

20
23



Modern Slavery Joint Statement

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



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1.ABOUT THIS STATEMENT

This Joint Modern Slavery Statement (**Statement**) is prepared in accordance with the requirements of the Australian Modern Slavery Act 2018 (Cth) (Act) for the period 1 January 2023 to 31 December 2023 (**Reporting Period**). The statement addresses how we identify, assess, and address modern slavery risks within our operations and supply chains. The statement forms part of our ongoing reporting obligations to be read alongside the ACCIONA Energía annual Sustainability Report 2023. In particular, this statement addresses:

- our commitment to supply chain transparency;
- the steps we have taken to identify, assess and address risks of modern slavery; and
- the effectiveness of our modern slavery policies since the Joint Modern Slavery Statement 2022.

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**). AEAG and AEOC are

the relevant reporting entities for the purposes of the Act and are therefore collectively referred to as the **Reporting Entities**. AEOC is a wholly owned subsidiary of AEAG and AEAG is a wholly owned subsidiary of ACCIONA Energía Global S.L (**ACCIONA Energía Global**). ACCIONA Energía Global is a subsidiary of Corporación ACCIONA Energías Renovables, S.A. (**ACCIONA Energía**) which is majority owned by ACCIONA S.A (**ACCIONA SA**).

This statement uses the term **ACCIONA Group** to refer to all the ACCIONA entities that are owned by ACCIONA SA, inclusive of ACCIONA Energía and the Reporting Entities. All references to our, we, us and ACCIONA Energía refer to ACCIONA Energía and its subsidiaries, including the Reporting Entities. All references to a year refer to the period 1 January 2023 to 31 December 2023 unless otherwise stated. All monetary values refer to Australian dollars (AUD\$) unless otherwise stated. All monetary values are based on the assumed exchange rate: AUD\$1 : EURO€1.63.

1.1 DEFINITION OF MODERN SLAVERY

The definition of modern slavery in the Act is adopted in this Statement. According to the Act, modern slavery includes, as defined in divisions 270 and 271 of the Criminal Code Act 1995 (Cth), slavery, servitude, forced labour, debt bondage, forced marriage, trafficking of persons, deceptive recruitment practices for labour/services and the worst forms of child labour.

1.2 CONSULTATION

AEAG owns 100% of the issued share capital in ACCIONA Energy Oceania Financial Services Pty Ltd ACN 155 674 347 (**AEOFS**) and Karara Holdings Pty Ltd CAN 672 150 846. AEAG consulted with these entities in the development of this statement and provided their Boards with a copy of this statement. Otherwise, the reporting entities do not own or control any other companies or corporate entities.

This Joint Statement has been approved by the Board of Directors of the Reporting Entities. Brett Wickham, as a Director of each Reporting Entity, was authorised to sign this Statement on behalf of AEAG and AEOC.

FEEDBACK

If you have any feedback or requests for further information, please contact energy.compliance.au@acciona.com



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

2.1 ABOUT ACCIONA ENERGÍA

ACCIONA Energía is a global group of companies that develop and manage sustainable infrastructure solutions, especially in renewable energy. With commercial operations in 25 countries, a diverse workforce of over 3,000 employees from 53 nationalities and sales of \$5.46 billion in 2023, we are committed to contributing to a low carbon future while providing economic and social benefit to the communities in which we operate. We are recognised as one of the best companies to work for in Spain, the United States, Brazil, Mexico, South Africa, Chile, and Australia, evidenced by the renewal of our Top Employer certification.

We design, construct, and supply a range of clean energy technologies and solutions. Globally we are involved in wind, photovoltaic solar, biomass, hydropower, concentrated solar power (CSP), and battery storage. We are highly integrated in other aspects of the renewable energy value chain, such as finance, maintenance, and marketing.

Given the all-pervading nature of our supply chains, we are acutely aware of the prospect that modern slavery may be present in our supply chains through our suppliers, contractors, and collaborators. We believe that all companies, especially those that operate globally, must act in order to minimise the risk of modern slavery in their supply chains.

2.2 OUR COMMITMENT TO INTERNATIONAL STANDARDS

ACCIONA Energía respects and adopts the values included in the main international standards for the protection of human rights:

- the United Nations Universal Declaration of Human Rights;
- the United Nations Guiding Principles on Business and Human Rights;
- the Declaration on Fundamental Principles and Rights at Work from the International Labor Organisation (ILO) and its fundamental conventions;
- the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- the Guidelines for Multinational Enterprises from the Organization for Economic Co-operation and Development (OECD);

- the United Nations Convention on the Rights of the Child;
- the United Nations Global Compact;
- the Seoul Declaration on Safety and Health at Work;
- the United Nations Declaration on the Rights of Indigenous Peoples; and
- the ILO's Indigenous and Tribal Peoples Convention.

Further, ACCIONA Energía contributes to the achievement of the Sustainable Development Goals (SDG) and is aligned with the United Nations Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights.



2.3 SUSTAINABILITY REPORT 2023

In April 2021, the ACCIONA Group launched its third five-year Sustainability Master Plan 2025 (SMP2025). The SMP2025 is designed to position ACCIONA Group as a globally recognised leader in developing basic infrastructure assets with an additional value of thinking of people and the planet.

The SMP2025 has four overarching pillars:

1. People at the Centre;
2. Planet Positive;
3. Integrate to Transform; and
4. Exponential Leadership.

Progress on the four pillars of the SMP2025 and its objectives are set out in the Sustainability Report 2023 (Sustainability Report).

The Sustainability Report was published in April 2024 and covers the 2023 calendar year. The Sustainability Report sets out how ACCIONA Energía is contributing to sustainable outcomes and positive impacts for our people and the communities within which we operate. The outcomes in the Sustainability Report are independently verified by KPMG.



