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EXPONENTIAL LEADERSHIP

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AUTHENTICITY,
TRANSPARENCY

WE PURSUE
A PURPOSE

ACCIONA is not neutral. It has a deep leadership vocation in the sustainable transformation of this decade.

	Responsible	Resilient	Regenerative	
Authenticity	Commitment	Connect and Share	Act and Transform	Share the same values, work towards the same purpose in each work centre
Sustainable transformational innovation	Digitalising	Collaborate to innovate	Responses applied	Develop a regenerative differentiating innovative value in the principal solutions
Governance	Diversity	Risk control and management	Strategic alignment	Maintain leadership from the governing body for stimulating and supervising the fulfilment of the purpose
Transparency	Reporting	Dialogue and Promote	Cooperate	Contrast through continuous review



KEY MILESTONES
2021

- > Development of the open innovation programme boosting projects with SDG impact.
- > Integration of the Audit and Sustainability Committee in one.
- > Modification of the governance rules to adapt them to the modifications introduced in the Capital Companies Act.
- > Acquisition of ISO 37001 and UNE 19601 of compliance systems by the water business line.
- > Communication of the benefits of the regenerative approach in the main international discussion forums.
- > 94% of contracts with local suppliers.



MAIN CHALLENGES
2022

- > Apply technologies of data collection and artificial intelligence models to improve the efficiency and security of the business processes.
- > Adapt the Directors' Remuneration Policy to changes in the legislation introduced in the Capital Companies Act.
- > Updating the objective and Code of Conduct so that they may serve as tools for cultural empowerment.
- > Acquisition of ISO 37001 and UNE 19601 by the energy business line.
- > Develop a network of local partnerships in platform countries.
- > Formalising the Internal Control Framework for Non-financial Reporting.

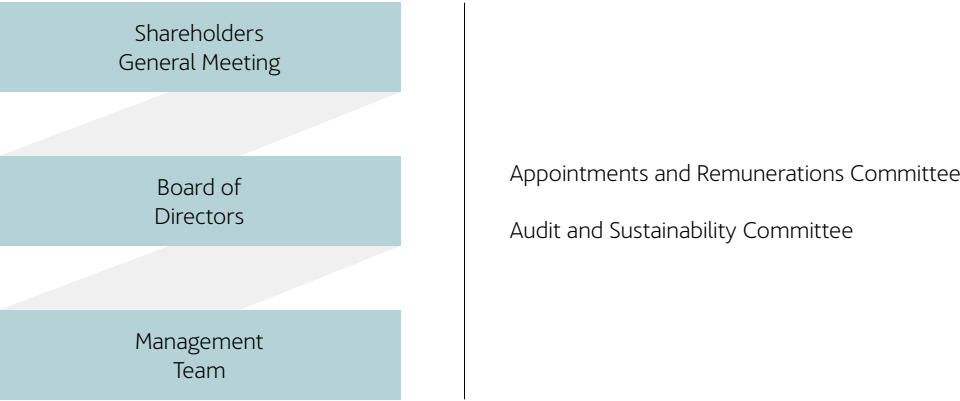
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GOVERNANCE

CORPORATE GOVERNANCE

The organisation is governed by the recommendations set out in the Good Governance Code of Listed Companies of the National Securities Market Commission (CNMV), and also the best national and international practices on this subject.

Government structure at ACCIONA

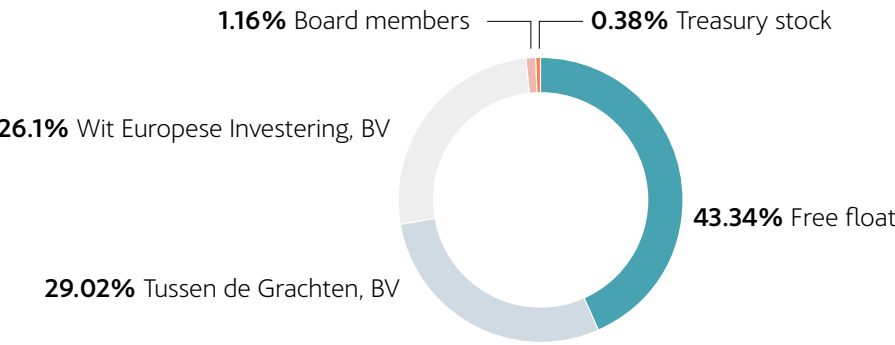


i More information in detail of the governing bodies: https://www.acciona.com/shareholders-investors/corporate-governance/board-directors-committees/?_adin=11551547647

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.

Shareholdings as of the date of preparation of this report



The company’s articles of association do not contain any restrictions or maximum limit to shareholders exercising their voting rights. 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 two 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 an electronic shareholders’ forum prior to the General Shareholders’ Meeting (GSM) in order to guarantee and facilitate communications with all shareholders, including minority shareholders, pursuant to the terms of the Capital Companies Act. 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.

In addition, ACCIONA makes available to shareholders, on the occasion of the call to the General 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. The General Shareholders’ meetings in 2021, just as like the previous year, were only held virtually, in other words, not being physically attended by shareholders, representatives and guests. The company made available on its web page a non-face-to-face attendance system, by means of which its shareholders and representatives managed to follow the Meeting, make questions or take part in it, and exercise their voting rights on the different items presented on the agenda.

At the Ordinary General Shareholders’ Meeting held on 30 June 2021, various issues were discussed which included the following: (i) approval of a dividend for a gross amount of €3.9 per share; (ii) reappointment of two executive directors, two proprietary directors and three independent directors, as well as appointment of a new female independent director; (iii) renewal of the existing delegation to the Board of directors for the derivative acquisition of own shares; (iv) approval of the modification of the Bylaws and the General Meeting Regulation; (v) approval of the *Non-financial Information Statement* and of the *Sustainability Report for 2020*, and (vi) reappointment of the auditors of the company and its consolidated group for 2020. All resolutions were approved with favourable vote of at least 86.72% of the voting capital in attendance at the Meeting.

i More information on the change of the Bylaws see the chapter “Business as Unusual”

Furthermore, the company held an Extraordinary General Shareholders’ Meeting on 12 April 2021 with a single item on the agenda, approval of the initial public offering of the shares in Corporación Acciona Energías Renovables, S.A., as part of its stock exchange listing. This Extraordinary General Meeting was attended by 83.39% of the Company’s Share Capital and the only item on the agenda was approved with the favourable vote of 99.84% of the share capital present or represented.

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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.

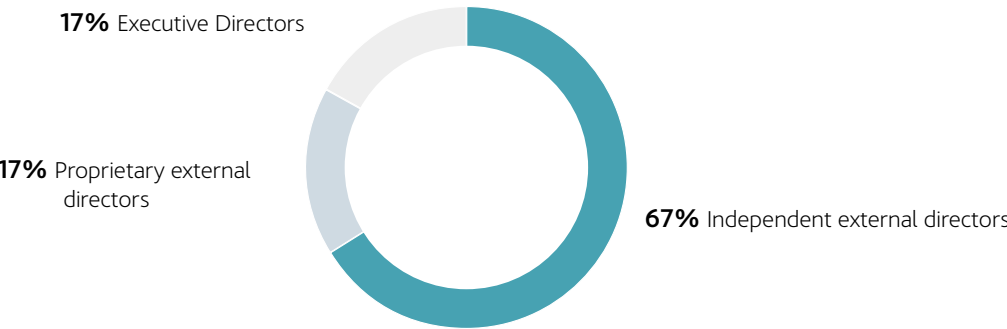
The ACCIONA’s Board of Directors’ objective is to promote corporate/social interests representing the company and its shareholders in the management of its assets and businesses, and directing business organisation.

The Board of Directors’ Composition Policy includes a new gender representation goal provided for in the recommendations of the Code of Good Corporate Governance of Listed Companies.

Board members serve for a three-year term and may be re-elected one or more times. The Board of Directors of ACCIONA comprises twelve members:

- > Ten are external. Of these, eight are independent directors and two are proprietary directors.
- > Two of the twelve members are executive directors.

Composition of the Board according to the nature of the position



In line with its gender representation goal, the Ordinary General Shareholders’ Meeting 2021 approved the appointment of a new female independent director, thus raising to 4 the total number of female directors that form part of the Board of Directors. 33.3% of the members are women, which means an increase compared to 27.3% the previous year. The Board of Directors’ Composition Policy sets forth the aim of 40% for 2022.

Board of Directors at 31 December 2021

Member	Profile	1 st appointment (year)	Committees of the Board of Directors to which he/she belongs
Mr. José Manuel Entrecanales Domecq	CEO	1997	
Mr. Juan Ignacio Entrecanales Franco	Executive Vice-Chairman	1997	
Mr. Juan Carlos Garay Ibargaray	Lead Independent Director	2013	Appointments and Remunerations Committee (chairman)
Mr. Javier Entrecanales Franco	Proprietary Director	2011	Appointments and Remunerations Committee (committee member)
Mr. Daniel Entrecanales Domecq	Proprietary Director	2009	Audit and Sustainability Committee (committee member)
Mr. Javier Sendagorta Gómez del Campillo	Independent Director	2018	Audit and Sustainability Committee (chairman)
Ms. Ana Inés Sainz de Vicuña Bemberg	Independent Director	2015	Appointments and Remunerations Committee (committee member)
Mr. Jerónimo Marcos Gerard Rivero	Independent Director	2014	Audit and Sustainability Committee (committee member)
Mr. José María Pacheco Guardiola	Independent Director	2018	Appointments and Remunerations Committee (committee member)
Ms. Karen Christiana Figueres Olsen	Independent Director	2017	Appointments and Remunerations Committee (committee member)
Ms. Sonia Dulá	Independent Director	2019	Audit and Sustainability Committee (committee member)
Ms. María Dolores Dancausa Treviño	Independent Director	2021	Audit and Sustainability Committee (committee member)
Mr. Jorge Vega-Penichet López	Secretary Non-Director	2006	Secretary of the Audit and Sustainability Committee and the Appointments and Remuneration Committee

Attendance and meetings of the Board of Directors and Committees in 2021

	Board of Directors	Audit and Sustainability Committee	Appointments and Remunerations Committee
Quorum of attendance	98.6%	96%	92%
No. meetings	13	8	7

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In order to respond to current needs, the Board of Directors has a “secure Directors website” that allows members to access the information and foments communication between Directors and the Secretary, while at all times guaranteeing confidentiality, in addition to being able to hold meetings by video-conferencing in a safe, accessible environment.

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 Audit and Sustainability Committee and the Appointments and Remuneration Committee. The assessment of the functioning of the Committees and their officers will be made on the basis of the report made by each Committee to that end.

The evaluation is carried out by means of individual forms that are completed anonymously by each director. Once filled out, the Audit and Sustainability Committee and the Appointments and Remunerations Committee analyse the results and refer 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 2021 regarding 2020, for which purpose the Appointments and Remuneration Committee appointed an external consultant in charge of the assessment.

The Board of Directors agreed in 2021 to unify the Audit Committee and the Sustainability Committee in a single Audit and Sustainability Committee

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 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:

- 01

Chair the Board of Directors in the absence of the Chairman and the Vice-Chairmen, if there is one.
- 02

Coordinate and meet with non-executive directors. Voice their concerns.
- 03

Maintain contacts with investors and shareholders to ascertain their views and concerns, particularly in relation to the corporate governance of the company.
- 04

Direct the Board of Directors' assessment of the Chairman.
- 05

Coordinate the Chairman's succession plan.
- 06

Request the scheduling of the Board of Directors meeting or the inclusion of new items on the agenda of a meeting already convened.

The Board of Directors agreed in 2021 to unify the Audit Committee and the Sustainability Committee in a single Audit and Sustainability Committee, as a manifestation of the company's commitment in terms of sustainability and its close link to the financial activity and ordinary management of the company. This new body is composed of five members, all of them external, being four of them independent, with knowledge in accounting, audit, internal control, risk management, both financial and non-financial, apart from economic, financial, corporate and ESG knowledge.

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Management Team

The Management Team is composed of more than 50 professionals in Spain and abroad, from different departments and specialisations. The company communicates to the CNMV and announces 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.



More information on the Management Team at https://www.acciona.com/shareholders-investors/corporate-governance/management-team/?_adin=11551547647

Remunerations Policy

The company has a Directors’ Remunerations Policy for 2021, 2022 and 2023 approved by the General Shareholders’ Meeting 2020. ACCIONA intends to submit for the approval of the General Shareholders’ Meeting 2022 a new policy adapted to the new wording of Article 529 novodecies of the Spanish Capital Companies Act and Article 31 of ACCIONA’s Bylaws.

