



Modern Slavery Joint Statement 2022

A joint statement by ACCIONA Energy Australia Global Pty Ltd and ACCIONA Energy Oceania Construction Pty Ltd



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1.ABOUT THIS STATEMENT

ACCIONA Energía and its subsidiaries are an international group who invest in the planet. Sustainability is a cross-cutting theme in our entire corporate strategy - we create clean energy for a sustainable energy future, and are the biggest global operator exclusively dedicated to renewable energies, with no links or legacy related to fossil-fuel technologies.

This joint Modern Slavery Statement is prepared by ACCIONA Energy Australia Global Pty Ltd (ACN 600 910 647) (AEAG) and ACCIONA Energy Oceania Construction Pty Ltd (ACN 164 011 723) (AEOC) (collectively referred to as the Reporting Entities) which are the relevant reporting entities for Australia. AEOC is a wholly owned subsidiary of AEAG and AEAG is a wholly owned subsidiary of ACCIONA Energía Global S.L (ACCIONA Energía Global). AEAG, AEOC and ACCIONA Energía Global are all subsidiaries of Corporación ACCIONA Energías Renovables, S.A. (ACCIONA Energía) which is majority owned by ACCIONA S.A.

This statement uses the term ACCIONA Energía to refer to steps taken by the ACCIONA Energía global group, inclusive of the two relevant Australian reporting entities making this statement. Where this statement refers to just the term Reporting Entities, this denotes the two reporting entities AEAG and AEOC, and not to the ACCIONA Energía Group as a whole. In preparing this joint statement, AEAG and AEOC both contributed relevant information and the Boards of each entity were provided with the finalised statement.

AEAG owns 100% of the issued shares in ACCIONA Energy Oceania Financial Services Pty Ltd (AEOFS). AEAG consulted with AEOFS in the development of this statement and provided its Board with a copy of this statement. Otherwise, the reporting entities do not own or control any other companies or corporate entities.

ACCIONA Energía's global sustainability goals focus on social progress, environmental balance and economic growth, with emphasis on a sustainable future. ACCIONA Energía is committed to supporting the transition to a greener and more sustainable future that is delivered through transparent and ethical operations. As ACCIONA Energía develops and engages in innovative projects in the fight against climate change, ACCIONA Energía acknowledges the link between the global fight against climate change and the fight against instances of modern slavery in all business operations. The success and combating of one global value cannot be pursued at the expense of another value.

This statement serves as an update to ACCIONA Energía's continued action to assess and address risks of modern slavery within its supply chain and operations. In particular, this statement:

- highlights where the business has improved its policy;
- declares ACCIONA Energía's commitment to supply chain transparency;
- reports on the steps taken by ACCIONA Energía to combat the existence and risks of modern slavery within its company and related internal and external channels; and
- forms part of ACCIONA Energía's ongoing reporting obligations and should be read alongside ACCIONA Energía's annual integrated Sustainability Report 2022.

This Modern Slavery Statement (the Statement) is ACCIONA Energía's response to the requirements of section 13 of the Act. It has been prepared for the reporting period 1 January 2022 to 31 December 2022 (Reporting Period). This Joint Statement has been approved by the Board of Directors of AEAG and AEOC who are the relevant reporting entities. Brett Wickham, as a Director of each reporting entity, was authorised to sign this Joint Statement on behalf of AEAG and AEOC.



Brett Wickham

Managing Director at ACCIONA Energía Australia
Director, ACCIONA Energy Australia Global Pty Ltd
Director, ACCIONA Energy Oceania Construction Pty Ltd



"ACCIONA Energía supports, respects and contributes to the protection of internationally recognised fundamental human rights, making sure not to be complicit in any form of abuse or violation of those rights with regard to workers, suppliers, contractors, partners, competitors, customers, local communities and society in general"

2. INTRODUCTION

ACCIONA Energía has a passion for providing energy solutions that help combat climate change. It is not enough to reduce our carbon footprint. We want to drive a positive impact that allows us to regenerate the planet and reverse the damage caused.

We work across a range of clean energy technologies and solutions, including wind, photovoltaic solar and battery storage, and throughout the value chain from development, design, construction and long-term operations.

Our green energy projects are helping to transform Australia and the world to a low carbon economy, whilst providing future job growth and economic benefit to the communities where we operate. These projects also contribute to Australia meeting renewable energy targets and SDG 7: access to affordable and clean energy.

The ACCIONA Group is committed to positively contributing to the fight against the climate crisis and in 2016 was one of the first companies globally to become carbon neutral.

With a presence in 20 countries and sales of €4.351 billion in 2022, ACCIONA Energía is committed to contributing to the economic and social development of the communities

in which it operates. ACCIONA Energía has a unique identity as it is integrated into the entire value chain for renewable energy, from the development, financing, engineering and construction, supplying, operation and maintenance, and the marketing and sale of renewable energy and energy-related services.

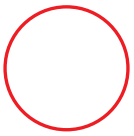
ACCIONA Energía acknowledges that the 2023 Global Estimates of Modern Slavery indicate there are 50 million people living in situations of modern slavery on any given day and forced labour accounts for 28 million of modern slavery victims. The number of people living in modern slavery has increased by 10 million since the 2018 Global Estimates of Modern Slavery, partly due to multiple crises (i.e. COVID-19 pandemic, armed conflicts and climate change).

Modern slavery is hidden in plain sight and is deeply intertwined with life in every corner of the world.¹ ACCIONA Energía believes that all companies, especially those that operate in a global context, must act in order to combat the risk of modern slavery in their supply chains.

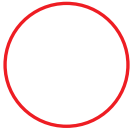


¹ Walk Free, <https://www.walkfree.org/global-slavery-index/>

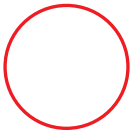
STATEMENT HIGHLIGHTS



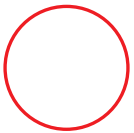
ACCIONA Energía released its Global Sustainability Master Plan 2025 designed to transition the business towards regenerative sustainability impacts and contribution to the UN Global Compact Sustainable Development Goals (SDG).



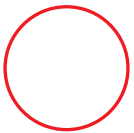
Our Global Ethical Channel was further promoted to all employees, suppliers and any third party to enable reporting of breaches to our Code of Conduct including occurrences of modern slavery.



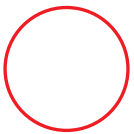
ACCIONA Energía was named in the S&P Global Sustainability Yearbook 2023, improving from Silver to Gold Class, scoring 90/100 points in the S&P CSA (Corporate Sustainability Assessment). This was the second highest score for electric utilities in the world.



Throughout 2022 ACCIONA Energía continued to progress ESG indicators, including increasing the number of projects with social impact to 114 (+235%).



ACCIONA Energía has committed to net zero scopes 1 and 2 emissions by 2040, and net zero scope 3 emissions by 2050.



During the reporting year, ACCIONA Energía engaged with a supply chain risk management company that worked with 231 of its Tier 1 suppliers in Australia.