ACCIONA Energía has been assessed by various ESG analysts. As of year-end 2023, the current ratings are as follows:

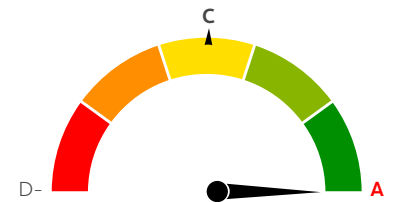
▲ Industry Average

▲ ACCIONA Energía 2023 Score

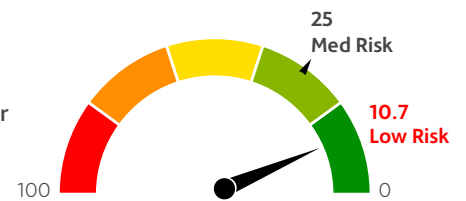
S&P Global
Industry: Elec Utilities



CDP
Industry: Elec Utilities



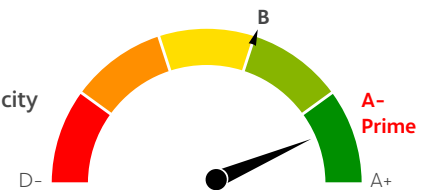
MSCI
Industry: Renewable Power



SUSTAINALYTICS
Industry: Utilities



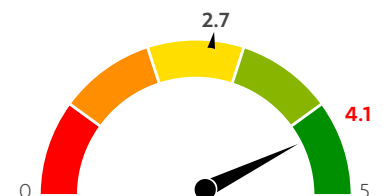
ISS ESG
Industry: Renewable Electricity



ecovadis
Industry: Electricity, gas, steam and air-conditioning supply



FTSE4Good
Industry: Utilities



3. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

3.1 STRUCTURE

ACCIONA Energía has been operational in Australia for over twenty years. We have offices in Victoria, Queensland, New South Wales, and Western Australia.

The Reporting Entities (both of which are Australian incorporated companies) form part of ACCIONA Energía. ACCIONA Energía is majority owned by ACCIONA SA. The Reporting Entities adopt the policies and standards of ACCIONA Energía, and global guidelines inform local procedures.

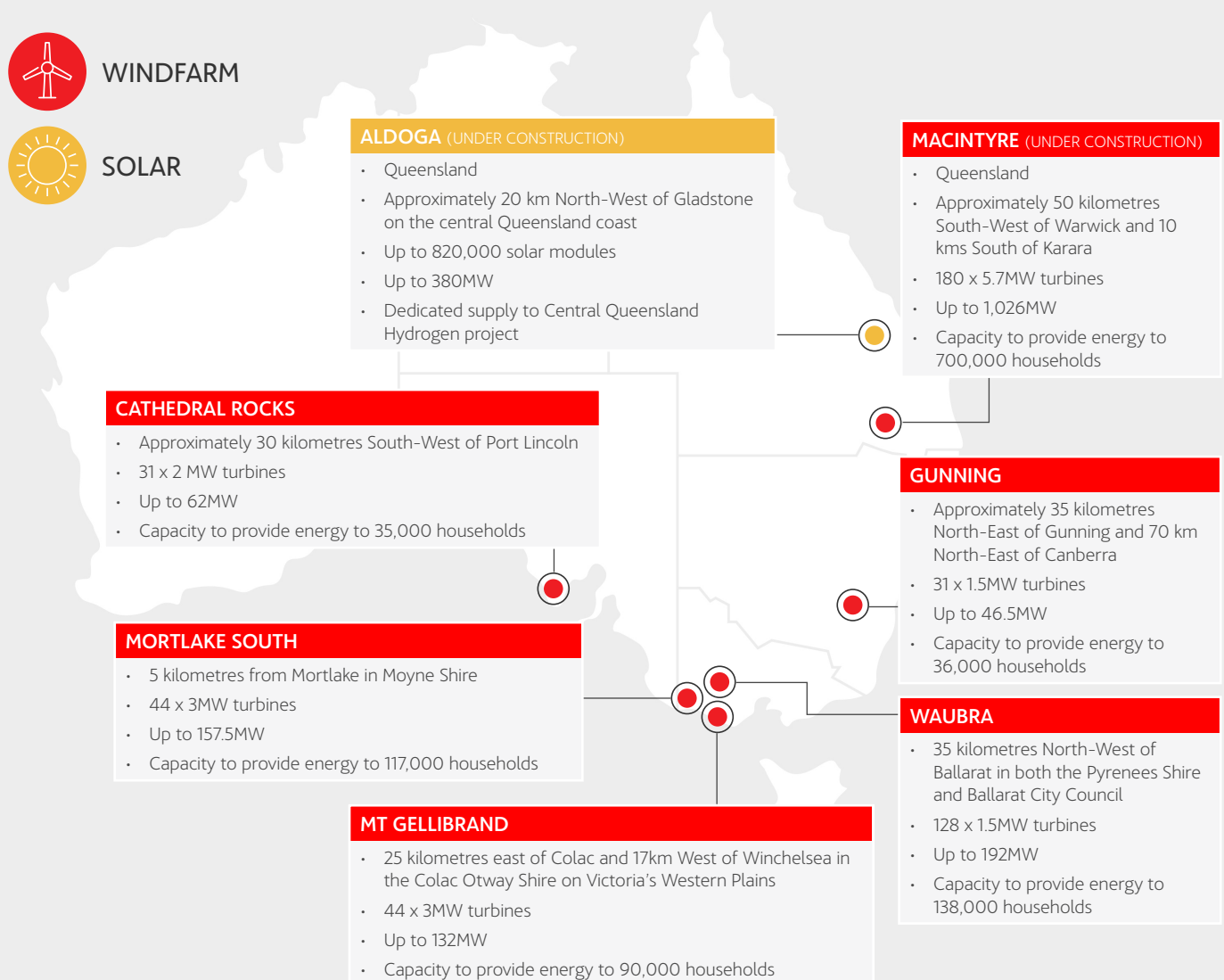
3.2 OPERATIONS

Our operations in Australia focus largely on wind and photovoltaic (PV) solar renewable energy projects. As at the end of the reporting period, we directly employed 246

people in Australia, with 99 of those recruited in 2023. If we include indirect employment through contractors on our construction projects, this figure is close to 1000 people.

As of the date of this Statement, ACCIONA Energía is operating five wind farms in Australia with a total installed capacity of 600MW. Two projects are also under construction in Queensland, MacIntyre wind farm and Aldoga PV solar farm, both expected to commence operation in 2025.

In each of our locations, we seek to be a valued member of the local community throughout the life of our assets. Benefits to the communities in which we operate include rural employment opportunities, diversified income for landowners, local business support, and community donations and sponsorships.