The company’s remunerations policy, including for members of the Board of Directors who exercise executive functions will be governed by the following principles:

- > Consistency with the business strategy.
- > Corporate governance and transparency.
- > Balanced design.
- > Internal equality.
- > Alignment with market practice.



More information on the Directors’ Remunerations Policy: <https://mediacdн.acciona.com/media/Oeihyocy/politica-remuneraciones-2021-2023-ingles.pdf>

In addition to the above, the company has a 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 and details the compensation received by each individual director.



More information at: https://www.acciona.com/shareholders-investors/corporate-governance/remuneration-directors/?_adin=02021864894

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 re-inforces 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.

These guidelines have been developed on the basis of international standards and have been implemented in the organisation under corporate regulations and instructions that regulate aspects such as donations and sponsorships, selection of partners and contracting of business consultants, interacting with public officials, gifts and hospitality, international trade sanctions, antitrust compliance, prevention and management of conflicts of interest, selection and 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)..

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. However, policies and control measures have been put into place to prevent or identify any possible cases of corruption.

The Compliance Management and Internal Audit Management supervise the functioning and the effectiveness of the internal procedures, controls and commitments established to ensure that the obligations are fulfilled, whether imposed by law or voluntary, of an ethical, organisational, environmental or social nature, and that any associated risks are prevented, identified and mitigated. The Compliance Department reports to the Audit and Sustainability Committee of the Board of Directors.

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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 organisational structure of the group, assigning each department with specific risks of a crime being committed and the corresponding monitoring of those risks.
- > Each risk has been linked to internal controls that to some extent reduce the probability of involving a criminal risk.
- > It gives these internal controls a number of specific attributes determined, amongst others, by the area or department responsible for performing them and the precise description of the monitoring 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 initiatives carried out in 2021 in this field were:

- > ISO 37001 and UNE 19601 of Anti-bribery Management and Criminal Compliance Systems: acquisition of the dual certification for the Water business line and the ISO 37001 certification for the construction branch in Peru.
- > Updating the Corporate Antitrust Compliance Standard and the Corporate Standard for Selection of Partners and Contracting Business Consultants. Commencing the process for reviewing and updating the Code of Conduct, which is expected to be completed in 2022.
- > Creation of the ACCIONA Energía Ethics and Compliance Office and the Ethical Channel Committee. Work commencing for obtaining the ISO 37001 and UNE 19601 certifications for this company.
- > Certification of the awareness and compliance of the Code of Conduct, the Anti-corruption Regulations, the Anti-corruption Policy, the Crime Prevention and Anti-bribery Policy, the Corporate Standard for Preventing and Managing Conflicts of Interest and the Corporate Antitrust Compliance Standard on the part of the officers and control supervisors and the Management Team.

There were no corruption risks that materialised during the year, regardless of the fact that in previous years various investigations have been opened related to cost overruns, settlements and claims arising from public contracts involving group employees; in some cases they have been closed or are pending closure, and in others, they are still at the investigation stage.



ACCIONA anti-corruption guidelines

The company expressly forbids:

- > Offering or accepting bribes to/from public officials or private individuals.
- > Offering or accepting payment for starting or speeding up any administrative procedures.
- > Offering or accepting gifts and hospitality to/from public officials or third parties that are contrary to the provisions of these Standards.
- > Making contributions for political purposes on behalf of the group.
- > Obtaining preferential treatment by using sponsorship or donation as a means for obtaining it.
- > Using the company's business relations and contacts in one's own benefit or that of a third party.
- > Establishing business relations with third parties without conducting the minimum due diligence required for knowing those third parties.

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, therefore have the internal control bodies and procedures required by current regulations.

All ACCIONA employees are required to pay special attention to any circumstances revealing a lack of integrity of the persons or entities with which the company maintains a business relationship. Cash payments are not allowed, other than in exceptional cases, with express authorisation and with traceable documentary evidence. In addition, the group monitors cash payments and due diligence procedures with suppliers and business partners.

In 2021, compulsory training courses were given to the staff of the liable parties. There is also a general course on money laundering prevention available in the Compliance Planet development programme.

A news item appeared in the media during the year involving an investigation for money laundering in the El Cortijo wind farm (Mexico), which belongs to the group. The company re-

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quested a meeting with the Mexican Financial Intelligence Unit (UIF) to have first-hand knowledge of the situation of that plant. The UIF responded with an official statement saying that ACCIONA was not subject to investigation for money laundering and that it is not on the list of companies with accounts frozen for tax offences.

Code of Conduct and Ethics Channel

The Code of Conduct reflects the values that are to guide the behaviour of all companies making up ACCIONA. Its purpose is to further the consolidation of a corporate conduct accepted and respected by all employees and executives.

By complying with this standard, the company assumes the commitment to carry out its business in accordance with the legislation in force in each of the countries where it operates, always based on the highest international standards. Amongst 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, the Anti-corruption Regulations and the Crime Prevention and Anti-bribery Policy must necessarily be read and accepted by all employees. Over 35,000 people have accepted the Code of Conduct.

The Code of Conduct Committee is responsible for monitoring and compliance with the Code of Conduct, a body in which the most relevant management of the group in matters related to ethics and compliance is represented.

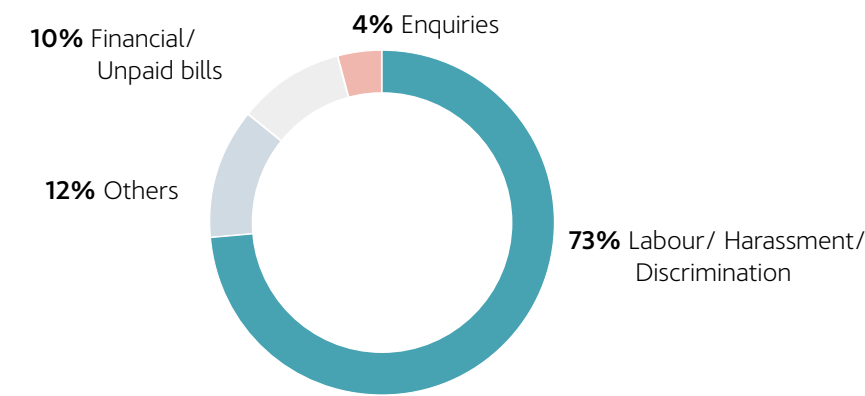
The Code of Conduct Committee has the following functions:

- > Encourage the dissemination, knowledge and compliance with the Code of Conduct and, in general, for the ethics and compliance model of the company among the most relevant staff and third parties.
- > Facilitate a channel of communication for all the employees, not only to gather and provide information on the compliance with the Code of Conduct, but also to manage the notifications and the queries received and thus facilitate the coordination of their resolution and follow-up. The Ethics Channel makes it possible to confidentially and anonymously report any irregular behaviour related to any case of breach of the Code. It is available on the ACCIONA web site in Spanish, English and Portuguese.
- > Report regularly to the Board of Directors, through the Audit Committee, any complaints received and their resolution.

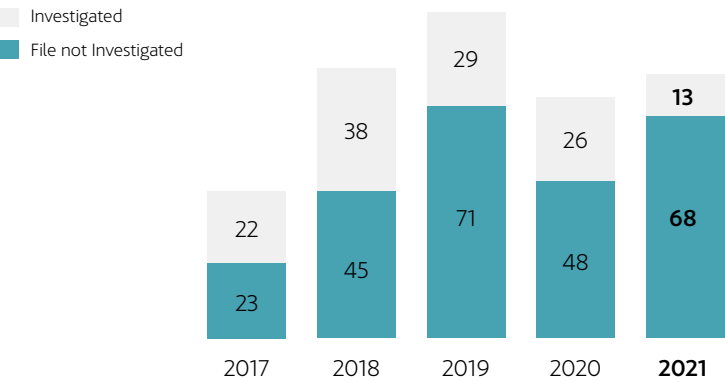
In 2021, 81 reports were received through this channel. Of those, 68 cases were investigated, 21 by an external examiner and 47 by an internal examiner. The remaining reports were dismissed, either *ex officio* because they do not fall within the competence

of the Code of Conduct Committee, or after having received additional information from the corresponding department.

Type of reports



Processing of reports



**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.*

Of the total complaints received, 59 were work-related, 12 of which included grounds for discrimination, 24 for harassment at work and 6 for sexual harassment. All the cases have been processed. Regarding harassment at work, such conduct has not been demonstrated in most cases, as it has been defined by the doctrine and the case law by the labour courts. 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 and awareness-raising courses on interpersonal relationships in the work teams, were given.

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On the other hand, there were no complaints referring to giving or offering bribes or any other type of remuneration or similar consideration, to any individual or public or private entity for the purpose of illegally obtaining or retaining a business or a competitive advantage for the group. Nor have any notifications been received relating to tax issues.

Compliance communication and training

In 2021, 140 communications were made regarding the Code of Conduct, Anti-corruption Guidelines, Ethical Channel, conflicts of interest, donations, competency, gifts, sanctions, compliance tools and ethical culture, amongst others. The management team and the employees have received ongoing information on compliance regulations by intranet, emails and a specific newsletter on the subject.

In particular, 55 publications were posted on the intranet (50 in 2020), which included relevant information on anti-corruption relating to issues such as gifts, bribes, intermediaries and agents or interaction with public officials. Furthermore, 5 communications associated with antitrust compliance issues were published. They also promote the importance of the Ethical Channel for reporting irregularities, expressly including those relating to protection of competition.

Through the Compliance Survey, it is confirmed that 99% of the employees are familiar with the Code of Conduct, 97% with the Anti-corruption Regulations and 91% with the Ethical Channel.

As regards training, executive programmes have been conducted in Latin America on ethical culture, corporate reputation, compliance model, Code of Conduct, the main standards and policies, local regulations applicable and the Ethical Channel. There has also been a specific course on international trade sanctions. The “Fighting against corruption”seminar is compulsory for anyone in a management or executive role. Lastly, regular training sessions were given on the rule on donations and the third-party management tool.

Through the Compliance Survey it is confirmed that 99% of the employees are familiar with the Code of Conduct, 97% with the Anti-corruption Regulations and 91% with the Ethical Channel

Training per country on the Code of Conduct and in the Anti-corruption Course (no. employees)

Country	Code of Conduct	Anti-corruption Course
Spain	1,856	611
Australia	759	94
Mexico	302	73
United States	284	37
Brazil	186	9
Canada	156	27
Chile	140	18
Peru	109	23
Others	300	84
Total	4,092	976

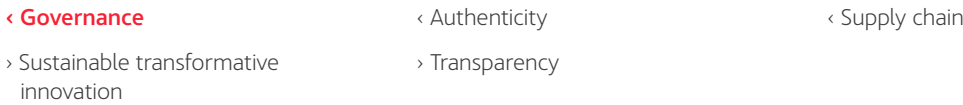
Competition cases

In 2021 the following developments in cases filed against the company in competition took place:

> CNMC (National Commission for Markets and Competition) – Road Maintenance Dossier:

Resolution of the CNMC’s Board notified on 19 August 2021 declaring that the existence of an infringement in Competition involving a cartel had been proven, restricting the number of tenders with low bids over a predetermined threshold that could be submitted by the cartel in the tenders for government road maintenance contracts. It is not, according to CNMC, a distribution of tenders, but an attempt to moderate low bids being offered, that made it impossible to fulfil the contracts.

ACCIONA Mantenimiento e Infraestructuras S.A. (“AMISA”) was declared to be in breach, among 11 other companies in the sector and their parent companies, with a fine of €2,339,737, being the lowest of the 12 imposed. ACCIONA, S.A. was declared to be jointly and severally liable for the breach, not directly, because it is the ultimate parent company of the alleged infringer, irrespective of the fact that it did not take part in or know of the breach. It entails objective liability affecting only the payment of the fine.



A ban on government contracts is applied to the companies participating in the alleged cartel, as contemplated in the Public Contracts Act, that will not come into force until the Advisory Board for Public Procurement of the Government brings the proceedings and the dossier is resolved, to determine the scope and duration of the ban, which may not be initiated until there is a final decision by the contentious-administrative court.

