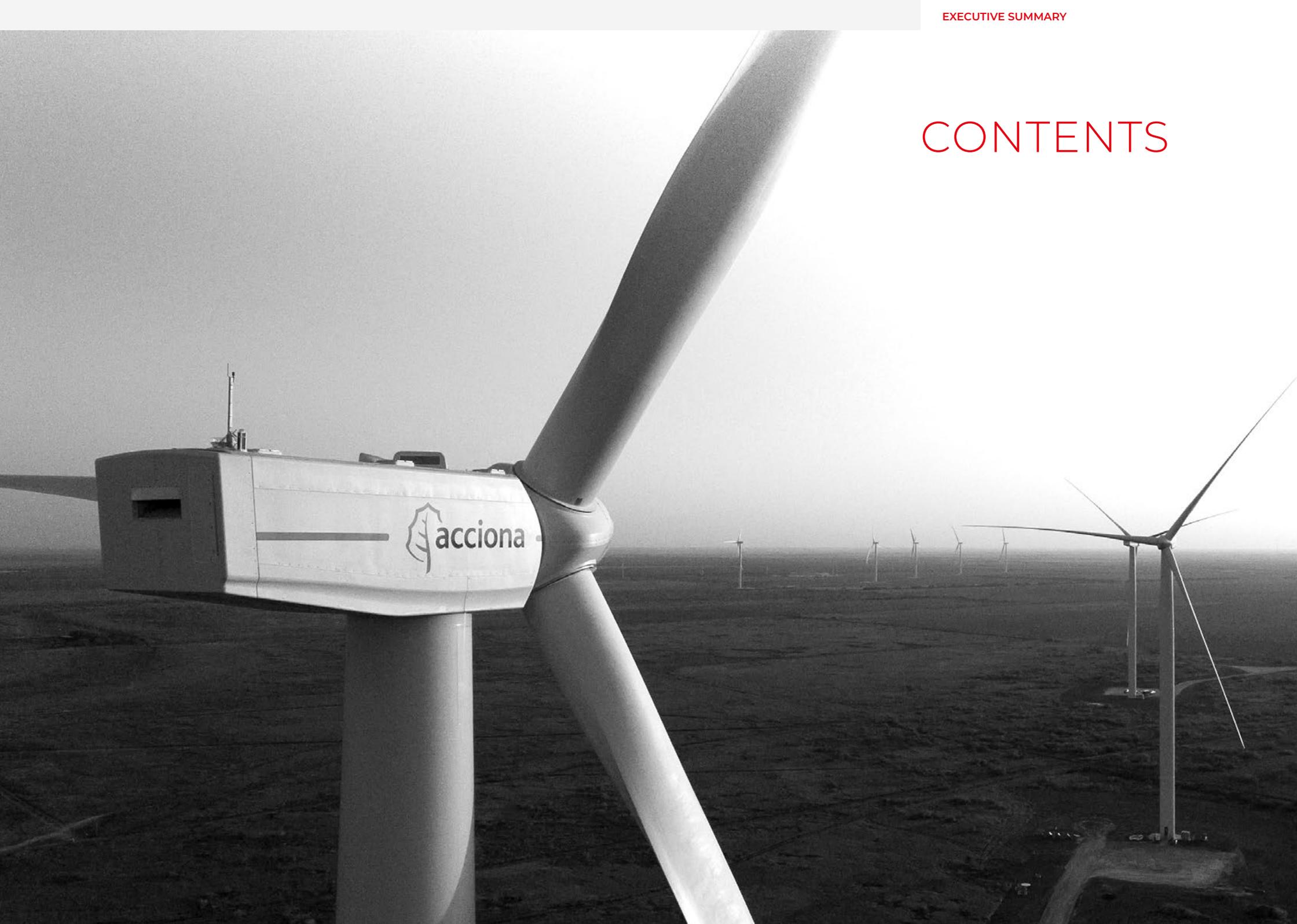


EXECUTIVE SUMMARY

# SUSTAINABILITY REPORT 2020

**LET'S REBUILD A BETTER PLANET**

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# MESSAGE FROM THE CHAIRMAN

José Manuel Entrecanales  
Chairman of ACCIONA



In this year 2020, which we assess in this report, we have experienced difficult moments arising from the pandemic and its economic consequences; but it has not been a lost year.

