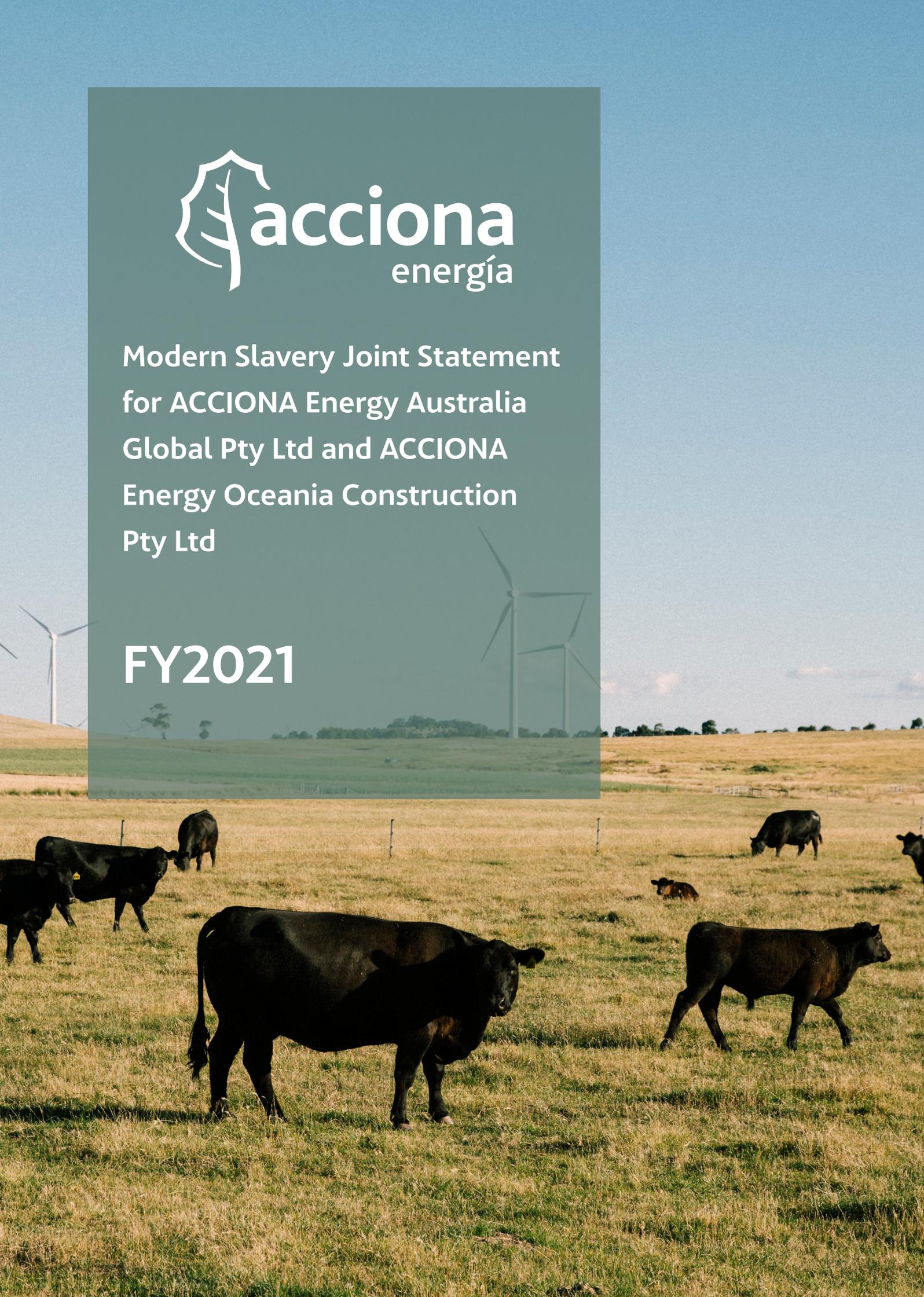




**Modern Slavery Joint Statement  
for ACCIONA Energy Australia  
Global Pty Ltd and ACCIONA  
Energy Oceania Construction  
Pty Ltd**

**FY2021**



# About This Statement

ACCIONA S.A and its subsidiaries are an international group that lead the way in innovative and world-class solutions in infrastructure. ACCIONA S.A and its business subsidiaries span the entire value chain, from design and construction through to operation and maintenance.