> **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 above mentioned 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. Allegations were submitted for the Document for Specifications of Facts on 17 January 2020. A draft resolution was announced and allegations were submitted to it on 4 June 2020. The CNMC Board announced on 16 July 2020 the expiration of the dossier and shelved the proceedings. The procedure started again on 21 July 2020, notifying again the Document for Specifications of Facts with a content identical to the one declared to have expired on 9 April 2021. ACCIONA submitted allegations for the new Document for Specifications of Facts on 29 April 2021. Upon receipt of the Draft Resolution, ACCIONA submitted allegations within the time limit at the end of July 2021. In September 2021, the National High Court admitted the appeal filed by ACCIONA against the resolution of July 2020 to initiate the new procedure. In the appeal ACCIONA alleged that the resolution to initiate the second procedure was invalid (which is being processed at the closing date of this report) owing to the violation of fundamental rights.

Contributions to foundations and non-profit organisations

As part of the UNE 19601 and ISO 37001 certification process, the Corporate Donations and 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 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 Anti-corruption Regulations. 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 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.

In 2021, ACCIONA contributed € 2,149,800 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 global dialogue	€ 378,176	World Economic Forum and World Business Council for Sustainable Development (WBCSD).
Institutions for the technical development of ACCIONA business	€ 459,862	International Emissions Trading Association (IETA), European Australian Business Council, Clean Grid Alliance, Instituto de Empresa Familiar, Roads Australia, Círculo de Empresarios, Economics for Energy, Land and Liberty Coalition, Asociación Española de la Carretera.
Sector associations	€ 1,311,763	SEOPAN, American Clean Power Association, Wind Europe, Australian Contractors Association Membership, Global Wind Energy Council, Clean Energy Council (Australia), AECOM.
TOTAL	€ 2,149,800	

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On the other hand, the main matters where contributions were made are the following:

- 01

Decarbonisation of the economy, clean energy, achieving the goals of the Paris Agreement on climate change:

ACCIONA is actively pursuing compliance with the Paris Agreement and its de-carbonisation commitments across all the geographic regions in which it operates. To this end, it is involved, whether directly or through collective study groups or trade associations, in training and communication initiatives, 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.

In 2021, a total of € 810,658 was invested in this area.
- 02

A water management model based on environmental and economic sustainability, thus contributing to Sustainable Development Goal 6 on clean water and sanitation:

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 group is currently operating.

A total amount of €317,254 was invested in this area in 2021.

Due diligence of third parties

This procedure is carried out through the PROCUR-e web site and Dow Jones Risk Center site for partners, intermediaries and commercial agents acting on behalf of ACCIONA. 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 Business Consultants.

The Dow Jones Risk Center 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, or any potential litigation in relation to corruption, money laundering, fraud or involvement with tax havens, amongst other information. In 2021, 327 third parties were registered.

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, and updated in 2021, defines the company's approach to all matters relating to taxation, as well as its consistency with the global business strategy. It is applicable to all group companies. It is based on the following principles:
- > Compliance with the tax obligations in the different countries and areas where the group operates, paying the taxes required in accordance with the legal regulations.
 - > Companies making decisions on tax issues based on a reasonable interpretation of the regulations, and closely connected with the group's business activity.
 - > The prevention and reduction of significant tax risks, ensuring that the taxation bears an adequate relation to the structure and location of the activities, human resources and materials and the business risks.
 - > Strengthening relations with the tax authorities based on respect for the law, loyalty, trust, professionalism, cooperation, reciprocity and good faith.
 - > Informing the management bodies on the relevant tax implications of the operations or matters submitted for its approval.
 - > The conception of taxes paid in the countries and territories as its contribution to the support of public expenditure and, therefore its contributions to society.
 - > Keep suitable internal channels in place to facilitate the reporting of any irregularities.
 - > Ensure that the bodies responsible for supervising and monitoring the application of the policy and the management system have the resources, autonomy and sufficient authority and independence to efficiently and proactively monitor functioning and compliance.

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In application of these principles, the company assumes the following good tax practices, among others:

- 01

To not use artificial corporate structures unrelated to the group's activities and for the sole purpose of reducing its tax burden nor, in particular, carry out transactions with related parties purely for the purpose of eroding the tax base or transferring profits to territories with low taxation.
- 02

To avoid companies with an opaque structure for tax purposes, these being understood as any intended to prevent the Tax Authorities from knowing who is the end-user responsible for the activity or the ultimate holder of the assets or interests involved.
- 03

To not incorporate or acquire companies having their residence in countries or territories that Spanish legislation considers tax havens or included on the black-list of jurisdictions that do not cooperate with the European Union, with the sole exception of any circumstances in which the group is obliged to do so due to their being an indirect acquisition in which the company in question is part of a group of companies being acquired.
- 04

To follow the recommendations of the codes of good tax practices. 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). The Group is also committed to complying with OECD Guidelines on multinational companies in respect of taxation.
- 05

To cooperate with the competent Tax Authorities in detecting and finding solutions for fraudulent tax practices that the company becomes aware of.



More information ACCIONA's tax policy is available at:
https://mediacd.n.acciona.com/media/fdley0ry/politica-fiscal_eng.pdf

Transfer pricing

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.

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 approval 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 approval of the creation or acquisition of shares in special purpose entities or entities domiciled in countries or territories considered tax havens.
- > Consent for any similar 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 activity, the Committee analyses the corporate tax principles and ACCIONA's 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 also monitors

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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.

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, it 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 Ethics Channel makes it possible to confidentially report any irregular behaviour related to any case of breach of the Code of Conduct. The mailbox is available to the company’s employees, suppliers and contractors.

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 2021	Grants (M€)	Footnote explaining effective rate due	Footnote explaining effective rate paid
Spain	3,134	525	26	30.9	20,139	4.1	1	2
Germany	11	- 75	- 8	0.1	430	-	5	2
Mexico	254	49	24	10.3	2,524	-	4, 6	7
Australia	1,433	- 3	7	0.1	2,759	-	3, 4	7
Poland	337	26	6	5.0	1,501	-	6	7
Saudi Arabia	409	22	6	6.7	160	-	3	3
Portugal	180	18	6	2.7	1,610	0.3	5	9
Brazil	204	28	10	3.6	1,614	-	4	2
United States	155	4	26	0.2	200	0.9	8	2, 8
Canada	395	- 76	8	0.2	1,193	-	5	2
Others	1,593	56	59	22.4	9,532	0.2		
Total	8,104	575	171	82.0	41,664	5.5		

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:

- Reversal of non-deductible expenses (non-taxable income).
- Tax losses in the year.
- Allocation of consolidation vs local accounts (Corporation Tax payments).
- Tax rate for Corporation Tax higher than in Spain

- Tax rate for Corporation Tax lower than in Spain.
- Non-deductible expenses and adjustment for inflation.
- Application of tax credits.
- Deferral for accelerated depreciation / unrestricted depreciation.
- Non-application of payments made by companies valued by the PPE method.

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At 31 December 2021, the amount of capital grants and operating grants received by the Company amounted to 7 and € 5,451 thousand.

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.

Relationship with the auditor

The item *Remuneration and other benefits* of the Consolidated Annual Accounts contains the information on the fees in relation to accounts auditing services and other services provided by the auditor of the group's consolidated annual accounts, KPMG Auditores, S.L., and by companies belonging to the KPMG group, in addition to fees for work invoiced by the annual accounts auditors of the companies included in the consolidation and by the entities linked to them through control, joint 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. More information in: https://www.acciona.com/shareholders-investors/corporate-governance/board-directors-committees/?_adin=0183579827

SUSTAINABLE TRANSFORMATIVE INNOVATION

The innovation programmes enable to continuously anticipate market trends and disruptions, as well as to pursue solutions that can generate new business opportunities in line with commercial objectives.

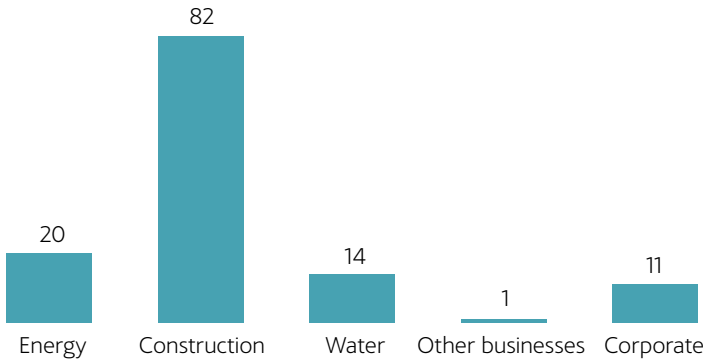
In 2021 the R&D&i Management System continued to operate in accordance with the guidelines set out in UNE 166002:2014, with monitoring of the activities carried out, through review meetings and management indicators defined on the basis of strategic, operational and monitoring processes. In addition, work was done on the search and implementation of new processes.

The group wants to be a reference in the promotion of new and enhanced business operational solutions, more digital and able to increase the sustainability productivity of the projects.

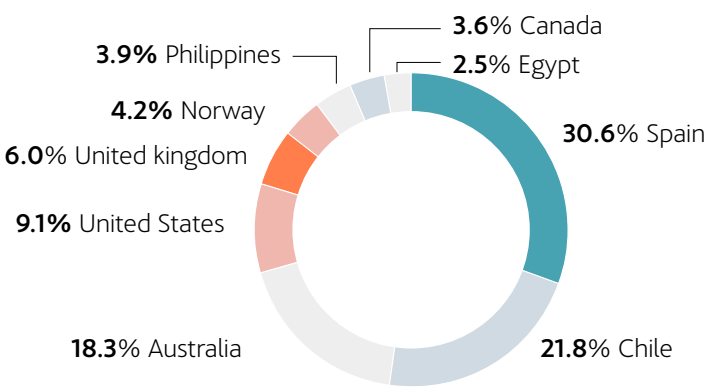
INNOVATION FIGURE

In 2021, ACCIONA reported spending €250,2 million euros on innovation, 5.3% more than the previous year. The portfolio of projects for the year totalled 185, 57 of which were research projects and 128 innovation projects. The company has carried out 14 projects outside of Spain worth €173,5 million, representing 69.3% of the total innovation figure reported.

Geographical breakdown of the number of innovation projects by business



Innovation figure per country (%)



“The 2021 EU Industrial R&D Investment Scoreboard” report, produced by the European Commission’s IRI (Economics of Industrial Research and Innovation), ranks ACCIONA as the seventh Spanish company and the 121th in Europe in terms of R&D&I.

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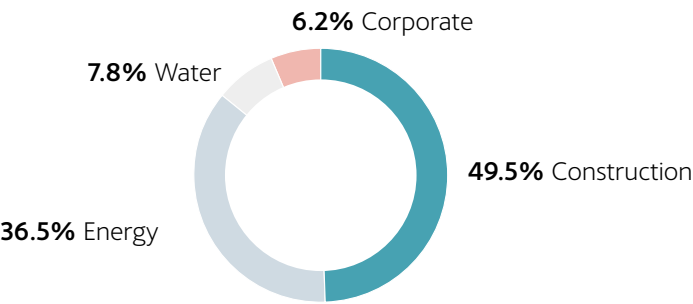
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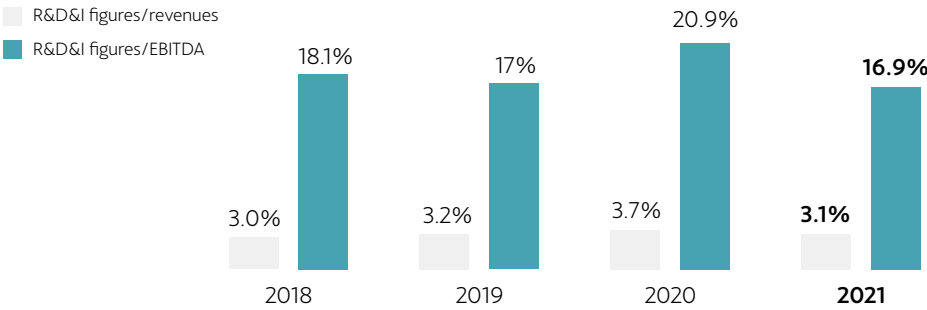
ACCIONA's R&D&I figures

		2018	2019	2020	2021
R&D&I figures (million euros)		225.4	230.4	237.0	250.2
EU Industrial R&D Investment Scoreboard	European Union's ranking	141	156	141	121
	Spain's ranking	6	6	6	7

Distribution of the innovation figure per business line (%)



Evolution of innovation intensity (%)



The innovation intensity ratio, obtained by dividing sales by innovation spending, was 3.1% in 2021.