“A way in which the people and planet are at the centre, and the regenerative infrastructure is the pathway towards well-being and conservation”.

3. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

3.1 STRUCTURE

ACCIONA Energía has been operating in Australia since 2002, with offices in Melbourne, Sydney, Brisbane and Perth.

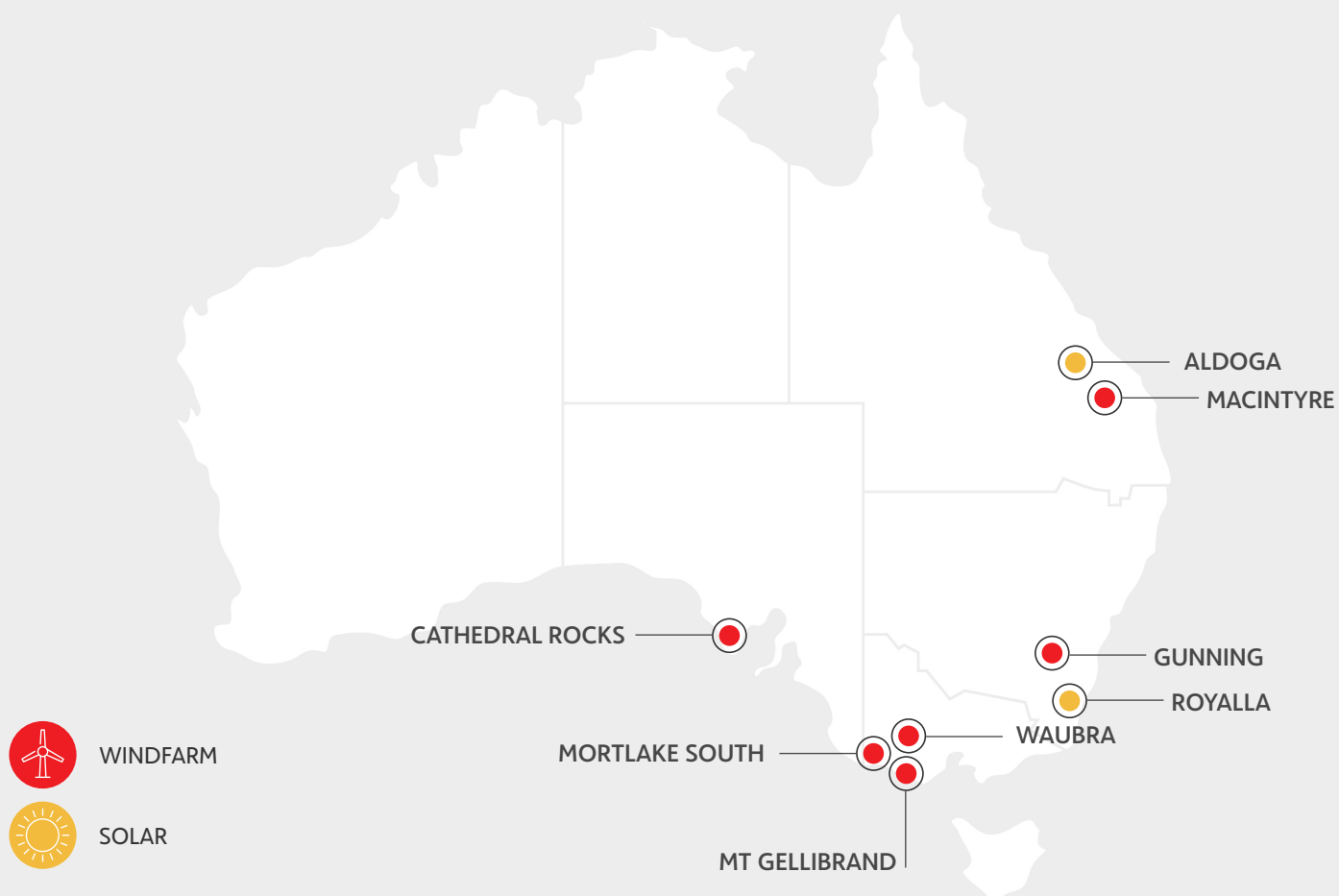
As identified above, AEAG and AEOC (which are both Australian incorporated companies) are the relevant reporting entities for Australia. The reporting entities form part of the larger ACCIONA Energía Group which is majority owned by ACCIONA S.A. Because of this reporting structure, the reporting entities largely adopt the same policies and procedures, and benefit from initiatives driven by ACCIONA Energía.

3.2 OPERATIONS

ACCIONA Energía projects Australia



ACCIONA ENERGÍA IN AUSTRALIA



The ACCIONA Energía Group works exclusively with renewable technologies, specifically across wind, solar PV, solar thermal, hydro and biomass.

In Australia, ACCIONA Energía develops, constructs, owns and operates renewable energy facilities, and has constructed five wind farms and a 20 MW solar farm. Construction of a sixth wind farm is underway in Queensland, and once this is operational ACCIONA Energía will have a total capacity in Australia of up to 1,686 MW, which is enough clean energy to power 1.2 million homes.

Since construction commenced on the MacIntyre Wind Farm in Q2 2022, ACCIONA Energía has further announced the development of the Herries Range Wind Farm (1,000MW) as an expansion of the MacIntyre Wind Precinct that will double the overall capacity to 2,000MW. This is a display of ACCIONA Energía's continuous leadership in the wind farm space with the MacIntyre Wind Farm already the largest wind project in Australia and the Southern Hemisphere.

"With this project we expect to dramatically accelerate the decarbonisation of Queensland's electricity grid"

Brett Wickham

Managing Director, ACCIONA Energía Australia

This expansion of the MacIntyre Wind Precinct will result in enough energy production to supply 1.4 million homes per year (an increase from a previous figure of 700,000 homes).²

Globally, ACCIONA Energía has over 11.2 gigawatts in total capacity with the aim of reaching 20 gigawatts by 2025. The company has ambitious targets and a growth-driven mindset.

In 2022, ACCIONA Energía employed 165 persons in Australia who worked across AEAG and AEOC. This number is continuing to increase with the growth of the business.

² ACCIONA Modern Slavery Statement FY 2021.