The ACCIONA S.A group and its subsidiaries are focused on providing access to vital infrastructure and developing advancements in renewable energy technology. The group's activity commenced in Australia in 2002 and continues to expand and deliver successful projects to the Australian market.

Since ACCIONA's last report in 2021, ACCIONA S.A has issued shareholdings in its subsidiary Corporación Acciona Energías Renovables, S.A.U. (**ACCIONA Energía**).

With a focus on a sustainable future, in all pillars of society, ACCIONA Energy Australia Global (**AEAG**) Pty Ltd (ACN 600 910 647) and ACCIONA Energy Oceania Construction (**AEOC**) Pty Ltd (ACN 164 011 723) (wholly owned subsidiaries of ACCIONA Energía and collectively referred to as **ACCIONA** for the purpose of this Statement) as the relevant reporting entities for Australia, have prepared this Joint Modern Slavery Statement in line with the requirements under the Australian Modern Slavery Act 2018 (Cth) (**Act**). This is AEAG and AEOC's second Joint Modern Slavery Statement under the Act.

This statement uses the term **group** to refer to steps taken by the ACCIONA Global Group, inclusive of the two relevant Australian reporting entities making this statement. Where this statement refers to just the term ACCIONA, this denotes the two reporting

entities AEAG and AEOC, and not to the ACCIONA Group as a whole.

This statement serve as an update to ACCIONA's first statement in 2021 and highlights where the business has improved policy, has continued to work towards more sustainable business operations and how these collectively work towards reducing the risk of modern slavery in ACCIONA's operations and supply chains. This statement declares ACCIONA's commitment to managing the business and being transparent in its objective of reducing the risks of modern slavery within its operations.

ACCIONA is committed to supporting the transition to a greener and more sustainable future that provides for stable and ethical outcomes. As ACCIONA develops and engages in innovative projects in the fight against climate change, ACCIONA acknowledges the link between the global fight against climate change and the fight against instances of modern slavery in all business operations.

This statement reports on the steps taken by the ACCIONA Group to combat the existence and risks of modern slavery within its company and related internal and external channels. This statement forms part of ACCIONA's ongoing reporting obligations and should be read alongside the group's annual integrated Sustainability Report.

This statement references initiatives or events, some of which occurred after 31 December 2021. Where initiatives are forward looking, these incentives and actions are not always of fact and there is no guarantee of their outcome.

*Experts in designing a better planet*

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## About ACCIONA Group

The ACCIONA Group is one of the world's largest operators in 100% clean energy, offering solutions to the climate challenge that humanity faces, with projects and technologies that contribute to the decarbonisation of the economy, regenerating the habitats of the planet and creating more and better future opportunities.<sup>1</sup>

- Pledge is to reduce greenhouse gas emissions by 60% by 2030.
- Global revenue for ACCIONA Energia in 2021 was €2.47 billion with a net income of €363 million<sup>2</sup>
- Consolidated renewable energy production surpassed 20TWh for the first time
- Sustainability Yearbook 2021 - names the ACCIONA Group the leading electricity company in terms of sustainability<sup>3</sup>
- In 2021 ACCIONA engaged 203 Tier 1 Suppliers in Australia

The ACCIONA group are leaders in sustainable infrastructure, investing in, developing and operating infrastructure assets that make the planet more sustainable.

### ACCIONA in Australia

In 2002, ACCIONA came to Australia committed to designing a new future of pioneering renewable energies.

The inaugural project in Australia was Cathedral Rocks Wind Farm, which began construction in July 2004. Located near the southern tip of the Eyre Peninsula in South Australia, this project is one of ACCIONA's most picturesque wind farms.

Since then, ACCIONA has built, owns, and operates 5 wind farms and has installed a solar farm for a

third party. As a long-term player, the company has promising growth plans in the country aligned with its commitment to fight global warming and create sustainable value.