3.3 SUPPLY CHAIN

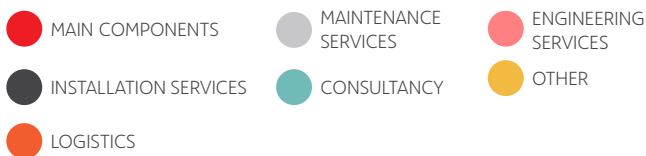
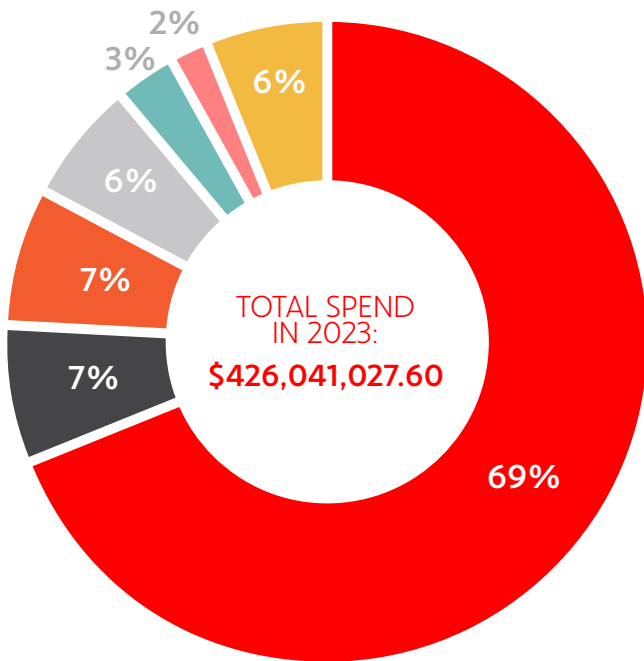
In 2023, the reporting entities engaged with 362 suppliers in Australia and overseas. We are integrated in the entire value chain for renewable energy projects. Our supply chain is necessarily diverse, extensive, and complex.

ACCIONA Energía's suppliers are classed as tier 1 suppliers when they directly supply ACCIONA Energía. Suppliers that supply our tier 1 suppliers are classed as tier 2 suppliers. The tiering system continues down the supply chain.

In some circumstances, our tier 1 suppliers are related entities within the ACCIONA Group. In such instances, our tier 2 supplier would be the supplier of our related entity.

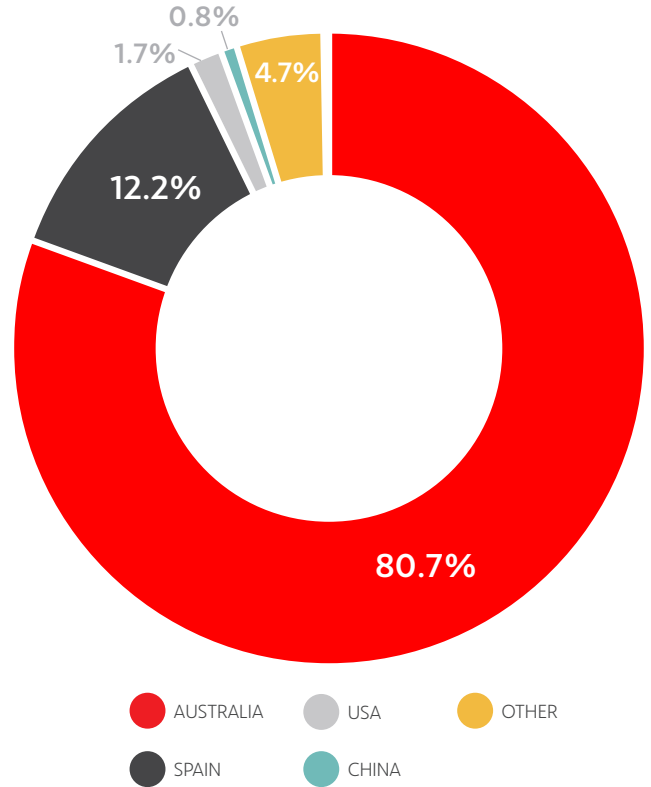
ACCIONA Energía defines a strategic supplier as a supplier whose annual commercial relationship is worth more than \$650,200 (€400,000). Approximately 9.33% of our supply chain meets the definition of strategic supplier and accounts for 91.65% of contracting.

TYPE OF GOODS AND SERVICES BY SPEND 2023



The majority (81%) of our suppliers are located in Australia, with a significant number also in Spain (12%). A small number of tier 1 suppliers are located in other countries, including suppliers of main components such as wind turbines, photovoltaic panels, and cables. These include suppliers located in China, India, Mexico and Germany.

SUPPLIER LOCATION



3.4 MODERN SLAVERY SUPPLY CHAIN RISKS

There are growing concerns about modern slavery in the supply chains of renewable energy products and services.¹ The risks largely emerge from the extraction of the minerals and resources necessary to produce renewable energy products such as solar panels and wind turbines.

ACCIONA Energía recognises three types of risk associated with procurement processes:

1. operating risk;
2. compliance, sustainability, environmental and social risk; and
3. risks due to the supply of goods or critical services.

¹ Source: WalkFree Beyond Compliance in the Renewable Energy Sector: Assessing UK and Australian Modern Slavery Statements.



Workers in the renewable energy industry supply chain are particularly vulnerable to:

- forced labour;
- wage theft;
- illegal overtime; and
- hazardous conditions.²

Migrant Workers

Modern slavery risks are exacerbated by the high number of vulnerable migrant workers utilised in mineral extraction for renewable technologies.³ Migrant workers are more likely to have insufficient information about their legal rights and the terms of their employment, which make them prone to exploitation.

High Risk Countries

Circumstances of modern slavery in resource extraction is more likely to occur in jurisdictions where there is little or no protection of workers' rights.

The ACCIONA Group uses the TPRGA Risk Country Table obtained from Maplecroft, an ESG risk data provider, to identify countries that pose as 'high' and 'very high' risk of worker exploitation.

Solar Project Risks

As previously stated, one of ACCIONA Energía's key renewable energy technologies is PV solar. The primary

modern slavery concern in our solar renewable energy projects is the possible use of forced labour in the production of polysilicon in China, and these risks apply to the industry as a whole, not specific to ACCIONA Energía. Nonetheless, ACCIONA Energía is aware of, and is vigilant with respect to these risks. Polysilicon is an important material that needs to be sourced for solar renewable technologies.

Approximately 95% of global solar panels use polysilicon sourced from China. Additionally, 40-50% of global supply is sourced from the Xinjiang Uyghur Autonomous Region of China (**Xinjiang**).⁴ There is strong concern from the international community that forced labour may be used in Xinjiang when extracting and processing polysilicon.

Windfarm Project Risks

There are similar modern slavery risks with respect to the supply of materials for wind farm projects. These risks apply to the windfarm industry as a whole, so are therefore not specific to ACCIONA Energía. In particular, there are reports of exploitation of women and girls in South Africa in the production of manganese in South Africa. Manganese is a component of steel which is used in wind turbine components such as the tower and nacelle.

