

ACCIONA'S PRESENCE IN SUSTAINABILITY INDEXES, INTERNATIONAL ORGANIZATIONS AND RANKINGS

JULY 2019



PRESENCE IN SUSTAINABILITY INDEXES



ACCIONA revalidates its membership in the <u>FTSE4Good</u> sustainable index series, present since 2011. Created in 2001, the companies included in this index are selected through the analysis of the environmental, social and governance practices of thousands of companies around the world.

The indexes to which ACCIONA belongs of the FTSE4Good Index series are FTSE4GOOD EUROPE INDEX and FTSE4GOOD DEVELOPED INDEX.



ACCIONA received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

As well, ACCIONA is a constituent of the MSCI ACWI IMI Low Carbon Leaders Index, which includes companies with low carbon exposure in terms of their greenhouse gas emissions and their potential carbon emissions from fossil fuel reserves.



ACCIONA S.A. has been reconfirmed as a constituent of the <u>Ethibel Sustainability Index (ESI)</u> Excellence Europe with effect from 22/03/2019





ACCIONA again obtained the highest score, as in previous years, and is the only Spanish company to be included in the <u>"Water A List"</u>, which is contained by only 27 companies worldwide, of over 2,000 that were analysed. CDP rated factors such as how the company manages water risks and opportunities, the commitments made in its water policy, and its water strategy, as expressed in its Sustainability Master Plan. As for climate management, ACCIONA reached for the eighth consecutive year the *Leadership*band for its performance against climate change; which contains only 358 companies from around the world, out of nearly 7,000 that were assessed.

ACCIONA has been has been awarded a position on the rating <u>'Supplier Engagement</u> <u>Leader'</u> by CDP as a global leader for its actions and strategies to manage carbon and climate change across its supply chain.

SMP 2020







ACCIONA has been an active member of the <u>United Nations Global Compact</u>, an organization with more than 7,000 member companies, since 2005. Companies that join this initiative make the commitment of respecting, and promoting a set of values – the ten principles of the global compact – on the topics of human and labour rights, environment and anti-corruption and to favor, in this way, the achievement of the Sustainable Development Goals (SDG).

Since 2018, ACCIONA participates in the platform <u>Pathways to Low-Carbon & Resilient</u> <u>Development</u>. This platform aims to mobilize the private sector to become a catalyst for enhancing country-level action to meet the ambitions of the Paris Agreement and the Sustainable Development Goals (SDGs). ACCIONA has participated in the <u>"Ambition Loop"</u> report developed by Global Compact, We Mean Business and the World Resources Institute was published with the contribution of ACCIONA, analyzing how companies and governments can jointly advance in achieving a low carbon economy.



<u>Caring for Climate Initiative</u>, was created to enhance the role of the business sector in the global strategy against climate change and to educate governments and public institutions to mitigate it.

In 2015, ACCIONA signed the document <u>Responsible Corporate Engagement in Climate Policy</u>, led by Caring for Climate in partnership with WRI, CDP, WWF, Ceres and The Climate Group, with the aim of making a call to all companies to assume a leadership role and commit to participate responsibly in climate policy.



Science Based Targets (SBT) is a partnership headed by CDP, the UN Global Compact, World Resources Institute (WRI), WWF and We Mean Business with the goal of helping companies to establish ambitious climate goals based on science in order to reduce greenhouse gas emissions and limit global warming to below 2 °C, by seizing opportunities during the transition to a low-carbon economy.

In July 2018, <u>ACCIONA has established science-based emission reduction targets</u>, specifically a 16 % reduction in greenhouse gases (GHG) emissions by 2030 from a 2017 baseline; these targets have been validated by the Science Based Targets (SBT) initiative. These ACCIONA's emission reduction targets validated by SBT are added to the company's other efforts in the leadership against climate change.



This initiative was sponsored by the Secretary General of the United Nations. ACCIONA's chairman is the only Spanish representative on the Advisory Board of this initiative. This initiative seeks to unite the efforts of governments, the private sector and civic society to achieve three objectives by 2030: universal access to modern energy services; 40% improvement in energy efficiency; and production of 30% of the world's energy using renewable resources.





ACCIONA joined <u>Corporate Leaders Group</u> (CLG) in 2009. The common denominator of this group of European business leaders is its conviction that there is an urgent need to develop new policies that take a long-term approach to combatting climate change. Its goal is to work with European Commission leaders to take the most effective measures against climate changes and to create a low-carbon economy.