ACCIONA ENERGÍA PROJECTS AUSTRALIA

NAME	LOCATION	PROJECT CONFIGURATION		ENERGY	DETAILS
Mt Gellibrand Wind Farm	The Mt Gellibrand Wind Farm is located 25 kilometres east of Colac and 17km west of Winchelsea in the Colac Otway Shire on Victoria's Western Plains	44 x 3MW turbines	Up to 132 MW	Equivalent up to 90,000 households	The project provides a substantial additional economic focus in the Colac Otway Shire, independent of, but complementary to ongoing agricultural, forestry, light industry, tourism and service activities of the shire
Cathedral Rock Wind Farm	Near the southern tip of the Eyre Peninsula in South Australia, approximately 30 km south-west of Port Lincoln	32 x 2 MW turbines	64 MW	Equivalent up to 35,000 households	Provides a number of on-going full-time positions, plus a diversified income for host landowners. Over 2,300 hectares of native vegetation are protected and conserved at the site under a heritage agreement.
Waubra Wind Farm	35 kilometres North-West of Ballarat in both the Pyrenees Shire and Ballarat City Council	128 x 1.5MW turbines	192 MW	Equivalent up to 138,000 households	Provides approximately 8 ongoing full-time positions on site, plus seasonal contracting opportunities. Local businesses benefit from the wind farm through ACCIONA Energía purchasing local goods and services. The project provides a diversified income for host landowners. ACCIONA Energía has created a direct total community investment of close to \$10 million in just 10 years
Gunning Wind Farm	Approximately 35 kilometres North-East of Gunning and 70 km North-East of Canberra	31 x 1.5MW turbines	46.5MW	Equivalent up to 36,000 households	Provides ongoing full-time positions on site, plus maintenance contracting opportunities. Local businesses benefit from the wind farm through ACCIONA Energía purchasing local goods and services. The project provides a diversified income for host landowners. ACCIONA Energía has created a direct total community investment of close to \$420,000 since 2011
Mortlake South Wind Farm	5km from Mortlake in Moyne Shire, Victoria	35 x 4.5MW turbines	157.5MW	Equivalent up to 117,000 households	Will provide up to ten ongoing positions for the life of the project, as well as diversified income for host landowners and a targeted Shared Benefits Program to strategically deliver added value to the local region.
MacIntyre Wind Farm	Approximately 50 kms south-west of Warwick and 10 kms south of Karara in Queensland	180 x 5.7MW turbines	1,026 MW	Equivalent to 700,000 households	Anticipated construction completion by 2024. A substantial contribution to the Southern Downs and Goondiwindi Regional Council's and also providing a diversified income for wind farm host landowners. The project will provide employment and procurement opportunities for residents and businesses

3.3 SUPPLY CHAIN

In 2022, ACCIONA Energía engaged with 231 suppliers in Australia. Since ACCIONA Energía's operations span the entire value chain of renewable projects, our supply chain is diverse and has touchpoints in a number of different business activities. These include:

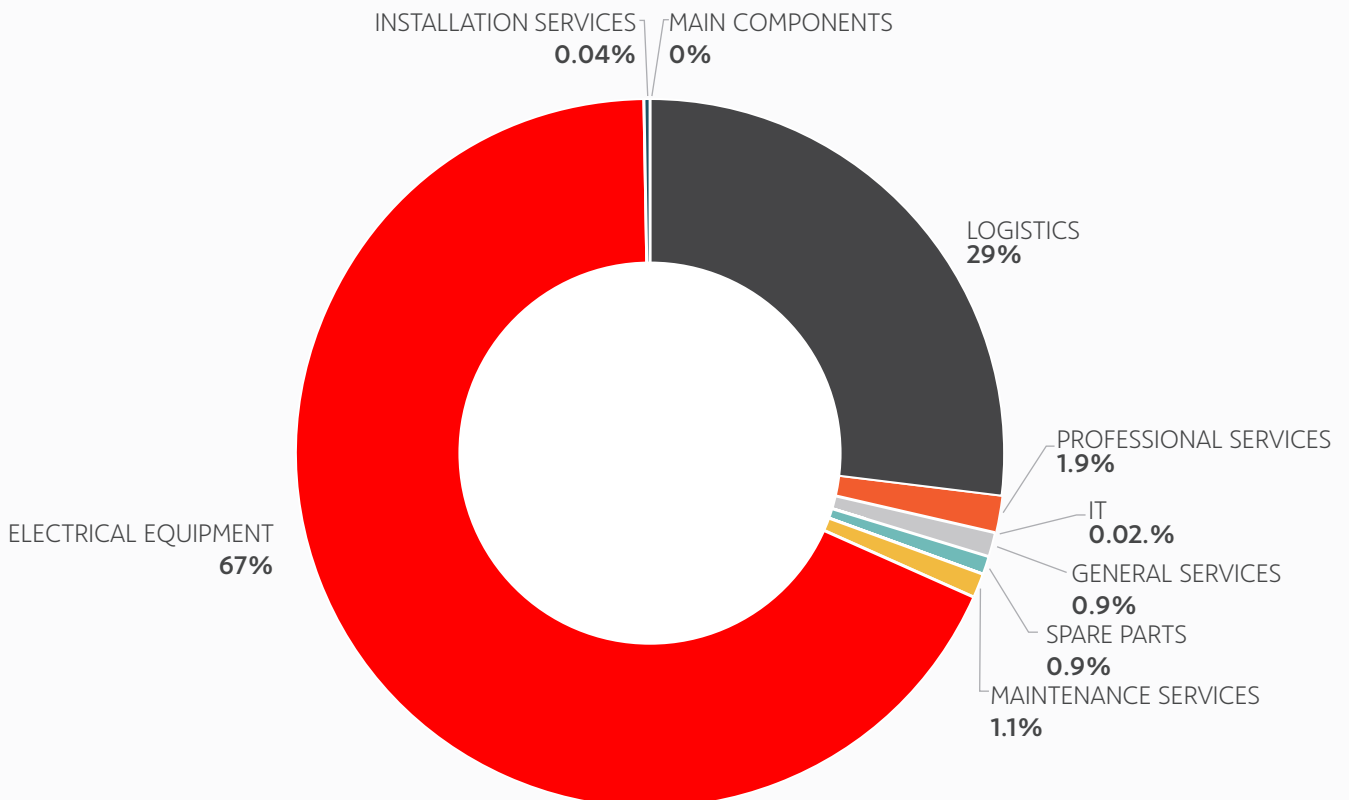
- Development for projects, including design, engineering, environmental and technical consultants.
- Construction of projects including building materials, labour for construction and management of site.
- Operation, maintenance and management services for wind assets.
- Sourcing products for wind and solar assets, including wind turbines, parts and equipment and the delivery component related to these products.
- Leasing of office and general office supplies including IT equipment and furniture.
- Products and services to support the business operations of ACCIONA Energía, for example accounting software.

The suppliers that ACCIONA Energía engages directly are classed as our tier 1 suppliers. Any suppliers, products, parts or services that our tier 1 suppliers engage are considered to be ACCIONA Energía's tier 2 suppliers (and so on down the supply chain).

ACCIONA Energía globally has a range of supplier contracts and networks, and we use these systems to provide products and services to Australia. This means that in many circumstances, our related entities within ACCIONA Energía would be tier 1 suppliers to the Australian reporting entities, and therefore the suppliers of our related entities would be considered tier 2 suppliers to the Australian business.

The spend profile of AEAG and AEOC's tier 1 supply chain in 2022 is shown in the chart below and is categorised by service industry or product type. The spend profile can vary from year to year, depending on the status of construction projects.

