E4 Biodiversity and ecosystems

A global decline in biodiversity is occurring at an unprecedented rate, threatening essential ecosystem services for society and the economy. Faced with this reality, ACCIONA has taken a proactive stance in seeking to develop the knowledge and technology that will enable it to have a positive impact on all its activities.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Analysing nature-related dependencies and impacts, risks and opportunities (IRO-1)

In 2022, the company launched four pilot projects based on the guidelines of the Task Force on Nature-related Financial Disclosures (TNFD). This initial effort allowed ACCIONA to develop and refine its own internal methodology, marking a significant advance in its environmental commitment during 2023.

As part of its adherence to the TNFD, ACCIONA has adopted the LEAP methodology, which is broken down into four essential steps: Location of environmental dependencies and impacts; Assessment of the arising risks and opportunities; Appraisal (valuation) of the economic impact of these factors; and Publication (disclosure) of all this information. This systematic process underlines the company's holistic approach to identifying and managing its interaction with nature, aligning with international best practices for sustainability.

This approach not only reflects ACCIONA's commitment to preserving biodiversity, but also highlights its leadership in incorporating environmental considerations into its business strategy. This not only mitigates risks, but also identifies valuable opportunities to promote sustainability in its operations and in the global community.

PROGRESS IN THE INTEGRATION OF LEAP METHODOLOGY AT ACCIONA

LOCATE (L)

In this phase, ACCIONA has focused its analysis on its direct operations. This is because the geographical location of the organisation's interface with nature must be fully factored into the assessment, recognising that dependencies and impacts on nature occur in specific ecosystems.

The spatial distribution of ACCIONA's active facilities in 2023 is shown below:

The Locate phase categorises installations as material when they interact or are located in ecologically sensitive areas. The presence of protected areas (PAs), key biodiversity areas (KBAs) or areas above 40 % in water stress (WS) are the factors used to consider an ecologically sensitive area.

The result of this categorisation reveals that around half of the company's projects or services interact with some sensitivity factor and +250 material projects are identified where more than two sensitivity factors interact with the project. In terms of geographical distribution, Spain is the most material country in terms of ecological sensitivity.

EVALUATE (E)

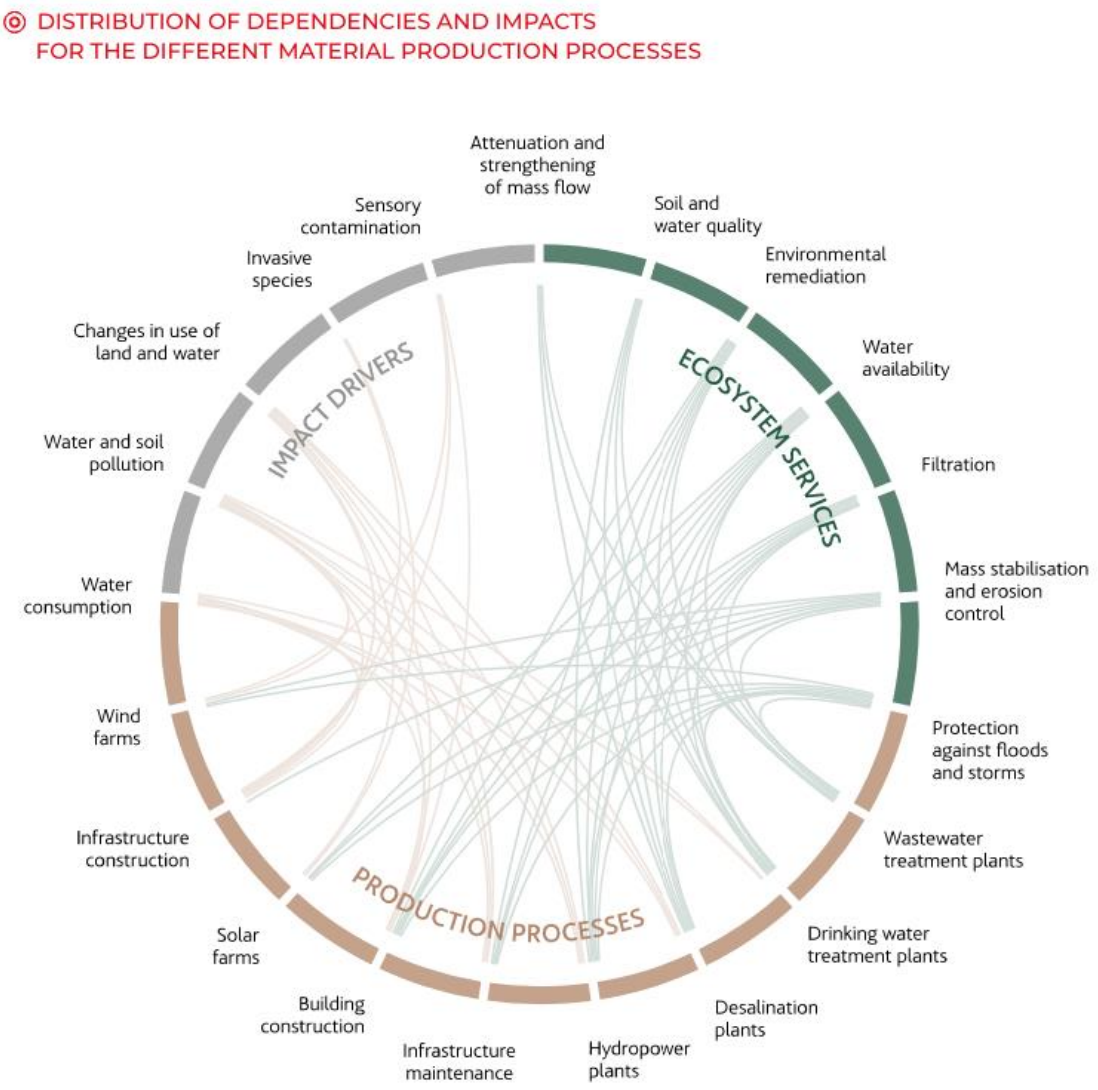
In this second phase, we identified and evaluated the dependence on ecosystem services and the significant and specific potential impact drivers for each production process of the project or the service offered by ACCIONA.

