palacio 1894, Real estate and ACCIONA Cultural Engineering.

Evolution of the breakdown of the workforce by job classification and age range (no. of employees)

164

	2019				2020			
	< 31	31 to 50	> 50	Total	< 31	31 to 50	> 50	Total
Executives and managers	19	1,676	672	2,367	16	1,833	792	2,641
Technical staff	1,154	4,322	984	6,460	1,217	4,679	970	6,866
Support staff	245	723	237	1,205	162	645	234	1,042
Operators	4,898	15,484	8,794	29,176	4,462	14,583	8,744	27,789
Others*	134	234	122	491	13	3	-	16
Total employees	6,451	22,439	10,809	39,699	5,871	21,743	10,741	38,355

* The "Others" category corresponds to personnel who are not identified within the role model. Most of them are employees of Joint Ventures where the model does not apply.

Evolution of the number of employees per contract type and age range (%)

	2019		2020	
	Temporary	Permanent	Temporary	Permanent
< 31 years	44 %	56 %	38 %	62 %
31 to 50 years	28 %	72 %	25 %	75 %
> 50 years	23 %	77 %	21 %	79 %

Evolution of the number of employees per contract type and job classification (%)

	2019		2020	
	Temporary	Permanent	Temporary	Permanent
Executives and managers	0 %	100 %	3 %	97 %
Technical staff	20 %	80 %	21 %	79 %
Support staff	20 %	80 %	18 %	82 %
Operators	33 %	67 %	30 %	70 %
Others	26 %	74 %	81 %	19 %

Evolution of the geographical distribution of the workforce (no. of employees)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Spain	13,619	7,251	20,870	13,173	7,687	20,860
Germany	26	452	478	367	61	428
Australia	922	204	1,126	1,375	328	1,703
Brazil	803	70	873	318	72	390
Canada	834	366	1,200	985	394	1,379
Chile	2,530	428	2,957	1,771	416	2,187
Ecuador	1,301	116	1,417	697	88	785
UAE	375	96	472	245	80	325
United States	154	28	182	155	28	184
Italy	297	135	432	380	68	448
Mexico	1,171	852	2,023	1,141	837	1,978
Norway	640	43	683	148	42	190
Oman	305	81	386	316	79	395
Peru	644	83	727	901	135	1,037
Poland	940	559	1,498	965	558	1,523
Portugal	923	1,019	1,942	849	1,166	2,015
Qatar	1,076	407	1,482	1,175	407	1,582
Others countries	723	226	951	740	206	946
Total employees	27,283	12,416	39,699	25,702	12,652	38,355

165

Distribution of full/part time status per gender (no. of employees)

	2020					
	Full time			Part time		
	Men	Women	Total	Men	Women	Total
Energy	1,120	411	1,531	1	11	12
Infrastructure	21,765	7,940	29,705	2,168	3,685	5,853
▪ Construction	7,933	1,785	9,718	359	112	471
▪ Concessions	122	144	266	8	20	28
▪ Water	3,462	673	4,135	84	77	160
▪ Services	10,250	5,337	15,587	1,717	3,477	5,194
Other businesses *	645	598	1,243	3	7	10
Total employees	23,531	8,949	32,480	2,172	3,703	5,875

* Includes Bestinver, Corporate, Grupo Bodegas Palacio 1894, Real estate and ACCIONA Cultural Engineering.

Breakdown of the workforce by job classification and gender (no. of employees)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Executives and Managers	1,885	482	2,367	2,093	548	2,641
Technical staff	4,444	2,016	6,460	4,368	2,498	6,866
Support staff	418	787	1,205	273	769	1,042
Operators	20,307	8,869	29,176	18,957	8,833	27,789
Others*	229	261	491	11	4	16
Total employees	27,283	12,416	39,699	25,702	12,652	38,355

* The "Others" category corresponds to personnel who are not identified within the role model. Most of them are employees of Joint Ventures where the model does not apply.

Breakdown of the workforce by job classification and type of working day (%)

	2020					
	Full time			Part time		
	Men	Women	Total	Men	Women	Total
Executives and managers	99 %	99 %	99 %	1 %	1 %	1 %
Technical staff	99 %	98 %	99 %	1 %	2 %	1 %
Support staff	97 %	94 %	95 %	3 %	6 %	5 %
Operators	90 %	62 %	82 %	10 %	38 %	18 %
Others	100 %	100 %	100 %	0 %	0 %	0 %
Total employees	92 %	73 %	86 %	8 %	27 %	14 %

166

Breakdown of the workforce by age range and full/part time status (%)

	2020					
	Full time			Part time		
	Men	Women	Total	Men	Women	Total
< 31 years	90 %	79 %	87 %	10 %	21 %	13 %
31 to 50 years	94 %	79 %	90 %	6 %	21 %	10 %
> 50 years	90 %	61 %	80 %	10 %	39 %	20 %
Total employees	92 %	73 %	86 %	8 %	27 %	14 %

Average permanent contracts per year by age, gender and job classification (no. of employees)

	Women				Men			
	< 31	31 to 50	> 50	Total	< 31	31 to 50	> 50	Total
Executives and managers	2	22	4	28	4	88	26	118
Technical staff	83	147	15	245	132	309	49	490
Support staff	16	35	6	57	14	15	1	30
Operators	483	669	214	1,366	789	870	262	1,921
Total employees	584	873	239	1,696	939	1,282	338	2,559

There are workers who are not identified within the role model. Most of them are employees of Joint Ventures where the model does not apply.

DISMISSALS

(401-1)

Dismissals by gender and job classification (no.)

Group	2019			2020		
	Men	Women	Total	Men	Women	Total
Executives and managers	64	11	75	75	15	90
Technical staff	160	64	224	115	68	183
Support staff	11	26	37	9	20	29
Operators	804	338	1,142	913	332	1245
Others	-	-	-	-	-	-
Total	1,039	439	1,478	1,112	435	1547

Note: data as of 31/12/2020 for active personnel. Three categories of dismissals are considered for Spain (Dismissals on objective grounds, disciplinary grounds and collective layoffs). For the rest of the world, involuntary resignations, contract terminations and repatriations or deconsolidation are excluded.

Dismissals by job classification and age range (no.)

	2019				2020			
	< 31	31 to 50	> 50	Total	< 31	31 to 50	> 50	Total
Executives and managers	0	54	21	75	0	47	43	90
Technical staff	46	141	37	224	31	122	30	183
Support staff	9	18	10	37	4	16	9	29
Operators	324	613	205	1,142	371	625	249	1.245
Total employees	379	826	273	1,478	406	810	331	1.547

Note: data as of 31/12/2019 for active personnel. Three categories of dismissals are considered for Spain (Dismissals on objective grounds, disciplinary grounds and collective layoffs). For the rest of the world, involuntary resignations, contract terminations and repatriations or deconsolidation are excluded.

167

NEW HIRES

(401-1)

New hires by age group (no.)

	2019			2020		
	Men	Women	Total	Men	Women	Total
< 31 years	4,816	2,381	7,197	2,355	1,258	3,613
31 to 50 years	6,110	3,188	9,298	3,301	1,971	5,272
> 50 years	1,763	1,334	3,097	844	487	1,331
Total employees	12,689	6,903	19,592	6,500	3,716	10,216



MATERNITY AND PATERNITY LEAVE

(401-3)

Employees entitled to maternity/paternity leave (no. of employees)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Number of employees with the right to maternity/paternity leave	684	277	961	756	256	1,012
Number of employees who took maternity/paternity leave	684	277	961	756	256	1,012
Number of employees who returned to work after taking maternity/paternity leave	682	277	959	754	256	1,010
Number of employees who returned to work after taking maternity/paternity leave and remained in their jobs twelve months after returning to work	662	277	939	735	254	989
Retention ratio*	0.97	1.00	0.98	0.97	0.99	0.98

GRI has no specific definition for the ratio, so for the calculation of ratios, the number of employees remaining in their jobs on 31 December 2020 after having taken paternity/maternity leave in 2020 will be reported as part of the paternity/maternity leaves that took place in the same year (2020).