The future of our clean energy transition is at risk if it is built on the exploitation of communities and people. Ignoring modern slavery in these supply chains will erode the benefits of the transition to renewable energy.

² Source: WalkFree Beyond Compliance in the Renewable Energy Sector: Assessing UK and Australian Modern Slavery Statements

³ Source: Walkfree Ipek Gencu, Nathaniel Mason, ODI Migration for climate action: how labour mobility can help the green transition

⁴ Source: James Cockayne, Edgar Rodriguez Huerta and Oana Burcu 'The Energy of Freedom'? Solar energy, modern slavery and the Just Transition

4. ASSESSING & ADDRESSING MODERN SLAVERY RISK

ACCIONA Energía applies rigorous due diligence processes before entering into supply contracts with possible suppliers. A major aspect of our supplier due diligence process is identifying and assessing modern slavery risks with our prospective and current suppliers, contractors, and collaborators. Where risks are identified, we have measures in place to address those risks. We acknowledge that we cannot identify all instances of modern slavery in our supply chains. Therefore, we have policies and procedures in place that aim to minimise unidentified instances of modern slavery.

4.1 SUPPLIER QUALIFICATION AND REGISTRATION PROCESS

In October 2023 ACCIONA Energía updated its global guide for supplier management (Supplier Management Guide).

The Supplier Management Guide and the ancillary “Corporate Procedure for the Qualification and Evaluation of Suppliers” (together the Procedures for Supplier Qualification) describe the processes to be followed in supplier management as well as defining criteria for the registration and qualification of suppliers, contractors and collaborators who want to engage with ACCIONA Energía. Our Supply Chain processes are publicly available at <https://contractorprofile.accion-energy.com>. This portal was rolled out to global contracting in 2023 and also provides a log in for registered suppliers to manage their information.



The purpose of the Procedures for Supplier Qualification is to ensure that any third party that supplies goods or services to ACCIONA Energía is qualified in accordance with our standards of Transparency and Business Ethics, Human and Social Rights, Health and Safety, and Quality and Environment. Should a supplier qualify for an ACCIONA Energía contract, the qualification is valid for a limited period of 3 years, at which time renewal through the qualification process is required.

A supplier must be registered on our SAP management system before they can supply to ACCIONA Energía. This is a database of ACCIONA Group suppliers. In the case of suppliers that require a purchase order, ACCIONA Group’s bidding and procurement negotiation management tool (PROCUR-e) is the only entry point to SAP. PROCUR-e is where a supplier’s qualification status is calculated and recorded. Once the supplier has been entered in PROCUR-e, the supplier will automatically be invited to GoSupply, an international supplier registration and classification database. Once invited, the supplier must accept the invitation and register in GoSupply. Globally, over 8000 suppliers to ACCIONA Energía are now registered in GoSupply for assessment and monitoring.

In order for a new supplier to be approved, the minimum requirements in GoSupply must be met, including compliance with International Standards on fundamental labour rights. These criteria cover:

- freedom of association and collective bargaining;
- prevention of discrimination and unacceptable disciplinary practices;
- fair hiring processes, acceptable working hours and a living wage; and
- no use of child labour.

Furthermore, all suppliers that present a high Country Risk must undergo a Supplier Audit to be qualified (see item 4.6 below). Country Risk is reviewed and modified annually according to reporting system Verisk Maplecroft and the geopolitical risk indicated in GoSupply (see item 4.2 below).

During the supplier qualification and registration process the following will be checked:

- compliance with the provisions of the No Go Policies (Item 4.4);
- acceptance by the supplier of the ACCIONA Group Responsible Supplier Self-declaration;
- acceptance by the supplier that it respects and takes into account ACCIONA Group's international standards on human rights; and
- the status of the supplier's legal documentation (for example, whether the company has filed all documentation for its workers as required by local laws).

Prospective suppliers are also required to complete a questionnaire through GoSupply as part of qualifying as an ACCIONA Group supplier (On-boarding Questionnaire). The On-boarding Questionnaire asks the prospective supplier to identify what supply chain control and due diligence mechanisms it has in place. There are a number of questions regarding the prospective supplier's compliance with international standards on labour rights, as mentioned above. This includes a guarantee that the supplier does not participate or benefit from any child labour.

Should a supplier fail to meet any of the qualification criteria, the supplier will be given time to resolve the issue before being re-evaluated on the basis of evidence provided. ACCIONA Energía Corporate Procurement team may decide to award qualification for a short time period (for example 3 months) if the non-conformity is only minor. However, the non-conformity will need to be rectified before the qualification is extended.

⁵<https://www.bureauveritas.com.au/who-we-are/bureau-veritas-australia-new-zealand>.

At the end of a contract, the departments requesting the service/supply carry out an assessment of the performance of ACCIONA Energía's supply chain to obtain relevant data for future contracts. During 2023, 925 assessments were carried out with 92% of the assessments returning results of Type A (very recommendable supplier) or Type B (recommendable supplier). A new evaluation model has been designed for 2024 with the aim of being able to streamline the evaluation process.

In 2023, the main actions carried out in relation to supply chain management systems were:

- improvements to the Contractor Profile including access for suppliers at Elementary level (suppliers who voluntarily sign up to work with ACCIONA Energía, but have not been invited to register in the system);
- visibility and insights – within the GoSupply profile, suppliers have visibility of their scores and can compare themselves with all ACCIONA Energía suppliers and with suppliers in their own category and/or country. Suppliers also receive insights into improvement points and positive points in the different scores; and
- creation of an improvement plan programme in GoSupply for suppliers that do not meet the minimum required score in ESG scoring, through which the supplier is invited to carry out an improvement plan to develop and improve their ESG scoring. This will be implemented in 2024.