Ecosystem services are the links between nature and business. Each of these services represents a benefit provided by nature to enable or facilitate production processes. On the other hand, impact drivers are potential events capable of triggering multiple impacts, where impact is understood as "changes in the quantity or quality of capital".

The ENCORE (Exploring Natural Capital Opportunities, Risk and Exposure) tool provided the details of the ecosystem services on which the projects categorised as material and the potential impact drivers are most dependent. This allows the company to focus on potential sources of risks and opportunities for it.

The more than 250 projects belonging to the Water, Energy and Construction businesses include production processes such as the construction of infrastructure, the operation of water treatment plants (drinking water, wastewater treatment and desalination plants) and the production of energy from solar, wind and hydroelectric technology.

The distribution of dependencies and impacts for the different material production processes is shown below:



The results of this assessment reveal that the most representative **ecosystem services** are:

1. Water availability is associated with three ecosystem services: the quantity of and access to surface water and groundwater and the maintenance of a constant and healthy water flow. When this dependence is coupled with a high water stress rating it can potentially pose a risk to the facilities.

2. Ground stability is a key service in the development of structural projects, the greater the stability, the lower the likelihood of the risk materialising. This service is maintained with a healthy vegetation cover, which reduces the risk of avalanches and landslides.
3. Protection against floods and storms is achieved through the protective, buffering and attenuating effects of vegetation. The greater the conservation and fostering of vegetation cover and tree and shrub species, the more structure the soil has and the less vulnerable the project will be to floods and storms.

ACCIONA is aware that biodiversity itself is a key natural asset and that ecosystem services bring benefits to the economy and society. Reliance on provisioning services, such as biomass from forests, and regulating and maintenance services, such as pollination, further justifies ACCIONA's vision to promote the valuation and conservation of nature by halting biodiversity loss and returning ecosystems to their optimal conditions.

In terms of **potential impact drivers,** that have the capacity to generate a change in the quality of the state of nature directly and in the quantity indirectly, the most relevant are:

1. Changes in the use of land and water may have a series of negative impacts, from loss of biodiversity to changes in the hydrological regime or increased local desertification. In the medium term, these knock-on impacts would affect the very ecosystem services on which the project depends.

2. The potential for pollution from discharge and spills can have knock-on impacts on ecosystems and species. Complying with legislation and promoting the ongoing improvement of environmental management systems and plans is key to minimising the likelihood of an impact.