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.

R&D&I units of research in ACCIONA's core businesses



RENEWABLE ENERGIES

- Extending the useful life
- Power maximisation
- Advanced technologies of O&M
- Advanced technologies in solar PV
- Innovation to ESG
- Storage and hybridisation
- Renewable hydrogen
- Vehicle to grid
- New business models and digital innovation
- Waste to industry
- Offshore wind energy



CONSTRUCTION

- Innovative materials
- Digitalisation
- Environmental aspects of works



WATER TECHNOLOGIES

- Desalination and new technologies
- Purification and water reuse
- Purification and water chemistry

Main energy projects

- > The Solarbrain project a predictive maintenance tool has been developed that enables failures in photovoltaic plants to be rapidly detected, which contributes to improving availability and therefore the production of the plants.
- > Avisave project: monitoring the behaviour and effectiveness of five systems for detecting birds and halting wind turbines at the Loma de Lázaro and Cabeza Morena plants.
- > Slag recovery project: design and execution of two demonstrations of non-intensive roadways in the Celada wind farm and the Miajadas Biomass plant, using different percentages of biomass combustion slags.
- > Circular economy project for recycling the fibreglass of turbine blades for manufacturing pultruded beams for photovoltaic structures.

Main infrastructure projects

Some of the projects that contributed sustainable competitive advantages for the infrastructures division are:

- > Eocene project: its objective is to develop and validate new composite materials so that all of their elements come from renewable sources, and to draft and implement advanced strategies for reusing and recycling the waste produced by these materials.

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- Hybrid project: development and demonstration of new solutions based on the integration and hybridisation of reverse osmosis with new alternative desalination methods, which aim is to reduce energy consumption or increase global production capacity in the desalination facilities.
- Water-Mining project: the aim is to demonstrate innovative management solutions of large-scale water resources, combined with the recovery of added value resources. It entails getting resources from sea and waste water, as well as water circularity in the industrial sector.
- Implementation of the technologies developed in concrete at the site of Malolos and at the site of Cebu (The Philippines); in the first one, with the value added of the technology applied to thermal control, guaranteeing the quality and resilience of the structures.

Construction Technology Centre

The Construction Technology Centre has the aim to provide, to the works, technological products or services, to provide a competitive and differential value compared to other companies in the sector, to generate a positive impact in terms of cost or time, and which contribute to minimise environmental and social damage.

The Technology Centre carries out its research projects in three large areas:

- It improves different construction processes for underground works, railways, motorways or maritime infrastructures.
- Optimisation of construction materials, especially concrete.
- Digital innovation as a support tool in management and follow-up of the sites.

Water Technology Centre

The Water Technology Centre is engaged in R&D activities related to water and membrane technology. These initiatives range from the most basic laboratory work to pilot plant studies and industrial scale-up. Tools are used for modelling, using fluid dynamics and for carrying out structural studies.

In addition, ACCIONA has a series of demonstration plants located in water treatment plants, where activities are conducted under real conditions that supplement those conducted at the technology centre.



SHARING INNOVATION

Digital Hub

With this initiative, ACCIONA pursues the anticipation and exploration of new technologies and their application in the business through digital solution innovation and development. Likewise, it is focused on the internal development of digital products to promote competitiveness, efficiency and productivity for the benefit of clients and citizens.

Digital Hub Milestones

- **Smart cities:** development and integration of a hyper localised weather forecast tool for optimisation in the deployment of winter road equipment.
- **IoT & new technologies:** development of hardware for the preventive maintenance of wind turbines by means of noise pickup and thermographic analysis.
- **Robotics, data and AI:** development of a proof-of-concept in Chile for the automation of the mining cycle processes by means of the SPOT robot dog, thus reducing the risks for the workers. Development of predictive models and virtual devices to measure contaminants for desalination plants and water treatment plants.
- **Mixed reality:** development of an augmented reality experience for guided visits at the Energy Control Centre.
- **3D printing:** finding, in collaboration with international partners, a binding agent to allow printing from recycled microplastics from different sources (ocean, river or land), boosting the removal of this waste.

Open and collaborative innovation

In 2021, ACCIONA launched the fifth call for the open innovation programme, I'MNOVATION #Startups, in which startups from all over the world could present ideas to solve the main technological challenges faced by the company in its different lines of business. In the 2021 call 12 challenges were raised by different areas of activity, all of them linked to a SDG.

The company is still committed to the development of the Spanish entrepreneurial ecosystem, through participation in different open innovation initiatives such as B-venture, Alhambra Venture or Startup Olé.

On the other hand, ACCIONA has maintained the collaboration with LANZADERA, the most important startup accelerator in Spain. In this frame of cooperation the company worked with the Startup Light, which helped the company's employees to avoid CO₂ emissions.

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AUTHENTICITY

This area of action arises with the aim of demonstrating that our commitment is genuine and that all members of the group are familiar with it and share it. The values are recognisable and are present in the company's activities. ACCIONA's people acknowledge in the management trustworthy and reliable people, with values and commitment to the purpose. The transformation levers to be activated are:

- > Re-define the purpose, promise and principles of the company and adaptation of the Code of Conduct and leadership model of ACCIONA to the new purpose.
- > To have quality and satisfaction indicators of the information for customers, investors, employees and suppliers, verified by independent third parties, which will promote annual improvement schemes.
- > 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.
- > To establish processes for immersion in company values, especially in onboarding and in businesses with inherent turnover. In 2021 this process was updated.
- > Schedule of rules on the company's position regarding its commitment and defence of more sustainable development models.

CUSTOMERS

ACCIONA's clients are as diverse as its business, mainly large organisations -*Business to Business (B2B)*- of the public and private sectors, or financial investors. However, some group companies, such as the water services and real estate divisions, have direct relationships with the customers or users of the services provided -*Business to Customer (B2C)*.

Communications and customer relations

The communication channels with the company's customers pursue accessibility and agility. Taking into account the diversity of the customer portfolio of each of the business, the communication is managed using a wide variety of channels ranging from face-to-face attention to web spaces for each of them.

Communication channels with customers



- > CRMs, such as the energy sales area, airport and energy services.
- > Personalised managers, such as the wind projects of the energy business or contracts for the removal of waste and landscaping with the head of service.
- > Meetings. Bestinver held the 20th Conference of Investors, broadcast on streaming.
- > Customer websites, such as the private area for customers in real estate and Bestinver, or the water platform that offers 360-degree viewing for users.
- > Digital media and support. The real estate business established several virtual open days.
- > Physical service points at water service offices or solar facilities, sales booths for real estate development sites or the reception desk of students' halls of residence.
- > Apps for interaction with customers, such as in the Mobility business.
- > Call centre assistance, in the real estate development business, energy marketing, or Mobility, available in three different languages (Spanish, English and Italian).

Last year, communications to keep customers permanently informed of the protocols of action for COVID-19 and the follow-up and coordination committees set up for this, must be highlighted.

Customer satisfaction

Measuring customer satisfaction helps to plan actions aimed at improving their experience in the relationship with the company. Given the diversity of ACCIONA's products and services, the company considers a variety of factors in measuring customer satisfaction: from evaluation of deadlines and teams in energy and construction projects, to sales management, meter readings or billing by the supplier, or availability and incident resolution in services.

The most usual method of gathering information on satisfaction and/or experience with ACCIONA Energía's products, services and projects are surveys. In 2021, the company sent a total of 91,130 queries, with a response rate of 22.9%.

Evolution of satisfied customers (%)

	2018	2019	2020	2021	2021 target
Energy	100%	98%	99%	100%	
Infrastructure	98%	97%	96%	99%	
Construction	100%	100%	100%	100%	
Concessions	100%	100%	100%	100%	
Water	100%	100%	100%	100%	97%
Other Infrastructure businesses				85%	
Other businesses				97%	
Satisfied customers	99.8%	97%	97%	99%	

ACCIONA Cultural Engineering has been consulted about the assessment of the concept and design of the project, among other issues. The percentage of customer satisfaction is 100%, and during 2021 no complaints were received from customers.

Bestinver, on the other hand, has continued to reinforce the commitment with its investors implementing the new area of investments in infrastructures with the launch of Bestinver infra FCD as an alternative to exchange traded funds already in existence in the firm. Likewise, the range of funds in Luxembourg have been reorganised to make them more accessible to institutional investors. In Bestinver's case, the surveys were about the level of satisfaction with the 20th Conference of Investors.

In real estate the degree of satisfaction ranges from 42% to 74% depending on the phase of the purchasing process. In order to improve these indices, and in particular those of post-sale service, the lowest of the group, companies specialised in this field will be hired to provide support in the management. In the post-sale process of a housing unit, the developer (the real estate business) does not have the same action capacity in all the phases.

In the satisfaction survey carried out with motosharing customers 87% of users assessed positively that the motorcycle is 125cc, a characteristic that makes a difference from the rivals. The best assessed aspects are the proximity and the area where the service is provided apart from the possibility to select from different ways of driving. Assistance by phone or email are assessed as 2.9 and 2.6 of 4, respectively.

“Amigo” Plan

The real estate business applies this plan to ongoing developments pertaining to the residential development business line. The project, consolidated in the company, consists of offering a benefit, to real and potential customers, in a series of services linked to the acquisition of a housing unit (removal service, gifts of household appliances, discounts, etc.).

Complaints and claims handling

ACCIONA acts when its customers make requests by means of:

- > Specific procedures in all the division to manage complaint, claims and suggestions.
- > Accessible channels for customers to raise their complaints, claims and suggestions, such as specific sections in the web pages of water or energy supplier. 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 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.

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- > 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 increased to 12,949 and the number of B2C complaints increased to 4.8 per thousand customers. 83% of B2B and 17% of B2C complaints were successfully closed, affected by the mobility business.

Evolution of the claims

	2018	2019	2020	2021
Business to Business (B2B)				
No. of claims	861	1,335	1,059	12,949
B2B claims successfully closed (%)	85%	86%	88%	83%
Business to Consumer (B2C)				
Number of claims (per thousand customers)*	17.4	17.0	0.07	4.8
B2C claims successfully closed (%)			79%	17%

*It includes urban and environmental services, Environment, Healthcare and ACCIONA Solar.

Complaint resolution times vary from one ACCIONA business to another, depending on the nature of the business. For instance, in the urban and environmental service business it was 30 days, in Healthcare 10 and in solar farms the resolution was immediate (in 2021, 100% were resolved) except in some specific circumstances.

Reduction in the number of claims in cleaning services

Renfe Operadora hired an ACCIONA audit service which, prior to the audits of the client (by external auditors) makes operational controls and communicates any of the errors found through internal efficient channels for their rectification. This system, jointly with a higher degree of dialogue between the parties concerned, has allowed to reduce the claims from more than 100 in 2020 to 4 in 2021, with an average resolution time of 1 day.

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 instance, the motorsharing service uses the NPS (Net Promoter Score) indicator which measures the difference between the percentages of detractors and promoters, and has enabled to observe a drop in the possibility to prescribe the services in most cities.
- > 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.
- > In construction 20 of 22 customers would recommend the company. Of a total of 22 respondents, 7 confirmed the possibility of contracting again. The others did not answer.
- > 100% of the customers in Cultural Engineering recommend the services and would hire the company again.
- > 77% of ACCIONA Agua customers would hire the services of the company again.

In this respect, the assessment of different lines of business of ACCIONA as compared to its competitors is also significant. With this, 100% of the customers consulted by ESCO, and 88.75% of customers consulted by AFS Spain would contract its services again.



Mobility- Club of CO2mmitted

Each month, users of electric motorbikes that have travelled the most and, therefore, more CO₂ emissions have been avoided, are told how much CO₂ emissions they have saved and a code for free minutes is sent to them. The communication is made by email and they are offered the possibility to share it on their social media. The results obtained are very good, as the redemption rate of the code is 83% and many share it on their social media, becoming also ambassadors of the brand.

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Customer health and safety

The Quality Policy includes the principle of ensuring the health and safety of customers and users. Furthermore each of the safety management systems implanted in the company has a policy that sets out the principles and commitments of application, and is approved by senior management and at the disposal of all 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. During 2021, no reports on non-compliance were received regarding customer health and safety.

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 such as 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 identify possible design problems and improve the safety of the installation.