ACCIONA has signed several statements driven by this organizations, such as:

<u>Fossil Fuel Subsidy Reform Communiqué (FFSR)</u>: ACCIONA adhered to this statement in December 2015, during the COP21 in Paris. This communiqué in favor of reforming fossil fuel subsidies calls on the international community to increase efforts to phase out fossil fuel subsidies.

<u>Coalition for Higher Ambition</u>: In March 2016, ACCIONA signed the statement sent by the, made up of members of the Corporate Leaders Group, representatives of local administrations and civil society, asking the European leaders to fulfill the commitments made in The COP21.

In 2017, ACCIONA has participated in several documents launched by the organization: document on renewable energies <u>21st century energy</u>: <u>Business reflections on renewables in Europe</u>, document on circular economy <u>"European Industry in the 21st century: new models for resource productivity</u> and document about the future of road transport "The Future of Road Transport"., presented during the CO23 in Bonn.

In 2018, ACCIONA has supported the following communiques or initiatives:

- Letter addressed to European Heads of State and Government "Letter from the CLG to the European Council_" in which it is requested that the next EU budget after 2020 be aligned with the climate objectives of Europe expressed in the Paris Agreement.
- ACCIONA supports <u>a letter</u> urging the UK and EU27 Ministers to commit to continue working together to fulfill the commitments established in the Paris Agreement in any future post-Brexit relationship.
- Report <u>"Renovation roadmap: Making Europe's homes fit for the 21st Century</u>": highlighting the importance and necessity of the renovation of European buildings to comply with the Paris Agreement.
- Briefing <u>"Materials "passporting": Rethinking building construction and renovation for a circular</u> <u>economy</u>", whose objective is to show how construction materials can be more sustainable through better monitoring and management.
- Participation in <u>the publication "Talanoa Dialogue"</u>, answering the questions such as, "where we are", "where do we want to go" and "how do we get" to highlight the need for climate urgency and ambition.
- Support the statement <u>"Position statement: Aiming for Zero: Long-term Certainty for Economic Prosperity"</u> to urge governments to develop ambitious climate strategies to accelerate the decarbonization of the economy before 2050.
- Support the <u>"Business briefing: The growing business movement for Net-Zero carbon emissions</u>" whose objective is to encourage companies to join the debate on zero net carbon emissions, clarifying what the term means and what companies can do to achieve it.
- ACCIONA participates in the <u>STEP UP NOW EU</u>, initiative of CLG, the European Climate Foundation (ECF) and the think tank, E3G, with the aim of achieving zero net emissions of greenhouse gases in Europe by 2050. ACCIONA participates in the project showing several success stories and activities in favor of the decarbonization of the economy. This initiative has been launched during the celebration of COP24.

During 2019, ACCIONA has supported the following:

 <u>Letter addressed</u> to UE members, signed by over 50 European business leaders, including ACCIONA's Chairman, urging the UE to lead on net zero by 2050





The global objective of <u>World Business Council for Sustainable Development</u> is to promote sustainable practices in the business world and to advocate for better conditions that will enable businesses to do so. ACCIONA was the first Spanish member company of the Ibex 35 to be part of this worldwide network. Since then, it has become an active member, participating in dissemination, training and research activities in diverse fields.

Throughout 2015, ACCIONA has been leading – together with other utility businesses – the initiative Scaling up Renewables in the Electricity Mix (part of the Low Carbon Technology Partnerships initiative (LCTPi)) that has the objective of boosting the use of renewable energy. LCTPi is composed by more than 140 businesses and 50 partners and seeks to accelerate development and the transition to a low carbon economy.

In 2017, ACCIONA participated in the document published by LCTPi "<u>Microgrids for commercial and</u> <u>industrial companies</u>". In addition, ACCIONA has collaborated in the <u>LCTPi progress report 2017</u>, which shows the progress made in the year in terms of climate action.

During the celebration of the "One Planet Summit" in Paris in December 2017, business leaders, among which is José Manuel Entrecanales, Chairman of ACCIONA, also urge other companies to support the recommendations of the <u>Task Force on Climate-related Financial Disclosures (TCFD)</u>, set out in a guide developed by members of the World Business Council for Sustainable Development (WBCSD). In the <u>'CEO</u> <u>Guide to Climate-related Financial Disclosure</u>', CEOs promote effective management and transparent disclosure of the risks, opportunities and financial impacts arising from climate change.