TRAINING

(404-1)

Training received per job classification and gender

		2020				
		Executives and managers	Technical staff	Support staff	Operators	Total
Total number of hours received	Men	51,300	107,408	2,361	138,294	299,363
	Women	17,374	59,207	8,697	23,574	108,852
	Total	68,674	166,615	11,058	161,868	408,215
Students	Men	2,077	4,198	161	6,617	13,053
	Women	511	2,073	586	1,299	4,469
	Total	2,588	6,271	747	7,916	17,522
Training hours per employee/year	Men	24.70	24.59	8.65	7.29	11.65
	Women	34.00	23.70	11.31	2.67	8.60
	Total	26.54	24.27	10.61	5.82	10.64

168



RETRIBUTION

(405-2)

Total average remuneration broken down by gender, age and job classification (€)

Production and business development areas		2019			2020		
Gender	Job classification	< 31	31 - 50	> 50	< 31	31 - 50	> 50
Men	Executives and Managers	59,316	90,110	127,610	64,965	85,932	113,305
	Technical and Qualified Staff	34,261	44,481	48,982	37,068	43,755	47,984
	Other personnel	15,792	21,410	24,337	14,668	19,061	21,470
Women	Executives and Managers	N/A	69,628	88,481	N/A	72,789	90,450
	Technical and Qualified Staff	25,659	35,869	39,036	33,522	39,087	40,931
	Other personnel	14,499	16,872	17,326	13,562	15,267	15,544
Support Areas		2019			2020		
Gender	Job classification	< 31	31 - 50	> 50	< 31	31 - 50	> 50
Men	Executives and Managers	52,146	102,890	154,037	62,905	99,304	155,521
	Technical and Qualified Staff	30,080	37,508	43,013	29,980	37,309	44,379
	Other personnel	15,047	18,524	32,216	15,486	14,942	26,279
Women	Executives and Managers	57,000	82,270	124,685	53,356	83,001	108,413
	Technical and Qualified Staff	27,610	36,426	42,652	29,453	36,126	43,228
	Other personnel	17,858	23,329	29,558	14,899	22,500	28,617

Notes: professionals with annual earnings of less than 3,000 euros who could not be annualised are not included in the statistical analysis. Bestinver employees are not included in this table. It is worth noting the inclusion of the salaries of workers in more than 40 countries where ACCIONA does business. ACCIONA has defined remuneration policies for each one of the countries where it does business. Therefore, the average aggregate compensation figures for all countries taken together are not representative of the individual wage management policies of each business unit and country where ACCIONA operates.

The average total remuneration for directors who were not executive directors was € 167,000 for men (170,000 in 2019) and € 133,000 for women (130,000 in 2019).

169

(102-38)

Ratio between highest wage earner and average wage, by business line and country in 2020

	Spain	Mexico	Chile	Australia	Poland
Energy	30	16	12	3	4
Infrastructure					
- Construction	26	5	21	4	16
- Concessions	36	-	-	3	-
- Water	29	23	4	2	-
- Services	11	11	20	-	-
Other businesses					
- AIC	10	6	-	-	-
- Wineries	7	-	-	-	-
- Real estate	16	15	-	-	15

Note: professionals with annual earnings of less than 3,000 euros who could not be annualised are not included in the statistical analysis.

(102-39)

Increase as a percentage of the total annual compensation rate

	Spain	Mexico	Chile	Australia	Poland
Energy	4	9	6	2	27
Infrastructure					
- Construction	8	5	15	6	--
- Concessions	11	--	--	--	3
- Water	9	20	3	0	31
- Services	13	9	12	--	--
Other businesses					
- Bestinver	5	--	--	--	--
- Wineries	4	5	--	--	--
- Real estate	7	1	--	--	--

Note: For 2019, professionals with annual earnings of less than 3,000 euros who could not be annualised are not included in the statistical analysis.

170

USE OF WATER

(303-3, 303-4, 303-5)

Evolution of the use of water

	2017	2018	2019	2020
WATER TREATMENT AND DISTRIBUTION FOR CUSTOMERS (m³)				
Production at wastewater treatment plants discharged to surface water	251,550,688	416,580,208	364,710,907*	400,382,251
Production at wastewater treatment plants discharged into the sea	27,855,000	28,771,011	67,961,696*	61,172,270
Production at wastewater treatment plant for recycled water network	N/A	N/A	20,749,799	22,435,592
Production of drinking water at drinking water treatment plants	199,310,999	26,456,455	122,557,216	116,471,949
Production of drinking water at desalination plant	296,122,571	318,210,247	454,509,684	322,120,061
Supply of drinking water from primary network and groundwater sources	N/A	N/A	42,268,959	48,411,094
TOTAL	774,839,258	790,017,921	1,072,758,262	970,993,218
WATER FOR INTERNAL CONSUMPTION (m³)				
On-site recycled/reused water	221,134	250,859	652,989	1,706,633
Recycled water from networks	509,153	448,458	492,621	505,960
Rainwater	17,182	13,796	33,825	22,017
Municipal drinking water	1,699,584	1,754,917	1,175,724	1,202,212
Surface water	3,660,073	927,457	649,654	815,260
Groundwater	941,973	894,841	654,501	423,894
TOTAL	7,049,099	4,290,328	3,659,313	4,675,976
DISCHARGE (m³)				
Discharge to the sea	392,054,087	479,707,261	511,008,634	524,140,447
Discharge to surface water	1,583,137	752,202	5,283,726**	3,907,563
Discharge into the sewer system	567,985	702,042	771,332**	468,278
TOTAL	394,205,209	481,161,504	517,063,692	528,516,288
TRANSFERRED WATER (m³)				
Surface water turbined in a hydraulic plant	20,993,303,451	30,742,510,000	22,811,220,000	27,487,990,000
Surface water for open-loop refrigeration	24,310,108	23,658,982	21,010,692	23,310,326
Other	950,217	0	1,130,191	1,717,342
TOTAL	21,018,563,775	30,766,168,982	22,833,360,883	27,513,017,668

* 128,052,494 m³ of production in water treatment plant discharged to the sea identified in 2019 was really production in water treatment plant discharged to surface water.

** 4,769,346 m³ of discharge to a sewer system identified in 2019 was really a discharge to surface water

171

Evolution in the use of water in areas with water stress

	2017	2018	2019	2020
WATER TREATMENT AND DISTRIBUTION FOR CUSTOMERS (m³)				
Production at wastewater treatment plants discharged to surface water	0	90,000,000	128,052,494*	128.871.294
Production at wastewater treatment plants discharged into the sea	0	0	0*	0
Production at wastewater treatment plant for recycled water network	N/A	N/A	0	0
Production of drinking water at drinking water treatment plants	0	320,000	82,086,123	91.443.423
Production of drinking water at desalination plant	159,612,002	204,411,609	308,963,858	218.225.482
Supply of drinking water from primary network and groundwater sources	N/A	N/A	0	0
TOTAL	159,612,002	294,731,609	519,102,474	438,540,199
WATER FOR INTERNAL CONSUMPTION (m³)				
On-site recycled/reused water	1,433	0	552,990	234.371
Recycled water from networks	0	0	0	0
Rainwater	0	14	18	6
Municipal drinking water	188,559	142,250	76,771	87.345
Surface water	0	0	0	9.547
Groundwater	715	18,188	1,372	3.332
TOTAL	190,707	160,452	631,150	334,601
DISCHARGE (m³)				
Discharge into the sea	233,854,200	343,059,693	317,310,367	387.920.203
Discharge to surface water	6	693	4,769,346**	3.100.576
Discharge into the sewer system	223,682	283,451	19,216**	17.807
TOTAL	234,077,888	343,343,837	322,098,929	391.038.586
TRANSFERRED WATER (m³)				
Surface water turbined in a hydraulic plant	0	0	0	0
Surface water for open-loop refrigeration	0	0	0	0
Other	2,308	0	0	0
TOTAL	2,308	0	0	0

* 128,052,494 m³ of production in water treatment plant discharged to the sea identified in 2019 was really production in water treatment plant discharged to surface water.