› Safety management systems that guarantee that the work is performed in accordance with the reference international standards established for each sector. Several business of the company are certified in accordance with various international standards in this area:
- Road Safety: a motorway managed by Concessions, AMISA Construcción, as a development in 2021, Italy Agua: Legal and operational headquarters, Administrative headquarters and Operational headquarters in Brescia, have implemented the two security management systems certified in ISO 39001.

• 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, Düsseldorf and Santiago de Chile, in accordance with the regulations of the International Air Transport Association.
- Food safety: hygiene of food plants certified in ISO 22000.

• Security in the supply chain: ACCIONA Forwarding is certified as an Authorised economic operator (initials in Spanish, OEA), accreditation issued by the Tax Agency.






• Information security: corporate ISO 27001 certified, management system associated with security services internally provided from the central offices in Madrid.
- Non-compliances
- Mobility has received a total of 12,697 fines in Spain and 1,780 in Italy. Of the total, 3,950 and 268 respectively were paid. The rest of the fines were transferred to the users. The reason for the fines was mainly that the fine was imposed when the user finished the trip, for the existence of more than 100 metres from the end of the trip to the place of the fine; either for having passed more than 5 days from the end of the trip and the fine; or for lack of data in the system that could entail a risk of non-conformities by Mobility.
- Product and service labelling
- The energy sold by Green Energy has a certificate issued by the Spanish National Commission on Markets and Competition (CNMC in Spanish) which certifies the 100% renewable origin of the energy. Meanwhile, the water business complies with the standards established in applicable legislation regarding the quality of drinking, desalinated water, parameters for waste water discharges, etc.
- All projects developed by ACCIONA have all the information necessary in the as-built report delivered to customers.
- In 2021, there is no record of any notification being received on non-compliance of regulations or voluntary codes relating to marketing communications or on non-compliance related to information and the labelling of products and services.
- Certified management systems
- All of ACCIONA's divisions have certified management systems based on the most renowned international benchmarks in terms of quality, the environment and customer and user safety. In 2021, 100% of the company's most important activities were certified according to ISO 9001 and ISO 14001.

- ◀ Governance


◀ Supply chain
- ▶ Sustainable transformative innovation

▶ Transparency
- ◀ Authenticity

Main certifications in force during the year

 POWER	ISO 9001 and ISO 14001: marketing and sale of renewable energy with guarantee of origin accredited by CNMC, 100% installed MW and provision of energy services (ESCO). As a development in 2021 ACCIONA Energía Ukraine was incorporated. It does not apply to Energía Egypt and ACCIONA Plug.
	ISO 50001: 100% of the energy services activity.
	PSE-2019/0006: ESCO.
 CONSTRUCTION	ISO 9001 and ISO 14001: 100% of the activity in several countries (Spain, Chile, Brazil, Mexico, Colombia, Canada, Australia, New Zealand, etc.) including the Philippines as a development in 2021. AMISA, Industrial has extended the scope of their certificates in 2021 to include EPC contracts for waste treatment plants (the focus is “multi-site” and has a certification for all the countries where it has projects), ASUMA (has extended the scope in 2021 to “Maintenance services of children’s and health games outdoors”) Spain, Mexico and ENTORNO.
	Green and Gracious Builder Scheme of Singapore
	ISO39001: Road Safety Management Systems in AMISA (2021 development)
 CONCESSIONS	ISO 9001 and ISO 14001: Concessionary company León Bajío Hospital, Concessionary company A2-Section 2 and ACCIONA Concessions Australia.
	ISO 39001: A2 Concession company, section 2 and La Plata Highway.
 WATER	ISO 9001 and ISO 14001: 100% of the water treatment activity in Spain, Italy, Chile, Australia and New Zealand. 100% of the integrated management services.
	ISO 50001: in 16 centres in Spain.
	ISO 39001: Agua Italia (Sede legale e operativa, Sede Amministrativa and Sede Operativa di Brescia).
 OTHER INFRASTRUCTURES BUSINESS	UNI EN 16636: Pest management for Agua Italy.
	ISO 9001 and ISO 14001: ACCIONA Infrastructures Australia, ACCIONA Infrastructures New Zealand.
	ISO 9001 and ISO 14001: Healthcare, ASU, AMA, Entorno.
	ISO 179002: Quality Management Systems for Medical transport companies under Healthcare activity.
	EMAS: AMA and Carballo Plans.



 OTHER BUSINESSES	ISO 9001 and ISO 14001: Cleaning of trains and stations of Railway Services, handling and driving gangways of airport services in Spain and Chile. Facility Services in Spain, Portugal (AFS Portugal extended the scope in 2021 incorporating: maintenance management), Mexico and Qatar (2021 development). Forwarding with the scope: “International freight forwarding”, after the segregation of the Service Division, Forwarding was again certified independently in 2021. Real Estate and Cultural Engineering.
	ISO 20121 Sustainability of Events in Cultural Engineering.
	ISO 22000: AFS hygiene of two food plants.
	NP4492:2010: Requirements of the Provision of maintenance Services for Facility Services. NP4413:2012: Maintenance of fire extinguishers for Facility Services.
	OEA (Authorised economic operator) Certificate: ACCIONA Forwarding.
	Bequal Foundation certifies again the commitment of ACCIONA to the integration of people with disabilities.
	<u>2021 developments:</u>
	UNE 166006 Monitoring and intelligence management systems in ACCIONA S.A. for the activities of: Computer Science: Digital Hubs in Europe; Automated Production Systems: 3D printing; Construction Technology: Prefabricated constructions; Electric vehicle and mobility; Automation Technology applied to ground assistance services to aircraft and passengers (airport handling- the scope of the services of Airport Services). UNE 166002 R&D&i management systems in ACCIONA S.A. for the services provided by Airport Services (formerly certified by Energy, Construction and Water).
	AENOR Strategy 100% Circular Economy as a new corporate certificate.
	ISO 22301 Business Continuity in Bestinver.

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 2021, a total of 604 audits have been performed, 480 of which were internal and 124 external. The majority were made under ISO 9001 and 14001. Moreover, the company also received 3,899 audits from its customers.

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. In this respect, the Personal Data Protection Policy aims at setting out the company’s goals in this matter and defining a working framework that makes it possible to guarantee and improve that protection, respecting the principles and rights set by the law. 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 guarantee adequate management of personal data protection, the following organisational structure is established:

- > Data Protection Department. It reports to the Audit Committee, ensures application and compliance of applicable legislation.
- > Personal Data Protection Committee. This body is in charge of setting the guidelines for Personal Data Protection; defining short, medium and long term strategies; ensuring adequate risk management; and leading the data protection governance model.
- > Department for Information Technology and Communications. Responsible for implementing and managing the strategy in this matter and defining the measures to guarantee the protection of personal data.
- > Data Protection Officers in all organisational units, including ACCIONA Energía.

Non-compliance of data protection measures by those responsible for their management will be penalised in accordance with the provisions for non-compliance in the workplace 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 provides mandatory training on data protection to all the employees.

Among the control mechanisms of the supply chain, ACCIONA's suppliers must agree to the self-declaration document. This includes security aspects on information and personal data protection.

RELATIONS WITH THE PUBLIC ADMINISTRATIONS AND REGULATORY BODIES

ACCIONA considers public participation in the process of adopting any regulatory initiative to be important in order to ensure that the interests of everyone who will be affected by the measures to be adopted are seen to be duly weighed and reflected. For this reason, ACCIONA always defends dialogue with the regulatory authorities and, in turn, undertakes a high degree of commitment for cooperation and involvement.

ACCIONA becomes involved in implementing public policies for the areas and sectors where it engages in business and collaborates responsibly and openly in defining the regulation and policies implemented by the various Public Administrations.

ACCIONA carries out analysis and promotes the drafting of studies and dissemination of their results and, in turn, actively participates in the submission of proposals, comments or allegations in public information procedures of the different proceedings aimed at establishing the regulatory framework of each sector, always consistently with its commitment with care of and respect for the environment, support of renewable energies and the sustainability in the use of resources. Furthermore, it participates in forums, associations and different groups, providing knowledge, ideas, initiatives and experiences acquired for many years, always with the aim for public policies to be oriented to a sustainable development and growth, in the social as well as the economic and environmental aspects.



ACCIONA designated as leader in climate policy engagement

InfluenceMap’s 2021 A-List of Climate Policy Engagement identifies 15 corporate leaders advocating for ambitious climate policy across a range of sectors and regions. To qualify, a company must exhibit sufficient support for ambitious climate policy, strategic levels of engagement with climate policy, and leadership in its sector.

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- < Supply chain

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 for those purposes.

Within the European Union, ACCIONA has been registered since 2013 in the EU Transparency Register, where the interests it pursues, who defends them and the related budget are published in a transparent manner.

Lines of action: we are not neutral

Activity to which it applies	Examples
Actions that apply to the whole group	Participation in the consultation processes related to the “Fit for 55” package of the European Commission, which objective is to review the legislation on climate, energy and transport to adapt it to the ambitions for 2030 and 2050. It includes initiatives related to renewable energies, energy efficiency, emission rights trading, sustainable mobility or environmental taxation.
ACCIONA Energía	<div>Contribution to numerous public hearing procedures and participation in the preparation of reports and position papers of various entities and associations, in support of the decarbonisation of the energy sector related to:</div> <div><div>> Promoting renewable hydrogen.</div><div>> Development of marine wind power in Spain.</div><div>> Simplifying the formalities for renewable energy projects, including distributed generation and self-consumption.</div><div>> Hybridisation of renewable energy technologies.</div><div>> Development and improvement of operating procedures to increase the integration of renewable energy into the power grid.</div><div>> Extension of the life of renewable projects.</div></div>
Infrastructure, water and services	<div>Participation in numerous regulatory initiatives aimed at promoting the decabornisation of the economy through:</div> <div><div>> Regulatory proposals aimed at enhancing the consideration of sustainability criteria in public procurement.</div><div>> Supporting policies favouring energy saving, efficiency and rehabilitation, especially in the implementation of the recovery, transformation and resilience plan.</div><div>> Proposals to improve the regulation of the urban water cycle, to guarantee the unity of the market and improve consumer protection.</div><div>> Proposals for measures to guarantee the efficient use of water in irrigation.</div><div>> Proposals for a sustainable mobility: facilitate the deployment of electric vehicles with renewable energies, boost shared electric mobility and improve the regulatory framework of the infrastructure for vehicle charging.</div></div>

ACCIONA Energía participates in sectoral associations at regional and national level (for example, AEE, APPA and UNEF), and also at European level (such as WindEurope and CLG Europe) and internationally (GWEC). The company participates actively with them and holds positions of responsibility on their management bodies.

In terms of infrastructures, water and services, 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) and Smart Mobility, in the field of sustainable mobility; ANESE, in the field of energy efficiency; or AGA and AEAS, to promote and defend the common interests of service companies related to the integral water cycle.

TRANSPARENCY

DIALOGUE AND SUSTAINABLE LEADERSHIP

ACCIONA actively participates in the world’s most prestigious international initiatives in relation to sustainable development, the fight against climate change and ESG aspects.

ACCIONA at COP 26

The 2021 summit took place in Glasgow, where governments, companies and organisations from all over the world came together to move forward with the global work programme to combat climate change.

The chairman of ACCIONA, José Manuel Entrecanales Domecq, participated in the summit and was given the opportunity to present ACCIONA’s experience as part of the Next Frontier day event: Positive Impact beyond net-zero. The event focussed on the identification of trends once the zero emissions targets have been met and on how the regenerative approach of positive impact will be prioritised in the corporate strategies of the future.

The CEO of Infrastructures, Luis Castilla, and the CEO of ACCIONA Energía, Rafael Mateo, had the opportunity to present their innovative experiences in sustainable construction and applications of tokenisation for renewable energies hand in hand with the Sustainable Energy for All initiative.

On the other hand, ACCIONA also shared with the European Investment Bank their experience in relation to the application of the European taxonomy and had the opportunity to present their best practices in relation to gender equality in the forum coordinated by the International Chamber of Commerce.



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› **Transparency**

World Economic Forum (WEF)

As part of the Measuring Stakeholder Capitalism initiative of the WEF, ACCIONA participated in the closed-door debate that took place with John Berrigan, Director General of the Directorate-General for Financial Stability, Financial Services and Capital Markets Union of the European Commission (DG FISMA). The meeting focussed on the review of the European Commission proposal for the Corporate Sustainability Reporting Directive (CSRD), as well as on the recent proposal by the G7 Finance Ministers for the creation of a global reference standard in this respect.