Putting the growth of nations back on track will require a sustained effort over time, and also vision and determination to overcome the health and economic crises we are experiencing and the third crisis that we are facing: the climate crisis.

During these months in which our attention has been focussed on people's health, the challenges of the global agenda have not only not improved, but it has become clear that they cannot remain pending for much longer.

We begin this new decade hopeful that we will achieve an increasingly broader social consensus about the urgent need to address changes in the current model of economic development which, despite the many successes, has regrettably functioned with its back turned on people and the planet on too many occasions.

The solidarity we have seen in the streets and in companies, society working together to create a vaccine in a few months and the return to the negotiating table – finally – to neutralise urgently emissions of greenhouse gases or to decide on the approach to be taken by recovery plans if we are to transform our economy into cleaner and more inclusive models, amongst other objectives, may be good reasons for optimism.

## NOW IS THE TIME FOR ACCOUNTABILITY

In this report we take stock of our 2015-2020 Sustainability Master Plan, five years in which our commitments, acquired through responsibility, have become ACCIONA's strategic purpose.

During this period, ACCIONA has managed to avoid the generation of more than 70 million tonnes of CO<sub>2</sub>. This figure represents more than 80 times the emissions required to produce and purify more than 4,000 cubic hectometres of water, build hundreds of kilometres of metro used every day by millions of citizens in Quito, Dubai or Sydney, or collect and treat thousands of tonnes of urban waste, amongst other basic infrastructures we have developed during these years in different parts of the world.

In 2020, more than eight out of every ten euros invested by ACCIONA businesses financed projects that contributed to reducing greenhouse gases "significantly", according to the demanding criteria of the European Union's taxonomy of sustainable activities.

To reach this point, however, we have taken a path in which we have invested more than a billion euros in sustainable innovation. Technologies integrated in ACCIONA projects that have allowed us to increase our positive impact, opening up the way to address major challenges of our times, include the following: traceability of renewable energy using blockchain technology, reduction in waste through the use of 3D printing, and optimising the construction and operation of infrastructures using robotics, artificial intelligence or data science.

## SUSTAINABILITY HAS MADE US BETTER

As we review the progress made in the plan, we reach the conclusion that thinking and acting with sustainable criteria has undoubtedly made us better; as a company and as a human group, more diverse and committed.

Our main competitive advantage comes from our people. From each and every one of them. Making them central to our decisions has been a priority in the cycle now coming to an end, and as you will be able to read in this report, will be an essential criterion in our sustainability policies in the immediate future.

In this financial year some of the measures we have adopted have included flexible working days during pregnancy or after maternity/paternity leave, and new economic assistance to promote a healthy work-life balance and to assist with child-care. Moreover, although much remains to be done, we continue to make major progress in the incorporation of women into management.

The company's solid performance during these years was recognised with major awards in 2020. ACCIONA has been designated a sustainability leader in the sector by S&P Global, has received from Energy Intelligence the award for the greenest utility company in the world, and has been included in the top 100 most sustainable companies in the Corporate Knights ranking. However, in this financial year and in this report, those who really deserve a special mention are the teams in ACCIONA's different divisions. This human group has been exemplary in the way it has tackled the far from simple

task of ensuring the continuity of business and services, many of them essential.

Protecting people is always a priority for ACCIONA, but this has been particularly true in the circumstances we have experienced this year. From the outset we have maintained a proactive and preventive approach, working hand in hand with governments and health authorities to halt the spread of COVID-19 in all the countries where we are present.

We have tried to focus on a moment in which we have experienced particular uncertainty. In addition to the necessary measures of flexibility and remote working, almost 40,000 voluntary tests have been carried out to date, and we have made available to our workforce a personalised service providing support in health, economic and psychological issues for anyone requiring them. We have adopted hundreds of measures for prevention and effective control of transmission which are explained in greater detail in this report.

Through proximity and direct contact, we have also tried to take the company's capabilities to those places where we believed we could contribute more and better. With specific actions, helping to build field hospitals, strengthening the resources of health workers, donating protective equipment, and providing logistical support for the public administrations, amongst many other actions.

## WE ARE EMBARKING ON A NEW CYCLE, IN A NEW CONTEXT IN WHICH WE NEED TO MOVE FASTER

With our accumulated experience and large doses of ambition, we are embarking on a new 2021-2025 Sustainability Master Plan. We have created it in the months when the world has been practically at a standstill. Perhaps this was when the silence of the streets gave us all time to value even more the key role played by infrastructures in society.

