

ACCIONA S.A.

SUSTAINABILITY-LINKED FINANCING FRAMEWORK

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

ACCIONA S.A. (hereafter referred to as "ACCIONA") invests in and develops infrastructure assets to make our planet more sustainable. The Company offers innovative solutions in fundamental areas such as energy, transport, water, waste management, and social infrastructure. ACCIONA is present in over 40 countries on five continents.

ACCIONA has developed a Sustainability Linked Financing Framework (the "Framework"). The Framework enables issuance of sustainability-linked Bonds (SLBs), loans (SLLs) or other financial instruments to finance and support activities that will contribute to the Company's Sustainability Master Plan (SMP 2025), through:

- Contribution to the global goals reducing the global footprint from own operations, aligned with corporate strategy, and representing a material improvement.
- Contribution to the 2030 Agenda, maximizing shared value and inclusive growth with additional projects that multiply own operations positive impact on the community, activating levers of local development, such as local employment, economic activity, training, and access to basic services such as water and electricity.

ACCIONA has identified following Key Performance Indicators (KPIs):

1. Scope 1 and 2 emissions in tonnes of Carbon Dioxide (tCO₂e).
2. Number of new households in rural areas in developing countries with access to electricity.
3. Number of hours of certified technical and vocational education and training (TVET).

ACCIONA will assess its sustainability performance against the following Sustainability Performance Targets (SPTs):

SPT 1: Reduce scope 1 and 2 emissions by 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi).

SPT 2: 1,336 new households in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits.

SPT 3: 40,000 hours of certified technical training (TVET) for women and underrepresented groups.

DNV Business Assurance España S.L ("DNV") has been commissioned by ACCIONA to provide an eligibility assessment of the Framework under which it can finance and support activities with a general purpose.

Our objective has been to provide an assessment on whether the Framework meets the criteria established within the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles 2020 (SLBP) and the Loan Market Association (LMA) Sustainability-Linked Loan Principles 2020 (SLLP).

No assurance is provided regarding the financial performance of any financial instrument, the value of any investments in a financial instrument, or the long-term environmental benefits of any transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Client and DNV

The management of ACCIONA has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform ACCIONA's management and other interested stakeholders in the Framework as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by ACCIONA. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by ACCIONA management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol, which incorporates the requirements of the SLBP and SLLP to create an ACCIONA-specific Sustainability-Linked Financing Framework Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Sustainability-Linked Bond should *"provide an investment opportunity with transparent sustainability credentials"* and that a Sustainability Linked Loan should *"facilitate and support environmentally and socially sustainable economic activity and growth"*

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the five Principles:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The issuer of a sustainability-linked bond should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed Sustainability Performance Targets (SPT). The KPI should be relevant, core and material to the issuer's core sustainability and business strategy, measurable or quantifiable on a consistent methodological basis, externally verifiable; and able to be benchmarked externally.

- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, meaningful and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three: Bond Characteristics.** The bond will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The bond documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential variation of the SLB's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** Issuers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report outlining the performance against the SPT(s) and the related impact and timing of such impact on the bond's financial and/or structural characteristics, with such information to be provided to investors participating in the bond at least once per annum.
- **Principle Five: Verification (Post-issuance).** The Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. The verification of the performance against the SPT(s) should be made publicly available.

Through this protocol we have also included and reviewed the Framework against the SLLP:

- **Principle One** - Relationship to Borrower's Overall Corporate Social Responsibility (CSR) Strategy
- **Principle Two** - Target Setting – Measuring the Sustainability of the Borrower
- **Principle Three** - Reporting
- **Principle Four** – Review

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by ACCIONA in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an ACCIONA-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by ACCIONA on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with ACCIONA management, as well as review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail provided in [Schedule 2](#):

1. Principle One: Selection of Key Performance Indicators (KPIs).

ACCIONA has identified three KPIs to where it commits to future sustainability improvements within a predefined timeline and are aligned with Sustainable Development Goal (SDG) 13 (Climate Action), SDG 7 (Affordable and Clean Energy) and SDG 4 (Quality Education).