** 4,769,346 m³ of discharge to a sewer system identified in 2019 was really a discharge to surface water.

172



PRODUCTS AND SERVICES FOR PUBLIC AND PRIVATE-SECTOR CUSTOMERS

(102-6)

Products and Services	Public customers and private business-to-consumer (B2C) and business-to-business (B2B) customers in 2020
ENERGY: sale of renewable energy, renewable technology EPC contract and O&M of renewable technology plants and PPA.	Solar farms: 2,747 customers. Energy sales: 22 public sector customers and 654 private sector B2B customers. PPA: 13 private B2B customers. Maintenance B2B: 20 wind; 6 hydroelectric, thermal and photovoltaic.
INFRASTRUCTURE	
- Construction: civil engineering, building, infrastructure maintenance, engineering, industrial plant O&M, EPC and O&M renewable energy plants, electrical installations and heating & cooling.	Projects awarded in 2020: 62. ▪ Public customers: 37 customers ▪ Private B2B customers: 20 customers
- Concessions: social infrastructures and transport infrastructures.	Public sector: 7 road concessions, 2 railway, 6 social infrastructure, 1 sports marina, 1 canal.
- Water: management of water services, automation and control, construction and O&M of drinking water, wastewater treatment and desalination plants.	Management of water services: ▪ 354,950 users of water services in Spain. ▪ 1,620,119 users of sewer services in Spain. ▪ 12 million users of comprehensive water services in Spain, Mexico and Peru. Construction: 80 % desalination, 10 % treatment and 10 % purification plants. Plant O&M: ▪ 160 WWTPs, equal to 19.5 million inhabitants served. ▪ 7 DWTPs, equal to 3 million inhabitants served. ▪ 19 SWROs, equal to 11 million inhabitants.
- Services: handling, cleaning, maintenance, forwarding, gardening, waste collection and treatment, medical transport, motorbike sharing services ,etc.	Public customers: ▪ Facility services: 30 %. ▪ Entorno (waste removal and gardening): 100 %. ▪ Healthcare: 100 %. Private B2B customers: Facility Services: 70 %. Users: 316,335 users of Motosharing and 566,428 of Entorno.
OTHER BUSINESSES	
- Bestinver: Financial asset management services through investment funds, pension funds, and SICAVs. This activity is complemented by stock brokerage services.	Private customers B2C: 49,966 investors.
- Grupo Bodegas Palacio 1894: Production and marketing of wine.	Public customers: 2. Private B2B customers: 50 large retailers, 196 HORECA and 63 exporters. Private customers B2C: more than 3,000 consumers in the direct sale channel.
- Real estate: real estate development, management of rental assets.	Private B2B customers: 96 % of turnover comes from residential assets for sale and 2% from property transactions. Private B2C customers: 2 % in university residences.
- ACCIONA Cultural Engineering: Museum projects, exhibitions, events and spaces.	Events: 18 contracts. Museums and Exhibitions: 5 contracts. Internal events: 4 contracts.

173

Acronyms: Operations and Maintenance (O&M), Power Purchase Agreement (PPA), Hotels, Restaurants and Cafés (HORECA), Investment company with variable capital (SICAV), Engineering, Procurement and Construction (EPC), Wastewater Treatment Plant (WWTP), Drinking Water Treatment Plant (DWTP), Sea Water Reverse Osmosis (SWRO)



Index of GRI content

GRI Standard	Content	Pages of Report	Direct response or omission	External verification
GRI 101: Foundation 2016				
GENERAL CONTENT				
GRI 102: General Disclosures 2016				
1. Organisational profile				
102-1	Name of the organisation		ACCIONA S.A.	✓
102-2	Activities, brands, products, and services	8-9		✓
102-3	Location of headquarters	<i>Corporate Governance Report 2020</i> (p.1)		✓
102-4	Location of operations	10-11		✓
102-5	Ownership and legal form	<i>Corporate Governance Report 2020</i> (Sub-section A. Corporate Structure)		✓
102-6	Markets served	8-11		✓
102-7	Scale of the organisation	6-11		✓
102-8	Information on employees and other workers	31, 164-166		✓
102-9	Supply chain	104-116		✓
102-10	Significant changes to the organisation and its supply chain	104-106, 88-92 <i>Consolidated Financial Statements 2020</i> (Appendix IV)		✓
102-11	Precautionary Principle or approach	71-72		✓
102-12	External Initiatives	94, 101-103		✓
102-13	Membership of associations	77-78, 101-103		✓
2. Strategy				
102-14	Statement from senior decision-maker	4-5		✓
102-15	Key impacts, risks, and opportunities	121-122, 24-25, 58-60		✓
3. Ethics & Integrity				
102-16	Values, principles, standards, and norms of behaviour	6, 92-98		✓
102-17	Mechanisms for advice and concerns about ethics	92-98		✓
4. Governance				
102-18	Governance structure	88-92		✓

174

		<i>Corporate Governance Report 2020 (Sub-section C1.2)</i>	
102-19	Delegating authority	12-13, 90	✓
102-20	Executive-level responsibility for economic, environmental, and social topics	12, 90 <i>Corporate Governance Report 2020 (p. Sub-sections C1.3 and C2.1)</i>	✓
102-21	Consulting stakeholders on economic, environmental, and social topics	20-21, 76-79	✓
102-22	Composition of the highest governance body and its committees	90 <i>Corporate Governance Report 2020 (Sub-section C1.2)</i>	✓
102-23	Chair of the highest governance body	88-92 <i>Corporate Governance Report 2020 (Sub-section C1.3)</i>	✓
102-24	Nominating and selecting the highest governance body	<i>Corporate Governance Report 2020 (Sub-section C1.16)</i>	✓
102-25	Conflicts of interest	<i>Corporate Governance Report 2020 (Sub-section D6)</i>	✓
102-26	Role of highest governance body in setting purpose, values, and strategy	<i>Corporate Governance Report 2020 (Sub-section C2.1)</i>	✓
102-27	Collective knowledge of highest governance body	12	✓
102-28	Evaluating the highest governance body's performance	<i>Corporate Governance Report 2020 (Sub-section C1.17)</i>	✓
102-29	Identifying and managing economic, environmental, and social impacts	12, 20-21, 24-25, 58-59	✓
102-30	Effectiveness of risk management processes	24-25	✓
102-31	Review of economic, environmental, and social topics	<i>Corporate Governance Report 2020 (Sub-section E)</i>	✓
102-32	Highest governance body's role in sustainability reporting	12 <i>Board of Directors Regulations (p. 31)</i>	✓
102-33	Communicating critical concerns	92-98	✓
102-34	Nature and total number of critical concerns	92-98	✓
102-35	Remuneration policies	92 <i>Annual Report on Remuneration of Directors 2020 (Section A)</i>	✓

175

102-36	Process for determining remuneration	Annual Report on Remuneration of Directors 2020 (Section A)		✓
102-37	Stakeholders' involvement in remuneration	Annual Report on Remuneration of Directors 2020 (Section A)		✓
102-38	Annual total compensation ratio	170		✓
102-39	Percentage increase in annual total compensation ratio	170		✓
5. Stakeholder Engagement				
102-40	List of stakeholder groups	76		✓
102-41	Collective bargaining agreements	49		✓
102-42	Identifying and selecting stakeholders	76		✓
102-43	Approach to stakeholder engagement	76-79		✓
102-44	Key topics and concerns raised	76-79		✓
6. Reporting Practice				
102-45	Entities included in the consolidated financial statements	Consolidated Financial Statements 2020 (Appendix I)		✓
102-46	Defining report content and topic boundaries	20-21, 162-163		✓
102-47	List of material topics	19-20		✓
102-48	Restatements of information	2017 and 2018 CO ₂ e data recalculated (as stipulated by the GHG Protocol), due to the fact that various centres with significant consumption are no longer directly attributable to ACCIONA .		✓
102-49	Changes in reporting	20-21		✓
102-50	Reporting period	2020 (calendar year ending on 31 December)		✓
102-51	Date of most recent report	2019		✓
102-52	Reporting cycle	Annual		✓