In Q2 2022 the company commenced construction on one of its global flagship projects, the MacIntyre Wind Farm Precinct. This project will become one of the largest wind farms in the southern hemisphere. The MacIntyre Wind Farm Precinct will have over a gigawatt of capacity and will produce enough clean energy to power over 700,000 homes.<sup>4</sup>

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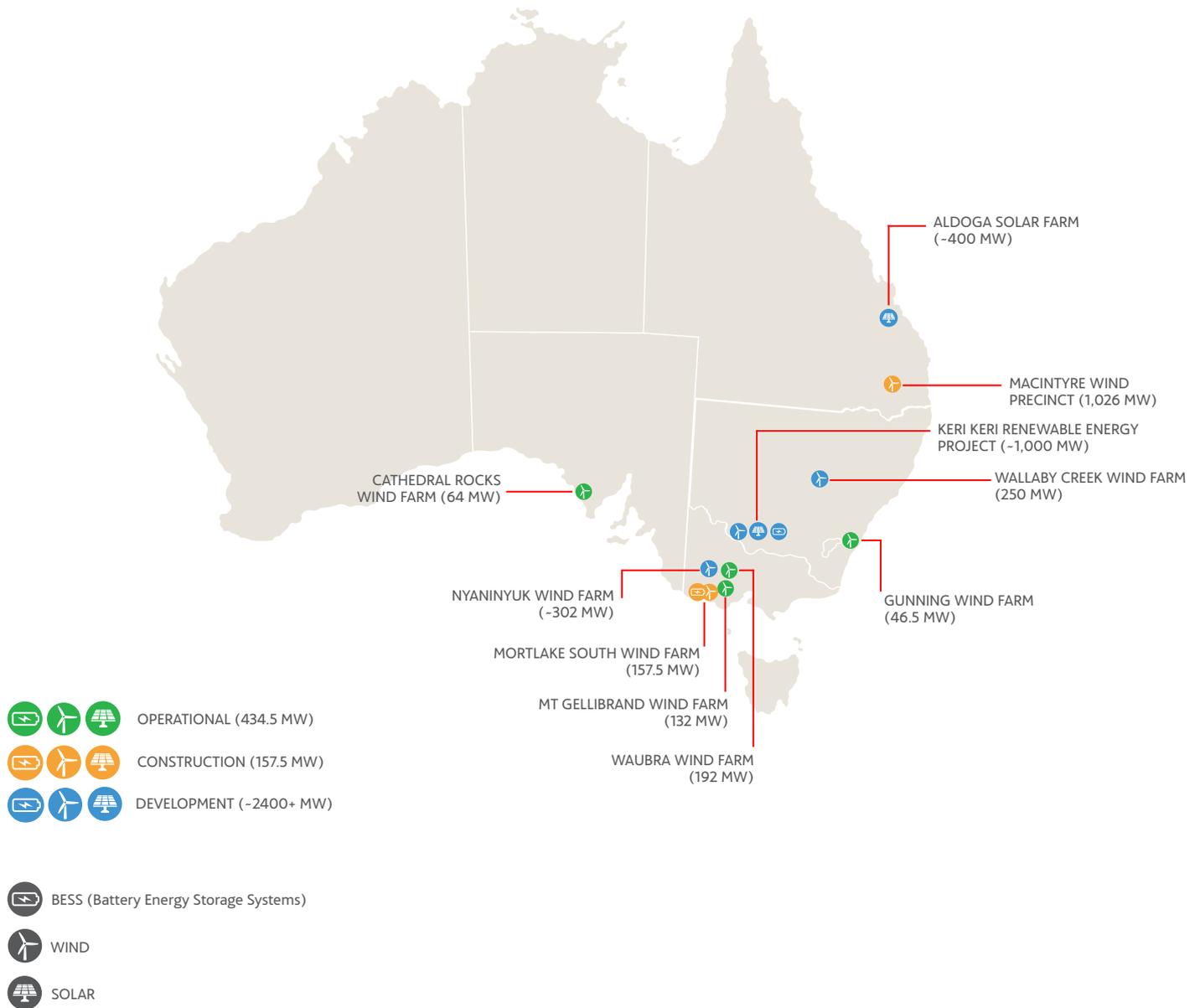
1. Sustainability report 2021 ([ACCIONA ENER SOSTENIB LIBRO ING. pdf](#) (acciona-energia.com)), pg 4.  
2. [https://www.acciona.com/updates/news/acciona-energia-reports-net-income-of-363-million/?\\_adin=02021864894](https://www.acciona.com/updates/news/acciona-energia-reports-net-income-of-363-million/?_adin=02021864894)