KPI 1: Scope 1 and 2 emissions in tonnes of Carbon Dioxide equivalent (tCO₂e)

KPI 2: Number of new households in rural areas in developing countries with access to electricity.

KPI 3: Number of hours of certified technical and vocational education and training (TVET).

KPI 1 supports ACCIONA's decarbonization plan and emissions reduction target of 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi). This KPI is calculated in accordance with the GHG Protocol and is independently assured by a third party confirming its ongoing measurability and verifiability. The methodology for the calculation of the KPI is measurable and quantifiable on a consistent methodological basis.

KPI 2 & 3 contribute to shared value, inclusive growth and support ACCIONA'S SMP 2025 with local impactful activities additionally to ACCIONA's infrastructure's main contribution, generating positive social impact on the local community and multiplying their capacity to promote development, while their environmental footprint tends to zero. The methodology for the calculation of the KPIs is measurable and quantifiable on a consistent methodological basis.

Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company's overarching sustainability strategy. The rationale and process for KPI selection, as well as its definition, measurability and verifiability are clearly defined and are deemed to be robust, reliable and in accordance with the SLBP.

2. Principle Two: Calibration of Sustainability Performance Targets (SPT).

Aligned with the KPIs outlined above, ACCIONA has set the following SPTs:

SPT 1: Reduce scope 1 and 2 emissions by 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi).

SPT 2: 1,336 new households in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits.

SPT 3: 40,000 hours of certified technical training (TVET) for women and underrepresented groups.

DNV can confirm that SPT 1 is SBTi validated, firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris agreement in line with 1.5°C scenario. The SPT uses clear calculation methodologies (GHG Protocol), has a target year set to 2030 and a clear baseline (2017), which is independently assured by a third party. DNV can also confirm that this is a leading target compared to ACCIONA's peers.

SPT 2 & 3 are related to the generation of positive social impact on the local community and multiplying the project's capacity to promote development, while their environmental footprint tends to zero. DNV notes the positive impact of the achievement of these SPTs and their contribution to shared value and inclusive growth, core to the Company's overarching business and sustainability strategy. The SPTs use clear calculation methodologies with a target year set to 2025. The ambition of SPT 2 & 3 is further increased in the event of an extensions of the contract until 2027, as established in the Framework.

DNV reviewed the evidence demonstrating the credibility of ACCIONA's strategies to achieve the SPTs and can conclude that ACCIONA has a clear roadmap to meeting the SPT.

Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement beyond a "Business as Usual" trajectory and is consistent with ACCIONA's overall sustainability and set on a predefined timeline in accordance with the SLBP.

3. Principle Three: Bond Characteristics.

Within the Framework, ACCIONA has committed to ensuring the failure to meet the SPT 1 by the reference date as specified in the relevant documentation of the specific transaction will result in a contribution to the United Nations Environment Programme (UNEP) to remove 10 tCO₂e per 1 tCO₂e shortfall, using nature-based solutions.

Based on the achievement of SPT 2 & 3 annual targets may vary annually in the following way:

- If annual targets are met, the applicable Margin will be reduced by 2.5 bps for each SPT 2 & 3.
- If the annual targets are not met, the applicable Margin will revert to the initial Margin (i.e. an increase of 2.5 bps) for each SPT 2 & 3.
- Margin adjustments are not cumulative in successive years; the maximum decrease in the applicable Margin for annual compliance with SPT 2 & 3 will be 5bps.

At maturity, prepayment or cancellation, if the real cumulative progress of SPT 2 & 3 lies below the path committed by the annual targets, the company will make a contribution to UNEP equal to the gaps observed.

Details of any other step-up margin to investors in any Sustainability-Linked-Bond will be set out in the offering documentation.

If for any reason SPT 2 and 3 cannot be calculated or observed, the reduced Margin will not be applicable. Fallback mechanism for KPI 1 / SPT 1 is not required given the maturity and materiality to the business of this indicator.

Based on the evidence reviewed, DNV can confirm the Bond Characteristics are in line with the requirements of the SLBP.