In this sense, compliance with standards and criteria, often exceeding environmental impact legislation, allows ACCIONA to minimise these effects. The mechanisms of certified environmental management systems allow such impacts to be avoided, reduced, restored and compensated for.

More information: ACCIONA's Commitment to Biodiversity.

ANALYSE (A)

In this phase, the identification and quantification of physical and transitional risks related to nature were carried out for each of the material projects according to the LEAP methodology, as well as for the set of facilities that were excluded from materiality because they interact with a single ecological sensitivity factor.

Nature-related risk situations were assessed through the company's ESG Risk Management System. The ESG variable "Biodiversity and Protected Areas" is determined on the basis of existing biodiversity levels given their location, the protection offered by nature conservation designations, and the associated degree of control by the organisation. From this procedure we conclude the following:

Only 6 % of installations are located in ecological zones where both the level of existing biodiversity and the protection afforded by conservation designations and the degree of scrutiny associated with them could pose a reputational or physical risk from the impact generated by the facilities.

In terms of risk by country, the countries with the highest likelihood of nature-related risks materialising in both marine and terrestrial biodiversity and protected areas are New Zealand, Italy, Portugal and Spain.

The most important mitigation and management measures for potential dependencies, impacts, risks and opportunities are the identification by site of the potential impact on nature, the application of the impact mitigation hierarchy, and the implementation of environmental monitoring plans.

From the analysis of nature-related dependencies, impacts and risks, it is safe to say that ACCIONA's business strategy is resilient to the drivers of changes in nature (climate change, land and water use, resource optimisation, invasive species and pollution). The scope of the impacts, as seen in the rest of the Planet Positive chapters, is moderately low, as is the case for risks, whereas it is high for opportunities.

Policies related to biodiversity and ecosystems (E4-2)

ACCIONA, through its Biodiversity Policy promotes conservation and a responsible use of our natural heritage, not only as a necessary means for economic development and social progress, but also as a key, high value asset in itself.

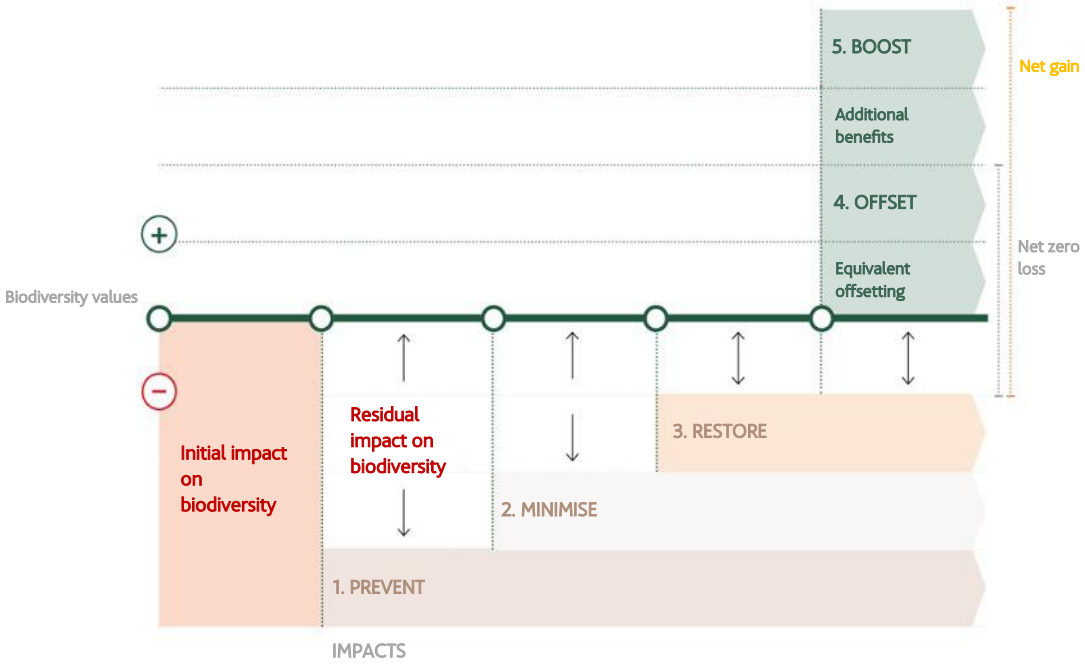
The principles laid down in the policy are part of the following topics:

1. Conserving, protecting and improving the environment through specific actions.
2. Controlling and offsetting the impacts caused by the company's business activities.
3. Disseminating and promoting knowledge and courses on biodiversity conservation, highlighting and announcing the actions developed and encouraging best practices.
4. Collaborating with public administrations, local communities, social organisations and other stakeholders in the development of biodiversity conservation, raising awareness and researching matters related to biodiversity.