ACCIONA has also supported the initiative promoted by the CEO Climate Leaders Alliance Group consisting in signing an open letter through which the G7 and other world leaders were asked to fast-track a fair transition towards a low-carbon economy.

United Nations Global Compact (UNGC)

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 regularly collaborates with the Spanish and Chilean Global Compact Networks and in 2021, also collaborated with the German network, participating in the Traceability in global supply and contracting chains programme.

At the same time, ACCIONA’s chairman participated in the High-Level Meeting of Caring for Climate summit, this year’s edition of which focussed on achieving the goal of zero emissions. In his speech he also shared his vision for the results of the summit, as well as the challenges.

Furthermore, the company was invited to speak about its best practices in diversity under the Academy initiative, where it had an opportunity to present its 50:50 Initiative and, in particular, in the podcast “This is what the world could look like in 2030: forecasting the future of ten company sectors if they complied with the SDG” produced by the Spanish Global Compact Network.

Likewise, in 2021, ACCIONA continued to participate in the Women’s Empowerment Principles initiative, led by the Global Compact, to promote gender equality in business, and participated in the training sessions of the 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), an initiative that gathers European business leaders who are convinced of the urgent need to develop new long-term policies to combat climate change.

In 2021, the new Sustainability Master Plan 2025 was highlighted by CLG as an example of a strategic plan to follow and ACCIONA had an opportunity to present it within the initiative.

Worthy of note is the support to different initiatives promoted by CLG Europe:

- › **Call for effective and coherent Fit 55 Package:** an open letter to the President of the European Commission, Ursula von der Leyen, and other key political leaders. In particular, 75 leading businesses and networks in Europe asked the EU to demonstrate its leadership by publishing an efficient and coherent Fit for 55% Package. The letter establishes 10 principles for leaders to launch an effective package of climate and energy laws, to serve as the backbone of the Green Deal.
- › **Revision of the Energy Performance of Buildings Directive (EPBD):** open letter to the Energy Commissioner, Kadri Simson, demanding ambition in the revision of the Energy Performance of Buildings Directive (EPBD) and the introduction of obligatory Minimum Energy Performance Standards (MEPS).

On the other hand, ACCIONA participated in the Green Growth Summit 2021 focused on the exchange of ideas and viewpoints on how the EU may develop an efficient policy package to attain its climate targets and the transformational change in all the economy and society.

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

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› **Transparency**

World Business Council for Sustainable Development (WBCSD)

Throughout 2021, ACCIONA managed to participate in different initiatives promoted by WBCSD, among others, work to design the Vision 2050 strategy.

The company had the honour to close the WBCSD Council and present its experience in the attainment of ambitious positive impacts in climate, nature and people.

Likewise, the company was invited to present its experience in reporting within the Reporting Matters 2021, initiative after having been selected for its best practices in the matter.

We Mean Business

ACCIONA actively participated to reveal the commitment of the entity in relation to the zero emissions target. In particular, in 2021 the entity participated in the Action Day campaign to emphasise the commitments undertaken by companies for the COP 26 meeting.

The Climate Pledge

ACCIONA became the first Spanish energy company to join The Climate Pledge (TCP), the initiative launched by Amazon and the NGO Global Optimism for companies which pledge to be carbon neutral by 2040, ten years before the date established in the Paris Agreement.

To attain the objective, ACCIONA undertakes to measure and declare the greenhouse gas emissions, implement decarbonisation strategies and neutralise any remaining emission.

Awards

ACCIONA's Chairman received on behalf of the company the Terra Seal award, granted by HRH The Prince of Wales, for its contribution in matters of climate change and sustainability.

In 2021, ACCIONA was rewarded by the Finance for the Future Awards initiative, created by the ICAEW, in recognition of the launch of two double impact financing instruments (*sustainability linked loans*) worth €3,300 million, designed in an innovative way to maximise the social and environmental impact of the company's operations.

Internal and external dissemination of sustainability principles.

During 2021, ACCIONA actively participated in various forums, talks and work groups of various organisations, having also collaborated with drawing up publications and reports.

Specifically, in 2021, the Chairman participated in the Tomorrow's Capitalism Forum, where he had the opportunity to explain the reasoning behind the integration of the finance and sustainability departments and the unification of the audit and sustainability committees.

ACCIONA also participated in 2021 in the sixth edition of the “Qatar Sustainability Week”.

CYBERSECURITY

The 2022 Global Risks Report of the World Economic Forum positions cybersecurity failures as one of the most relevant threats in the short and medium-term.

The company has a Cybersecurity Steering Committee comprising the Economic/Finance and Sustainability Director, Security Director, Technology and Processes Director, Human Resources Director and Cybersecurity Director. This committee is the body responsible for establishing a strategy and initiating, prioritising and managing the monitoring of security plans and programmes in a possible crisis situation that might be caused by any incident in relation to the security of the reporting or information systems. It also conducts the supervision of the security risks and problems, reporting to the Board of Directors.

The cybersecurity framework is based on the NIST standard, where all the processes and activities are defined under the supervision of the competent department. As part of this instrument, the company has a corporate information security policy and an employee awareness and training plan, in addition to procedures and mechanisms for any employee to be able to report a security incident or suspected security incident. At the same time, it holds the 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 interruptions and cyber attacks on the computer system. There is a Contingency Plan that is reviewed and tested twice-yearly and which covers certain applications.

In 2021, the resources and capacities were increased, incorporating new positions into the workforce and deploying new security solutions and systems. In 2022, it is planned to increase the capacity for detection and resilience in the face of potential cyberattacks.

In 2021, there were no reported security incidents that compromised customers' personal data or affected the operations of critical infrastructures. ACCIONA has not been fined by the Supervisory Authority in personal data protection.

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SUPPLY CHAIN

ACCIONA is still committed to promoting the development of a leading purchasing function in the development of a supply chain at the forefront of the technology and responsibility to the environment. The raw material crisis in key categories must be highlighted, in which the prices have seen an increase of up to more than 300%. The purchasing function has developed an important role through monitoring price variation, as well as the proposal and development of mitigation plans globally, promoting strategic relations.

After the initial public offering of ACCIONA Energía, this business line created improvement objectives for managing own supply, although aligned with the rest of ACCIONA, of which evolution it reported in its *Sustainability Report 2021*. The challenges and degrees of compliance of this chapter are for the rest of the company, while the indicators include both companies as a whole.

Responsible procurement management

In 2021, the Company placed purchase orders with 22,131 suppliers for more than € 5,200 M.

In ACCIONA, the sustainable strategy of the supply chain management comes from the Procurement Management, supported and advised by the other areas of the group. The Corporate Purchasing Standard, together with the related procedures integrated into the main ERPs, the planning and reporting tools, the new platform Procure-to-Pay 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 ESG Risk Map, and for dealing with tenders and supplier relations. It is also the integrator of the transformation and digitalisation of the entire procurement cycle.

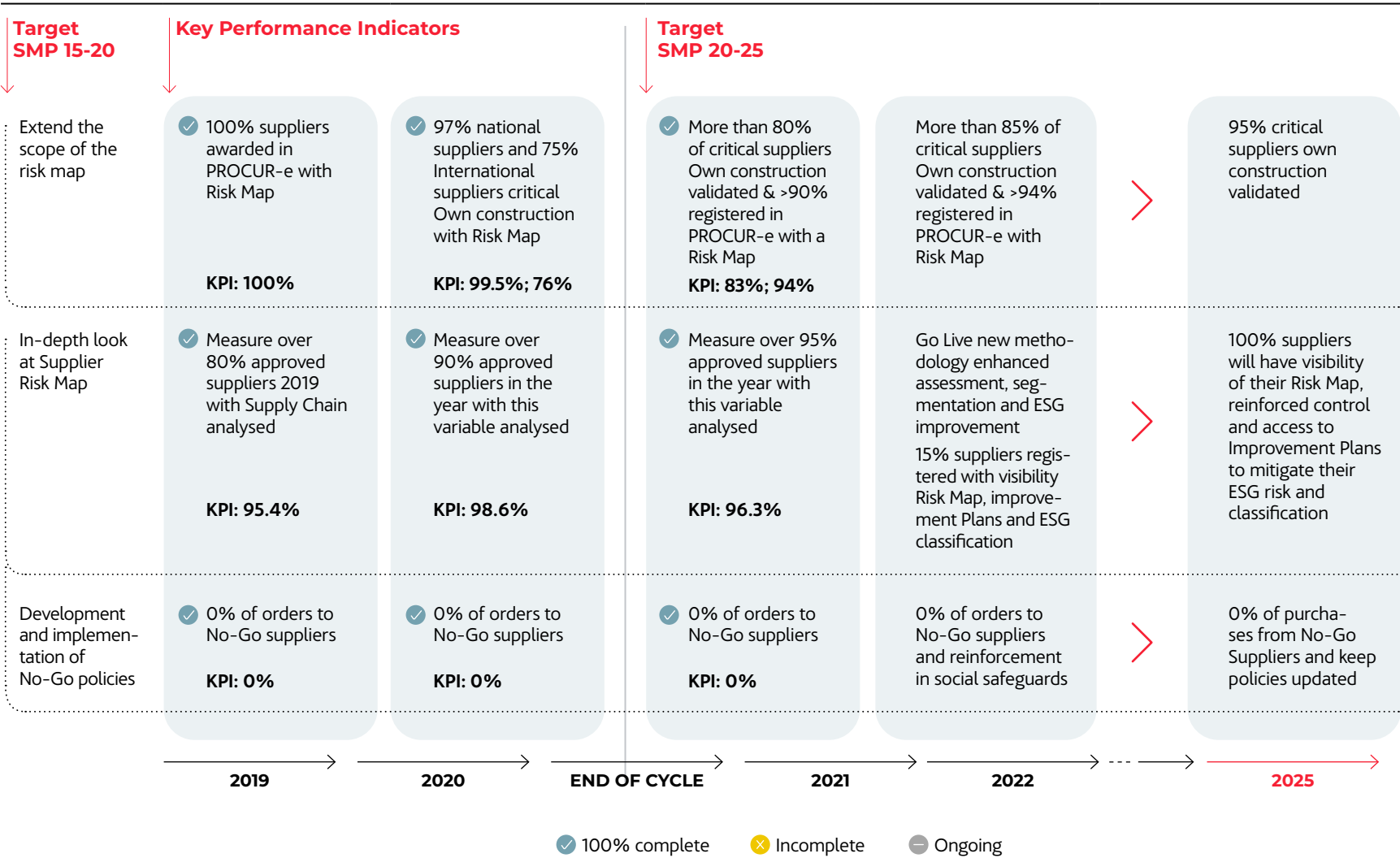
PROCUR-e in figures:

- > 52,895 registered suppliers, 49,331 with ESG Risk Map.
- > 7,128 RFQs awarded.
- > € 1,431 million awarded in 2021.
- > More than 2,000 users around the world.

Among the developments in 2021, we must highlight the promotion of paperless technologies (projects such as Procure to Pay, electronic catalogues and e-contract management), digitalisation of the procurement plan, new CATMAN module (lever of sustainable development of the supply chain) and implementation of the Delegate Model in Australia.

The SMP 2025 consolidates sustainability within the function, mainly leveraged on the defence of social safeguards, identification of regenerative alternatives focused on reducing the carbon footprint and the development of the sustainable commitment of the supply chain. 90% of employees in the area of purchases have targets linked to sustainability.

Degree of fulfilment of the objectives of the supply chain



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Challenges for 2022 in supply chain management

1. Extension of the No Go criteria to suppliers adapting them to social safeguards criteria. Maintain 0% of general purchases from No Go Suppliers.
2. Increase the target from 80 to 85% of critical suppliers’ own work that must be validated.
3. Go Live: new enhanced methodology of segmentation, assessment and improvement of suppliers focused on ESG. 15% of them with visibility of their Risk Map, improvement plans and ESG classification.

These targets applied to all ACCIONA, except for ACCIONA Energía, which has aligned targets but adapted to their particular characteristics.

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More information on the objectives of ACCIONA Energía in relation to its supply chain in the *Sustainability Report 2021* of the company..