4. Principle Four: Reporting.

DNV can confirm ACCIONA has committed to reporting annually on the sustainable financing instruments. This reporting will be published pre- and post-issuance. The post issuance reporting may include:

- Up-to-date information on the performance of the selected KPIs and SPTs, including baselines.
- Illustration of the positive sustainability impacts of the performance improvement.
- Verification / Assurance report: Reports on verified SPTs will be made publicly available, outlining the performance vs. SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics.
- In the event of non-compliance with the SPTs, in the terms defined in the Framework, information will be reported on the contribution to the UNEP - UN Environment Program and projects carried out to generate the impact committed by ACCIONA.

DNV can confirm ACCIONA has committed to reporting in line with the requirements of the SLBP.

5. Principle Five: Verification.

DNV can confirm ACCIONA has committed to report the performance and related impact of KPI/SPTs on annual basis as part of ACCIONA's annual Integrated Report. The report will be verified by an appropriate qualified independent party of assurance and will be made available on ACCIONA's website.

DNV can confirm ACCIONA has committed obtaining verification in line with the requirements of the SLBP.

On the basis of the information provided by ACCIONA and the work undertaken, it is DNV's opinion that the ACCIONA Sustainability-Linked Financing Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of sustainability linked loan within the Sustainability Linked Loan Principles as well as sustainability-linked bonds within the Sustainability Linked Bond Principles 2020, which is to *"incentivise the issuer's achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability (ESG) objectives through KPIs and SPTs"*, thereby providing *"an investment opportunity with transparent sustainability credentials"*.

for DNV Business Assurance España, S.L.

Madrid, 25 May 2021

A handwritten signature in blue ink, appearing to read "Lars Appel".

Lars Appel

Senior Consultant and Project Manager
DNV – Business Assurance

A handwritten signature in black ink, appearing to read "Souvik Ghosh".

Souvik Ghosh

Principle Consultant and Reviewer
DNV – Business Assurance

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACCIONA’S KEY PERFORMANCE INDICATORS (KPI) AND SUSTAINABILITY PERFORMANCE TARGETS (SPT)

| KEY PERFORMANCE INDICATOR (KPI) | SUSTAINABILITY PERFORMANCE TARGET (SPT) | SDG ALIGNMENT |
|---|--|------------------------------------|
| Scope 1 and 2 Greenhouse Gas (GHG) emissions reduction in tonnes of Carbon Dioxide (tCO2e) | Reduce scope 1 and 2 emissions by 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi). | SDG 13: Climate Action |
| Number of new households in rural areas in developing countries with access to electricity. | 1,336 new households in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits. | SDG 7: Affordable and Clean Energy |
| Number of hours of certified technical and vocational education and training (TVET) | 40,000 hours of certified technical training (TVET) for women and underrepresented groups | SDG 4: Quality Education |

SCHEDULE 2: SUSTAINABILITY-LINKED BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Selection of Key Performance Indicators (KPIs)