176

102-53	Contact point for questions regarding the report		responsabilidadcorporativa@acciona.es	✓
102-54	Claims of reporting in accordance with the GRI Standards	162		✓
102-55	GRI content index	174-183		✓
102-56	External assurance	191	All of the information concerning the GRI Standards of this content index has been externally audited	✓

GRI Standard	Content	Pages of Report	Direct response or omission	External verification
PEOPLE CENTRIC				
Related material topic: ESG as a decisive factor				
GRI 103: Management Approach 2016 (of the related material topic)				
103-1	Explanation of the material topic and its boundary	19-24	<ul style="list-style-type: none"> • Within and outside the organisation • The organisation contributes to the impact directly 	✓
103-2	The management approach and its components	30-52		✓
103-3	Evaluation of the management approach	30		✓
GRI 401: Labour 2016				
401-1	New employee hires and employee turnover	35-36, 167		✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34-35		✓
401-3	Parental leave	168		✓
GRI 404: Training & Education 2016				
404-1	Average hours of training per year per employee	47, 168		✓
404-2	Programmes for upgrading employee skills and transition assistance programmes	46-48		✓
404-3	Percentage of employees receiving regular performance and career development reviews	31-32		✓
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local		The average minimum salary at ACCIONA is higher than the national minimum wage throughout the company.	✓
202-2	Proportion of senior management hired from the local community		In 2020, 90.5 % of the total number of company executives have a local contract. Of the managers who work outside of Spain, 58% have a local contract.	✓
GRI 405: Diversity and equal opportunity 2016				
405-1	Diversity of governance bodies and employees	36-38, 89-90, 164-166		✓
405-2	Ratio of basic salary and remuneration of women to men	33, 169		✓
GRI 403: Occupational Health & Safety 2018				
403-1	Occupational health and safety management system	39-40, 44		✓
403-2	Hazard identification, risk assessment, and incident	39-41, 44		✓

177

	investigation		
403-3	Occupational health services	40-41, 44	✓
403-4	Worker participation, consultation, and communication on occupational health and safety	45	✓
403-5	Worker training on occupational health and safety	45	✓
403-6	Promotion of worker health	34, 44	✓
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39, 135-136, 144-146	✓
403-8	Workers covered by an occupational health and safety management system	44-45	✓
403-9	Work-related injuries	41-43, 46	✓
403-10	Work-related ill health	44	✓

GRI 406: No discrimination 2016

406-1	Cases of discrimination and corrective measures undertaken		In the Ethical Channel 2 complaints for discrimination have been received, 11 for harassment at work and 2 for sexual harassment. All the procedures have been processed. In the cases of discrimination, in one of the procedures the investigator concluded that the conduct was contrary to the Code of Conduct and recommended a course on verbal communication and emotional intelligence. In the other discrimination procedure the conduct reported would not be classified as discriminatory. For the harassment at work, in most cases it has not been demonstrated that harassment as defined by case law under the labour courts had taken place. Nevertheless, the measures proposed by the investigator have been implemented, such as training courses, team meetings to promote respect and awareness-raising schemes. In the cases of sexual harassment, the corresponding disciplinary measures have been adopted, support has been given to the victims and training courses and awareness- raising on interpersonal relationship in the working groups.	✓
-------	--	--	--	---

178

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	49-52, 110, 114	✓
-------	--	-----------------	---

GRI 408: Child Labour 2016

408-1	Operations and suppliers at significant risk for incidents of child labour	24-25, 50-52, 110-114	✓
-------	--	-----------------------	---

GRI 409: Forced or Compulsory Labour 2016

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	24-25, 50-52, 110-114	✓
-------	---	-----------------------	---

GRI 410: Security Practices 2016

410-1	Security personnel trained in human rights policies or procedures	50-52, 94-96	✓
-------	---	--------------	---

GRI 412: Evaluation of human rights 2016

412-1	Operations that have been subject to human rights reviews or impact assessments	24-25, 50-52, 110-114	✓
412-2	Employee training on human rights policies or procedures	52	✓
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	50-52, 110	✓

PLANET POSITIVE

Related material topics: decarbonisation of the economy, weather events, circular opportunities, circularity policies, biodiversity.

GRI 103: Management Approach 2016 (of the related material topics)

103-1	Explanation of the material topic and its boundary	19-24	<ul style="list-style-type: none"> • Within and outside the organisation • The organisation contributes directly to the impact 	✓
103-2	The management approach and its components	53-74		✓
103-3	Evaluation of the management approach	53		✓

GRI 302: Energy 2016

302-1	Energy consumption within the organisation	62-63	✓
302-2	Energy consumption outside of the organisation	63	✓
302-3	Energy intensity	62	✓
302-4	Reduction of energy consumption	60	✓
302-5	Reductions in energy requirements of products and services	60	✓

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions	60	✓	
305-2	Energy indirect (Scope 2) GHG emissions)	60	✓	
305-3	Other indirect (Scope 3) GHG emissions	61	✓	
305-4	GHG emissions intensity	61	✓	
305-5	Reduction of GHG emissions	60	✓	
305-6	Emissions of ozone-depleting substances (ODS)		Not applicable: ACCIONA does not use ozone-depleting gases in its facilities.	✓
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	61-62		✓

GRI 304: Biodiversity 2016

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	70	✓
304-2	Significant impacts of activities, products, and services on biodiversity	70	✓
304-3	Habitats protected or restored	71	✓
304-4	UCN Red List species and national conservation list species with habitats in areas affected by operations	71	✓

179

GRI 303: Water and effluents 2018

303-1	Interactions with water as a shared resource	64-66, 148-149	✓
303-2	Management of water discharge-related impacts	64-66, 71	✓
303-3	Water withdrawal	64-65, 171-172	✓
303-4	Water discharge	64-65, 171-172	✓
303-5	Water consumption	64-65, 171-172	✓

GRI 306: Waste 2020

306-1	Waste generation and significant waste-related impacts	66	✓
306-2	Management of significant waste-related impacts	66-67	✓
306-3	Waste generated	67-68	✓
306-4	Waste diverted from disposal	67-68	✓
306-5	Waste directed to disposal	67-68	✓

GRI 301: Materials 2016

301-1	Materials used by weight or volume	68	✓
301-2	Recycled input materials used	68, 149-150	✓
301-3	Reclaimed products and their packaging materials	68, 149-150	✓

EXPONENTIAL LEADERSHIP

Related material topics: digitalisation, IoT data, multi-dimensional infrastructure, associations between customers, developers and funders, public customers.

GRI 103: Management Approach 2016 (of the related material topics)

103-1	Explanation of the material topic and its Boundary	19-24	<ul style="list-style-type: none"> • Within and outside the organisation • The organisation contributes directly to the impact 	✓
103-2	The management approach and its components	75-116		✓
103-3	Evaluation of the management approach	75		✓

GRI 205: Anticorruption 2016

205-1	Operations assessed for risks related to corruption	92-98		✓
205-2	Communication and training about anti-corruption policies and procedures	95-96		✓
205-3	Confirmed incidents of corruption and actions taken		With regard to actual corruption risks, none have materialised during the year, even though in previous years there were different investigations related to additional costs, settlements and claims arising from public contracts involving employees of the group which, in some cases have been closed or are pending closure, and in others they are still in the investigation phase.	✓

GRI 415: Public Policy 2016

415-1	Political contributions	96-97		✓
-------	-------------------------	-------	--	---