SPEND THROUGH PURCHASE ORDERS 2022



4. POLICIES AND GOVERNANCE

ACCIONA Energía has a comprehensive corporate governance structure, which contains many initiatives that are run for the benefit of the global group.

4.1 POLICY BOOK

The Policy Book, which was updated in line with the Sustainability Master Plan 2025, contains ACCIONA Energía's commitments and principles in regards to our economic, social, environmental and governance values and obligations. The policies contained in this book and available in both our public website and internal intranet site, include:

SUSTAINABILITY POLICY	INNOVATION POLICY	ANTI-CORRUPTION POLICY
CRIME PREVENTION AND ANTI BRIBERY POLICY	ANTITRUST POLICY	RISK MANAGEMENT AND CONTROL POLICY
QUALITY POLICY	FISCAL POLICY	STAKEHOLDER RELATIONS POLICY
HUMAN RIGHTS POLICY	HUMAN RESOURCES AND OCCUPATIONAL HEALTH AND SAFETY POLICY	SOCIAL ACTION POLICY
DIVERSITY, EQUITY AND INCLUSION POLICY	ENVIRONMENTAL POLICY	BIODIVERSITY POLICY
CLIMATE CHANGE POLICY	WATER POLICY	CIRCULAR ECONOMY POLICY;
ACCIONA ENERGÍA GENERAL COMMUNICATION POLICY	BOARD OF DIRECTORS COMPOSITION POLICY	REMUNERATION POLICY FOR DIRECTORS OF ACCIONA ENERGÍA
PERSONAL DATA PROTECTION POLICY AND GUARANTEE OF DIGITAL RIGHTS AT ACCIONA	CYBERSECURITY POLICY	ENERGY POLICY

4.2 CODE OF CONDUCT

A core element of the ACCIONA Group's operating direction is our Code of Conduct. This is a foundational policy and compliance is mandatory for all ACCIONA Group employees. The Code of Conduct was approved by the global Board of Directors and applies to all Group subsidiaries. The Code of Conduct sets out the values and expectations of the ACCIONA Group.

The suppliers must accept the Group's Self-Declaration document which contains the Code of Conduct, the Ethical Principles for Suppliers and Contractors, ACCIONA Energía's Policies and personal data protection requirements, amongst other commitments.

The ACCIONA Energía also has a body that monitors compliance with the Code of Conduct and it has an Ethical Channel that facilitates reporting of irregular conduct in relation to the Code.

4.3 HUMAN RIGHTS POLICY

ACCIONA Energía's Human Rights Policy applies in all its activities and in all the geographic areas where it works. The principles and values in this policy also apply to companies in which it may have equity holdings, even without a controlling interest, as well as among its suppliers, contractors and collaborators.

ACCIONA Energía's Human Rights Policy supports:

- fair, dignified and respectful treatment of people;
- free employment relationship;
- commitment to the right of freedom of association, the right to organise and the right to collective bargaining and fair defence;
- safe and healthy working conditions;
- ethical, fair and equitable working and recruiting conditions;
- human rights;
- privacy and communications;
- respect for communities where it operates;
- development of skills; and
- sustainable contribution.

4.4 WHISTLE-BLOWER STATEMENT

The Reporting Entities continue to maintain their Whistle-blower Statement, as part of their commitment to good corporate governance. Under the Statement, ACCIONA Energía makes it clear that compliance with the law and a culture of integrity is important, and any conduct which is unethical or illegal will not be tolerated within its entire operations. Whistle-blowers are protected and supported, to encourage a culture of reporting any unacceptable conduct.

The related whistle-blower procedure outlines the steps any employee, previous employee or contractor of ACCIONA Energía is able to take if they believe they have witnessed unethical conduct. The procedure also outlines the process to investigate reported behaviour.

4.5 CLIMATE CHANGE

At COP26, the United Kingdom's Independent Anti-Slavery Commissioner stated:

"But what strikes me as Independent Anti-Slavery Commissioner is the complex relationship between climate change, the transition to a green economy, and modern slavery."³

As ACCIONA Energía works towards positively contributing to the fight against climate change, it is simultaneously working with communities to protect them against the adverse effect which climate change events bring.

ACCIONA Energía continues its commitment to ensuring that the energy transition creates opportunities for communities. As highlighted in this statement, ACCIONA Energía is aware of the risk which the energy transition poses to particular geographical communities.

In parallel, ACCIONA Energía understands the vulnerability certain communities experience as a consequence of extreme weather events caused by climate change. The increasing number of people displaced by extreme weather events and resulting human rights pressures is a direct consequence of the adverse effects of climate change.

³ OHCHR, <https://www.ohchr.org/sites/default/files/Documents/Issues/ClimateChange/COP21.pdf>

4.6 COMMITMENT TO COMMUNITY

ACCIONA Energía is aware of the importance of relationships between governments, manufacturers, civil societies, public and private businesses and local communities.

Using its Social Impact Management (SIM) methodology, ACCIONA Energía analyses and manages the real or potential effects on human rights that may arise among local communities and other stakeholders in connection with a particular project or service. Prevention, mitigation and remediation activities are undertaken to address any real or potential impacts identified. SIM methodology has been implemented in 114 projects in 13 countries.

The ACCIONA.org foundation expanded its activities into seven new countries in 2022 and has continued to work to improve the living conditions of remote communities by providing access to clean and affordable energy, water and sanitation.

Donations made by ACCIONA Energía must comply with internal regulations that ensure that donations are not used for corrupt or illegal purposes, which would be an infringement of the ACCIONA Energía's anti-corruption regulations.

4.7 SUSTAINABLE FINANCING

Maximising the capacity of sustainable finances enhances the company's value and the competitive advantage of the regenerative power of its projects.

ACCIONA Energía receives corporate funding linked to meeting the targets for improving its performance in environmental, social and governance aspects.

The following Key Performance Indicator has been added to the scope of the sustainable financing goal:

The number of hours of technical and professional training for women and vulnerable and underrepresented minorities. The undertaking is to provide certified technical and professional training to the people in the communities in the area of the projects where ACCIONA operates, with specific attention to vulnerable groups such as women and young people with no professional training and people at risk of social exclusion, in order to improve the quality of life of the communities in the countries in which it operates.



5. SUSTAINABILITY MASTER PLAN 2025

As a leader in sustainability planning and reporting, in April 2021, ACCIONA Energía launched a new five-year Sustainability Master Plan 2025 (SMP2025), the company's blueprint for advancing its Environmental, Social and Governance (ESG) goals.

The purpose of the SMP2025 is to encourage ACCIONA Energía to re-imagine energy infrastructure. ACCIONA Energía invests in, develops and operates renewable energy assets and other decarbonisation solutions to make the planet sustainable. ACCIONA Energía aspires to become renowned as a leader in developing basic infrastructure assets with an added value - a regenerative value that creates a positive impact with people and the planet in mind.