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---|--|--|---|
| 1a | KPI – material to core sustainability and business strategy | <p>The issuer’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the issuer’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control. The KPI should be of high strategic significance to the issuer’s current and/ or future operations.</p> <p>It is recommended that issuers communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p> | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 – Annual accounts 2020 – Draft Sustainability Report 2020 – Sustainability Master Plan 2025 – SBTi target validation report – Independent Assurance Reports 2017-2020 – Report on CO2 capture – Nature based solutions. – Draft MoU UNEP_ACCIONA_2021 – Discussions with the issuer | <p>ACCIONA has identified three KPIs to where it commits to future sustainability improvements within a predefined timeline and are aligned with Sustainable Development Goal (SDG) 13 (Climate Action), SDG 7 (Affordable and Clean Energy) and SDG 4 (Quality Education).</p> <ul style="list-style-type: none"> – KPI 1: Scope 1 and 2 emissions in tonnes of Carbon Dioxide equivalent (tCO2e) – KPI 2: Number of new households in rural areas in developing countries with access to electricity. – KPI 3: Number of hours of certified technical and vocational education and training (TVET). <p>KPI 1 supports ACCIONA’s decarbonization plan and emissions reduction target of 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi). This KPI is calculated in accordance with the GHG Protocol and is independently assured by a third party confirming its ongoing measurability and verifiability. The methodology for the calculation of the KPI is measurable and quantifiable on a consistent methodological basis.</p> <p>KPI 2 & 3 contribute to shared value, inclusive growth and support ACCIONA’S SMP 2025 with local impactful activities additionally to ACCIONA’S infrastructure’s main contribution, generating positive social impact on the local community and multiplying their capacity to promote development, while their environmental footprint tends to zero. The methodology for the calculation of the KPIs is measurable and quantifiable on a consistent methodological basis.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---------------------|--|--|---|
| | | | | Based on the evidence reviewed, DNV can confirm that the KPIs are relevant, meaningful, and material to the company's overarching sustainability strategy. The rationale and process for KPI selection, as well as its definition, measurability and verifiability are clearly defined and are deemed to be robust, reliable and in accordance with the SLBP. |
| 1b | KPI - Measurability | <p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Issuers are encouraged, when possible, to select KPI(s) that they have already included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected.</p> <p>In situations where the KPIs have not been previously disclosed, issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p> | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Annual accounts 2020 - Draft Sustainability Report 2020 - Sustainability Master Plan 2025 - SBTi target validation report - Independent Assurance Reports 2017-2020 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | <p>After reviewing the evidence, DNV can confirm the KPIs chosen are measurable, quantifiable, stretching and have a clear target date in place. They are also benchmarkable against peers in the same sector.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------------|--|--|--|
| 1c | KPI – Clear definition | A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 – Annual accounts 2020 – Draft Sustainability Report 2020 – Sustainability Master Plan 2025 – SBTi target validation report – Independent Assurance Reports 2017-2020 – Report on CO2 capture – Nature based solutions – Draft MoU UNEP_ACCIONA_2021 – Discussions with the issuer | Based on the Framework and the Sustainability Report, DNV can confirm the scope, perimeter and calculation methodology are clearly defined |

2. Calibration of Sustainability Performance Targets (SPT)

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------------|---|--|--|
| 2a | Target Setting - Meaningful | The SPTs should be ambitious, realistic and meaningful to the issuer's business and be consistent with the issuers' overall strategic sustainability/ESG strategy | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Annual accounts 2020 - Draft Sustainability Report 2020 - Sustainability Master Plan 2025 - SBTi target validation report - Independent Assurance Reports 2017-2020 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | <p>Aligned with the KPIs outlined above, ACCIONA has set the following SPTs:</p> <ul style="list-style-type: none"> - SPT 1: Reduce scope 1 and 2 emissions by 60% in the period 2017-2030, in line with the 1.5°C Scenario and the Science Based Targets Initiative (SBTi). - SPT 2: 1,336 new households in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits. - SPT 3: 40,000 hours of certified technical training (TVET) for women and underrepresented groups. <p>DNV can confirm that SPT 1 is SBTi validated, firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris agreement in line with 1.5°C scenario. The SPT uses clear calculation methodologies (GHG Protocol), has a target year set to 2030 and a clear baseline (2017), which is independently assured by a third party. DNV can also confirm that this is a leading target compared to ACCIONA's peers.</p> <p>SPT 2 & 3 are relates to the generation of positive social impact on the local community and multiplying the project's capacity to promote development, while their environmental footprint tends to zero. DNV notes the positive impact of the achievement of these SPTs and their contribution to shared value and inclusive growth, core to the Company's overarching business and sustainability strategy. The SPTs use clear calculation methodologies with a target year set to 2025. The ambition of SPT 2 & 3 is further increased in the event of an extensions of the contract until 2027, as established in the Framework.</p> <p>DNV reviewed the evidence demonstrating the credibility of ACCIONA's strategies to achieve the SPTs and can conclude that ACCIONA has a clear roadmap to meeting the SPT. Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement beyond a "Business as Usual" trajectory, are consistent with ACCIONA's overall</p> |