GRI 206: Anti-competitive behaviour 2016

180

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	See footnote ²²	✓
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	<i>Consolidated Financial Statements 2020</i> (p. 5) 27-29, 31, 100-101, 129	✓
201-2	Financial implications and other risks and opportunities due to climate change	58-60	✓
201-3	Defined benefit plan obligations and other retirement plans	<i>Consolidated Financial Statements 2020</i> (Note 4.2.M)	✓
201-4	Financial assistance received from government	100-101	✓
GRI 207: Tax 2019			
207-1	Approach to tax	98-99	✓
207-2	Tax governance, control and risk management	99	✓
207-3	Stakeholder engagement and management concerns related to tax	99-100	✓
207-4	Country-by-country reporting	100-101	The content required under GRI 207-4.b.v and GRI 207-4.b.vii involves unavailable information. The company will disclose this information in future years. ✓
GRI 204: Procurement impacts 2016			
204-1	Proportion of spending on local suppliers	106	✓
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	106-114	✓
308-2	Negative environmental impacts in the supply chain and actions taken	106-114	✓
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	106-114	✓
414-2	Negative social impacts in the supply chain and actions taken	106-114	✓
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	82	✓

²² CNMC

The Comisión Nacional de los Mercados y de la Competencia (CNMC) has asked ACCIONA Construcción, S.A. to provide certain information and data in relation to possible anti-competitive practices in the market for comprehensive maintenance of state roads to determine if there was bid-rigging in relation to tenders put out by the Ministry of Development. This request for information was made as a preliminary step prior to the initiation of disciplinary proceedings and was answered by informing the CNMC that the company in charge of road maintenance tenders and works is ACCIONA Mantenimiento e Infraestructuras S.A. and not ACCIONA Construcción, S.A. Other maintenance companies received similar requests. ACCIONA is confident that once the non-existence of the anti-competitive conduct described by the CNMC has been demonstrated, the case will be closed. Pending a decision to dismiss the case or bring proceedings.

G-7: Note on CNMC disciplinary proceedings against the seven leading Spanish construction companies: On 11 October 2018, the CNMC agreed to open disciplinary proceedings against the seven leading Spanish construction companies, including ACCIONA Construcción. Based on the documentation gathered during its inspections, the CNMC deduced that these companies had engaged in anticompetitive conduct consisting of "agreements and exchanges of information between those undertakings with the object and/or effect of restricting competition, in the field of tenders issued by the various public authorities in Spain, for the construction and refurbishment of infrastructure and buildings. These agreements and exchanges would have had a particular impact on the preparation of their technical bids for these tenders and would have been implemented, among other things, by setting up a stable and formal group made up of the companies involved, called the G7, in which they decided on a weekly basis whether to bid jointly on the various parcels of the technical bids for the abovementioned public tenders". It is the Company's understanding that such conduct, i.e., the joint procurement of technical, geotechnical and/or environmental reports in relation to joint tenders for public works, the sole purpose of which is to save on bid preparation costs, in no way constitutes anticompetitive conduct. The CNMC has initiated disciplinary proceedings by issuing a Statement of Facts, to which a response was submitted on 17-01-2020. Pending CNMC's Proposed Resolution.

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		The Mobility business received a fine for non-compliance of ADR regulations – the European Agreement concerning the International Carriage of Dangerous Goods by Road – regarding the carrying of lithium batteries in its motorbikes. ACCIONA has appealed against the fine, holding that it is not applicable.	✓
-------	---	--	--	---

GRI 417: Marketing and Labelling 2016

417-1	Requirements for product and service information and labelling	82-83		✓
417-2	Incidents of non-compliance concerning product and service information and labelling		In 2020, there was a case of non-compliance of the regulations on product information and labelling in the United States (the alcohol content on the label was not within the tolerances permitted under U.S. legislation), requiring a change in labelling. No fine or warning was involved, but a labelling penalty charged by the customers.	✓
417-3	Incidents of non-compliance concerning marketing communications		During 2020, there is no record of any notification being received on non-compliance of regulations or voluntary codes relating to marketing communications.	✓

GRI 418: Customer Privacy 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		In 2020, there has been no communication/complaint from external third parties or regulating authorities relating to infringements of customer privacy or data loss.	✓
-------	--	--	--	---

GRI 419: Socioeconomic Compliance 2016

419-1	Non-compliance with laws and regulations in the social and economic area		The company is not aware of any fines or penalties for non-compliance with social and economic laws or regulations. All ACCIONA projects, services and products comply with applicable legislation and any additional provisions established by the customer or by the Public Administrations throughout their life cycle.	✓
-------	--	--	--	---

INTEGRATE TO TRANSFORM

Related material topics: remuneration of the impact, price of financing.

GRI 103: Management approach 2016 (of the related material topics)

103-1	Explanation of the material topic and its boundary	19-24	<ul style="list-style-type: none"> • Within and outside the organisation • The organisation contributes directly to the impact 	✓
103-2	The management approach and its components	117-132		✓
103-3	Evaluation of the management approach	117		✓

GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	125-126		✓
-------	---	---------	--	---

203-2	Significant indirect economic impacts	125	✓
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	123-125	✓
413-2	Operations with significant actual and potential negative impacts on local communities	123-125	✓



A handwritten signature in black ink that reads "K Rosenberg".

Law 11/2018 content index

Questions addressed by Spanish Law 11/2018 on the disclosure of non-financial and diversity information: material topics for ACCIONA and reporting criteria

		Section of the Sustainability Report	GRI Standards Reporting Criteria	Pages of the Report
General Topics				
Business Model	Brief description of the group's business model	The First Company of a New Sector	GRI 102-2 GRI 102-7	6-7
	Markets where it operates	The First Company of a New Sector	GRI 102-3 GRI 102-4 GRI 102-6	8-11
	Organisational objectives and strategies	The First Company of a New Sector	GRI 102-14	7-8
	Key factors and trends that could affect the future outlook	Degree of fulfilment of commitments	GRI 102-14 GRI 102-15	19-20
General	Reporting framework	About this Report	GRI 102-54	162-163
Management Approach	Description of applied policies	Degree of fulfilment of commitments	GRI 103-2	12-13, 26
	Results of these policies	Degree of fulfilment of commitments	GRI 103-2	13-18
	Main risks related to those aspects linked to the group's activities	Degree of fulfilment of commitments	GRI 102-15	24-26
Environmental matters				
Environmental Management	Current and foreseeable effects of the business activities on the environment and, where applicable, on health and safety	Planet Positive	GRI 102-15	71-72
	Environmental assessment or certification procedures	Planet Positive	GRI 103-2	73-74
	Resources dedicated to the prevention of environmental risks	Planet Positive	GRI 103-2	72
	Application of the precautionary principle	Planet Positive	GRI 102-11	72
	Number of provisions and guarantees for environmental risks	Planet Positive	GRI 103-2	74
Pollution	Measures to prevent, reduce or repair carbon emissions (includes noise and light pollution)	Planet Positive	GRI 102-46	60-61
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal	Planet Positive	GRI 103-2 GRI 306-2 (version 2020)	66-67
	Actions to combat food waste	Planet Positive	GRI 103-2 GRI 306-2 (version 2020)	See note ²³
Sustainable use of resources	Water usage and water supply according to local constraints	Planet Positive and Annex of itemized indicators	GRI 303-5 (version 2018)	64-66, 171-172
	Consumption of raw materials and measures taken for more efficient use	Planet Positive	GRI 102-46	66-67
	Direct and indirect energy consumption	Planet Positive	GRI 302-1	62-63
	Measures taken to improve energy efficiency	Planet Positive	GRI 103-2 GRI 302-4	60-61
	Use of renewable energies	Planet Positive	GRI 302-1	62-63
Climate change	Important elements of greenhouse gas emissions generated as a result of the company's activities	Planet Positive	GRI 305-1 GRI 305-2 GRI 305-3	53-57, 60-63

184

²³ Due to the nature of ACCIONA's business and based on the materiality study, the information on "food waste" is not considered relevant to this report.