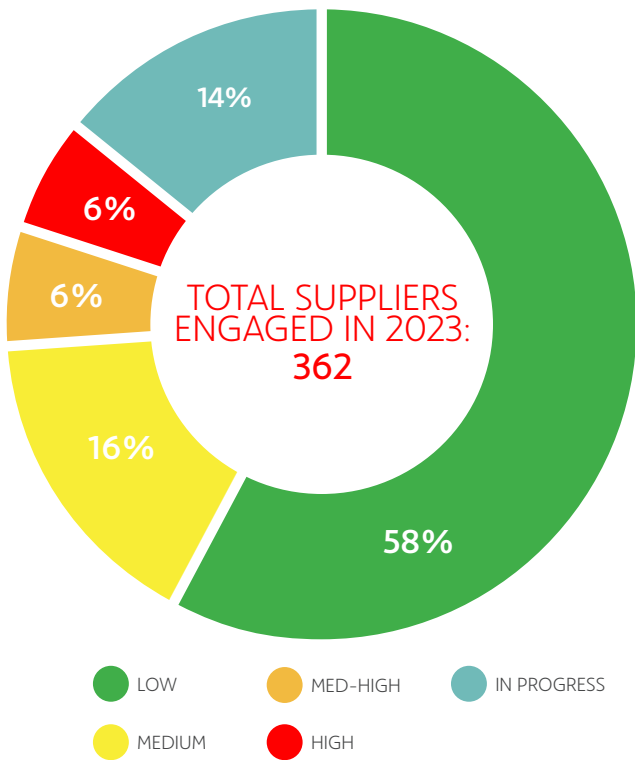
ACCIONA Energía's entire supply process has been audited by Bureau Veritas (BV) against the ISO 9001 globally recognised standard for quality management. BV are leaders in testing, inspection and certification and help to assure quality, increase productivity and foster a more responsible, sustainable culture.⁵ BV's review of ACCIONA Energía's supply process revealed zero non-conformities.



4.2 SUPPLY CHAIN RISK MAP

ACCIONA Energía utilises the GoSupply international supplier registration and classification database to calculate a “risk score” for our prospective and current suppliers. The risk level of suppliers with which we engaged in 2023 is shown below. The supplier risk assessment systems were transitioned throughout 2023, with the new GoSupply process becoming mandatory from September 2023. Suppliers shown as “In Progress” have been registered in the previous system, and will complete the GoSupply process before further purchases are made.

RISK LEVEL OF SUPPLIERS ENGAGED IN 2023



The main objective of the Supply Chain Risk Map (**Risk Map**) is to know and detect risks within our supply chains, mitigate against those risks, control the relationship with suppliers and, especially, identify points of improvement in order to offer suppliers training and information if required. The Corporate University Supplier Campus is integrated into PROCUR-e and available free of charge to 100% of our supply chain. Throughout 2023, 15 suppliers attended 51 training courses out of those offered in the platform, with 10% of courses accessed being related to human rights.



The risk score is calculated based on, amongst other things, a supplier’s environmental, social and governance responsibility (ESG), management systems and legal documentation. The Risk Map utilises the Maplecroft data in the TPRGA Risk Country Table and GoSupply data to produce risk scores in the following categories:

1. Financial;
2. Compliance;
3. Cybersecurity;
4. ESG;
5. Operational; and
6. Geopolitical.

If a supplier has a high ESG risk, we will check if they comply with the Fundamental Labour rights to decide whether we will work with them. If a supplier is in a high-risk country (high Geopolitical risk) then they will have to submit to a Supplier Audit (see item 4.6 below). If the risk is high in another of the areas above, then we invite the supplier to prepare an improvement plan and our Compliance team makes a recommendation based on a due diligence assessment. The Supplier ESG audit protocol includes investigation of that supplier’s performance related to human and fundamental rights, as well as their business processes for due diligence in their supply chain. In this way, we identify and manage risk deeper into our supply chain beyond our tier 1 suppliers.



4.3 IDENTIFYING GEOPOLITICAL RISKS

Geopolitical risk is formed from various indices extracted from Maplecroft and GoSupply such as corruption, human rights, labour conditions and environmental legislation. Countries are scored from 1 (very low risk) to 5 (very high risk). As noted, any suppliers based in high risk countries must undergo an audit prior to qualification.

4.4 NO GO POLICIES

ACCIONA Group sets minimum standards for suppliers that must be complied with if they wish to be contracted by ACCIONA Group. Suppliers that fail to comply with these policies are labelled “No Go suppliers” and will not have access to PROCUR-e and therefore will not be able to tender for projects.

A previously qualified supplier may also enter “No Go” status if they breach a No Go policy. In such a case, the supplier will automatically lose their qualification as an ACCIONA Energía supplier. A list of “No Go” suppliers is distributed to all ACCIONA Energía-related companies at least once a month.

Suppliers who find themselves in the following situations will be subject to the No Go Policies:

- suppliers with significant ethical and integrity risk, either because they are on international sanction lists or because they exhibit serious signs of corruption, fraud or money laundering;
- strategic suppliers in at-risk countries that have not been audited, or that have been audited and have one or more unresolved Serious Non-Conformities;
- demonstrated non-compliance with the United Nations Global Compact;
- risk of economic solvency (suppliers above €1,000,000 or \$1,625,500 of contracting);
- debts with Social Security Institute or Tax Authorities; and
- companies penalised due to the evaluation of their performance on previous activities or due to unresolved serious deficiencies detected during auditing.

A supplier may have its “No Go” status removed if they pass a Supplier Audit (see item 4.6 below), by complying with an Improvement Plan, or by Enhanced Due Diligence. The latter consists of an investigation into any adverse impacts detected, communication with the supplier to confirm the information, and verification of the resolution of the situation prior to entering into any new contract.

4.5 NO GO POLICY EFFECTIVENESS

At the beginning of 2023, there were 33 suppliers listed as “No Go”. During the year, five No Go suppliers exited No Go status and a further six suppliers entered No Go status. This means that at the end of 2023 there were 34 suppliers who were listed as No Go.

In accordance with its 2023 Sustainability Master Plan, ACCIONA Energía’s met its target of 0% of general purchase orders from companies who breach ACCIONA Energía’s No Go policies.

4.6 SUPPLIER AUDITS

ACCIONA Energía carries out audits of selected tier 1 and 2 suppliers to safeguard its supply chain and mitigate risk of modern slavery. The criteria for selecting suppliers for audit is shown below. By signing and accepting the Responsible Suppliers Declaration, suppliers agree to collaborate with audits (Supplier Audits). Supplier Audits are carried out with the assistance of independent, certified ESG compliance service providers GoSupply and Achilles. All audits for the Australian entities are conducted by GoSupply, and are based on the ACCIONA Energía Supply Chain Audit Protocol. Audits are carried out on tier 1 suppliers:

- (a) if the supplier is from a country of risk, to qualify a supplier as eligible to supply ACCIONA Group;
- (b) for monitoring of strategic suppliers – monthly data filtering to identify suppliers with whom we have contracted more than \$815,000 (€500,000) in the last 12 months; and
- (c) when a No Go supplier wants its “No Go” status removed when there is certainty and evidence that an action or Improvement Plan is not sufficient to correct the deficiencies.