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| | | | | sustainability and set on a predefined timeline in accordance with the SLBP. |
| 2b | Target Setting - Meaningful | SPTs should represent a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the bond. | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 – Annual accounts 2020 – Draft Sustainability Report 2020 – Sustainability Master Plan 2025 – SBTi target validation report – Independent Assurance Reports 2017-2020 – Report on CO2 capture – Nature based solutions. – Draft MoU UNEP_ACCIONA_2021 – Discussions with the issuer | Based on the work undertaken, DNV can confirm that the SPTs represent a material improvement beyond a “Business as Usual” trajectory and is consistent with ACCIONA’s overall sustainability and set on a predefined timeline in accordance with the SLBP. |
| 2c | Target Setting – benchmarks | <p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The issuer’s own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the issuer’s peers where comparable or available, or versus industry or sector standards and/or | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 – Annual accounts 2020 – Draft Sustainability Report 2020 – Sustainability Master Plan 2025 – SBTi target validation report – Independent Assurance Reports 2017-2020 – Report on CO2 capture – Nature based solutions. – Draft MoU UNEP_ACCIONA_2021 | <p>DNV can confirm that SPT 1 is SBTi validated, firmly aligned with a carbon reduction pathway required to meet the objectives of the Paris agreement in line with 1.5°C scenario. The SPT uses clear calculation methodologies (GHG Protocol), has a target year set to 2030 and a clear baseline (2017), which is independently assured by a third party. DNV can also confirm that this is a leading target compared to ACCIONA’s peers.</p> <p>SPT 2 & 3 are relates to the generation of positive social impact on the local community and multiplying the project’s capacity to promote development, while their environmental footprint tends to zero. DNV notes the positive impact of the achievement of these SPTs and their contribution to shared value and inclusive growth, core to the Company’s overarching business and sustainability strategy. The SPTs use clear calculation methodologies with a target year set to 2025. The ambition of SPT 2 & 3 is further increased in the event of an extensions of the contract until 2027, as established in the Framework.</p> |

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|----|------------------------------|--|---|---|
| | | <p>3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies</p> | <p>– Discussions with the issuer</p> | |
| 2d | Target setting – disclosures | <p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. The timelines of target achievement, the trigger event(s), and the frequency of SPTs 2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used 3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the issuers intend to reach such SPTs | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 – Annual accounts 2020 – Draft Sustainability Report 2020 – Sustainability Master Plan 2025 – SBTi target validation report – Independent Assurance Reports 2017-2020 – Report on CO2 capture – Nature based solutions. – Draft MoU – UNEP_ACCIONA_2021 – Discussions with the issuer | <p>It is our opinion that ACCIONA’s disclosures on target setting for the SPTs are adequate for the following reasons:</p> <ul style="list-style-type: none"> • The timelines to achieve the targets and the trigger events, are clearly disclosed in the Framework and other documentation. • Baseline is relevant and has been selected and properly described for SPT 1 • Clear road map to SPT achievement. DNV considers ACCIONA’s SPT’s realistic, and the Company has clearly described how it intends to reach the SPTs in supporting documentation. <p>DNV can confirm that this is clearly outlined in the Framework and consistent with the SLBP.</p> |