We are at one of those times experienced by a generation when it seems as though we are being offered a second opportunity to define the future we want to live in, the company we want to be.

And, amongst other aspects, our new 2021-2025 Sustainability Master Plan gives us a chance to make a particular impact on the social dimension of our activity, placing people at the centre, through the development of an ambitious programme called "People ACCIONA", which is one of the basic pillars of the Plan.

In circumstances like this, it is not enough merely to try to avoid the negative impacts of our work, of generating and using products and services. Contributing positive net value also has to be part of the necessary transformation of the production model. This means establishing a relationship of regeneration between technological progress and the eco-systems that support it. In short, speeding up that regeneration allowing us in the future to be closer to our global objectives than we are today.

# THE FIRST COMPANY IN A NEW SECTOR



We reimagine infrastructures by boosting their regenerative capacities

**ACCIONA is a company in a new sector** that orients its strategy and its solutions to the development needs and opportunities of the sustainable agenda defined by the Sustainable Development Goals (SDG) and the transformation to a low carbon economy. A new sector in which ACCIONA can consider itself the first company and the benchmark.

The company responds to basic infrastructure, water and energy needs through innovative, responsible solutions that generate real progress based on a new model of doing business. ACCIONA is a player with the appropriate technical capacity, international presence and balance sheet structure to connect supply and demand, address the challenges underpinning the SDGs and make the opportunities to provide integrated solutions a reality. The company offers sustainable solutions for urgent global challenges such as global warming, the growth of urban areas or the shortage of water.