Distribution of suppliers by type and division

<div>Business line</div>	<div>N.º total</div>	<div>Outside Spain</div>	<div>Critical</div>	<div>Local</div>
ACCIONA Energía	2,605	1,509	210	2,137
Infrastructure				
- Construction	10,729	5,566	821	10,276
- Concessions	122	72	4	114
- Water	3,228	1,502	224	3,001
- Australia	2,443	2,439	286	2,433
Other businesses	3,004	1,018	112	2,762
Total	22,131	12,106	1,657	20,723

The assigning of supplier/business is made to companies with a higher volume of contracts with the supplier.

Critical suppliers

The criticality level of suppliers and contractors is based on economic risk: any supplier with an annual business relationship exceeding €400,000 is considered critical. Throughout the year, 7.5% of the supply chain base was deemed critical, accounting for 83% of procurement.

Local suppliers

Working with local suppliers has a positive effect on the economic development of the communities and minimises operating risk as delivery and execution times are reduced. 94% of the companies or means of distribution contracted are local.

EVALUATION OF THE RISKS 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.

Working with local suppliers has a positive effect on the economic development of the communities. 94% of the companies or means of distribution contracted are local

Supply chain risk map

The Risk Map is ACCIONA’s primary supply chain risk control and management tool. Through this mechanism, the company informs the whole supply chain of its criteria and policies on the subject of corporate responsibility and sustainability.

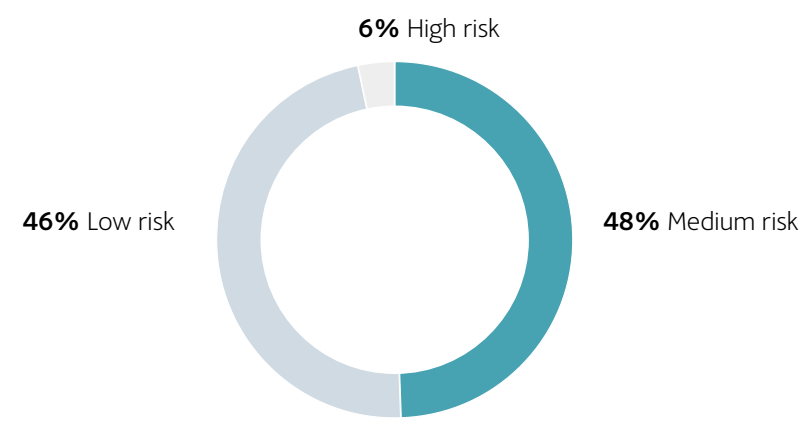
A supplier’s Risk Map is made available prior to contracting. Currently, the Map is made up of 11 variables, among others, ESG, ethics, integrity and financial solvency. At the end of 2021, the Risk Map in PROCUR-e included a total of 49,331 suppliers, an increase of 8% compared to 2020. The percentage of the scope of the Risk Map and control is greater in proportion to the supplier’s degree of criticality.

The management model of the supply chain aims to evolve not only detect the risk, but also to develop the weakest areas that suppliers may have, to align them to the group’s policies and position them as best as possible.

Throughout 2021, under the philosophy of continuous improvement of the model, two initiatives were implemented:

- > **Streamlining:** robotisation of the validation process that accelerates the process for buyers and suppliers and reduces the questions to non-critical suppliers by 61%.
- > **Enhancement:** a tender for the market to enhance the risk map of suppliers, emphasising especially the ESG dimension. This new enhanced model pursues the objective to implement action plans for suppliers to allow them to develop and exploit their improvement opportunity. Its implementation is estimated sometime in 2022.

Distribution of the risk of all suppliers registered in PROCUR-e



Risk Map of the suppliers contracted in 2021



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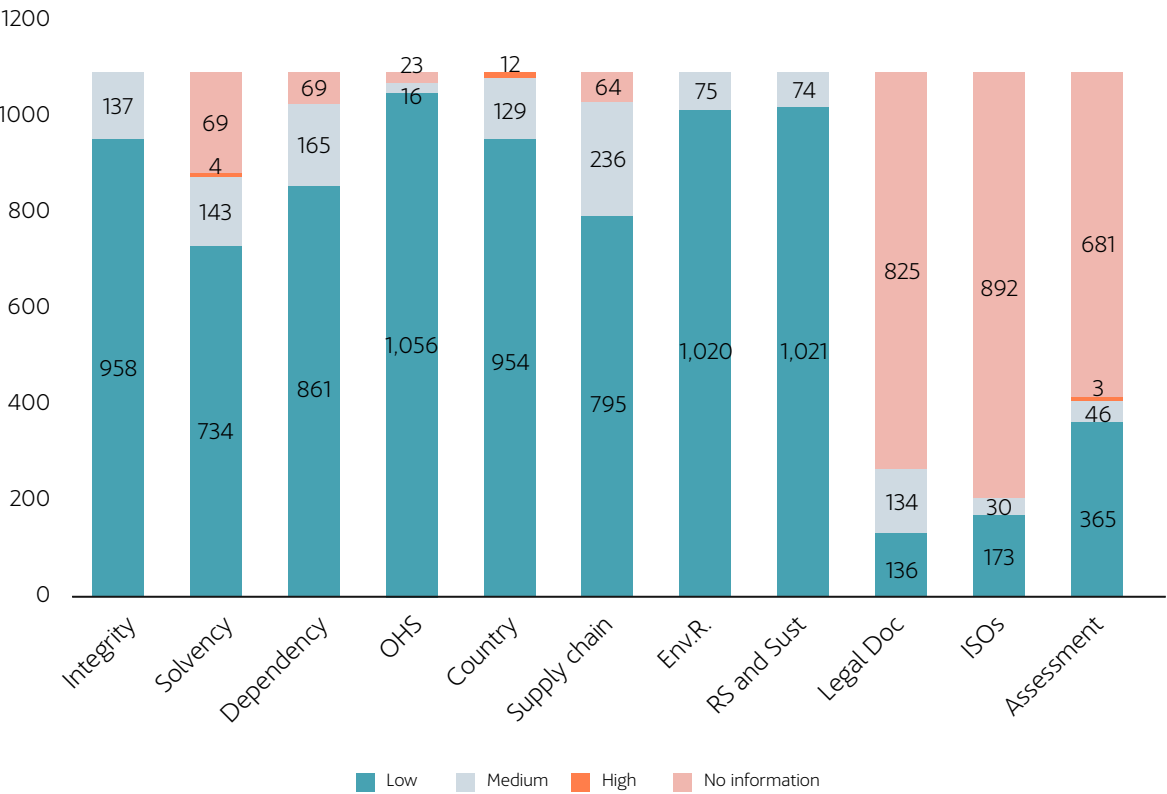
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Risk Map of critical suppliers’ own work in 2021

The critical suppliers with a Risk Map who work in own work (controlled by ACCIONA) in 2021 amount to a total of 1,095, 94% of all contracts with these suppliers.

Distribution of the variables of the Risk Map in critical suppliers in own work



Conclusions of the Risk Map:

- > The distribution or level of risk has remained stable with respect to previous years, 94% of suppliers have an average/low degree of risk.
- > The supply chain risk analysis model has been further consolidated, with far greater visibility and scope. This year, there are 8% more suppliers with Risk Map, a total of 49,331 companies monitored on a daily basis.

- > In 2021, the Risk Map for suppliers covers:
 - 82% of total contracts.
 - 84% of contracts with critical suppliers.
 - 94% of contracts with critical suppliers’ own work. The % in expense has been maintained, and the number of suppliers increased by 6%.
- > The control over suppliers from designated high-risk countries continues to increase, as these suppliers are considered to be a higher risk for the group, 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.
- > 74 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.
- > In turn, the scope of validated critical suppliers’ own work includes 758 companies of a total of 910 identified, a ratio of 83.3% that exceeds the target of 80%.

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 2021, the objective was to analyse this variable in more than 95% of suppliers approved in PROCUR-e during 2021, and the figure has now reached 96.3%.

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, in 2021 there was a total of 5,573 registered in Obralia and 1,944 registered in TDOC. This supervision is regulated through contractual clauses during the relationship with this kind of suppliers and of the specific tools for the Coordination of Business Activities.

Human Rights assessment

The company assumes the responsibility of identifying, preventing, mitigating and answering for the negative impact of its activities on human rights and is therefore committed to conducting due diligence on its suppliers. In 2021, the ACCIONA carried out 49,331 company human rights assessments through the Risk Map.

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ACCIONA establishes various mechanisms to prevent and control the risk of human rights violations:

- > Supplier Self-Declaration of Responsibility which includes, amongst other things, the Ethical Principles for Suppliers, Contractors and Employees.
- > Self-assessment questionnaire on the subject of CR, in which companies respond to the questions in relation to international standards by filling in the questionnaire. If the answer is negative, this impacts the Risk Map, prevents supplier certification, and triggers the audit process.
- > Risk Map with the “Country Risk” variable, made up of various 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. In the protocol of audits, the focus is on migrant workers, to address any difference of performance when working with partners, subcontractors or suppliers, to achieve and maintain a supply chain totally aligned with the policies of ACCIONA in regard to labour and human rights.
- > Specifically, focusing on migrant workers, regular audits are performed to address any difference of performance when working with partners, subcontractors or suppliers, to achieve and maintain a supply chain totally aligned with the policies of ACCIONA in regard to labour and human rights.
- > Visits by ACCIONA personnel to verify minimum human rights standards.

Throughout 2021, an infringement by 3 suppliers of fundamental rights of workers was detected, as identity documents were retained during the employment relationship. The company defends the freedom of movement of workers in its Policy on Human Rights and the Migrant Workers’ Well-being Standard. The Migrant Workers’ Well-being Standard sets forth criteria for the performance of periodic *in situ* audits to verify compliance with these guidelines; procedure through which such breaches were detected. After the detection, a corrective action plan was created that allowed two suppliers to cease the breach, maintain their validation and carry on working for ACCIONA, while the other supplier was blocked and transferred to the No Go Suppliers group.

Focus on the Integrity variable

The “Integrity” variable analyses the supplier’s position with respect to matters like money laundering, tax havens, corruption lawsuits, presence on international sanction lists, etc.

The integrity variable of 4,238 suppliers had been monitored by the end of 2021, which represents 56% 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 22 suppliers with significant risk in the Integrity variable. Of these, 13 are in the No Go situation and 2 in the Non-Valid status, thus, they may not work with ACCIONA. The remaining cases are still under investigation, in 2022 the necessary actions with these will be taken. A total of 10 due diligence procedures with suppliers were carried out, mitigating their risk in this variable and there is one that is ongoing.



No-Go Suppliers

Failure to comply with the minimums established in the No-Go Policies means that a supplier cannot be contracted until they resolve the underlying cause of this situation. ACCIONA has met the 2021 target of 0% general purchase orders from companies with this status.

The No-Go Policies include the following situations:

- > Suppliers with significant ethical and integrity risk, either because they are on international sanction lists or because they exhibit serious signs of corruption, fraud or money laundering.
- > Critical suppliers in risk countries without auditing, or with auditing and one or more unresolved Serious Non-Conformities.
- > Demonstrated non-compliance with the United Nations Global Compact.
- > Risk of economic solvency (from €1 M of contracting)
- > Debts with the Social Security Institute or Tax Authorities.
- > Companies penalised due to the evaluation of their performance on previous activities or due to unresolved serious deficiencies detected during auditing.

165 suppliers were considered No Go in 2021, 41 of which have been removed from this category following audit, action or improvement plans, or Enhanced Due Diligence.

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SUPPLIER CERTIFICATION AND AUDIT PROCEDURE

This 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 2021, 4,238 suppliers from 41 different countries were certified.

The controls in the validation of the supply chain are defined by levels of criticality.