Furthermore, annual tier 2 audit campaigns are conducted for selected suppliers that supply equipment exceeding a value of \$8,150,000 (€5,000,000) in a financial year. In 2023 this focussed on major components, and in 2024 is being extended to cables and transformers.

Among other areas of focus, a supplier audit will examine a supplier’s:

- community relations;
- work environment;
- compliance with human and fundamental rights;
- treatment of human capital;
- quality of occupational health and safety;
- supply chain due diligence;
- business ethics and integrity; and
- reputation.



If a major non-conformity (MNC), defined as a legal breach, is detected during an audit, an improvement plan will be proposed to address the issue and the supplier must resolve the MNC within three months. A further three month extension to resolve the MNC may be provided for suppliers that demonstrate a willingness to comply with the Supplier Audit. During that period, the supplier will remain in a provisional approved status in PROCUR-e. However, if a supplier has more than ten MNCs or fails to comply with the principles of the Global Compact, its status will be deemed “No Go”. Further, a supplier’s status will be deemed “No Go” if they have failed to resolve the MNC within the specified time, or failed to comply with an Improvement Plan. If within 12 months of the Supplier Audit, the supplier claims to have resolved the MNC, the supplier will undergo a secondary audit to verify that the MNC has in fact been corrected.

By signing the Responsible Suppliers Declaration, suppliers acknowledge that if they provide incorrect information during a Supplier Audit (or at any other stage) ACCIONA Energía reserves the right to automatically cancel any supplier contract.

4.7 SUPPLIER AUDIT EFFECTIVENESS

Supplier audit results are managed within the GoSupply platform, providing full visibility and breakdown of the audit findings. An example of an audit evaluation for a supplier to the reporting entities is shown below.

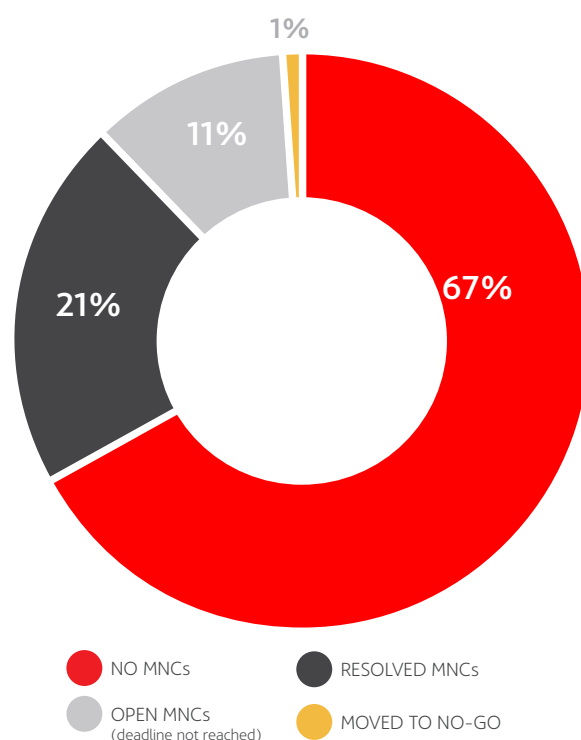
AUDIT EVALUATION



	TOTAL	OPEN	CLOSE
DEFICIENCIES			
Major disagreement	0	0	0
Minor non conformity	2	2	0
IMPROVEMENTS			
Suggestions for improvement	5	5	0
RECOGNITION			
Strengths	0	0	0
COMMENTS FOR THE AUDITOR			
Evidence	0	0	0
Remarks/comments	160	160	0

In 2023, 95 audits (tier 1 and 2) were conducted for suppliers which met the threshold criteria, 83 of which were for direct (tier 1) suppliers and twelve were for indirect (tier 2) suppliers. The total includes nine direct suppliers to the Australian entities, covering a range of industries. Globally, 67% of the suppliers who were audited had zero MNCs. The remaining 33% signed up for various action plans, of which 21% have fully resolved their MNCs. One supplier was moved to No Go status for not resolving the MNC, while the remainder have not reached the deadline for compliance with the action plan.

AUDIT CARRIED IN 2023



Of the 95 supplier audits in 2023, 20 audits were conducted of suppliers in high-risk countries (China and India). These suppliers were from both tier 1 and tier 2, and included one supplier to the Australian entities. The following results were obtained:

- 50% of the audited suppliers had no serious MNCs; and
- none of the identified MNCs were related to human rights. All of the MNCs identified were related to environment, quality, occupational risk prevention and processes.





4.8 IMPROVEMENT PLANS

Where a major non-conformity has been identified, the auditor will provide recommendations for improvement to meet legislative requirements and address the non-conformity. Of the nine audits of direct suppliers to the Australian business entities in 2023, only one of these suppliers had MNCs identified, and improvement plans proposed.

For this supplier, an environmental MNC relating to storage of out-of-date chemicals and defective tools has since been closed as evidence was received that the Improvement Plan had been implemented. The other MNC relates to a social aspect, with the company lacking a process to prevent possible complicity as regards to forced labour in its supply chain. The improvement plan requires the company to create and implement a process to check that its suppliers, associates, and customers have anti-slavery practices in place, or can otherwise show compliance with the Commonwealth anti-slavery legislation. Compliance will need to be demonstrated within three months or the supplier will be moved to No Go status.

4.9 SOCIAL SAFEGUARDS SYSTEM

In addition to our supplier auditing system, ACCIONA Energía implements the Social Safeguards Internal Control System (**SCISS**). SCISS is designed to mitigate ACCIONA Energía's negative impact on human rights, which is based on internal control models developed by the Committee

Sponsoring Organisations of the Treadway Commission (**COCO**). SCISS integrates within ACCIONA Energía a culture of risk assessment and management of compliance with our international human rights regulations and principles commitments.

SCISS is designed to undertake two key objectives:

- 1. Identification and assessment of risks:** Identification and assessment of real or potential negative impacts on human rights; and
- 2. Prevention and mitigation of risks:** Prevention and mitigation of real or potential negative impacts on human rights.

Identification and assessment of risks

The identification and assessment of risks has been strengthened in 2023 through the revision and inclusion of new indicators related to migrant workers' rights and environmental risks, bringing the total number of indicators to 22. The SCISS indicators include, among others, the following indicators relevant to modern slavery:

- modern slavery;
- child labour;
- forced labour;
- migrant workers; and
- human trafficking.