#### Activity

**40,000**  
professionals

#### Revenues

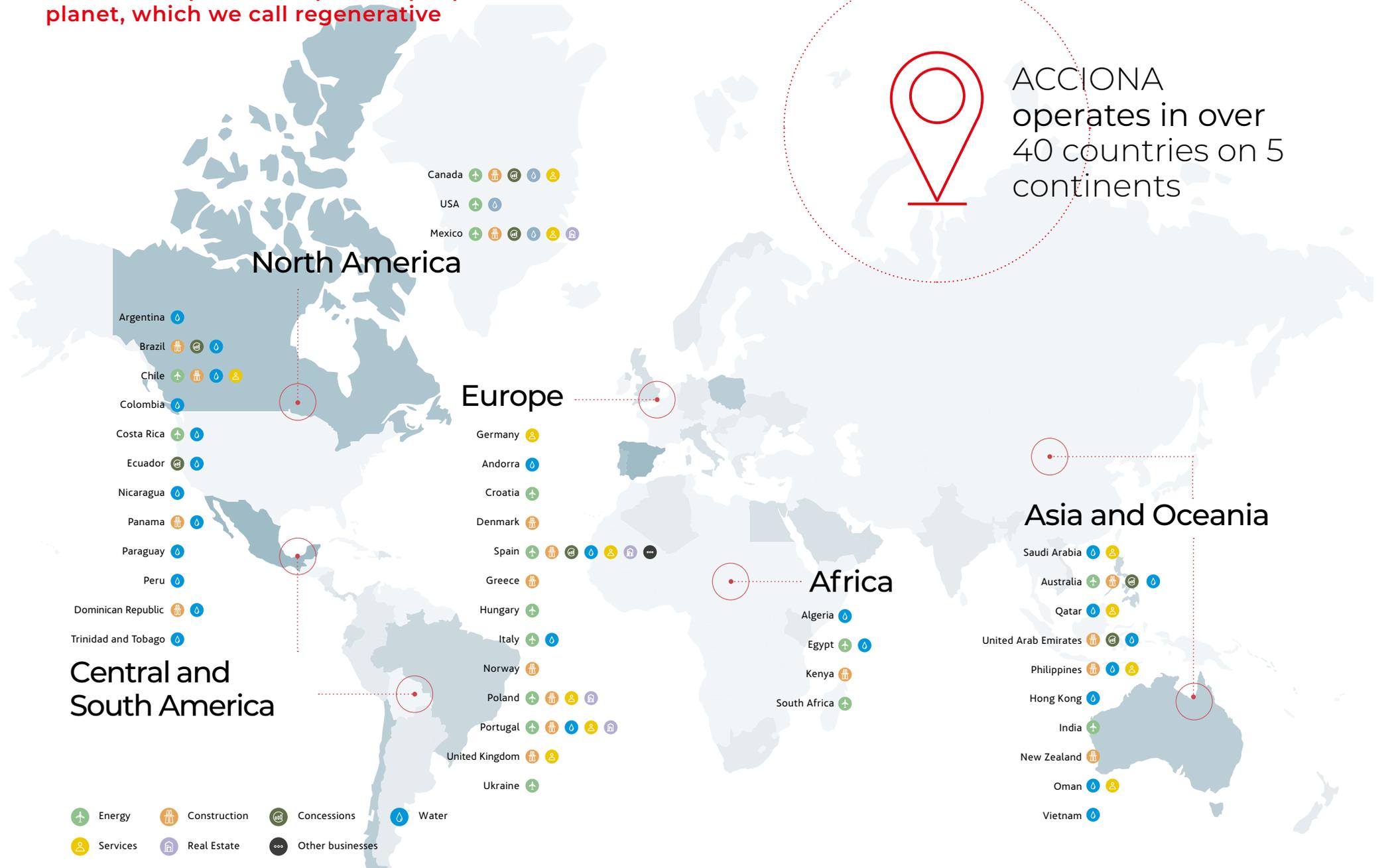
**6,472**  
million euros

#### EBITDA

**1,124**  
million euros

We create a positive impact on people's lives and on the planet, which we call regenerative

ACCIONA operates in over 40 countries on 5 continents



# DEGREE OF FULFILMENT OF COMMITMENTS

ACCIONA's sustainability strategy is implemented mainly through Sustainability Master Plans (SMP) promoted, approved and supervised by the Board's Sustainability Committee. The SMP 2015-2020 concluded in 2020.

ACCIONA's SMP 2015-2020 concluded having achieved 98.8 % of its targets

## SMP ACHIEVEMENTS IN THE PERIOD 2016 TO 2020

	<b>Society</b>	Social Impact Management in <b>127 projects</b>	Accumulated social contribution of <b>59 million</b> euros
	<b>Climate change</b>	Science-based reduction in emissions of <b>38 %</b> (Scopes 1 and 2), and <b>33 %</b> (Scope 3).	<b>70 million</b> tonnes of CO <sub>2</sub> avoided
	<b>Environment</b>	<b>75 %</b> reduction in waste sent to landfill since 2015, reaching <b>recovery of 77 %</b>	Water treatment in areas with accumulated water stress of <b>1,488 hm<sup>3</sup></b>
	<b>Corporate Governance</b>	Evaluation of ESG, criminal and fiscal <b>risks</b>	Digitized, transparent and half-yearly non-financial report
	<b>People</b>	34% reduction in accident frequency rate	<b>Global Diversity and Inclusion Plan</b>
	<b>Value chain</b>	Risk Map of <b>45,641 suppliers</b>	Evaluation with ESG criteria of <b>partners and customers</b>
	<b>Innovation</b>	Accumulated innovation figure of <b>1,096 million</b> euros	Accumulated savings from improved processes of <b>113.6 million</b> euros

**The purpose of the Sustainability Master Plan (SMP) 2025** is to encourage ACCIONA to reimagine infrastructures. The ambition is to increase investment and double its impact.

The process of drawing up the SMP was carried out throughout 2020 and culminates in the first quarter of 2021 with approval of the strategy and the objectives by the Board of Directors' Sustainability Committee.

The SMP 2025 is based on four pillars, which are specified in objectives and indicators proposed by the corporate and business areas with direct responsibility for them.