	Measures taken to adapt to the consequences of climate change	Planet Positive	GRI 103-2 TCFD and NBG ²⁴	57-59
	Voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and the measures implemented to that end	Planet Positive	GRI 305-4 GRI 305-5	56
Protecting biodiversity	Steps taken to preserve or restore biodiversity	Planet Positive	GRI 102-46	68-71
	Impacts caused by activities or operations in protected areas	Planet Positive	GRI 102-46	70-71
Social and personnel-related questions				
Employment	Total number and breakdown of employees by country, gender, age, and professional category	People centric and Annex of itemized Indicators	GRI 102-8 GRI 405-1	31, 164-166
	Total number and breakdown of types of employment contracts	Annex of itemized Indicators	GRI 102-8	164-166
	Annual average per type of contract (permanent, temporary and part-time) and by gender, age and professional category	Annex of itemized Indicators	GRI 102-9	166
	Number of terminations by gender, age and professional category	Annex of itemized Indicators	GRI 103-2	167
	Wage gap	People centric and Annex of itemized Indicators	GRI 103-2 GRI 405-2	33, 169
	Disaggregated average salaries and their evolution by gender, age, professional category or equal value	People centric and Annex of itemized Indicators	GRI 103-2 GRI 405-2	33, 169
	Average compensation of directors and officers, including bonuses, allowances, indemnities, contributions to life insurance and pension plans, disaggregated by gender	Annex of itemized Indicators	GRI 103-2 GRI 405-2	169
	Implementation of workplace disconnection policies	People centric	GRI 103-2	39
Organisation of work	Employees with disabilities	People centric	GRI 405-1	38
	Working hours organisation	People centric	GRI 103-1	38-39
	Hours of absenteeism	People centric	GRI 403-9 (Version 2018)	42-43
	Measures intended to promote work-life balance and co-responsible parenting by both parents	People centric and Annex of itemized Indicators	GRI 401-2	38-39, 168
Health and safety	Health and safety conditions in the workplace	People centric	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7 (Version 2018)	39-46
	Workplace accidents, in particular frequency and severity, disaggregated by gender	People centric	GRI 403-9 GRI 403-10 (Version 2018)	41-42, 46
	Occupational diseases, disaggregated by gender	People centric	GRI 403-9 GRI 403-10 (Version 2018)	44
Labour relations	Dialogue in the workplace, including procedures to inform, consult and negotiate with employees.	People centric	GRI 103-1	45, 49-50
	Percentage of employees covered under collective bargaining agreement, by country	People centric	GRI 102-40	49
	The balance of collective bargaining agreements, particularly in the areas of occupational health and safety	People centric	GRI 403-3	45, 49-50
Training	Training policies implemented	People centric	GRI 103-2 GRI 404-2	46-49
	Total hours of training per professional category	People centric and Annex of itemized Indicators	GRI 404-1	47, 168
Accessibility	Universal accessibility for people with disabilities	People centric	GRI 103-2	36, 38
Equality	Measures taken to promote equal treatment and opportunities for women and men	People centric	GRI 103-2	36-37

185

²⁴ TCFD and NBG: The information on climate change included in the report is consistent in all material aspects with the recommendations made in June 2017 by the "Task Force on Climate Financial Disclosures" (TCFD) and the non-binding guidelines (NBG) for reporting climate information of the European Commission: "Guidelines on non-financial reporting: Supplement on climate-related information".

	Equality plans (Chapter III of Organic Law 3/2007, of 22 March on effective equality for men and women)	People centric	GRI 103-2	37
	Measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for persons with disabilities	People centric	GRI 103-3	36-38
	Policy against all types of discrimination and, where appropriate, diversity management.	People centric	GRI 103-4	36-38
Information on respect for Human Rights				
Human rights	Application of due diligence procedures in the area of human rights, preventing the risk of human rights violations and measures to mitigate, manage and repair possible abuse	People centric and Exponential Leadership	GRI 102-16 GRI 102-17 GRI 412-1	50-52, 110
	Human rights violations reported	People centric	GRI 103-2 GRI 406-1	52
	Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organisation regarding freedom of association and the right to collective bargaining, the elimination of job discrimination, the elimination of forced labour and the effective abolition of child labour.	People centric, Exponential Leadership and GRI content index	GRI 103-2 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1	49-52, 94, 110, 178
Disclosures on the fight against corruption and bribery				
Corruption and bribery	Measures adopted to prevent corruption and bribery	Exponential Leadership	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2	92-98
	Measures for the prevention of money laundering	Exponential Leadership and GRI content index	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2	92-94, 97-98, 180-181
	Contributions to foundations and non-profit organisations	Exponential Leadership	GRI 102-13 GRI 201-1	96-97
Information about the company				
The company's commitment to sustainable development	The impact of the company's operations on local employment and development	Integrate to transform, Energy Business and Infrastructure Businesses	GRI 103-2 GRI 203-2	123-127, 141-142, 155-156
	The impact of the company's operations on local resident and the territory	Integrate to transform, Energy Business and Infrastructure Businesses	GRI 413-1 GRI 413-2	123-127, 141-142, 155-156
	Relations with key members of local communities and ways of dialogue with them	Integrate to transform	GRI 102-43 GRI 413-1	77, 123-124
	Partnership and sponsorship actions	Integrate to transform	GRI 103-2 GRI 201-1	125-129
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy	Exponential Leadership	GRI 103-2	104-116
	Consideration of social and environmental responsibility in relations with suppliers and subcontractors	Exponential Leadership	GRI 102-9 GRI 308-1	104-116
	Supervision systems and audits and their result	Exponential Leadership	GRI 102-9 GRI 308-2	113-114
Consumers	Measures to promote consumer health and safety	Exponential Leadership	GRI 103-2	82-83
	Complaint procedures, complaints received and complaint resolution	Exponential Leadership	GRI 103-2 GRI 418-1	80-82
Tax information	Profits earned country-by-country	Exponential Leadership	GRI 201-1	100-101
	Corporate income tax paid	Exponential Leadership	GRI 207-4	100-101
	Public grants received	Exponential Leadership	GRI 201-4	100-101

186

Content index according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

ACCIONA follows the TCFD recommendations regarding publication of information relating to climate change in the heading "Climate" of the chapter "Planet Positive".

Areas	Recommended reports	Pages of the Report
Governance	Describe management's role in assessing and managing climate-related risks and opportunities.	12-13, 24-26, 55-56
	Describe the board's oversight of climate-related risks and opportunities.	12-13, 24, 56
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	56, 58-60
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	54-56, 58-60
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	58
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks.	57-58
	Describe the organisation's processes for managing climate-related risks.	58-59
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	58
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	57, 60-63
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	60-61
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	56, 60-63

187

Sustainable Value Creation

Index of metrics

In accordance with the guides published by the World Economic Forum's International Business Council.

Core metrics for measuring Sustainable Value Creation

Pillar	Theme	Core Metric	Pages of the Report	Level of assurance
Principles of Governance	The company's purpose	Setting purpose	6-7	Limited
	Quality of governing body	Governance Board composition	88-91	Reasonable (GRI 405-1)
	Stakeholder engagement	Material issues impacting stakeholders	20-21	Limited
	Ethical behaviour	Anti-corruption	92-94	Limited
		Protected ethics advice and reporting mechanisms	94-95	Limited
	Risk and opportunity oversight	Integrating risk and opportunity into business process	24-26	Limited
Planet	Climate change	Greenhouse gas (GHG) emissions	60-61	Reasonable (GRI 305-1, 305-2)
		TCFD implementation	54-63	Limited
	Nature loss	Land use and ecological sensitivity	70-71	Reasonable (GRI 304-1)
	Freshwater availability	Water consumption in water-stressed areas	172	Limited
People	Dignity and equality	Diversity and inclusion (%)	36-37, 164-166	Reasonable (GRI 405-1)
		Pay equality (%)	33	Reasonable (GRI 405-2)
		Wage level (%)	170, 177	Reasonable (GRI 202-1)
		Risk for incidents of child labour, forced or compulsory labour (no., %)	50-52, 110	Limited
	Health and well-being	Health and safety (%)	39-44	Limited
	Skills for the future	Training provided (no.)	47, 168	Reasonable (GRI 404-1)
Prosperity	Employment and wealth generation	Absolute number and rate of employment	35, 167	Reasonable (GRI 401-1)
		Economic contribution	27-29, 31, 100-101, 129	Limited
		Financial investment contribution	27	Limited
	Innovation of better products and services	Total R&D expenses (\$)	85	Limited
	Community and social vitality	Total tax paid	See <i>Integrated Report 2020</i>	Limited