3. [https://www.spglobal.com/esg/csa/yearbook/files/spglobal\\_sustainability-yearbook-2021.pdf](https://www.spglobal.com/esg/csa/yearbook/files/spglobal_sustainability-yearbook-2021.pdf), 122.  
4. [https://www.acciona.com.au/macintyre/?\\_adin=02021864894](https://www.acciona.com.au/macintyre/?_adin=02021864894)

ACCIONA Group has a current installed capacity of over 600 megawatts (MW) in Australia. The company expects to double this capacity within the next 3 years.

Globally, ACCIONA Group has over 11 gigawatts in total capacity with the aim of reaching 20 gigawatts by 2025. The company has ambitious targets and a growth driven mindset.

The below map shows the projects which the ACCIONA group are involved in, from development, construction, operations and maintenance:



# Sustainability Master Plan 2025

As a forward-thinker in sustainability planning and reporting, in April 2021 the ACCIONA Group launched a new five-year Sustainability Master Plan 2025 (**SMP2025**). This is the company's third successive blueprint for advancing its Environmental, Social and Governance (**ESG**) goals:<sup>5</sup>

**Planet:** The new plan seeks a net positive impact across four areas: climate, biodiversity, circular economy and water.

**People:** The ACCIONA Group will reinforce diversity in the workforce and implement progressive inclusion policies worldwide.

**Governance:** Sustainability is integrated into the group's financial management and reporting functions, a pioneering initiative to lend both equal discipline and rigor.

A key aim of the new SMP2025 is the introduction of advanced “regenerative measures” focused on enhancing ACCIONA Group's sustainability in projects and increase the positive impacts of the company's business activities. The four strategic impulse lines under the SMP2025 are:

**People Centric** – for quality of life and a socially inclusive future

**Planet Positive** – beyond net zero for a positive impact on natural capital

**Exponential Leadership** – characterised by authenticity and transparency

**Integrate to Transform** – connecting to affect a sustainable difference in every project

Under the People Centric impulse line, the Workplace transformation lever sets a goal to ensure a healthy collaborative workplace that reflects ACCIONA Group's values.<sup>6</sup> These values include respect for human rights obligations, both in ACCIONA Group's internal mechanisms and international instruments which are endorsed.<sup>7</sup>

ACCIONA group's leadership model encompasses accountability and the growth of the workers within the ACCIONA Global Group. ACCIONA Group's commitment to accountability shows that the people are fundamental to operations and the ACCIONA Group instils in them the value to work collaboratively and in-line with the ACCIONA Group's global values which fundamentally encompass integrity and sustainability.

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5. [https://www.accionacom/updates/news/accionacom-places-sustainable-regeneration-core-activities/?\\_adin=02021864894](https://www.accionacom/updates/news/accionacom-places-sustainable-regeneration-core-activities/?_adin=02021864894)

6. [SMP 2025 Executive Summary](#), page 4.

7. [https://mediacdn.accionacom/media/yrrgwqch/human-rights-policy.pdf#\\_ga=2.30075639.976742857.1653518306-1953940375.1613606438](https://mediacdn.accionacom/media/yrrgwqch/human-rights-policy.pdf#_ga=2.30075639.976742857.1653518306-1953940375.1613606438)





### Structure, operations and supply chain

The actions and targets contained in these plans are promoted, approved and supervised by the Board of Directors' Audit and Sustainability Committee.

The duties of the Board of Directors' Audit and Sustainability Committee include:

- To supervise the internal audit services
- To have knowledge of the process of financial reporting and the internal control systems to ensure compliance with legal requirements
- To liaise with the external auditors to receive information regarding issues which might jeopardize the independence of the audit process
- To inform and advise the Board of Directors regarding compliance with corporate governance regulations and the codes of conduct applicable to the Company and its group.
- In 2021, the first year of the SMP2025, about 30% of the Levers were totally achieved. Additionally, 55% of them were partially activated and the remaining 15% are expected to be achieved in 2022.<sup>8</sup>

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8. [Sustainability Report 2021](#), pg 15.