- The SMP2025 has four overarching pillars:
- People Centric – for quality of life and a socially inclusive future;
- Planet Positive – beyond net zero for a positive impact on natural capital;
- Integrate to Transform – characterised by authenticity and transparency; and
- Exponential Leadership – connecting to affect a sustainable difference in every project.

Of particular relevance to this Statement, one of the focus areas of the People Centric pillar is Access to Rights. ACCIONA Energía has committed to ensuring compliance

with the fundamental rights of the people participating in our value systems and to upholding international instruments to respect human rights and combat modern slavery, including:

- UN Guiding Principles on Business and Human Rights;
- the 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.

ACCIONA Energía is committed to diagnosing, evaluating and alleviating human rights breaches and to providing a safe and accessible platform to report and remedy any breach within its corporate structure and supply chain. Our approach to upholding human rights is expressed in our company's beliefs and values, which are shared widely internally and to external stakeholders. These beliefs are reflected and addressed through our policies and procedures, for example in our Code of Conduct.

The Audit and Sustainability Committee of ACCIONA Energía supervises accounting, financial and non-financial information, best practices, internal and external audit services and risk management. In Australia, ACCIONA Energía is guided by the recommendations and initiatives of the Audit and Sustainability Committee.



5.1 2022 SUSTAINABILITY HIGHLIGHTS

Some of the key SMP2025 achievements from 2022 include:

a) People

In 2022 ACCIONA Energía has again received the Top Employer certification which acknowledges the company as one of the best companies to work for in Spain, and it has obtained the certification in Australia, Canada, United States, Brazil, Mexico, Chile and South Africa, as well as obtaining the continental seal in North America. This is an acknowledgement from the Top Employers Institute which recognises ACCIONA Energía's commitment to putting people management as a strategic pillar in achieving our business goals.

We also saw the following advances in 2022:

- updated the definition of ACCIONA Energía's purpose, promise and principles, which will be introduced in 2023;
- saw a 36% decrease in accident frequency rate involving our own employees and subcontractors;
- received approval of the Corporate Standard on the Internal Control System for Social Safeguards; and
- conducted 92 audits on direct suppliers and 40 audits on tier 2 suppliers.

b) Environment

ACCIONA Energía strengthened its Net Zero commitment in 2022 by establishing the goal of reaching Net Zero by 2040 in its Scope 1 and Scope 2 emissions (market-based) and by 2050 for its Scope 3 emissions.

In regards to environmental advances, we:

- saw an 80% reduction in scope 1 and 2 GHG emissions compared to the baseline year 2017;
- planted 198,081 additional trees in 2021-2022;
- implemented the first pilot phase for quantifying nature related risks (Taskforce on Nature-related Financial Disclosure);
- saw a 45% reduction in the use of surface water, groundwater and municipal water in water-stressed areas; and
- recovered 98% of waste generated.

c) Governance

ACCIONA Energía received a high score of 87 out of 100 on good governance aspects in the S&P Global Ratings on ESG.

In 2022, ACCIONA Energía:

- delivered 114 projects and services with Social Impact Management in 13 countries, with a total of 212 initiatives implemented;
- published the Regenerative playbook which will help set out the sustainable difference in projects;
- Audit and Sustainability Committee was presented with and approved the company's purpose, promise and principles; and
- ACCIONA Energía has maintained its position as leader in its second year of submitting to the EcoVadis assessment. This places ACCIONA Energía among the top 1% of companies evaluated by EcoVadis. Human Rights are a fundamental theme in the EcoVadis methodology.

6. IDENTIFYING MODERN SLAVERY RISKS IN ACCIONA'S SUPPLY CHAIN

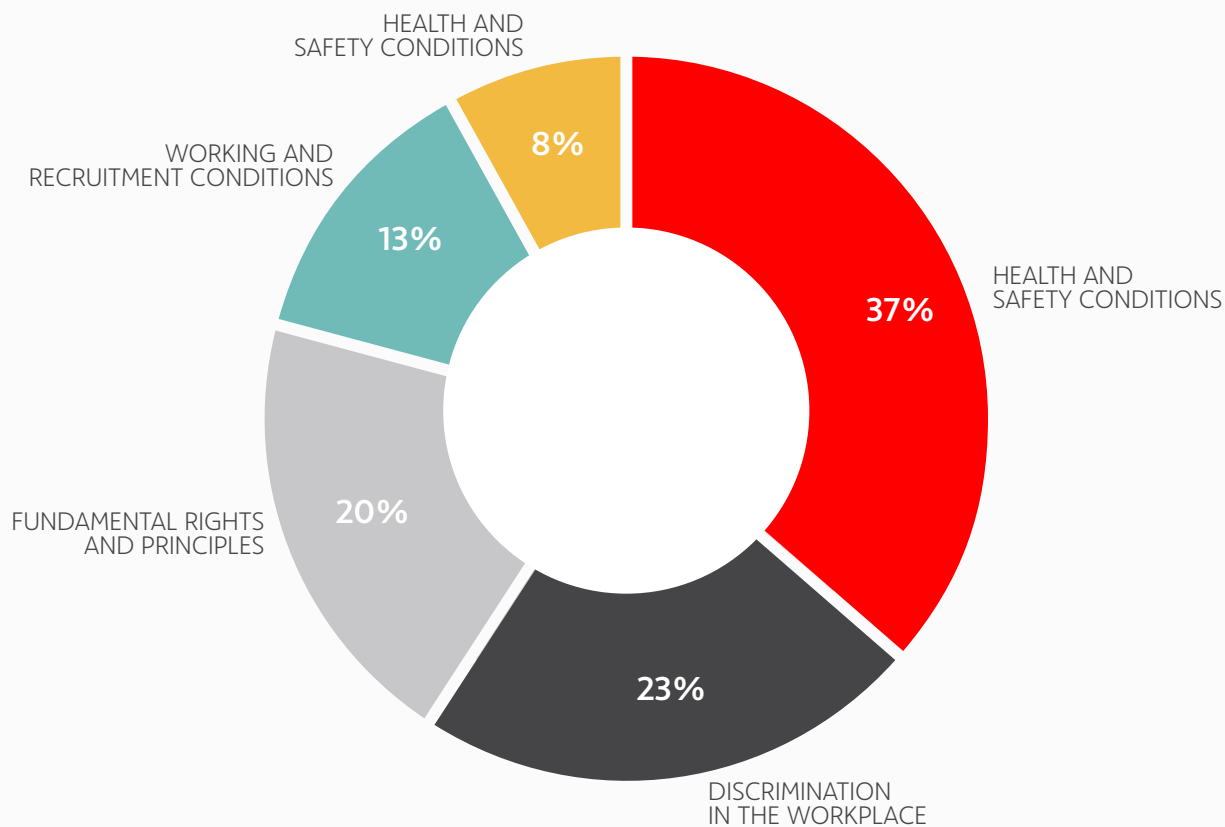
ACCIONA Energía carries out annual assessments to detect real or potential adverse effects it has on human rights. ACCIONA Energía uses a risk assessment methodology that combines an analysis of homogeneous risk variables and indicators in consultation with those responsible for the facilities that carry the greatest potential risk. This risk analysis includes assessment of 5 key social protections chosen by ACCIONA Energía in order to focus its actions and uphold its commitment to responsible business conduct - respectful treatment in the workplace, protection of fundamental human rights and principles, safe and healthy working conditions, good working and recruitment conditions, and right to privacy. Key indicators that fall under the umbrella of these 5 key social protections include:

FORCED LABOUR	MODERN SLAVERY	CHILD LABOUR	ARBITRARY ARREST AND DETENTION
YOUNG WORKERS	COLLECTIVE BARGAINING	FREEDOM OF ASSOCIATION	SECURITY FORCES & HUMAN RIGHTS
MINORITY RIGHTS	SEXUAL MINORITIES	WOMEN'S AND CHILDREN'S RIGHTS	RIGHTS OF INDIGENOUS PEOPLE
OCCUPATIONAL HEALTH AND SAFETY	DECENT WAGE	DECENT WORKING HOURS	INFORMAL WORKPLACE

The risks identified above form part of ACCIONA Energía's general assessment of risk and are not an indication that we conclusively contain such practices in our supply chain.

ACCIONA Energía conducted on-site risk analyses and a consultation process, to determine the distribution of the company's human rights risks of the 5 key social protections as follows:

REPRESENTATIVENESS OF THE SOCIAL RISKS OF ESG ASSESSMENT





6.1 IDENTIFICATION AND ASSESSMENT


ACCIONA Energía also uses a 'Supplier Risk Map' tool for risk control and management in the supply chain. This tool is used to inform the Group's entire supply chain of the Group's criteria and policies on the subject of corporate responsibility and sustainability. A risk analysis is carried out prior to entering into contracts with suppliers, and mandatory control activities are decided on the basis of the criticality of the supplier.


The Supplier Risk Map is made up of 11 key risks, which include the "country risk", consisting of several indices taken from Maplecroft and linked to various factors related to human rights: workplace discrimination, forced labour, modern slavery, human trafficking, child labour, freedom of association and collective bargaining, occupational health and safety, fair wages, decent working hours, minority rights, and migrant workers.


ACCIONA Energía establishes increasing levels of control in accordance with the level of supplier risk in order to minimise that risk. These controls include:

- 

All suppliers must acknowledge acceptance of the terms of the Self-Declaration document, which includes a commitment to the United Nations Global Compact, the ACCIONA Energía Ethical Principles for Suppliers and Contractors, ACCIONA's Policies and Personal Data Protection.
- 

To be able to bid for work, suppliers must fill in the self-assessment questionnaire in PROCUR-e, GoSupply or Repro, to enable our assessment of the variables or scores of that supplier in the different variable fields.
- 

Strategic suppliers (i.e. those awarded more than €400,000 in the previous twelve months) require additional approval control, which includes verifying: compliance with international standards on human rights; supplier integrity; financial solvency; and up-to-date tax and social security payments.
- 

For strategic suppliers in risk countries, audits are carried out using the ACCIONA Energía Audit Protocol.
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In addition to audits on tier 1 above, audits have also been established for tier 2 suppliers of large components with contracts exceeding €5 million. The tier 1 suppliers are asked for a list of suppliers that account for 80-90% of the total expenditure of the supply contract with ACCIONA Energía, which are then audited.

ACCIONA Energía is a principal supplier to the Australian reporting entities. As such, the audit of ACCIONA Energía's tier 1 and 2 suppliers highlighted above is in some cases an audit of the reporting entities' tier 2 and 3 suppliers.



6.2 SUPPLY CHAIN ANALYSIS

Following a review conducted in 2022, ACCIONA Energía decided to engage a third party data analytics and risk assessment company to assist in assessing its modern slavery risks.

a) GoSupply

GoSupply is a third party supply chain risk management company founded in 2017, bringing together over 20 years' experience in the supply chain risk management sector. The focus of ACCIONA Energía's engagement with GoSupply is the tracking and review of risks within its supply chain.

The services provided by GoSupply allow ACCIONA Energía to effectively manage and monitor our supplier's actions. GoSupply provide an assessment of suppliers across 5 scores: ESG, Compliance, Financial, Cybersecurity and Geopolitics. GoSupply collects data directly from a number of external sources, reviewing suppliers and their partners, the parent company if applicable, subsidiaries, majority owners and related companies. Functions include the receiving of alerts regarding potential risks down the supply

chain. By identifying risks within the supply chains, ACCIONA Energía continues to strengthen our internal mechanism and policies to ensure its supply chains remain resilient and ethical.

In 2022, ACCIONA Energía engaged with 231 Australian suppliers with Purchase Orders through GoSupply to register and assess these suppliers. Of these suppliers, ACCIONA Energía now has 87.12% of them registered and assessed with GoSupply. ACCIONA Energía is analysing and assessing the GoSupply results from the 2022 reporting period. Currently, we are not aware of any key risk indicators of modern slavery arising from the GoSupply results. ACCIONA Energía will provide further details on the results and the actions taken (if applicable) in response to those results in its Modern Slavery Statement for 2023.

“What we do:
Prequalification and advanced risk monitoring
for your Suppliers and third parties”

GoSupply⁴

⁴ GoSupply, <https://www.mygosupply.com>

7. RISK REMEDIATION ACTIONS

ACCIONA Energía is actively looking at ways to increase visibility within its supply chains and implement processes directly with suppliers in order to better facilitate communication channels to identify risks. We are optimistic that in future statements we will be able to provide an update on our suppliers down multiple tiers.

ACCIONA Energía, with GoSupply, is currently working on a data function that will enable suppliers in different tiers to be linked together. This will assist in ACCIONA Energía's understanding of the operation and interconnection between suppliers and where the risks are most likely to be occurring.

7.1 HIGH-RISK INDUSTRIES

As ACCIONA highlighted in its 2021 statement, the electronics industry is often identified as high risk within global supply chains due to the resources required to produce the specific products. This is largely because of the geographical locations of manufacturing resources and production of electronic components.

A further emerging industry that is bringing new challenges to modern slavery is the renewable energy industry. With the global transition to clean energy well underway, the up-scale in rare minerals required to meet the demand for renewable energy infrastructure will continue to increase. The extraction, processing and production of materials required for the energy transition are concentrated in specific geographical areas in comparison to traditional forms of energy supplies.

ACCIONA Energía is committed to being a leader in sustainability and this involves sustainable and ethical practices for workers throughout our entire supply chain. ACCIONA Energía acknowledges that the solution to one global problem cannot be addressed at the expense of another. The protection and upholding of fundamental human rights remains a key pillar in ACCIONA Energía's objectives. As the energy transition brings prosperity through job creation and economic investment, which simultaneously can provide opportunities for a number of communities, ACCIONA Energía is conscious of ensuring its products are developed through ethical and sustainable practices throughout its entire supply chain.