Pillar of the SMP	Five principal indicators
<p><b>PEOPLE CENTRIC</b>  <i>Quality of life, inclusive future.</i>  <b>Our advantage comes from people.</b></p>	<ul style="list-style-type: none"> <li>&gt; Activity covered with leadership promotion programmes that integrate evaluation tools, improved competences, mobility, team management and career development.</li> <li>&gt; People covered by a living wage</li> <li>&gt; Reduction in the salary gap between men and women</li> <li>&gt; Indicators of ESG performance in variable remuneration</li> <li>&gt; Sites with internal "ACCIONA Well" certification</li> </ul>
<p><b>PLANET POSITIVE</b>  <i>From "net zero" to positive contribution.</i>  <b>Invest to regenerate the planet</b></p>	<ul style="list-style-type: none"> <li>&gt; CAPEX aligned with the European taxonomy</li> <li>&gt; Reduction of Scope 1+2 emissions aligned with SBTi</li> <li>&gt; Number of trees planted and monitored</li> <li>&gt; Renewable and recycled resources, recovered waste</li> <li>&gt; Own consumption of water</li> </ul>
<p><b>EXPONENTIAL LEADERSHIP</b>  <i>Authenticity, transparency.</i>  <b>We pursue a purpose</b></p>	<ul style="list-style-type: none"> <li>&gt; Perception as one of the companies that contributes most to sustainable development</li> <li>&gt; Innovation projects that incorporate a regenerative vector</li> <li>&gt; Women members of the Board of Directors</li> <li>&gt; Project information accessible to interest groups</li> <li>&gt; Suppliers receptive to information on ESG performance</li> </ul>
<p><b>INTEGRATE TO TRANSFORM</b>  <i>Connect to impact.</i>  <b>Difference in every project</b></p>	<ul style="list-style-type: none"> <li>&gt; No. of solutions integrated with at least three business areas</li> <li>&gt; Develop a model for measurement of productivity and regeneration</li> <li>&gt; Hours of volunteer work invested by ACCIONA employees</li> <li>&gt; Regenerative initiatives in conjunction with partners, customers and suppliers</li> <li>&gt; Amount of regenerative investments mobilised</li> </ul>



# PEOPLE CENTRIC

Quality of life, inclusive future /  
Our advantage comes from people



**ACCIONA seeks to become**  
the value proposal centred  
around people.



## MERIT RECOGNITION

- > First stage of the Talent module implemented in the Human Capital Management system to improve the talent management tools and the employee experience.
- > Reduction of the salary gap to 2.8% from 5.0% the previous year. It was over 5 % in the previous three years.

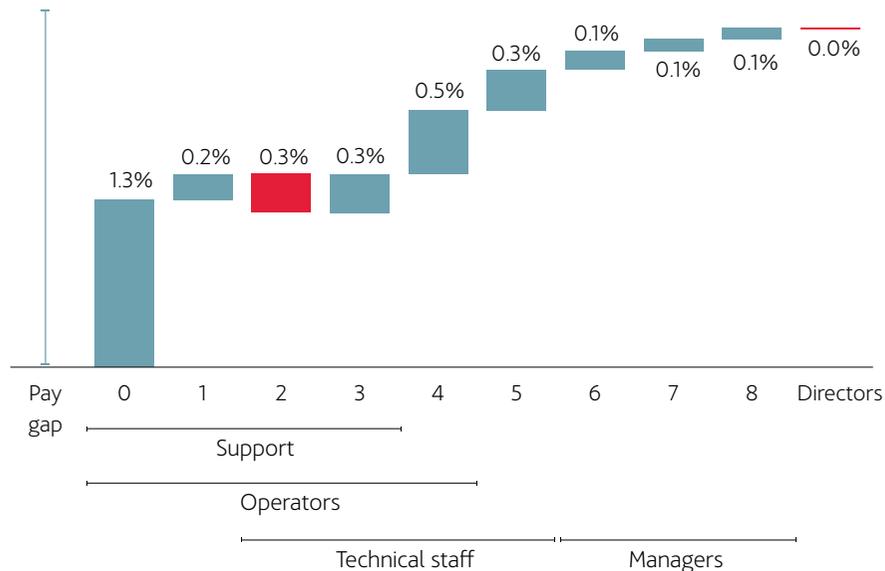
**DIVERSITY AND INCLUSION**

**33 %**  
women

**3.97 %**  
people with disabilities

**Gender pay gap analysis**

2.8% 2.3% 3.0% -3.5% 5.0% 6.7% 6.1% 4.1% 6.6% 4.7% -1.6%



**TRANSFORMATIVE ENVIRONMENT**

- > Actions to combat COVID-19 for employee protection: action protocols, early detection campaign and raising awareness for active prevention.
- > The accident frequency rate for 2015 to 2020 has been reduced by 34% (2020 target: 15%)

**Evolution of the accident frequency rate (own employees)**



**LEADERSHIP**

- > Successful transfer of training courses and programmes to an online format and strengthening of the smartworking courses.