Actions and resources related to biodiversity and ecosystem (E4-3)

ACCIONA's projects integrate the mitigation hierarchy through specific impact identification studies, in addition to carrying out actions for the conservation, protection and restoration of habitats and ecosystems that may be affected by its facilities or in addition to them.

PREVENTION AND MINIMISATION



Environmental Impact Assessments (EIA), Environmental Management or Monitoring Plans are crucial to prevent and minimise biodiversity loss, as they provide a comprehensive assessment of the potential adverse effects of human activities on the environment. These tools allow the identification of sensitive areas and species at risk, as well as the implementation of corrective and mitigation measures to avoid or reduce the negative impact on biodiversity, thus ensuring the conservation of ecosystems and their

associated services.

Every ACCIONA site that may affect protected areas and the surrounding biodiversity relies on this kind of studies and plans. During 2023, ACCIONA promoted 109 Environmental Impact Assessments (EIA), of which more than 20 obtained favourable Environmental Impact Statements (EIS).

The EIAs for these projects were published in the corresponding official gazettes and platforms were set up by the government to channel citizen participation and obtain their feedback in this regard.

In addition, ACCIONA developed, implemented and tracked 319 environmental management, monitoring and tracking plans at sites and facilities that were under construction, up and running or under maintenance.

RESTORATION

Throughout 2023, ACCIONA has carried out the environmental restoration, cleaning and maintenance of more than 1,400 hectares within the scope of its conservation, protection and recovery actions that entail a net increase in natural capital in the project under way, as well as in the comprehensive environmental management and recovery services business.

Among these tasks, more than 30 hectares of the O Burgo estuary were decontaminated, where the removal of contaminated materials from the estuary and their partial replacement with contamination-free sediments improved water quality. The census of wintering birds in the estuary has been increased, thus providing the first results of this restoration.

The project also includes other ancillary works such as the removal and replanting of commercial bivalves in the estuary, as well as the transplanting of marine phanerogams and other actions to clean up the estuary.

ZERO NET LOSS - MACINTYRE AND THE MACROZAMIA CONFERTA TRANSLOCATION

Mass deforestation, climate change, pollution, the introduction of invasive species and overexploitation of resources are some of the main drivers of the decline in plant diversity worldwide. This loss has profound impacts on ecosystems, compromising their stability and ability to provide essential services for life on the planet.

Aware that biodiversity itself is a key, highly relevant natural asset, ACCIONA promotes its appreciation and conservation as a necessary means for economic development and social progress.

The MacIntyre wind farm will be the largest renewable energy facility built by ACCIONA to date, with a total capacity of 1,026 MW and 180 wind turbines. This project has initiated together with the University of Queensland and is a conservation and research plan for *Macrozamia Conferta*.

This species plays a vital role in its natural habitat as an integral part of Australia's forest and bushland ecosystems, providing food and shelter for a variety of animal species, and contributing to local biodiversity. However, like many cycad species, it faces threats such as habitat destruction and illegal collection, highlighting the importance of its conservation and protection.

The plan consists of locating, describing, translocating and maintaining more than twelve thousand

specimens of these shrubs. This has meant an early understanding and realisation of the need to care for the genetics of the species alongside the repercussions of climate change and pollution to which they are exposed.

RETURN OF THE MANATEE TO VERACRUZ BAY

The manatee is one of the species that is most harmed by boat traffic, deforestation and pollution, both directly and in their habitats. One of the 4 species that exist in the world is found in Mexico.

ACCIONA is committed to the conservation and proper use of a resource that is indispensable for life: water. It has therefore optimised processes and equipment to ensure that the water quality is of the highest standard, with the aim of protecting the manatees and ensuring their return.

ACCIONA has relied on the Mexican Government's protection and conservation programmes to emphasise its biodiversity regeneration and preservation practices. It is in the Boca de Rio project that these plant upgrades and adaptations have been carried out.

As a result, in addition to improving the quality of the treated water, the manatee has been once again sighted on the coasts of the Veracruz Bay. One of the many reasons for its return is the improved quality of water. Of note is the return to Veracruz of the Luna, a specimen that has swum the coasts of Florida since it left its home in the 80s.