# Modern Slavery Risks in ACCIONA's Supply Chain

In ACCIONA's first Modern Slavery Statement for FY2020 it focused on reviewing the mechanisms ACCIONA had already implemented to reduce exposure to breaches of human rights and modern slavery. A major movement for ACCIONA in FY2021 was to provide greater clarity and transparency on supply chains.

The 2020 Statement stated that ACCIONA's intended future actions included the design and implementation of a digital tool to measure socio-economic and environmental impacts in the company's business. This also encompassed a goal to continue analysing its supply chains.

In 2021, ACCIONA engaged FRDM to analyse its supply chain using a tool to break down the risk from each supplier into country, industry and product risk. The initial results generated identified:

- 191 Suppliers (or 94.1 %) as low risk
- 9 Suppliers (or 4.4 %) as moderate risk
- 3 Suppliers (or 1.4 %) as high risk

## High Risk

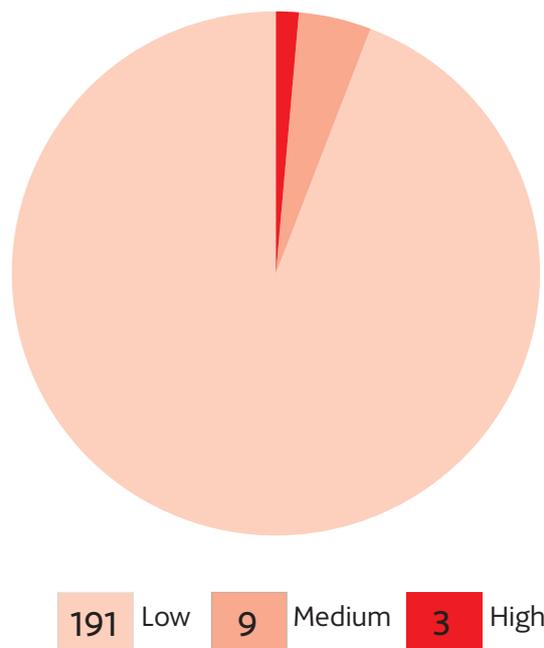
The ethical sourcing analysis identified three of ACCIONA's Suppliers as high-risk.

Two of the Suppliers which were identified as high risk are part of the electronics industry.

The electronics industry is often identified as high risk within supply chains due to the resources required to produce the required products.<sup>9</sup> Specifically, the location and condition of the extraction of these resources and the difficulty in comprehensively mapping the full supply chain of these materials often causes exposure to modern slavery risks in companies' supply chains. This is particularly apparent when companies attempt to map out their supply chains beyond Tier 1 and 2.

Uncertainty and lack of visibility in supply chains can cause an increase in unknown risks, including modern slavery. Data mapping using digital tools assists in reducing the risk of exposure in supply chains and effectively managing risks as they occur.

ESG and modern slavery risks can occur in a range of circumstances and become more prominent in circumstances of natural disasters, transport interruptions, change in market trends and force majeure events.



9. [Global Slavery Index 2018](#): page 121

## Supplier engagement

ACCIONA receives alerts through the on-line tool which are activated by key indicators such as country and industry to monitor ongoing risks in its supply chain.

Upon receiving the alerts, the dashboard allows ACCIONA to directly interact with the related Supplier and resolve the alert as not applicable or contact the Supplier to track the status of the issue.

## Future engagement

In parallel, ACCIONA Group is also in the process of rolling out a supplier engagement tool for identifying and driving continuous improvement of the supply chain in relation to ESG issues. This tool collates information directly from suppliers regarding their ESG performance. Around 100 ACCIONA suppliers in Australia have been engaged to date.

Throughout 2022, ACCIONA will assess the results and usability of the two systems in order to finalise the supplier engagement and assessment process.

# ACCIONA Human Rights Framework

The below table provides details of the ACCIONA Group's initiatives, both new and continued, during FY 2021 which ensures the business operations are functioning to the highest standard. These initiatives help shape how the ACCIONA Group assesses the effectiveness and efforts to combat modern slavery and other ESG goals that the ACCIONA Group have set.