Each of ACCIONA Energía's approximately 340 international facilities are assessed individually for real or potential negative impacts on human rights based on the 22 indicators of human rights.

The risk assessment is carried out on a yearly basis under the non-financial risk analysis. In 2023, ACCIONA Energía identified that the distribution of overall risk of modern

slavery-related negative impacts at its facilities was 2%.

Prevention and mitigation of risks

As part of the SCISS, 'control activities' are carried out on every identified risk of real or potential negative human rights impact to mitigate the relevant risk. There are 80 related control activities resulting from policies, standards, and procedures to defend the principles that define responsible business conduct. Every control activity has a control owner who must certify annually that the control has not changed from the previous year, that the control has been carried out and provide evidence to justify its implementation during the year.

The Sustainability Department updates the risks and controls annually in conjunction with the control owners, following the annual monitoring performed by the Internal Audit Department. Detection of real or potential negative impacts



on human rights is carried out on a yearly basis under non-financial risk analysis.

The SCISS supervision is carried out annually by ACCIONA Energía's Audit and Sustainability Committee. The Audit and Sustainability Committee uses the ACCIONA-RMS Risk Management System to monitor risks and their associated controls. Where they identify controls that are not adequate or should be updated to effectively mitigate identified potential risks, or need to reinforce controls on risks that have materialised during the year, they will make recommendations and propose action plans. Furthermore, ACCIONA Energía employ third-party on-site audits in some of its projects (the most relevant ones in terms of human rights risks) to ensure SCISS is being implemented

effectively and it is achieving positive outcomes. In 2023, two external audits were carried out, at the Bannur wind farm in India and the San Juan de Marcona wind farm in Peru. Two non-conformities were identified in both projects, relating to incorrect registration of working hours which could lead to employees working more hours than those stipulated in their contracts. Both non-conformities were solved during the course of the audits.

4.10 ACCIONA GROUP CODE OF CONDUCT

The ACCIONA Group Code of Conduct (**Code of Conduct**) establishes the values that govern the behaviour of all ACCIONA Group people and the behaviour of third parties with whom we interact.

The Code of Conduct sets out the standard of conduct that our directors, managers, and employees must exhibit at all times, including when dealing with suppliers and third parties. All employees must expressly accept the standards of conduct set out in the Code of Conduct. The standards of behaviour set out in the Code of Conduct are derived from our commitments to international standards. The global Compliance department is available to answer any queries that employees may have about interpreting the Code of Conduct.

The Code of Conduct reinforces the international principles the ACCIONA Group is committed to. All people and companies involved with the ACCIONA Group must exercise responsibility for, among other things, respecting human rights, providing good working conditions, contributing to social development, and considering the interests of the local communities in which they operate.

We encourage other entities such as suppliers, contractors, collaborators, and other partners to adopt the principles established in the Code of Conduct.

4.11 ETHICAL PRINCIPLES FOR SUPPLIERS, CONTRACTORS, AND COLLABORATORS

ACCIONA Energía extends the scope of our commitment to ethics and human rights into our supply chain through our Supplier Self-Declaration. This must be completed by any supplier, contractor, or collaborator, and includes their confirmation of acceptance and commitment to comply with the Code of Conduct and with the Ethical Principles for Suppliers, Contractors, and Collaborators document (**Ethical Suppliers Document**). These principles are also available on the Supplier Portal, and our Supply Chain department is



available to answer any questions that suppliers may have regarding these documents.

The Ethical Suppliers Document explicitly prohibits our suppliers, contractors, and collaborators from engaging in modern slavery. Suppliers:

- are prohibited from using all forms of forced labour as defined in the ILO Conventions 29 and 105;
- must not engage in child labour as defined in ILO Convention 138;
- must employ ethical, legal and voluntary recruitment practices;
- are bound by the requirements in the ACCIONA Energía Migrant Workers Standard (see item 4.12 below);
- must offer fair, legal and equitable remuneration and employment conditions to their workers in writing, in a language the workers understand; and
- must comply with laws, regulations, and international standards for working time; and are prohibited from any behaviour that is a manifestation of physical, psychological, moral, or sexual harassment, or that amounts to an abuse of authority.

Our suppliers, contractors and collaborators must respect human rights as defined in the internationally recognised standards (see item 2.2 above). Furthermore, they must ensure that, as far as it is possible, they are not complicit in any violation of these standards.

Our contracts with suppliers include obligations relating to the ethical principles for suppliers and to sustainable procurement. 88.3% of our orders with suppliers (representing 99.68% of the contract amount) are subject to our Standard Conditions for Purchase of Works, Goods

and/or Services (**Supply Agreement**). The remaining 11.7% are orders for spare parts or the movement of materials between ACCIONA Energía companies.

The Supply Agreement states that a supplier must 'obtain and comply' with the UN Global Compact. The Supply Agreement also states that a supplier:

must, wherever reasonably possible, source all materials used in the Supply from ethically responsible suppliers and undertake the Supply in a way that supports internationally-recognised environmental sustainability practices.

Furthermore, a supplier must also:

meet all internationally recognised standards in the areas of corporate ethics and transparency, human and social rights, health and safety, and quality and environment, and to not act (both in relation to the Supply and generally) in any way which does not accord to the laws and customs of the jurisdictions in which the Supplier operates.

The Supply Agreement provides ACCIONA Energía with a broad right to terminate a contract with a supplier if they breach the Supply Agreement and do not remedy the breach within 10 days after receiving notice of the breach. Additionally, ACCIONA Energía may direct a supplier to suspend the carrying out of their obligations under the Supply Agreement for such time as ACCIONA Energía thinks fit.

We reserve the right to terminate any contractual relationship that fails to comply with the ethical principles. However, we prefer to provide an opportunity for suppliers that are in breach of these principles to make improvements. This is demonstrated through the removal of No Go status

for suppliers who make the required improvements. Five suppliers in 2023 had their No Go status removed after making the requisite improvements.

4.12 MIGRANT WORKERS STANDARD

ACCIONA Energía implements a Standard on Migrant Workers Welfare: Recruitment, Employment and Accommodation (**Migrant Workers Standard**). It sets out the procedures that must be followed to ensure that migrant workers are not exploited. ACCIONA Energía companies and their suppliers, contractors and collaborators must follow the Migrant Workers Standard when dealing with migrant workers.

The Migrant Workers Standard aims to mitigate the unique risk of exploitation that the hiring of migrant workers poses. In order to mitigate against debt bondage risks, migrant workers are not permitted to enter forced savings programmes to pay off recruitment fees or placement fees.