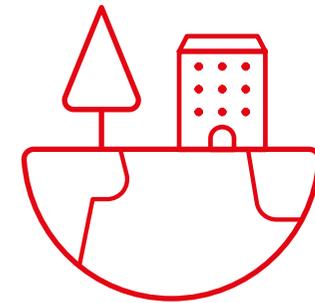
**ACCESS TO RIGHTS**

- > Complete review of controls relating to compliance with Human Rights policies for all activities.



# PLANET POSITIVE

*Towards a positive contribution /  
Invest to regenerate the planet*



**ACCIONA projects look for a positive impact on the planet**, decarbonisation-based business models, water conservation and ecosystems and the circular use of resources.

## CLIMATE

- > Science-based reduction in emissions of 38% (Scopes 1 and 2), and 33% (Scope 3).
- > A fund set up for decarbonisation innovation projects of 1.1 million euros.

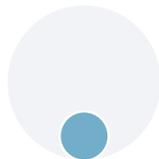
## WATER

- > 61% reduction in use of municipal, surface water and groundwater for consumption compared to 2017, and 34% in the total use of water for own consumption.
- > 923 hm<sup>3</sup> of water treated, desalinated and potabilised, of which 439 hm<sup>3</sup> in countries with water stress.

### ACCIONA flow of materials

#### Management of material resources

Use of resources: 8.82 Mt



#### Waste management

Total waste generation: 6.3 Mt



Recovered material acquired from supplier

Sent to waste manager for recovery

11 The Circularity Gap Report: <https://www.circularity-gap.world/>

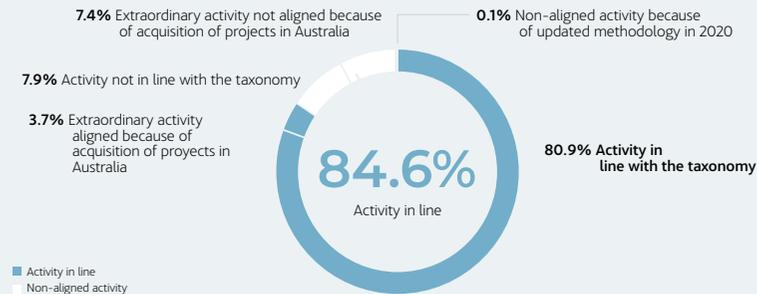
### CIRCULAR ECONOMY

- > 77% of non-hazardous waste recovered and 75% reduction in generation and despatch of such waste to landfill compared to 2015.

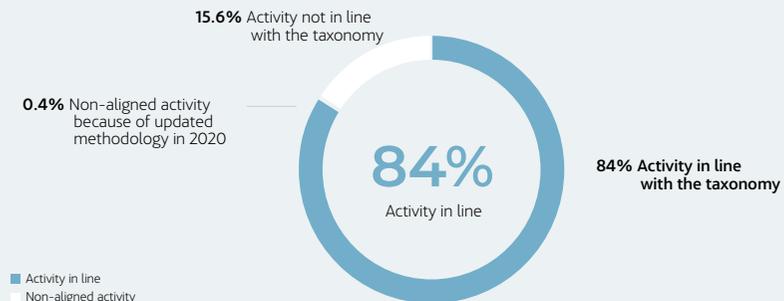
### BIODIVERSITY

- > 120 hectares of land in the environs of projects have been protected and restored.

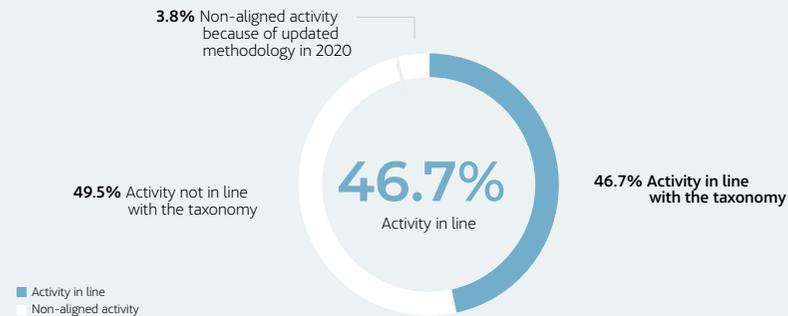
### Alignment of CAPEX with the European taxonomy



### Alignment of EBITDA with the European taxonomy



### Alignment of sales with the European taxonomy



# EXPONENTIAL LEADERSHIP

Authenticity, transparency /  
We pursue a purpose

**ACCIONA** has a deep  
**commitment** as an actor in the  
sustainable transformation of this  
decade.



### AUTHENTICITY

- > ACCIONA's commitment is authentic and the group works to ensure that all its people are aware of it and share it with stakeholders.