In 2018, ACCIONA has participated in the Initiative Low Carbon Technolgy Partnerships initiative (LCTPI) in the 'focus area' <u>REscale</u>, which seeks to promote the development of corporate long-term renewable energy purchasing agreements (PPAs), which is aligned with the business interests of Acciona Energía and its commitment to sustainability.

Green Growth Platform

Linked to the CLG, the <u>Green Growth Platform</u> focuses on influencing the EU's climate and energy policy for 2030 through tools and meetings between CLG business leaders and senior EU officials.



With the support of The Prince of Wales's Corporate Leaders Group (CLG), ACCIONA has participated in the creation of the <u>Spanish Green Growth Group</u>. This group was presented in May 2015, with the desire to collaborate with companies and administrations in the creation of a roadmap (Barcelona Declaration) towards a low-carbon economy. The objective of the Group is to lead the medium and long-term initiatives and demonstrate a commitment to incorporating climate policies in company strategies. In short, it shows what a model for green growth should be in Spain.



ACCIONA participates in <u>The Carbon Pricing Leadership Coalition (CPLC)</u> that brings together leaders from government, business and civil society to foster political support for designing and implementing carbon pricing policies and helping to pave the way for carbon pricing. In 2017, the company has participated in the elaboration of the Carbon Pricing Leadership Report..

In 2018, ACCIONA contributes with its experience in the implementation of carbon prices in the first report of a series of them of the Construction Value Chain (CVC) working group: <u>How Companies Are</u> <u>Using Carbon Pricing to Address Climate Risk and Find New Opportunities</u>





<u>CDP</u> is one of the global systems for disclosure of corporate environmental performance which accredits excellence on the part of suppliers of products and services based on low-carbon business models.

ACCIONA joined the <u>Paris Pledge for Action</u>, promoted by businesses, investors, cities and regions around the world so the Paris Agreement, reached during the COP21 to fight climate change, and limit global warming to a maximum of 2°C is implemented in a rapid and effective way.

Since 2015, ACCIONA has been present at various events at the Davos Forum, where business leaders, politicians, journalists and intellectuals have met since 1991 to analyze the problems the world faces, including those that affect the environment.

ACCIONA's Chairman & CEO, José Manuel Entrecanales, in the framework of the <u>World</u> <u>Economic Forum held in Davos in January 2015</u>, participated in the launch of a new working group <u>Alliance of CEO Climate Leaders</u>, composed by a group of CEOs of leading companies In the world, with the aim of boosting the contribution of the private sector in the fight against climate change.

In 2018, ACCIONA's Chairman & CEO participated in the launch of the report <u>"Two</u> <u>Degrees of Transformation</u> in which ACCIONA is an outstanding example of the private sector's role in the transition to a low carbon economy, due to its story of transformation as a company and to its business model. The company is a leader in combating climate change from the business side due to its prominent position in sustainable infrastructure and clean energy.

Likewise, the President of ACCIONA, José Manuel Entrecanales, along with 50 other business leaders, members of the Alliance of CEO Climate Leaders, <u>support a letter to</u> <u>urge world leaders to increase climate ambition in order to the COP24.</u>

WE MEAN BUSINESS

<u>This coalition</u> was created in September 2014 by CLG, the B-Team, Business for Social Responsibility, CDP, Ceres, The Climate Group and WBCSD with the goal of accelerating development of a low-carbon economy.

ACCIONA participates in **Carbon Pricing Corridors initiative** launched by CDP and We Mean Business in 2017 during the celebration of the World Economic Forum in Davos, with the aim of defining the range of carbon-related price signals needed through 2020, 2025, and 2030 to meet the Paris Agreement. Investors, companies and policymakers can use the price ranges to help calculate the risks and opportunities posed by climate risk to investment decisions.



ACCIONA supports the international recommendations for the inclusion of climate risks in the financial reporting. The Task Force on Climate Related Financial Disclosure (TCFD) arises from an international collaborative effort to create a set of voluntary recommendations to help companies report more efficiently, comparable, clear and consistent financial information related to risks arising from climate change and the necessary Transition to a low carbon economy. This group, made up of 32 members elected by the Financial Stability Board, encourages companies to include in their financial reports information related to climate risks, focusing on providing support and improving the quality of the current report on risk and opportunity information In financial terms.