Supply chain controls are defined by levels of criticality, i.e., they become more exhaustive as risks of any kind increase, whether economic, country, activity and Sustainability. The levels are:

- 01

Suppliers must accept the group's Self-Declaration document.
- 02

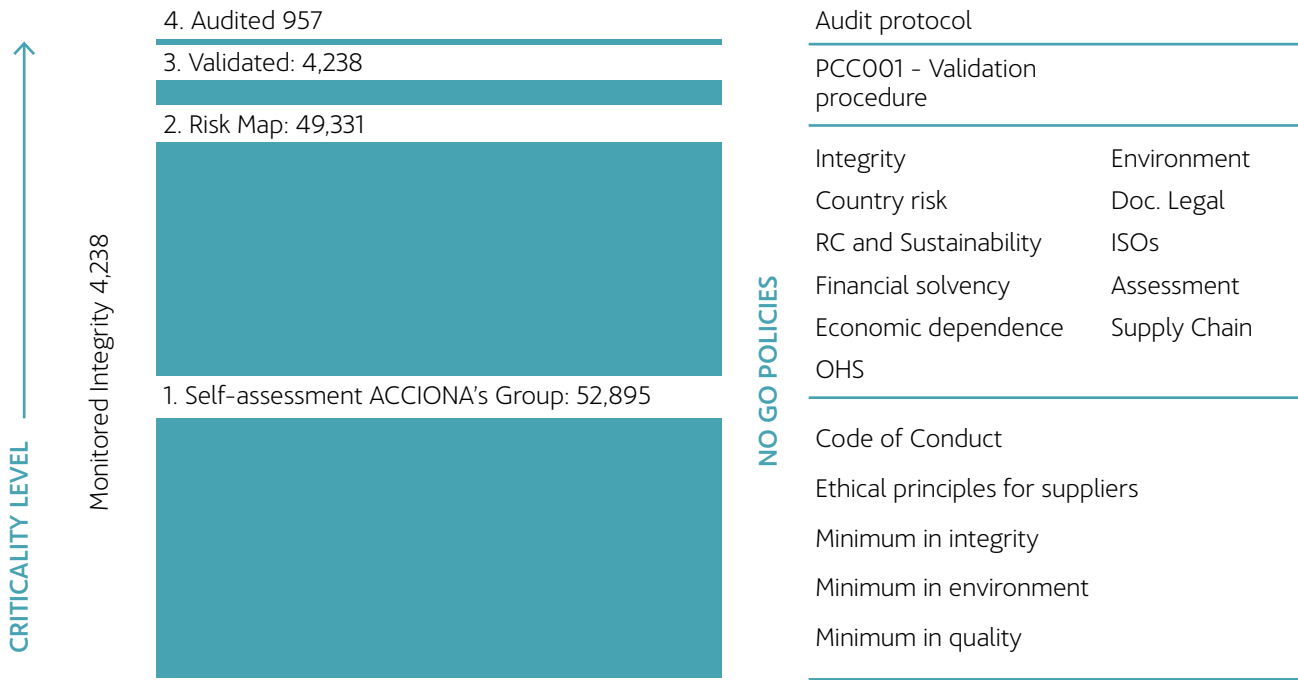
To be able to bid, collaborating companies must fill in the self-assessment questionnaire in PROCUR-e, so that the company's Risk Map can be calculated and monitored.
- 03

In order to be awarded contracts higher than the accumulative amount of €400,000 (those considered critical suppliers), an additional control is required.
- 04

Finally, the highest level requires 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 the criticality.

Controls in the supply chain



In 2021, work has continued to be done in the evolution of the global procedure in terms of supplier risk control. The aim set by the function was to optimise the registration of suppliers and improve the quality of the information during the validation process.

The main impacts of these changes are:

- > Restructuring of the questionnaires. More than 60% of the questions have been reduced for 72% of the suppliers.
- > Validation questionnaire (new in 2021). It is activated through a request for information in PROCUR-e and will only be visible for those who are validated. This project is initiated by the buyers, as they know of the need to qualify a supplier. This implies a more transparent process with the supplier and to have the most updated information possible.
- > This an automated process that assists the buyer and reduces management times.

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Improvement plans for the qualification process

In 2021, 41 suppliers that required certification were analysed due to having a high risk with regard to occupational risk prevention. Following assessment, a total of 19 suppliers signed up to an improvement plan, 4 took the online course for suppliers, and 12 resolved the situation in other ways. The remaining suppliers will not be certified until they join the action plan. Of the 4,238 certified suppliers, 132 have signed up to improvement plans for occupational risk prevention. 100% of the suppliers that were assessed during the validation process with a high risk in occupation risk prevention were offered an improvement plan, meeting the challenge set for 2021.

Of the validated suppliers, 1,876 required an additional assessment of their financial risk, either because this information was not made public or because they presented a solvency risk. 4 suppliers had a significant risk in this variable at the end of 2021, 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. The information related to suppliers with risk in human rights is dealt with under the section “Human rights assessment”.

Supplier performance assessment

When evaluating a supplier in a project, it is important to really know how the supplier performed in its business relationship with ACCIONA.

In 2021, assessment of suppliers continued according to criteria in relation to deadlines, occupational risk prevention, quality, environment, fulfilling administrative obligations and technical skills. More than 7,300 order evaluations were carried out on hired suppliers. 94% of those evaluations were type A or B (very recommendable or recommendable supplier).

SUPPLIERS’ ESG AUDITS

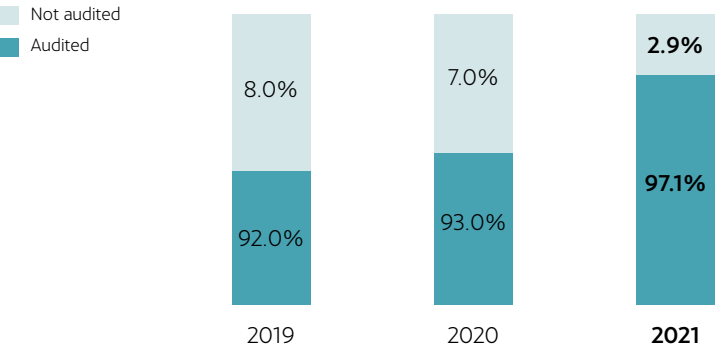
The Risk Map assesses suppliers in relation to ESG criteria: environmental, social, human rights, ethics and integrity and governance. This assessment is verified in the approval and audit processes.

External audits

The group has been carrying out annual ESG (environmental, social and governance) audits of suppliers since 2013. During this time, 2,250 audits have been performed by international auditing companies -local auditors with local knowledge of the country-, in accordance with a highly comprehensive protocol that not only examines aspects relating to ESG, but also issues related to finance and quality.

Last year, 240 audits were carried out: 237 to direct suppliers and 3 to *non-tier* 1 suppliers; despite the restrictions imposed on free movement globally due to COVID-19. 957 suppliers had been audited by the end of 2021, the number of accumulated audits decreased owing to the bigger effort made in performing these verifications *in situ* in risk countries (MACS audits), as it is where infringements related to human rights, the environment, social or others will most probably take place.

Evolution of MACS audits



43 audits of this kind were carried out in 2021, in China, Saudi Arabia, the United Arab Emirates and Turkey. ACCIONA is aware that its verification efforts must focus on countries where human rights risks are most likely to occur.

Moreover, one of the 2025 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 2021, as 97% of these suppliers are currently audited.

The group has been carrying out annual ESG (environmental, social and governance) audits of suppliers since 2013

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Internal audits

43 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 visits carried out.

Resolution of serious non-conformities

ACCIONA works together with its suppliers to resolve Serious Non-Conformities (SNCs) detected in the audits. They do it by means of action plans. In the event that the deficiencies detected cannot be resolved within a reasonable period of time, the company is marked as No-Go.

Focussing on the Non-Conformities of the 237 direct suppliers audited in 2021, the following is worth noting:

- > 42% had zero SNCs, 6 percentage points lower than the previous year.
- > The remaining 58% signed up for the various action plans. Of this percentage, 8% have not fully resolved their SNCs and have moved to No Go status.

With regard to suppliers in risk countries, of the 43 suppliers audited:

- > 19% had zero SNCs.
- > The remaining 81% have implemented various action plans. 11.4% 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 and Quality, adding Human Rights this year as the third highest number of SNCs. These are the areas in which the greatest effort to implement improvement plans is made.

ACCIONA Energía is aware that insisting on the resolution of the Non-Conformities detected during audits is the correct path to help its distributors to improve as companies and mitigate the risks associated with the supply chain. Working with suppliers that meet the standards contributes to improving performance and generating shared value.



ACCIONA considers communicating the company's Ethical Principles to its supply chain to be a key aspect for consolidating a network of suppliers, contractors and collaborators in line with its corporate values. Throughout 2021, more than 210,000 orders were made, containing mandatory clauses which include: ethical principles for suppliers, sustainable procurement, confidentiality, information security and data protection. 82% of the orders contained these clauses. Of the suppliers with a Risk Map, 52% declare that they have their own Code of Conduct.

TRAINING AND COMMUNICATION WITH SUPPLIERS

The ACCIONA Corporate University Supplier Campus is integrated into PROCUR-e, available free of charge to 100% of the supply chain, having updated and enhanced the platform this year. Throughout the last financial year, 631 suppliers (11% of the total contracted), were interested in receiving training courses out of those offered on the campus. The courses that have generated the most interest in recent years are:

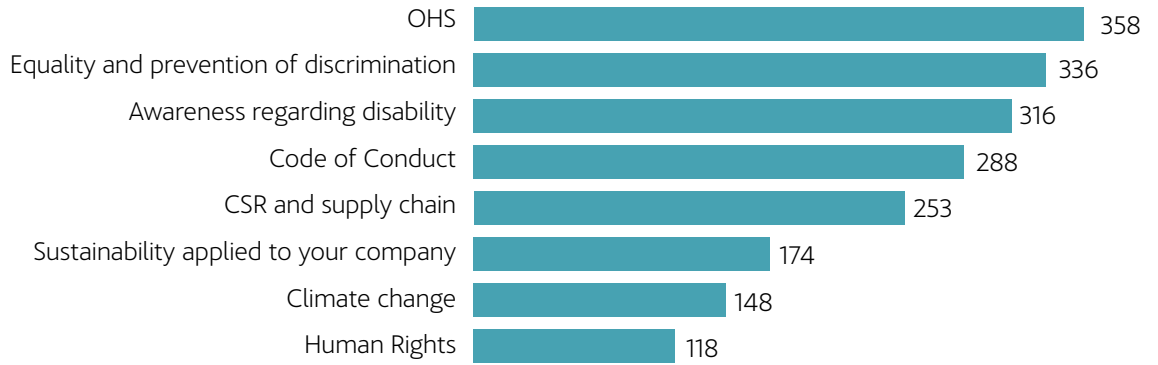
- 01

Occupational Health and Safety (OHS): allowing suppliers to acquire the necessary tools to mitigate risk in this area.
- 02

Code of Conduct: suppliers learn the basic concepts of rules and how to apply them internally.
- 03

CSR: helping to better understand Corporate Social Responsibility.

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Communication with suppliers

Suppliers have two-way channels to raise matters in relation to their commercial relationship with ACCIONA.

Likewise, suppliers can make use of the Ethics Channel to report any irregular practice detected, which will be duly analysed by the company.

INCENTIVES FOR SUSTAINABLE PRODUCTS

ACCIONA's *Sustainable Procurement Guide* ensures that sustainability criteria are incorporated into the company's procurement and contracting management. Furthermore, the following initiatives were promoted:

- 01

Measure what is important: programme designed to raise awareness and accompany selected SMEs, 100% subsidised by ACCIONA to know, measure and improve their sustainability. This programme was offered to more than 500 Spanish companies that work with the group in collaboration with one of the leading companies in diagnoses, measurement and improvement in sustainability. It is estimated that 60 companies will complete it in early 2022.
- 02

Programmes on sustainable development with strategic suppliers through the Category Managers:

 - Identification and labelling globally of the supplier with better performance in sustainability as preferred tenderer in 8 strategic categories of procurement.
 - Study of technical viability of the use of alternatives of concrete with low CO₂ emissions at the site. A pilot project of “Sustainability Traffic Lights” is being implemented in Spain to identify low CO₂ emissions alternatives in tenders.
 - After the viability analysis of the implementation of electric machinery, the first three electric machines will be incorporated to gain knowledge and experience in the use of these machines, generating a reduction of CO₂ in the operations.

Sustainability criteria in procurement and contracting management

Eco-efficient vehicle fleet	<p>The operational fleet for executives consisted of 388 vehicles in 2021, of which 131 have emissions lower than 120 gCO₂/km. 25.5% are hybrid vehicles, and 2.3% are electric.</p> <p>As for the service fleet, ECO or zero-emission vehicles increased by 198% in 2021, with 247 electric, hybrid and LPG/CNG vehicles now available.</p>
Renewable materials	<p>6,739 tonnes of wood with chain of custody certification (FSC, PEFC, or similar), 208% more than in 2020, and herbaceous waste were purchased at a cost of 17 million euros.</p>
Contracting with Special Employment Centres	<p>The contracts with 11 Special Employment Centres promote the incorporation of disabled people into the labour market. Expenditure amounted to almost two million euros over the year.</p>