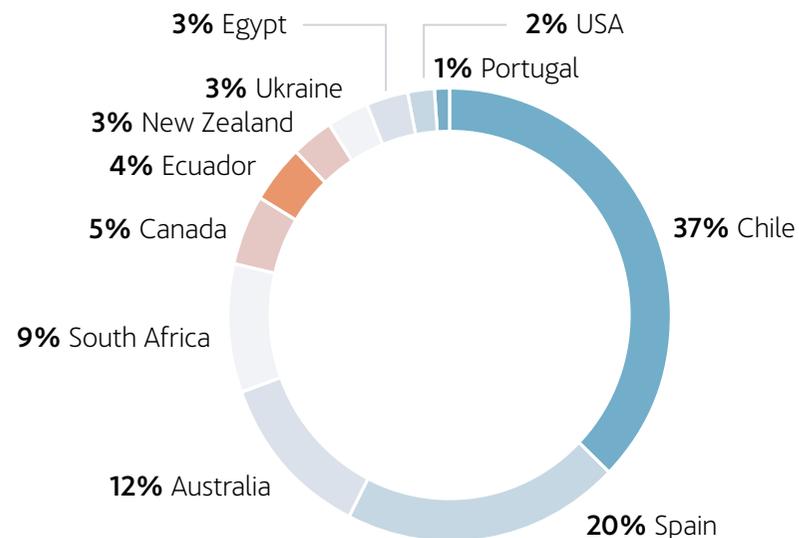
### CLIENTS

- > More than 90% of complaints were resolved in less than 30 days.

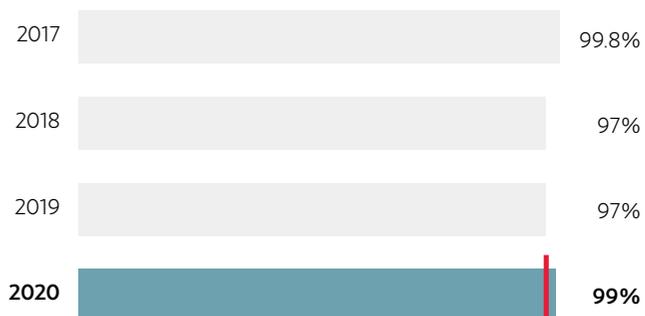
### INNOVATION AND SUSTAINABLE TRANSFORMATION

- > ACCIONA reaffirms its leadership in innovation with an innovation intensity of 3.7%, higher than the European average.
- > Digital innovative technologies implemented that improve processes in the business in collaboration with the Digital Innovation HUB.

### Innovation figures by country (million €)



### Evolution of satisfied customers



2020 objective: 97%

### GOVERNANCE

- > Review and amendment of the Director Selection Policy.
- > Gradual implementation and development of the KPIs of the corporate tax function.

### TRANSPARENCY

- > Participation in international forums and initiatives to disseminate our commitment to energy transition, the recovery from COVID-19 based on green projects and the European taxonomy of sustainable finances.

# INTEGRATE TO TRANSFORM

Connect to impact /  
Difference in every project

**ACCIONA has the capacity to create a unique sustainable difference** with a portfolio of solutions perfectly aligned with the sustainable transformation required to meet the challenges defined in the Sustainable Development Goals.

## A SOLUTIONS-BASED APPROACH

- > Review and validation of socio-economic and environmental impact methodology by the University of Zaragoza.

## A SUSTAINABLE DIFFERENCE IN EVERY PROJECT

- > Identification and commencement of work on three High Impact Solution projects, in Atotonilco and Tamaulipas (both in Mexico) and São Paulo (Brazil).

### IMPACT FUNDING

- > Total funding instruments under the Green Financing Framework to exceed € 1,700 million.
- > A sustainability leader in its industry, according to S&P Global, one of the 100 most sustainable companies, according to Corporate Knights, and named by Energy Intelligence as the world's greenest utility.

### LOCAL ECOSYSTEMS

- > The Social Impact Management methodology has been implemented in 127 projects in 30 countries to date.
- > Over € 11.7 million in social contributions to the community.
- > 30.7 % of social investment allocated to ACCIONA's priority SDGs.
- > Over 2 million beneficiaries under the various social initiatives.