188

Expanded metrics for measuring Sustainable Value Creation

Pillar	Theme	Expanded metric	Pages of the Report	Level of assurance
Principles of Governance	The company's purpose	Purpose-led management	4-6 <i>Corporate Governance Report 2020</i> (Sub-section C2.1)	Limited
		Progress against strategic milestones	13-18	Limited
	Quality of governing body	Remuneration	92 Annual Report on Directors' remunerations for the 2020 financial year (Section A)	Limited
	Ethical behaviour	Alignment of strategy and policies to lobbying	96-97	Limited
		Monetary losses from unethical behaviour	Not available	
	Risk and opportunity oversight	Economic, environmental and social topics in capital allocation framework	24-26	Limited
Planet	Climate change	Paris-aligned GHG emissions targets	56	Limited
		Impact of GHG emissions	28-29	Limited
	Nature loss	Land use and ecological sensitivity	Not available	
		Impact of land use and conversion	28-29	Limited
	Freshwater availability	Impact of freshwater consumption and withdrawal	28-29	Limited
	Air pollution	Air pollution	61-62	Reasonable (GRI 305-7)
		Impact of air pollution	28-29	Limited
	Water pollution	Nutrients	Not applicable	
		Impact of water pollution	28-29	Limited
	Solid waste	Single-use plastics	Not applicable	
		Impact of solid waste disposal	28-29	Limited
	Resource availability	Resource circularity	67	Limited
People		Pay gap (% , No.)	33, 169	Limited
		Discrimination and harassment incidents (No.) and total amount of monetary losses (\$)	Not available	
		Freedom of association and collective bargaining at risk (%)	49-52, 110, 114	Limited
	Dignity and equality	Human rights review, grievance impact and modern slavery (No.,%)	24-25, 50-52, 110-114	Limited
		Living wage (%)	Not available	
		Monetized impacts of work-related incidents on organization (No.,%)	Not available	
	Health and well-being	Employee well-being (No., %)	39-46	Limited
		Number of unfilled skilled positions (No.,%)	Not available	
	Skills for the future	Monetised impacts of training – Increased earning capacity as a result of training intervention (% , \$)	Not available	

189

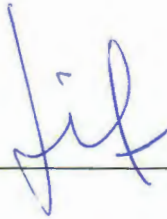
Prosperity	Employment and wealth generation	Infrastructure investment and services supported	125-129	Limited
		Significant indirect economic impacts	120-122, 125	Limited
	Innovation of better products and services	Social value generated (%)	54-55	Limited
		Vitality Index	Not applicable	
	Community and social vitality	Total social Investment (\$)	129	Limited
		Additional tax remitted	<i>Integrated Report 2020 (Annex)</i>	Limited
		Total tax paid per country for significant locations	<i>Integrated Report 2020 (Annex)</i>	Limited

SWORN TRANSLATION

Doña Silvina María GARRIDO GARDÉ, Traductora-Intérprete Jurada de INGLÉS, nombrada por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y PARCIAL (páginas 1 a 95) al INGLÉS de un documento redactado en ESPAÑOL.

En Galicia, a

16 MAR. 2021

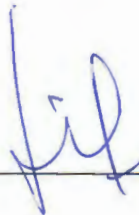


SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

Ms Silvina María GARRIDO GARDÉ, Sworn Translator-Interpreter of ENGLISH, appointed by the Ministry of Foreign Affairs, European Union and Cooperation, does hereby certify that this is a true and PARTIAL translation into ENGLISH (pages 1 to 95) of a document in SPANISH.

In Galicia, on this

16 MAR. 2021



SILVINA MARÍA GARRIDO GARDÉ
Traductora-Intérprete Jurada de INGLÉS
N.º 1081

SWORN TRANSLATION

KAREN ROSENBERG ALEXANDER, Official Translator of ENGLISH no. 4186, under the appointment by the Ministry of Foreign Affairs, European Union and Cooperation hereby certifies that the foregoing is a true and exact translation into ENGLISH of a document drawn up in SPANISH. The portion translated by this translator is from page 96 to the end of the document.

In Marbella, on 18 March 2021



A handwritten signature in black ink, reading "K Rosenberg", written in a cursive style.

For the purposes of Royal Decree 1362/2007 of 19 October (article 8.1 b), the Directors of Acciona, S.A. now subscribe the following **declaration under their own responsibility**:

To the best of their knowledge, the Consolidated Financial Statements drawn up in accordance with the applicable accounting principles offer a true and fair view of the equity, financial situation and results of the issuer and the companies included in the scope of consolidation taken as a whole, and the Directors' report includes a faithful analysis of the business trend and results and of the position of the issuer and the companies included in the scope of consolidation taken as a whole, together with the description of the main risks and uncertainties faced.

Therefore, in witness whereof, all the members of the Board of Directors of ACCIONA, S.A. formulate the consolidated financial statements for 2020 at their meeting held on 18 February 2021:

Mr. José Manuel Entrecañales Domecq
Chairman

Mr. Juan Ignacio Entrecañales Franco
Vice-Chairman

Mr. Javier Entrecañales Franco
Member

Mr. Juan Carlos Garay Ibargaray
Member

Mr. Daniel Entrecañales Domecq
Member

Ms. Karen Christiana Figueres Olsen
Member

Mr. Javier Sendagorta Gómez del Campillo
Member

Mr. José María Pacheco Guardiola
Member

Mr. Jerónimo Marcos Gerard Rivero
Member

Ms. Sonia Dulá
Member

Ms. Ana Sainz de Vicuña Bemberg
Member



CLARA LOIS LOZANO
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS
Nº. 10009

Doña Clara Lois Lozano, Traductora-Intérprete Jurada de inglés número 10009 nombrada por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación certifica que la que sigue en 1 página es traducción fiel al inglés de un documento escrito en español. En caso de discrepancia o ambigüedad, prevalecerá lo indicado en el original.

En Madrid, a 29 de marzo de 2021

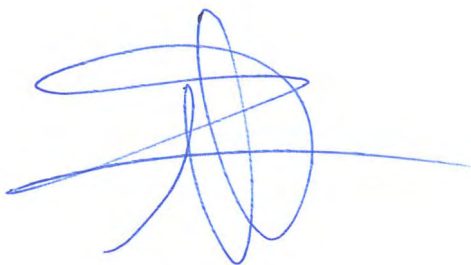
Firmado:

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Ms Clara Lois Lozano, Sworn English Translator and Interpreter number 10009, authorized by the Spanish Ministry of Foreign Affairs, European Union and Cooperation certifies that the succeeding, contained in 1 page, is a truthful translation into English of a document written in Spanish. In case of any discrepancy or ambiguity, the original document shall prevail.

Madrid, on the 29th day of March 2021

Signed:

A handwritten signature in blue ink, identical to the one above, consisting of several overlapping loops and a long horizontal stroke extending to the right.



KPMG Asesores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Sustainability Report of ACCIONA, S.A. and subsidiaries for 2020

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

To the Shareholders of ACCIONA, S.A.:

In accordance with our engagement letter dated December 2020, we have reviewed the 2020 Sustainability Report of ACCIONA, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2020 (hereinafter the Report) that enclosed Non-financial Information Statement and is an inseparable part of ACCIONA's Consolidated Directors' Report for the 2020 fiscal year.