2021 Updates and Initiatives
<p>Human Rights Policy <b>updated</b></p> <ul style="list-style-type: none"><li>• A key milestone achieved in 2021 was the update of ACCIONA Group's Human Rights Policy.</li><li>• The update included a transformation to strategy on Social Safeguard Due Diligence.</li><li>• ACCIONA Group's rejuvenated human rights strategy consists of 8 key pillars:<ol style="list-style-type: none"><li>1. Identification and assessment of real and potential impacts;</li><li>2. Integration of the results of the impact assessment in internal processes;</li><li>3. Mechanisms for reporting and claims;</li><li>4. Remediation;</li><li>5. Report;</li><li>6. Follow-up of the efficacy of measures and continuous improvements;</li><li>7. Promotion and training; and</li><li>8. Supervision and collaboration with the authorities.</li></ol></li></ul>
<p>Developed <b>Internal Control System</b> for preventing and mitigating identified risks by the various measures of the ACCIONA Group.</p>
<p>The Chapter on Human and Social Rights of the Ethical Principles in ACCIONA Group's Sustainability Report was <b>updated</b> for Suppliers, Contractors and Collaborators to align them with the commitments undertaken by ACCIONA Group in its Policy on Human Rights.</p>
<p>ACCIONA Energía carried out a GAP analysis with an expert consultancy firm to identify the most suitable roadmap for managing human rights.</p>

## 2021 Continued Initiatives

**Continued** human rights performance analysis on ACCIONA Group's projects, which is based on the tool developed by the Danish Institute of Human Rights, which was highlighted in ACCIONA's 2020 Statement.

Amongst the high-risk countries where the ACCIONA Group carries out activities, India and Egypt were identified. This statement notes that AEAG and AEOC do not have tier one suppliers based in these countries.

**Continued** commitment to the Women's Empowerment Principles of the UN Global Compact.

**Continued operating** the ACCIONA Group's Ethical Channel, which allows any of ACCIONA Group's stakeholders (including employees, suppliers, customers and collaborators) to communicate any doubts, queries or claims they have related to the Code of Conduct or any other issue regarding human rights. Each business line within the ACCIONA Group has its own channel, to distinguish claims or complaints from one division to another.

**Continued** using the Social Impact Management (SIM) methodology, which assesses human rights risks related to communities in areas where ACCIONA Group projects take place.<sup>10</sup>

In 2021 a risk of possible violation of human rights was found in 2 ACCIONA Energia projects outside Australia where the SIM methodology was implemented. In both cases, measures were taken to prevent such infringements from occurring.

ACCIONA group **continues** to respect human rights through supporting a number of international instruments<sup>11</sup>

Globally in 2021, 19 suppliers were considered as a 'No Go' in accordance with the ACCIONA Group's **No Go Policy**<sup>12</sup>. Seven suppliers are no longer considered 'No Go' following the performance of an audit, the implementation of action plans, demonstrated improvement or Reinforced Due Diligence.

In 2021, the Refinitiv Diversity & Inclusion Index classified ACCIONA Group in the 36th position of the best companies worldwide in diversity and social inclusion. ACCIONA Group were the only company operating in the construction and engineering sector who were included in this group.

The ACCIONA Global Group's supply chain is still coordinated by Procurement Coordination Committee, made up of the Procurement Directors of the group's Infrastructure, Energy and Corporate divisions.

The group's Corporate Procurement Standard and related procedures are integrated into the Enterprise Resource Planning, the planning and reporting tools and the PROCUR-e system. These are the instruments that collect, support and control the procurement function and its management. PROCUR-e is the primary mechanism for collecting and managing the risk of the supply chain which then generates a Risk Map based on available data.

ACCIONA Group continued its commitment to control and monitor its suppliers through the Supplier Satisfaction Survey, Responsible Supplier Declaration and through the Qualification and Evaluation Assessment.

If a supplier's performance was deemed unsatisfactory they can be labelled as "non valid", however this can be reversed when the issues causing the rating are remedied. This remedy will be verified through an audit (if applicable) or an action plan will be drafted to mitigate and resolve the shortcomings.

10. [Sustainability report 2021](#), pg 42.

11. [Sustainability report 2021](#), pg 38.