4.13 ACCIONA ETHICAL CHANNEL

ACCIONA Energía has an Internal Reporting System that includes the Ethical Channel, available for any individual to report to the Ethical Channel Committee any potential irregularities, breaches or misconduct related to ACCIONA's activities. This includes any action that may constitute



modern slavery, that may be considered to be contrary to the Group's current legal framework, Code of Conduct, and/or ethical values. The online communication can be accessed by employees, suppliers, and contractors.

The Ethical Channel provides us with an effective way to enforce our whistleblower procedure and is a tool that can be used by ACCIONA Energía to identify instances of modern slavery in our supply chains.

The Ethical Channel is managed by The Ethical Channel Committee, which has the power to:

- Facilitate a channel of communication for all the members of the Organisation, as well as third parties, not only to gather or provide information on the compliance with the applicable legislation, but also to manage the notifications and the queries received and thus facilitate the coordination of their resolution and diligent follow-up.
- Manage the Ethical Channel based on the principles of guaranteed confidentiality, respect for the anonymity of persons who do not wish to identify themselves, no reprisals against informants who report in good faith, impartiality and objectivity, and respect for the rights of all parties involved in the investigation.
- Review all communications received through the Ethical Channel and determine the methodology to be used in processing and investigating them.
- Report regularly to the Board of Directors, on any communications received and their resolution, through the Audit and Sustainability Committee.

Although the online communication channel (web form) is



common to the entire ACCIONA Group, the communications sent through it are automatically segmented, guaranteeing independent and confidential management by the Ethical Channel Committee in relation to communications concerning ACCIONA Energía.

4.14 ETHICAL CHANNEL EFFECTIVENESS

In 2023 there were fourteen communications made through the Ethical Channel relating to ACCIONA Energía. Of the fourteen communications, eleven investigations were opened, with eight communications being investigated by an internal investigator and three communications were investigated by an external investigator. The remaining three communications were closed after determining that they did not require investigation by the Code of Conduct Committee. In 2022 out of the fifteen reports made to the Ethical Channel eight were not investigated. None of the breaches related to modern slavery issues.

NOTIFICATION AREA	NUMBER OF BREACHES
Corruption or bribery	0
Discrimination or harassment	4
Customer privacy	0
Conflicts of interest	2
Money laundering or insider trading	0
Other work issues	1
Economic/financial affairs	1
Other	6

As a result of the investigations carried out, the Ethical Channel Committee proposed the adoption of various measures aimed at reinforcing the culture of ethics and compliance, such as training plans, coaching plans, or dismissals.

4.15 COMPLIANCE COMMUNICATION AND TRAINING

ACCIONA Energía continued to implement its training and communication programme managed by the Compliance Department. The aim of the training and communication programme (**Compliance Training**) is to reinforce a culture of ethics and integrity in the ACCIONA Group.

In 2023, 179 communication actions were sent to the management team and all ACCIONA Energía employees via the intranet, e-mails, newsletters and the ACCIONA CAMPUS App. The communications pertained to, amongst other things, the Code of Conduct, and compliance tools and ethical culture.

Compliance Training includes a mandatory course for all ACCIONA Group employees on the Code of Conduct and two mandatory courses for executives and managers called 'Fighting Corruption' and 'The Good Way to Work'.

A survey is also sent to all employees of the ACCIONA Group in order to ascertain their degree of understanding and familiarity with the internal regulations on ethics and compliance. The results of the survey indicated that 99% of employees are familiar with the Code of Conduct, 98% with the Anti-corruption Action Policy and 89% with the Ethical Channel Operating Policy.

5. LOOKING AHEAD

Throughout 2024 we continue to transition remaining suppliers from the old Procurement assessment systems onto GoSupply and conduct audits for those suppliers meeting the audit criteria.

A new Tier 2 supplier audit campaign was launched at the end of 2023, which will be carried out and reported in 2024. This covers suppliers to three of our strategic cable and transformer suppliers.

The new Improvement Plan Submission module in GoSupply is being rolled out. Once it is fully integrated and operational it will allow us to perform enhanced due diligence on suppliers with higher levels of risk.

We are improving our current ESG risks methodology, identifying our salient issues. It will allow us to reinforce the SCISS and our due diligence process on suppliers, if necessary.



6. MODERN SLAVERY REPORTING CHECKLIST

GLOSSARY

Act: Modern Slavery Act 2018 (Cth)

REQUIREMENT	REFERENCE	MSS REFERENCE
<p>(TIMELINE) Must be provided to the minister within 6 months after the end of the reporting period for the entity</p>	S 13(2)(e), 14(f)(i) Act	Required submission date is 30 June 2024
<p>(REPORTING ENTITIES) Identify the reporting entity/entities</p>	S 16(1)(a) Act	Section 1
<p>(CONSULTATION) Describe the process of consultation with:</p> <ul style="list-style-type: none"> any entities that the reporting entity owns or controls; and in the case of a reporting entity covered by a statement under section 14 (joint statement)—the entity giving the statement. 	S 16(1)(f)(i) Act S 16(1)(f)(ii) Act	Section 1.2
<p>(STRUCTURE OF OPERATIONS AND SUPPLY CHAINS) Describe the structure, operations and supply chains of the reporting entity.</p>	S 16(1)(b) Act	Section 4
<p>(RISKS OF MODERN SLAVERY) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.</p>	S 16(1)(c) Act	Section 4.4
<p>(ACTIONS TAKEN TO ASSESS AND ADDRESS) Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including:</p> <ul style="list-style-type: none"> due diligence; and remediation processes. 	S 16(1)(d) Act	Section 5
<p>(ASSESS EFFECTIVENESS OF ACTIONS) describe how the reporting entity assesses the effectiveness of such actions</p>	S 16(1)(e) Act	Throughout Section 5
<p>JOINT STATEMENT APPROVAL Must be approved by principal governing body of:</p> <ol style="list-style-type: none"> each reporting entity covered by the statement (including details of approval and signature of a responsible member for each reporting entity); or an entity (the higher entity) which is in a position, directly or indirectly, to influence or control each reporting entity covered by the statement, whether or not the higher entity is itself covered by the statement ; or if it is not practicable to comply with subparagraph (i) or (ii)—at least one reporting entity covered by the statement <p>Signatures may be electronic (s 10 Electronic Transmissions Act 1999)</p>	S 14(2)(d)–(e) Act S 16(2)(b)(i), (ii) Act	Section 1.2 Approval by both reporting entities according to (i)

