ESG Bond issuer: Interview with ACCIONA
How does green finance support ACCIONA’s sustainable strategy?

Currently, the climate emergency poses a major professional challenge to ACCIONA’s activities because, although the projects we develop are aimed at mitigating or adapting to climate change, our activities (such as the creation of wind farms or desalination plants) still produce greenhouse gas emissions. Achieving this decoupling between emissions and the growth of our activity requires a transformation of ACCIONA’s business model to implement, measure and report sustainability initiatives, policies and targets with the same discipline and thoroughness as the Group’s financial performance. As a result, as part of ACCIONA’s Sustainability Master Plan (SMP2025) created in 2021, the financial and sustainability departments of the Group have been integrated into a new Economic, Financial and Sustainability Affairs Department, headed by José Ángel Tejero as Chief Financial & Sustainability Officer (CFSO).

Following this line, ACCIONA’s financing strategy ensures it can provide the most economically efficient solutions while creating a positive impact on the environment and the local communities where it operates, directly contributing to the Sustainable Agenda. In this regard, green finance (bonds and loans) plays a key role in ACCIONA’s funding strategy.
Can you tell us about your experience in issuing green bonds?

Being a pioneer in this practice and taking into account the crucial role that green finance plays in ACCIONA’s sustainable strategy and its significant experience in the field, ACCIONA is recognised as a strong green issuer by its investors. This facilitates the ability of the Group to gather finance and develop its green projects. At the end of the first semester of 2022, 90% of the total amount of Euro Medium Term Notes (EMTNs) issued historically by ACCIONA had been classified as green.

In relation to ACCIONA Energía, issuing green bond public benchmarks is the norm and thus, 100% of its placements are green Use of Proceeds bonds. It is worth mentioning that all three public transactions have been significantly oversubscribed.

To sum up, it can be said that we have observed that investors value not only the instrument and the specific Use of Proceeds, but also the nature of the issuer. In this regard, both ACCIONA and ACCIONA Energía are well recognised companies among ESG investors, mainly due to the historic and current attractiveness of the projects developed by the Group in economic, social and environmental terms.

The figures and impacts related to all the green finance instruments issued by ACCIONA can be found in ACCIONA’s Sustainable Finance Report.
How has ACCIONA managed to steer away from greenwashing practices in the green bond market?

One of the primary challenges faced by sustainable finance is to demonstrate effectively its influence in the transformation of the economy. This is directly associated with the risk of greenwashing, where the true environmental impact of investments may be misrepresented. The existing regulations were established during a period when green investments were limited and standards were more lenient. However, as the urgency to invest in sustainable initiatives has grown, along with the expansion of the investment market, the requirements have become more stringent. Practices that were once tolerated are now considered unacceptable or, at the very least, less acceptable in the present context.

We have prioritised the adoption of the European taxonomy of sustainable activities as our central guiding principle since 2020. As a result, our investment requirements have consistently been aligned with its criteria right from the start. In 2022, ACCIONA allocated 98% of its eligible CAPEX to activities that are in line with the taxonomy.

In addition, through ACCIONA’s new Sustainable Impact Financing Framework, the Group has not only committed to create value to the environment through green and sustainable finance instruments but has created a new ‘Dual Impact’ structure. Under this Framework, ACCIONA may issue four types of sustainable financing instruments: two types of traditional financing instruments (Green Use of Proceeds and Sustainability-Linked financings) and those two same instruments enhanced with a Local Impact feature. The add-on Local Impact feature entails a commitment on the part of the issuer to invest in a particular Local Impact initiative.

This pioneering approach to green and sustainable finance is completely impact-oriented and strives to create additional value, primarily to local communities. The Sustainable Impact Financing Framework already includes some of the Local Impact Components defined, as well as the calibration methodologies used to establish the Local Impact targets. In addition, the Framework clearly states that failure to meet the Local Impact target will trigger a financial penalty directed at funding the delivery of the positive impact via a qualified third-party, ensuring that the local impact is ultimately carried out.
How is ACCIONA preparing for the evolving disclosure expectation and regulation requirements on ESG-related data? How do you see the evolution of the sustainable debt market?

In line with the first question, ACCIONA is elevating its non-financial reporting to the next level, aiming to reach the same levels of thoroughness and exhaustiveness as for the financial information. In order to achieve this, ACCIONA is increasing the number of indicators disclosed in the Sustainability Report 2022 that are being externally reviewed under reasonable assurance rather than on limited assurance, as this greater level of assurance increases the data reliability and robustness.

Additionally, to anticipate the needs of our investors and stakeholders, ACCIONA will be publishing its mandatory Principal Adverse Impacts table under the regulation of the Sustainable Finance Disclosure Regulation (SFDR) on its corporate website.

Regarding the sustainable debt market, ACCIONA feels that there is a need to increase transparency in order to avoid greenwashing and give confidence to its stakeholders, especially investors. To fill this information gap, in the previous exercise ACCIONA included new information on the Sustainable Finance Report 2022 to help investors track their investments, going one step beyond business as usual. Besides illustrating the consolidated impact of its portfolio and the total annual figures registered in relation with green and sustainable financing, ACCIONA has included in the report the allocation and impact information for all the different instruments issued individually. In this way, investors can track their contribution directly and see with their own eyes the impact that they are having on the planet and on the communities.
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