7.2 REGION RISK: XINJIANG UYGHUR AUTONOMOUS REGION OF CHINA

ACCIONA Energía recognises the importance solar energy holds in the energy transition but is simultaneously undertaking steps to ensure this is not at the expense of communities, particularly those of the Xinjiang Uyghur Autonomous Region of China.⁵ A report⁶ found that 45% of the global supply of polysilicon is undertaken in the Xinjiang Uyghur Autonomous Region. This region is known to be subject to a range of human rights abuses. Polysilicon is a key raw material in the production of photovoltaic (PV) solar panels. Modern slavery risks associated with solar panel supply chains are a focus for ACCIONA Energía's future solar projects.

In the ACCIONA Group's '2022 High Risk Jurisdictions' statement, it also identifies China in the 'Very High Risk' category in terms of corruption according to Maplecroft. Under this internal policy statement, ACCIONA Energía is required to undertake enhanced due diligence as set out in the 'Anti-Corruption Guidelines' and the 'Corporate Standard Selection of Business Partners and Contracting of Commercial Consultants', for third parties operating in any 'Very High Risk' or 'High Risk' jurisdictions.

The Uyghur Forced Labor Prevention Act (UFLPA) came into force in the US in June 2022. The UFLPA bans importation of goods into the US if they contain any content produced or processed in the Xinjiang Uyghur Autonomous Region of China. The Business & Human Rights Resource Centre invited 56 companies across certain sectors to respond to 4 questions regarding their commitment to applying the UFLPA. ACCIONA Energía was one of only 29 companies to respond to this request. ACCIONA Energía committed to applying a single global standard, aligned with the legal requirements set forth in the UFLPA, to exclude Uyghur forced labour across its supply chains.

As part of ACCIONA Energía's increased due diligence, any PV module manufacturer must commit to ACCIONA Energía's ESG standards, and audits are underway of Tier III and IV suppliers to ensure compliance further down the supply chain. This process is also being rolled out in other contracts for suppliers in high risk jurisdictions.

In line with the ACCIONA Energía policies, ACCIONA Energía will continue to implement enhanced due diligence of suppliers who are located in 'high-risk' jurisdictions.

⁵ ACCIONA ENERGÍA response to Business & Human Rights Resource Centre UFLPA commitment, https://media.business-humanrights.org/media/documents/Response_from_Acciona.pdf

⁶ Report based on a study between November 2021 and March 2022 by the University of Nottingham Rights Lab, the world's largest group of modern slavery experts.

7.3 RESPONSIBLE SUPPLIERS DECLARATION

ACCIONA Energía has a Supplier Declaration that conveys to suppliers, contractors and collaborators of any commercial type, ACCIONA Energía's commitment to the United Nations Global Compact (of which ACCIONA is a signatory) and our recommendation for those suppliers, contractors and collaborators to join the Compact.

Under the Supplier Declaration, ACCIONA Energía implements a process to control and monitor its suppliers, contractors, and collaborators on their performance throughout the commercial relationship. Based on this assessment, suppliers are provided a rating level.

The Supplier Declaration additionally requires suppliers to commit to ACCIONA Energía's Ethical Principles which provides ACCIONA Energía with the right to terminate a contractual relationship with any supplier, contractor or collaborator who is in breach of any of the Ethical Principles identified.

ACCIONA Energía uses the Supplier Declaration to:

- undertake due diligence on its suppliers;
- improve its internal processes in order to enforce mechanisms within its supply chain;
- minimise the risk of modern slavery; and
- have the ability to take contractual action against third parties who do not conduct themselves to a sufficient ethical standard.

7.4 INTERNATIONAL RECOGNITION

According to the S&P Global Corporate Sustainability Assessment, ACCIONA Energía is the most sustainable company in the utilities sector in Spain and the second most sustainable in the world. This Assessment evaluates a company's financial, environmental and social performance. ACCIONA Energía obtained a score of 90 out of 100 total points in the questionnaire.

As a result of this score, ACCIONA Energía has also been recognised in the S&P Sustainability Yearbook 2023. This Yearbook aims to distinguish companies which stand out for the strength and consistency of its corporate sustainability strategy. ACCIONA Energía is among only six companies in the Electric Utilities sector to make it into the Top 5%, consolidating its global leadership in sustainability, and among only nine Spanish Companies recognised.

ACCIONA Energía is also positively featured in a number of international sustainable and ethical rankings, some of which are highlighted here.



7.5 HUMAN RIGHTS FRAMEWORK

The below table provides details of ACCIONA Energía's initiatives, both new and continued, during 2022. These initiatives help shape how ACCIONA Energía assesses the effectiveness and efforts to combat modern slavery and other ESG goals that ACCIONA Energía has set.

2022 UPDATES AND INITIATIVES

Human Rights policy	<p>As indicated in our 2021 Statement, ACCIONA Energía updated its Human Rights Policy.</p> <p>The Policy is applicable to ACCIONA Energía, to its business activities and all its commercial relations. The endorsement of the application of the International Bill of Human Rights and United Nations Guiding Principles on Business and Human Rights underpins ACCIONA Energía's commitment to protecting human rights globally. Therefore, ACCIONA Energía pledges to defend and monitor those rights in all the activities and in the geographic areas where it works and to moreover promote the adoption of these principles and values at the companies in which it may have equity holdings, even without a controlling interest, and also among its suppliers, contractors and collaborators.</p>
Australian Modern Slavery training	<p>ACCIONA Energía engaged external providers to conduct two interactive modern slavery training workshop sessions for our Australian employees. The training provided an update to the ACCIONA Energía team on the Australian modern slavery landscape following the initial training which commenced in 2020 and further provided a general overview to current trends in compliance requirements. The training also included interactive case studies to assess and encourage engagement with these concepts.</p>
Human Rights Training	<p>In 2022, our human rights training course was relaunched. This was run in collaboration with the Spanish Global Compact Network and was available to the entire workforce and company's suppliers. Over 150 hours of training were provided on the subject. Also, in ACCIONA Energía training sessions on "Human Rights and Business" were held, with both theoretical and practical components, for specific areas of the company. These sessions were delivered by the specialist organisation GENTIUM, and consisted of 16 hours of training sessions in which over 40 company employees took part.</p>
Update to the ACCIONA Group's Corporate Procurement Standard	<p>In 2022, the ACCIONA Group's Corporate Procurement Standard was adapted to a new Supply Chain Management Standard for ACCIONA Energía. The guidelines governing the Supply Chain and Legal Consultancy Relationship Model were revised and this is adopted on a voluntary basis in the management of processes relating to European Union directives in the field of public procurement.</p>
Update to the Social Impact Management methodology	<p>The Social Impact Management (SIM) methodology assesses human rights risks in areas where ACCIONA Energía projects take place. ACCIONA Energía analyses the communities where it operates, including an assessment of human rights conditions and other social issues, and an evaluation of those impacts. If any potential significant human rights impacts are identified, the SIM methodology requires the implementation of prevention and mitigation activities.</p> <p>In 2022, ACCIONA Energía worked on updating its SIM methodology to align the management of the social impact of projects and services with the Internal Control System for Social Safeguards (ICSSS). A specific budget is allocated for the deeper analysis and assessment of real or potential impacts on human rights conducted in the initial phases of a project. The implementation phase monitors the conditions of workers, the supply chain, communities and other stakeholders. Control activities must be implemented to prevent and mitigate any possible impacts detected.</p>
Continuous improvement of the assessment the effectiveness of measures	<p>ACCIONA Energía has identified a need for enhanced ESG risk management and continuously adapt our processes and systems to reflect regulatory developments in the supply chain. In 2022, the processes were reviewed which resulted in the implementation of updated supplier approval and assessment methodology and additions to audit protocols and No-Go policies designed to broaden focus on ESG issues.</p>

CONTINUED INITIATIVES

Continued its integrated procedure and system for risk assessment.