The "2050 Pathways to Prosperity and Safe Climate" Initiative, was launched at COP22 in Marrakech to support countries, organizations and companies to develop strategies and long-term ways to combat climate change.

ACCIONA has adhered to this initiative during the celebration of the COP23 in Bonn.



ACCIONA is a signatory of the <u>"International Business Declaration"</u>, with another 54 companies, and promoted by a number of international organisations such as We Mean Business, Corporate Leaders Group and CDP, to urge governments to implement the Paris Agreement. The Declaration was presented the day before the celebration of the <u>'One Planet</u> <u>Summit'</u> in Paris, which coincides with the second anniversary of the Paris Agreement.



ACCIONA is part of the <u>Spanish Platform for Climate Action</u>, a public-private partnership to promote compliance with the Paris Agreement through action #PorElClima.



During COP24, ACCIONA supported the <u>Katowice Declaration on promoting Carbon Sound</u> <u>Accounting: Avoiding Double Counting in Carbon Markets</u> of the International Emissions Trading Association (IETA), in order to demonstrate that the private sector and civil society are in favor of mitigating climate change through robust and transparent carbon markets following the road map of the Paris Agreement.



During the celebration of the COP24, ACCIONA has supported a <u>"call to action" on the Talanoa</u> <u>Dialogue</u> (a process in which during the last 12 months have worked mainly to try to increase the ambition to combat climate change).



PRESENCE IN SUSTAINABILITY RANKINGS

2019 Global 100 Most Sustainable Corporations Corporate Knights

ACCIONA named as one of the world's 100 most sustainable corporations at Davos Forum. The 2019 Global 100 Most Sustainable Corporations index rated close to 7,500 companies using 21 sustainability parameters. ACCIONA, ranked 68th, stands out for directly linking its business model to the green economy as defined by the UN.



ACCIONA remains in the lead worldwide in terms of sustainable reporting according to the EcoAct (formerly known as Carbon Clear) report entitled "Sustainability Reporting Performance of the IBEX 35", which compares companies in the Spanish index with those in the Dow 30 and FTSE 100. The Spanish infrastructure and renewable energy company ranks #6 worldwide, and #1 in the industries in which it operates. It ranks #2 in the Ibex-35.



ACCIONA ranks as one of the world's top 10 corporations for diversity and social inclusion in the workplace, according to Thomson Reuters' 2018 Diversity and Inclusion Index. It was the only Spanish company and the only renewable energy or infrastructure group to make it to the top 10.



ACCIONA has been rated as a "Prime" company by ISS-oekom. The Prime Status is awarded to those companies which according to the ISS-oekom Corporate Rating are among the leaders in environmental and social performance in their industry and which meet industry-specific minimum requirements.



In 2018, for the third year running, ACCIONA has once again won the title of "greenest" electric utility in the world, according to the "New Energy Top 100 Green Utilities" ranking published every year by Energy Intelligence, a specialist independent consultant in energy markets.



The 2018 EU Industrial R & D Investment Scoreboard places ACCIONA as the 6th Spanish company and the 150th in Europe that makes the most effort by R & D & I investment efforts.



SUSTAINABILITY AWARDS



Startup

Europe

Partnership

CDP Europe Award 2018

ACCIONA has been awarded at the <u>"CDP Europe Awards"</u> for its sustainable water management and attaining the highest level in the CDP Water Security 2018 Index.

Startup Europe Partnership

Startup Europe Partnership (SEP), the European innovation platform under the auspices of the European Commission, has granted ACCIONA an "Open Innovation Innovative Approach Award"; the award, based on votes by European startups, acknowledges the company's efforts to develop innovation in partnership with startups under its I'mnovation programme.

Expansión Compliance Awards



ACCIONA received the award for <u>Innovation in Compliance at the 2018 Expansión Compliance</u> <u>Awards</u> for developing the first blockchain-based platform for enhancing the internal procedure for identification and validation of commercial consultants, providing traceability and security.



2018 SEAL Sustainability Awards

ACCIONA has been recognized by the <u>SEAL Sustainability Awards</u> as one of the most sustainable companies in the world for its leadership and commitment in this field.