3. Bond Characteristics

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|--|---|---|--|
| 3a | Bond Characteristics – SPT Financial/structural impact | The SLB will need to include a financial and/or structural impact involving trigger event(s) based on whether the KPI(s) reach the predefined SPT(s). | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | <p>Within this Framework, ACCIONA has committed to ensuring the failure to meet the SPT 1 by the reference date, as specified in the relevant documentation of the specific transaction will result in a contribution to the United Nations Environment Programme (UNEP) to remove 10 tCO2e per 1 tCO2e shortfall, using nature-based solutions.</p> <p>Based on the achievement of SPT 2 & 3 annual targets may vary annually in the following way:</p> <ul style="list-style-type: none"> - If annual targets are met, the applicable Margin will be reduced by 2.5 bps for each SPT 2 & 3. - If the annual targets are not met, the applicable Margin will revert to the initial Margin (i.e. an increase of 2.5 bps) for each SPT 2 & 3. - Margin adjustments are not cumulative in successive years; the maximum decrease in the applicable Margin for annual compliance with SPT 2 & 3 will be 5bps. <p>At maturity, prepayment or cancellation, if the real cumulative progress of SPT 2 & 3 lies below the path committed by the annual targets, the company will make a contribution to UNEP equal to the gaps observed.</p> <p>Details of any other step-up margin to investors in any Sustainability-Linked-Bond will be set out in the offering documentation.</p> <p>DNV can therefore confirm that the inclusion of trigger event(s) under the Framework is in line with the requirements outlined by the SLBP.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|---|--|---|--|
| 3b | Bond Characteristics – Fallback mechanism | <p>Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events.</p> | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability Linked Financing Framework, May 2021 • Discussions with the issuer | <p>If for any reason SPT 2 and 3 cannot be calculated or observed, the reduced Margin will not be applicable. A fallback mechanism for SPT 1 is not required given the maturity to the business of this indicator.</p> |

4. Reporting commitments

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------|---|--|---|
| 4a | Reporting | <p>Issuers of SLBs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics 3. Any information enabling investors to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p> | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> • Sustainability Linked Financing Framework, May 2021 | <p>DNV can confirm ACCIONA has committed to reporting annually on the sustainable financing instruments. This reporting will be published pre- and post-issuance. The post issuance reporting may include:</p> <p>Up-to-date information on the performance of the selected KPIs and SPTs, including baselines.</p> <p>Illustration of the positive sustainability impacts of the performance improvement.</p> <p>Verification / Assurance report: Reports on verified SPTs will be made publicly available, outlining the performance vs. SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics. In the event of non-compliance with the SPTs, in the terms defined in the Framework, information will be reported on the contribution to the UNEP - UN Environment Program and projects carried out to generate the impact committed by ACCIONA.</p> <p>DNV can confirm ACCIONA has committed to reporting in line with the requirements of the SLBP.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|----------------------|--|--|---|
| 4b | Second Party Opinion | Publication of any pre-issuance external review, such as a second party opinion, or if relevant a verification of baselines. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> Sustainability Linked Financing Framework, May 2021 | ACCIONA has committed to conducting a second party opinion on the Framework, meeting the SLBP. This includes an assessment of the KPIs selected, benchmark and baselines selected, and the credibility of the strategy to achieve them. |

5. Verification

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------|--|--|--|
| 5a | External Verification | Issuers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year, and for each SPT trigger event. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> Sustainability Linked Financing Framework, May 2021 | DNV can confirm ACCIONA has committed to report the performance and related impact of KPI/SPTs on annual basis as part of ACCIONA’s annual Integrated Report. The report will be verified by an appropriate qualified independent party of assurance and will be made available on ACCIONA’s website, DNV can confirm ACCIONA has committed obtaining verification in line with the requirements of the SLBP. |