Scope of our review

The scope of our review of the contents of the Report is as follows:

- a. We have performed a reasonable assurance review of the preparation and disclosure of the indicators included in the Report related to GRI 102-8, GRI 102-41, GRI 202-1, GRI 202-2, GRI 204-1, GRI 302-1, GRI 304-1, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-7, GRI 401-1, GRI 401-3, GRI 403-1, GRI 403-4, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 410-1, GRI 412-2, and of the quantitative information derived from these indicators regarding the degree of compliance with the objectives of the 2020 Sustainability Master Plan (hereinafter SMP 2020) and the qualitative information regarding the degree of compliance with the objectives of SMP 2020, in accordance with the Comprehensive option of the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the GRI Standards).
- b. We have conducted a limited assurance review of the preparation and disclosure of the remaining GRI indicators in the Report, which are not included in the list in the preceding point, and which are described in detail in the "GRI Content Index" of the Report, in accordance with the GRI Standards.
- c. Furthermore, pursuant to article 49 of the Spanish Code of Commerce, we have conducted a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of the Group for the year ended 31 December 2020, included in the Report, which in turn forms part of the Group's 2020 Consolidated Directors' Report.

The Report includes additional information to that required under the GRI Standards: Comprehensive option and under prevailing mercantile legislation on non-financial information, which we have not reviewed. Our work was limited exclusively to review the information identified in the "GRI Content Index" and "Law 11/2018 Content Index" tables included in this Report.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

Responsibility of the directors and Management of the Parent_____

Management of the Parent is responsible for the preparation, presentation and contents of the Report.

The NFIS has been prepared in accordance with prevailing mercantile legislation and with the criteria of the GRI Standards selected and the recommendations of the Task Force on Climate Financial Disclosures (hereinafter the TCFD) published by the Financial Stability Board in June 2017 for reporting on climate change, as indicated for each topic in the "Law 11/2018 Content Index" table of the aforementioned Report.

Management of the Parent is responsible for the preparation and presentation of the Report in accordance with the GRI Standards Comprehensive option, as mentioned for each topic included in the "GRI Content Index" table of the Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The Parent's directors are also responsible for defining, implementing, adapting and maintaining the management system through which they obtain the necessary information to prepare the Report.

Our Independence and quality control_____

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility_____

Our responsibility is to carry out a review of the Report prepared by ACCIONA, S.A. and to express a conclusion on the basis of the work performed, within the different scopes determined in the section on "Scope of our review" in this Report.

We conducted our review engagement in accordance with the current Revised International Standard on Assurance Engagements 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (Revised ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

Reasonable assurance review of GRI indicators

The Reviewed ISAE 3000 requires that we plan and perform our procedures to obtain reasonable assurance about whether the indicators described in point a) of the “Scope of our review” section of this Report have been prepared and disclosed, in all material respects, in accordance with the GRI Standards.

Our reasonable assurance review is subject to our professional judgement and includes an assessment of the risks arising from material misstatement of these indicators, whether due to fraud or error.

In making these risk assessments, we have considered internal control relevant to the preparation and disclosure of the indicators with reasonable assurance, in order to design appropriate review procedures, but not to reach a conclusion on the effectiveness of the Group’s internal control over the preparation and presentation of the Report.

Our engagement included an assessment of compliance of the indicators with the criteria of the GRI Standards, gaining an understanding of the procurement of financial and non-financial information from its source, evaluating the reasonableness of the estimates drawn up by the Group and recalculating the indicators subject to a reasonable assurance review.

Reasonable assurance is less than total assurance.

Limited assurance review of information

The Revised ISAE 3000 requires that we plan and perform our procedures so as to obtain limited assurance on whether:

- the indicators described in point b) of the section on “Scope of our review” of this Report have been prepared and presented, in all material respects, in accordance with the GRI Standards.
- the NFIS referred to in point c) of the section on “Scope of our review” of this Report has been prepared, in all material respects, in accordance with prevailing mercantile legislation, the criteria of the chosen GRI Standards and the TCFD’s recommendations for reporting on climate change.

The procedures selected depend on our knowledge of the various types of information included in the Report and other circumstances of the engagement, and our assessment of the areas in which material misstatements are likely to arise.

The procedures performed in a limited assurance engagement are different, owing to their nature and timing, from those used in a reasonable assurance engagement, and their scope is less. Consequently, the level of assurance obtained in a limited assurance engagement is substantially less than that which would have been obtained in a reasonable assurance engagement.

Our work on the information for limited assurance consisted of making enquiries of management and of the different units and areas in charge of the Group that participated in the preparation of the Report, reviewing the processes for compiling and validating the information presented in the Report, and applying certain analytical procedures and sample review tests, which are described below:

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

- Meetings with personnel of the Group to gain an understanding of the business model, policies and management approaches applied, and the principal risks related to these matters, and to ascertain the existence of a sustainability strategy and policies to address risks and their application at all levels within ACCIONA, thereby obtaining the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report based on the materiality analysis performed by the Parent and described in the “Analysis of materiality” section, considering the content required by prevailing commercial legislation.
- Review of information on the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2020, in accordance with the requirements of the GRI Standards on management approaches and on the compliance with the recommendations made by the TCFD for reporting on climate change in the presentation of information on management’s approach to climate risks.
- Analysis of the processes for compiling and validating the data presented in the Report for 2020.
- Corroboration, through sample testing, of the information relative to the content of the Report for 2020 and whether it has been adequately compiled based on data provided by the information sources.
- Review of the quantitative and qualitative information regarding the degree of compliance with the objectives of the SMP 2020.
- Perusal of the information included in the Report to determine whether it tallies with our general knowledge and experience of ACCIONA’s performance regarding sustainability.
- Contrasting of the financial information reflected in the Report and that included in the 2020 consolidated annual accounts of ACCIONA, audited by independent third parties.
- Review of the reporting process for environmental information from the source through on-site visits and online reviews of ten work centres selected on the basis of a risk analysis and quantitative and qualitative criteria.
- Procurement of a representation letter from the Directors and management.

Our multidisciplinary team included specialists in reviews of financial performance and sustainability.

Conclusions

Our conclusions are based on and subject to the matters described in this Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.



(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

Conclusion of our reasonable assurance review of GRI indicators

In our opinion, the indicators included in the Report under the following denominations: GRI 102-8, GRI 102-41, GRI 202-1, GRI 202-2, GRI 204-1, GRI 302-1, GRI 304-1, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-7, GRI 401-1, GRI 401-3, GRI 403-1, GRI 403-4, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 410-1, GRI 412-2, the quantitative information derived from these indicators regarding the degree of compliance with the objectives of the Sustainability Master Plan, and the qualitative information regarding the degree of compliance with the objectives of the Sustainability Master Plan, have been prepared and presented, in all material respects, in accordance with the GRI Standards, as described in point 102.54 of the "GRI Content Index" table of the Report.

Conclusion of our limited assurance review of information

Based on the procedures performed and the evidence obtained, no matters have come to light that lead us to believe that:

- the indicators described in point b) of the section on "Scope of our review" and the "GRI Content Index" table of the Report have not been prepared and presented, in all material respects, in accordance with the GRI Standards: Comprehensive option, as described in point 102-54 of the GRI Content Index.
- the NFIS of ACCIONA, S.A. and subsidiaries for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and with the criteria of the GRI Standards selected and the TCFD's recommendations for reporting on climate change, as indicated for each topic in the "GRI Content Index" table of the Report.

Use and distribution

In accordance with the terms and conditions of our engagement letter, this Report has been prepared for ACCIONA, S.A. in relation to its 2020 Sustainability Report and should therefore not be used for any other purpose or used in any other context.

This Report on the Consolidated NFIS has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

18 February 2021



ACCIONA, S.A.

Auditor's Report on the "Information concerning the
System of Internal Control over Financial Reporting
(ICFR)" of Acciona, S.A. for 2020

*(Free translation from the original in Spanish. In the event
of discrepancy, the Spanish-language version prevails.)*



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of Acciona, S.A. for 2020

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the directors of Acciona, S.A.

As requested by the Board of Directors of Acciona, S.A. (the "Company") and in accordance with our proposal letter dated 23th December 2020, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of Acciona, S.A. for 2020, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2020 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015 and CNMV Circular 2/2018 of 12 June 2018 and Circular 1/2020 of 6 October 2020 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Borja Guinea López

18 February 2021