Environmental authorities have detected a significant increase in their sightings, proof of the intrinsic benefit of water management and improved water quality.

GOALS AND METRICS

Biodiversity and ecosystem targets (E4-4)

The Sustainability Master Plan (SMP) underlines ACCIONA Energía's commitment to the protection and restoration of biodiversity and the target of achieving a positive impact in all of the company's projects through the application of the mitigation hierarchy and nature-based solutions.

ACCIONA is committed to reaching the No Net Loss objective (medium term) and the Net Gain or Net Positive Impact goal (medium-long term) in biodiversity and ecosystem services. Furthermore, ACCIONA has a No Gross Deforestation goal, understanding the need to reduce global deforestation, including those associated to the basic products and services the company produces, markets and/or sells.

This commitment translates into the planting of a million trees (besides those already planned to offset

some of its projects) over the 5-year SMP period. This way, ACCIONA aims to reach the No Net Deforestation objective offsetting the loss of biodiversity with future voluntary tree-planting.

Impact metrics related to biodiversity and ecosystems (E4-5)

State of the ecosystems

Protected areas are those terrestrial or marine areas which, due to their natural values, are specifically dedicated to nature conservation and subject to a legal protection regime. They are one of the key instruments for in situ conservation of biodiversity.

ACCIONA maps information on national and international protection figures that interact with projects and facilities with the aim of preventing and promoting the conservation of these areas. The distribution of ACCIONA's projects by type of protection and business instrument is shown below:

BUSINESS	PROJECTS IN PA	PROJECTS IN KBA	PROJECTS IN BOTH	OCCUPIED SURFACE AREA (HA)
Energy	55	57	25	742
Water	21	39	25	2
Construction	3	8	2	264
Construction Oceania	8	0	1	51
AFS	4	7	2	-
Concessions	0	0	1	-
Industrial	0	1	0	-
TOTAL	**91**	**112**	**56**	**1,059**

State of the species

The company identifies the species affected by its facilities according to the Red List of Endangered Species prepared by the International Union for Conservation of Nature (IUCN) or included in national conservation listings. The table below shows the number of species and the degree of protection according to the IUCN Red List. Furthermore, it takes into account the species that are not on this list but are protected by national listings.

PROTECTION CATEGORY	ABBREVIATION	NO. SPECIES
Extinct	EX	0
Extinct in the wild	EW	0
Critically endangered	CR	10
Endangered	EN	9
Vulnerable	VU	26
Almost threatened	NT	6
Least concern	LC	53

Insufficient data	DD	2
Not evaluated	NE	2
Other national listings	-	44
TOTAL		**152**

*These species are identified in protected areas adjacent to projects

Impact management

ACCIONA identifies, assesses and manages the drivers of changes in nature in its projects. These drivers are potential impact drivers related to: climate change, change in the use of land and water, resource circularity, pollution and invasive species.

The actions carried out in 2023 for restoring habitats, as well as other work in landscape integration or reforestation in degraded areas or with plant shortages, within the framework of preventive, corrective and compensatory measures, led to the buying and planting of a total 700,847 trees, bushes and flowering plants.

With this reforestation, ACCIONA makes further progress with its commitment in the Sustainability Master Plan on planting and monitoring the growth of a million trees over the five-year SMP period.

The breakdown by year of the 1 million tree target is given below:

	2021	2022	2023	2024	2025
Trees planted on a voluntary basis	78,189	144,676	129,731		

This action will boost the management and mitigation of deforestation risks among partners, suppliers and other stakeholders. Other actions that promote the prevention, mitigation, reduction and compensation of potential and materialised impacts of ACCIONA's activities are training and sustained investment.

ACCIONA's staff is highly qualified in each of the functional, hierarchical and geographical areas and always contributes the maximum quality and experience required to carry out the company's activities adhering to the strictest environmental standards.

The company continues to further its commitment to environmental training and the development of skills in that area. In 2023, ACCIONA's employees received a total of 35,752 hours of training in areas such as climate change, environmental management systems, waste management and environmental restoration of degraded areas, among other subjects.

In 2023, ACCIONA allocated €245.4 million to managing (preventing, reducing or correcting) the environmental impacts caused by its operations (€196.2 million on expenditure and €49.2 million on investments).