12. A supplier is classified No Go because of their ethics and integrity or because their name appears on international sanctions or they are proven non-compliant with the UN Global Compact.

## Human Rights Policy Application

Under the **Human Rights Policy**, ACCIONA Group commits to support, respect, and contribute to the protection of fundamental human rights. ACCIONA Group's Human Rights Policy embeds the values of international human rights standards to ensure there are no forms of abuse or violations of those rights. These pillars focus on the protection of human rights to workers, suppliers, contractors, collaborators, partners, competitors, customers, local communities, and society. ACCIONA Group's various instruments seek to monitor these rights in all activities of operations, particularly in geographical areas where these risks are the highest. The human rights due diligence is detailed in the 'People Centric' section of the Sustainability Report 2021.<sup>13</sup>

A key milestone of 2021 is ACCIONA Group's new Internal Control System for Social Safeguards.<sup>14</sup> The system promotes compliance with current legislation with reference to international rules and principles of human rights. The control measures apply to all levels of the ACCIONA Group. The ACCIONA-RMS Risk Management application is responsible for the supervision of this system.

In 2021 the ACCIONA Group continued its human rights performance analysis in its projects, based on the tool developed by the Danish Institute for Human Rights as reference. The Human Rights risk categories in the countries where the ACCIONA Group has operations were reviewed and analysed, according to the data of the Maplecroft tool.<sup>15</sup>

The categories used for this study were, among others: **modern slavery**, forced labour, discrimination in employment, freedom of opinion and expression, child labour, rights of migrant workers, freedom of association, union freedom and collective bargaining freedom, safety and health at work, fair pay, working hours, right to access basic services, minority rights and indigenous communities.

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13. [Sustainability report 2021](#), pg 22 - 42.

14. [Sustainability report 2021](#), pg 40.

15. [Sustainability report 2021](#), pg 40.





## Industry Evaluation

ACCIONA engaged external legal counsel to undertake a review of comparable entities' Modern Slavery Statements on the Australian register to review and safeguard to ensure ACCIONA is continuing to be an industry leader in modern slavery reporting. ACCIONA's external legal counsel considered how similar entities combatted modern slavery and how ACCIONA have implemented similar methods to remain an industry leader in modern slavery reporting.

In consideration of this review, ACCIONA continues to accurately identify where in ACCIONA's supply chains there is a risk for modern slavery to exist. ACCIONA has implemented the use of software to assess the risk of modern slavery in ACCIONA's supply chain to ensure that it remains a leader of risk assessment and management. In collaboration with ACCIONA's robust internal procedures, the

uptake of emerging technological based due diligence processes has expanded ACCIONA's ability to combat the risk of modern slavery in its supply chain. By accurately identifying where risk may exist, ACCIONA can further implement methods to combat actual instances of modern slavery.

The SMP2025, which continues to develop as time goes on, will assist in consolidating ACCIONA Group as a sustainable company and aid ACCIONA's continuous compliance with mandatory modern slavery reporting. Under the SMP2025 'Exceptional Leadership' line, ACCIONA Group are committed to the analysis of the company's adaptation to become a B-Corporation.<sup>16</sup> ACCIONA are confident that the goals for 2022 and beyond will continue to showcase ACCIONA as a leader in modern slavery reporting in the renewable energy industry.

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16. [Sustainability Report 2021](#), pg 15.

# Corporate Governance

## ESG Obligations

As a leader in the industry ACCIONA Group is focused on complying and upholding the highest ESG standard.

Both mandatory human rights reporting, such as those provided for under the Modern Slavery Act, and environmental reporting are increasingly becoming part of companies' annual reporting schemes. The new European Commission's proposed Directive on Corporate Sustainability Due Diligence, which was adopted on 23 February 2022, should "make multi-national corporations consider being proactive with their due diligence on supply chains, particularly in the key areas of environmental impacts and human rights"<sup>17</sup>. The new proposed Directive places focus on corporations' response to ESG obligations and reflects the global attitude for companies to be more accountable for their actions. Additionally, it provides a set of due diligence obligations within a company's value chain and embeds these obligations within a company's business structure.

This Directive highlights the opportunity for multi-national companies globally, to address their individual impacts on climate change and human rights and aims for a larger scale improvement than voluntary action is likely to achieve. The push for companies to meet these higher expectations will increasingly have a significant impact on the reputations of companies who do not uphold sufficient standards.