### ACCIONA'S IMPACT ON THE SUSTAINABLE DEVELOPMENT GOALS

In 2020, ACCIONA developed solutions that had a significant impact on five SDGs:



ACCIONA SDG 6 solutions: availability and sustainable management of water and sanitation through advanced technologies.



ACCIONA SDG 7 solutions: access to affordable, reliable, sustainable energy and its efficient use.



ACCIONA SDG 9 solutions: developing resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.



ACCIONA SDG 11 solutions: services that contribute to inclusive, safe, resilient and sustainable development of cities.



ACCIONA SDG 13 solutions: development of integrated solutions to combat climate change and its effects.

### Benefits of High Impact Solutions



- 1 ACCIONA project
- 2 Positive social-environmental effects of the project
- 3 Additional solutions on the basis of the gaps

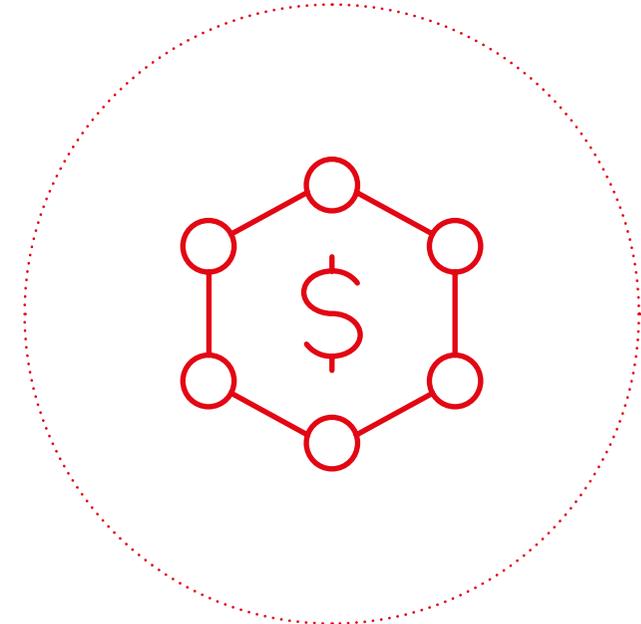
- They achieve material, quantifiable benefits.
- They contribute to giving specific replies.
- They boost local economic growth.
- They increase the productivity of the project, making the most of its potential.
- Measurable progress in line with the SDGs promoting access to basic services.
- Involving and aligning different stakeholders.
- Minimises risks of the project, creating links with nearby communities.

# ECONOMIC, ENVIRONMENTAL AND SOCIAL BOTTOM LINE



## Evolution of key indicators

	2018 ↓	2019 ↓	2020 ↓
<b>FINANCIAL PERFORMANCE</b>			
Sales (million €)	7,510	7,191	6,472
EBITDA (million €)	1,245	1,356	1,124
CAPEX (million €)	643	1,270	1,024
<b>NON-FINANCIAL PERFORMANCE</b>			
Workforce at year end	38,544	39,699	38,355
Female executive managers (% of total)	13.99	15.25	16.36
Average training hours per year per employee	18.47	14.52	10.64
Number of fatal accidents (staff and contractors)	3	0	0
Accidents: global frequency rate (own employees and subcontractors)	2.4	2.5	1.9
Emissions generated (millions of tonnes of CO <sub>2</sub> )	0.18	0.17	0.13
Emissions avoided (millions of tonnes of CO <sub>2</sub> )	14.7	13.1	13.2
Sales aligned with the European taxonomy of low carbon activities (%)	NA	58	47
CAPEX aligned with the European taxonomy of low carbon activities (%)	NA	93	85
Water used by ACCIONA (hm <sup>3</sup> )	4.29	3.66	4.68
Treated water (hm <sup>3</sup> )	790	1,030	923
Non-recovered waste (million tonnes)	4.1	0.9	1.5
Total innovation (million €)	225.4	230.4	237.0
Innovation intensity (% of total R&D&I / sales)	3.0	3.2	3.7
% local suppliers	87	91	94
Revenue certified with ISO 9001 (%)	91	87	84
Global customer satisfaction index (%)	97	97	99
Projects with Social Impact Management (no.)	98	124	127
Social contribution (million €)	13.7	12.5	11.7





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