SCHEDULE 3: SUSTAINABILITY LINKED LOAN ELIGIBILITY ASSESSMENT PROTOCOL

1. Relationship to Borrower’s Overall Sustainability Strategy

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-------------------------------|--|--|--|
| 1a | Overall Strategy - Objectives | The borrower of a sustainability linked loan should clearly communicate to its lenders its sustainability objectives, as set out in its sustainability strategy, and how these align with its proposed SPTs. | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Annual accounts 2020 - Draft Sustainability Report 2020 - Sustainability Master Plan 2025 - SBTi target validation report - Independent Assurance Reports 2017-2020 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | <p>The SPTs and corresponding KPI in the Framework clearly link to following pillars of ACCIONA’s Sustainability Master Plan 2025:</p> <ul style="list-style-type: none"> - Positive Planet, from net zero to positive contribution, including decarbonization, zero emissions solutions mitigation and climate positive. - Sustainable difference in every project, including minimum impact, programs with the community and visible differences. <p>This approach is deemed appropriate with reference to the rationale in Ref. 1a in schedule 2.</p> <p>ACCIONA’s framework is confirmed to be aligned and consistent with the company’s overarching sustainability vision through its focus on positive planet. SPT 1 as outlined in the framework underlines ACCIONA’s long-term carbon goals.</p> |
| 1b | Overall Strategy - Context | Borrowers are encouraged to position this information within the context of their overarching objectives, strategy, policy and/or processes relating to sustainability. | <p>Including management interviews DNV also undertook a review of:</p> <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Annual accounts 2020 | <p>DNV can confirm, on the basis of the work done, that the context of the Sustainability-Linked Finance Framework has been positioned in context with ACCIONA’s overall sustainability strategy.</p> |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|------------------------------|--|---|--|
| | | | <ul style="list-style-type: none"> - Draft Sustainability Report 2020 - Sustainability Master Plan 2025 - SBTi target validation report - Independent Assurance Reports 2017-2020 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | |
| 1c | Overall Strategy - Standards | Borrowers are also encouraged to disclose any sustainability standards or certifications to which they are seeking to conform. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> - Sustainability Linked Financing Framework, May 2021 - Annual accounts 2020 - Draft Sustainability Report 2020 - Sustainability Master Plan 2025 - SBTi target validation report - Independent Assurance Reports 2017-2020 - Report on CO2 capture – Nature based solutions. - Draft MoU UNEP_ACCIONA_2021 - Discussions with the issuer | ACCIONA is aligned the SDGs and committed to annual sustainability reporting according to the GRI Standards, and the TCFD recommendations for reporting on climate change. |

2. Target Setting – Measuring the Sustainability of the Borrower

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------------------|--|---|---|
| 2a | Target Setting - Meaningful | The SPTs should be ambitious and meaningful to the borrower’s business and should be tied to a sustainability improvement in relation to a predetermined performance target benchmark. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> – Sustainability Linked Financing Framework, May 2021 | Confirmed as meaningful by DNV and appropriately tied to a predetermined performance target benchmark. Refer to 2c in Schedule 2 for further details. |
| 2b | Target Setting - Meaningful | Market participants recognise that any targets should be based on recent performance levels. | Including management interviews DNV also undertook a review of: Sustainability Linked Financing Framework, May 2021 | Confirmed as appropriate by DNV, given the provision of historical evidence and track-record. Refer to 2d in Schedule 2 for further details. |
| 2c | Target Setting - Meaningful | Interaction of the KPIs with the interest rate or equivalent. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> • Sustainability Linked Financing Framework, May 2021 | Confirmed by DNV as appropriate under the SLLP. Refer to 3a in Schedule 2 for further details. |

3. Reporting

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------|--|---|---|
| 3a | Reporting | Borrowers should, where possible, make and keep readily available up to date information relating to their | Including management interviews DNV also undertook a review of: | DNV concludes that the framework meets the reporting requirements outlined under the SLLP. Refer to 4.a. in Schedule 2 for further details. |

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|----------|--|---|--------------|
| | | SPTs, with such information to be provided to those institutions participating in the loan at least once per annum. Borrowers should be encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower's annual report or its sustainability report. | <ul style="list-style-type: none"> Sustainability Linked Financing Framework, May 2021 | |

4. Review

| Ref. | Criteria | Requirements | Work Undertaken | DNV Findings |
|------|-----------------|--|---|--|
| 4a | External Review | The borrower should have its performance against its SPTs independently verified by a qualified external reviewer, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year. | Including management interviews DNV also undertook a review of: <ul style="list-style-type: none"> Sustainability Linked Financing Framework, May 2021 | <p>ACCIONA has committed to providing up to date information on both the KPI's performance on an annual basis, disclosing information on its investor relations website. The data presented by ACCIONA is verified on at least an annual basis by external auditors. We can confirm that ACCIONA has expressed its intent to publish an assurance report each year, that will be accessible on ACCIONA website, confirming whether the performance of the KPIs meet the relevant SPTs.</p> <p>DNV concludes that the framework meets the review requirements outlined under the SLLP. Refer to 5a in Schedule 2 for further details.</p> |