## Climate Change

At the core of the ACCIONA Group's business they are focused on sustainable solutions to combat climate change. ACCIONA Group believe the eradication of modern slavery is part of that solution. The acknowledgment of the impact climate change has on other fundamental pillars of society is gaining traction. In ACCIONA Group's commitment to remove instances of modern slavery in its supply chain it believes that it is also contributing to sustainable energy solutions.

As quoted by **Office of the High Commissioner for Human Rights** to the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change:

*"States have an obligation to respect, protect, fulfil and promote all human rights for all persons without discrimination. Failure to take affirmative measures to prevent human rights harms caused by climate change, including foreseeable long-term harms, breaches this obligation."*<sup>18</sup>

ACCIONA Group is focused on enlivening a holistic approach to both its sustainability and human rights outlook, which includes modern slavery.

ACCIONA Group will continue to improve its human rights impact assessment, both internally and externally, which will guide its approach to internal operations to combat climate change.

*"While climate change is a global phenomenon, its negative impacts are more severely felt by poor people and poor countries. They are more vulnerable because of their high dependence on natural resources, and their limited capacity to cope with climate variability and extremes."*<sup>19</sup>

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17. <https://www.lexology.com/library/detail.aspx?g=64b4e378-7895-4f66-9b1d-882f916d858c>

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

19. <https://www.oecd.org/env/cc/2502872.pdf>



## ACCIONA.ORG Foundation

The ACCIONA.org Foundation works to improve the living conditions of communities without access to energy, water or civilised infrastructure<sup>20</sup>. Providing people with access to energy, water and sanitation (who would not ordinarily have these services through traditional means) increases ACCIONA Group's impact on improving people's lives.

The Foundation's key areas of activity, in consideration of the United Nations 17 Sustainable Development Goals include:

- **Energy** - UN Sustainability Goal number 7, which is to ensure access to affordable, reliable, sustainable and modern energy for all; and
- **Water and Sanitation** - UN Sustainability Goal number 6, which is to ensure availability and sustainable management of water and sanitation for all.

ACCIONA believes that by combating the challenges posed by climate change, it will succeed in combating and reducing the risks of modern slavery. When communities in vulnerable socio-economic areas have access to fundamental services, ACCIONA reduces their exposure and the risk of being displaced.

Under the pillar **integrate to transform** of the SMP2025, in 2021 ACCIONA Group developed social management projects across 36 facilities in 10 countries, implementing a total of 168 social initiatives.

## Impact of the ongoing global pandemic

The global pandemic has caused increased risk and exposure to vulnerable people in all supply chains. This is a result of continuous supply chain disruptions and changing restrictions across all jurisdictions.

The Reserve Bank of Australia provided an analysis on the impact of supply chains during the COVID-19 pandemic which described how the shift in patterns of demand as a result of the pandemic strained global supply chains and the sequence of processes involved in the production and transportation of goods.

The post-pandemic scenario presents a highly challenging context for the coming years in which ACCIONA Group will continue to monitor and implement protective measures in its operations to account for an increase in complex global environments<sup>21</sup>.

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20. [https://www.accionacom/our-purpose/accionafoundation/?\\_adin=02021864894](https://www.accionacom/our-purpose/accionafoundation/?_adin=02021864894)

21. [Sustainability Report 2021](#), pg 24

## Future actions

As this statement marks the first external party analysis and data mapping of ACCIONA's supply chain risks within the Tier 1 suppliers, ACCIONA will continue to work with its Suppliers and provide ongoing support. ACCIONA will seek to develop more knowledge of each service and material that is engaged throughout its processes.

ACCIONA is focused on an outlook which sets high benchmark indicators which suppliers are required to reach. ACCIONA acknowledges that as an international company it has an elevated risk for modern slavery within its supply chains due to the multitude of project locations. ACCIONA will continue to assess, analyse and adapt to best practice as and when supply chain risks emerge.

*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 of behalf of AEAG and AEOC.*



Brett Wickham

Director, ACCIONA Energy Australia Global Pty Ltd

Director, ACCIONA Energy Oceania Construction Pty Ltd