ACCIONA Energía undertakes to identify, evaluate, prevent, mitigate, stop, monitor, communicate, account for, address, remedy and report back on real or potential adverse impacts of its business activities and relationships on human rights through a due diligence process.

ACCIONA Energía has adopted and implemented an internal control system to prevent and mitigate real or potential human rights impacts. The ICSSS promotes and consolidates a true culture of compliance.

Once the ICSSS internal monitoring procedures have been completed, reports are prepared reflecting the results, improvement recommendations and action plans proposed.

The ICSSS is monitored by the Audit and Sustainability Committee who utilise the Internal Audit Unit to monitor the effectiveness of the ICSSS controls. The Sustainability Department carries out an update of risks and controls annually once the Internal Audit Unit has conducted its annual monitoring process.

In 2022, it was concluded that the Internal Control System of Social Safeguards was effectively implemented within the company.

Continued commitment to the United Nations Global Compact and recommendation to suppliers, contractors, and collaborators to adopt these corporate social responsibility practices.

Continued operating ACCIONA Energía's Ethics Channel which allows any of ACCIONA Energía's stakeholders (including employees, suppliers, customers and collaborators) to communicate any doubts they have regarding human rights matters

Continued reporting any serious violations that may have occurred, as well as the actions implemented to address any adverse consequences resulting from the activities of the company and its subsidiaries or any of its business relations in the Statement of Non-Financial Information and Sustainability Report.

No Go Policy

ACCIONA Energía works together with its suppliers to resolve Serious Non-Conformities (SNCs) detected in audits through implementing action plans. In the event that non-conformities cannot be resolved within the time periods established, the suppliers are marked as No-Go. Failure to comply with the minimum standards established in the No-Go Policies means that a supplier cannot be contracted until they resolve the underlying cause that led to their No-Go status.

The No-Go Policies include the following situations:

1. Suppliers with significant ethical and integrity risk.
2. Strategic suppliers in at-risk countries that have not been audited, or that have been audited and have one or more unresolved SNCs.
3. Demonstrated non-compliance with the United Nations Global Compact.
4. Risk of economic solvency.
5. Debts with the Social Security Institute or Tax Authorities.
6. Companies penalised due to the evaluation of their performance on previous activities or due to unresolved serious deficiencies detected during auditing.

Non-conformities in 2022

Eleven suppliers were classified as No-Go in 2022, bringing the total number of No-Go suppliers to 32. Thirteen were also removed from this category following an audit, action or improvement plan, or following enhanced due diligence.

CONTINUED INITIATIVES (CONT.)

Continued to audit suppliers.

ACCIONA Energía conducts audits to verify supplier ESG assessment results and requires Improvement Plans to remedy serious non-conformities. This assists ACCIONA in assessing its exposure to human rights risks from suppliers beyond its tier 1 suppliers.

Of the 132 audits carried out globally in 2022, 92 were conducted on direct suppliers that may pose a risk to the business due to their strategic status or because they are a strategic supplier in a high risk country (China, India, Hong Kong and Vietnam). Three of the strategic suppliers audited in 2022 supply the Australian business, and we have six audits from previous years that are still valid.

In addition to these tier 1 supplier audits, 40 audits were conducted of tier 2 suppliers in 2022, to safeguard the supply chain and mitigate risk. These suppliers were targeted through five strategic tier 1 suppliers, and included suppliers in Spain, China, Italy and South Korea.

None of the serious non-conformities identified in audits of suppliers in high risk countries were related to Human Rights issues.

Ethical Principles

Continued to implement ACCIONA Energía's Ethical Principles which is applicable to all suppliers, contractors and collaborators. The Principles include:

1. Respect for human rights as defined in the internationally recognised standards;
 2. Prohibition of Forced Labour (specifically, including the prohibition of modern slavery);
 3. Prohibition of Child Labour;
 4. Respect for freedom of association, unionisation and collective bargaining;
 5. Fair labour practices;
 6. Adequate labour conditions;
 7. Compliance with working hours; and
 8. Respect for the conditions of migrant workers.
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8. FUTURE ACTIONS – 2023 AND BEYOND

ACCIONA Energía will continue to monitor and maintain supplier assessments. We will prioritise any risk mitigation actions identified through the risk identification program. We will continue our supplier engagement and will take initiative in the following focus areas:

Data analysis

As highlighted in this statement, ACCIONA Energía is currently working with GoSupply to better understand and analyse all aspects of its supply chain.

In parallel with the analysis of the supply chains, ACCIONA Energía is further interested in understanding and analysing the inter-relationship that may exist between suppliers. Once this data is collected and analysed, ACCIONA Energía will be able to generate and strengthen internal policies to identify risks and take action where necessary.

Simultaneously, ACCIONA Energía is also looking at further contractual clauses which could be deployed with suppliers and third parties to better secure ethical operations.

High risk suppliers

With ACCIONA Energía having plans to increase its solar energy involvement in Australia, modern slavery risks associated with solar panel supply chains are anticipated to be a key focus as progress is made towards the planning and

delivering of future solar farm projects. ACCIONA Energía is committed especially to assessing and responding to modern slavery risks associated with supply chains for solar panels.

As a multinational company, ACCIONA Energía is committed to streamlining its approach to supplier analysis to reduce the risk of instances of modern slavery. Modern slavery is fundamentally about protecting individual's basic human rights, a fundamental right which ACCIONA Energía is committed to upholding.

In parallel with actions in Australia to meet Modern Slavery requirements, ACCIONA Energía is preparing for the requirements that the new European Corporate Sustainability Due Diligence Directive (CSDDD) might require once approved by the European Commission. If adopted, the CSDDD would introduce requirements for companies to identify and prevent, bring to an end, or mitigate the actual and potential impacts of their activities on the environment and on human rights abuses. It would oblige companies to conduct due diligence not just on their own operations, but also on the activities of their subsidiaries and other entities in their value chains with which they have direct and indirect established business relationships.



