

# ACCIONA SUSTAINABLE IMPACT FINANCING FRAMEWORK

JUNE 2023

## REVISIONS LOG

Version nr.	Date	Changes
00	13.11.2023	APPENDIX III: Incorporation of LII7.
01	06.09.2024	Overall: Minor changes in wording. LII2: Incorporation of water services. LII5: Minor changes in eligibility requirements. APPENDIX III: Incorporation of LII8.



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# 1. BACKGROUND AND RATIONALE

## ACCIONA as a sustainable solutions provider

ACCIONA develops sustainable energy and infrastructure solutions that aim to address urgent global challenges such as global warming, the growth of urban areas and water scarcity. ACCIONA develops, owns, and operates assets that can contribute to create a positive, regenerative impact on people's lives and the planet. The Group has a long and successful history where social, ethical, and environmental values were deeply engrained in the company's ethos, even before the concept of sustainable development emerged as a central feature of corporate strategies.

The company aims to preserve its competitive edge as a leader in the clean energy and regenerative infrastructure sector and remain a leader in corporate sustainability.

## Rationale for a Sustainable Impact Financing Framework

ACCIONA is a Group characterised by its strong multi-generational outlook. Sustainability at ACCIONA is based on a deep, evidence-based understanding of its own business and the broader implications of its activity.

ACCIONA believes that in their current format sustainable finance instruments and common market practices may hinder the delivery of true additional positive impact, as the sustainable commitments utilised to structure these instruments - namely green energy transition and corporate sustainability goals - are in most cases limited to targets that the issuers would have committed to as part of their overall sustainability strategy in any case.

ACCIONA shares the market's dissatisfaction with the current state of sustainable financing practice and aspires to address some of these potential shortfalls by developing new 'business as unusual' sustainable financing solutions. ACCIONA aims to leverage this innovative Sustainable Impact Financing Framework (the "Framework") in order to deliver truly incremental positive impact that traditional instruments in some instances have so far lacked.

The Framework is aligned with the latest best practices by the International Capital Market Association ('ICMA'), Loan Market Association ('LMA'), and the European Union.

This Framework is based on a 'Dual Impact' philosophy. It covers Green Use of Proceeds and Sustainability-Linked financing structures while introducing a new Local Impact feature that, when combined with the more traditional structures, has the potential to deliver enhanced positive environmental and/or social outcomes. Additionally, the Framework introduces a clear set of rules and commitments with respect to grey areas in common market practice.

ACCIONA believes that this new approach has the potential to enhance the transparency and accountability of sustainable financing instruments.

Type	Impact of a "Traditional" structure	Impact of a "Dual Impact" structure
Use of Proceeds instrument (UoP)	Green underlying assets	Taxonomy-aligned underlying assets + Local Impact Initiative
Sustainability-Linked (SL) instrument	Corporate performance targets	Transformative corporate performance targets + Local Impact Initiative

## 2. FINANCING SCOPE

### Structure of this framework

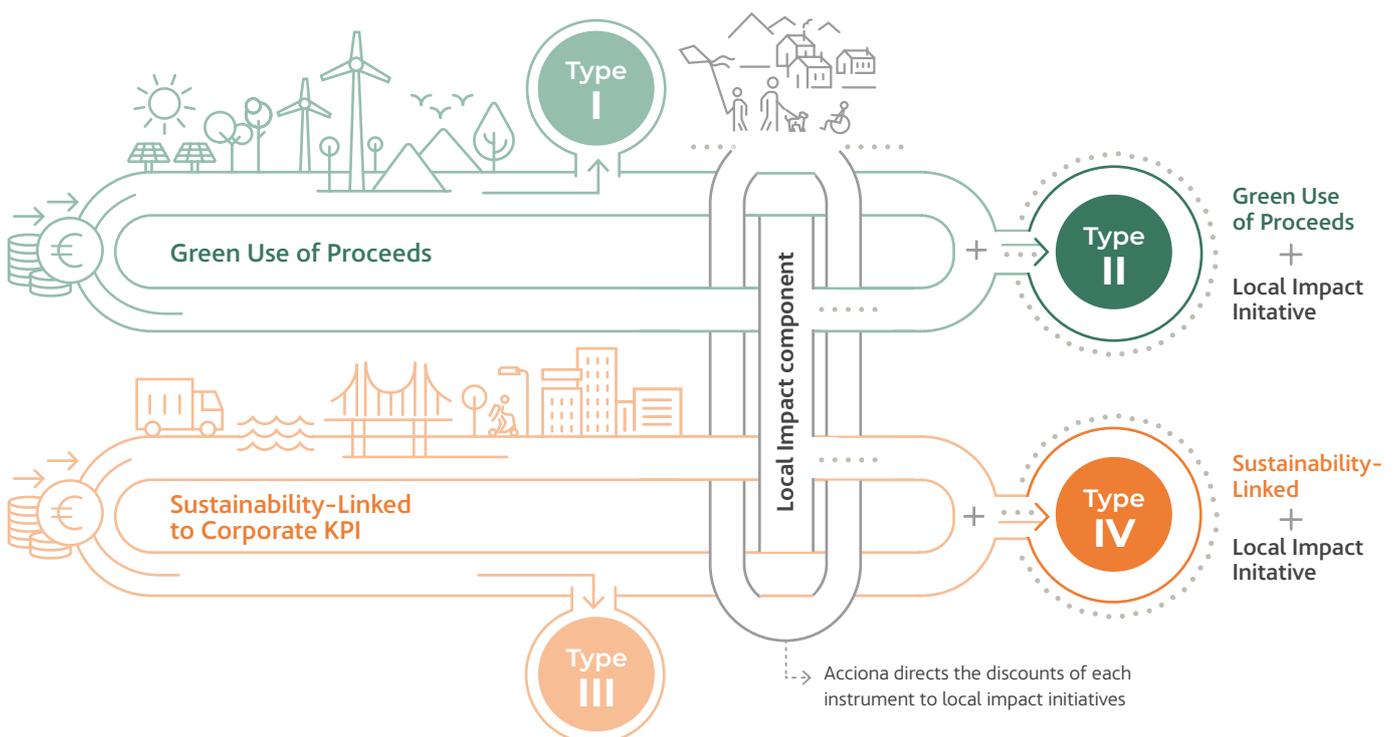
Under ACCIONA's Sustainable Impact Financing Framework, ACCIONA Financiación Filiales, S.A., and ACCIONA Energía Financiación Filiales S.A or any other issuing entities collectively referred to as "ACCIONA", will be able to issue or enter into debt instruments such as bonds, loans, hybrid loans, private placements, schuldscheins, commercial paper, revolving credit facilities, contingent obligations (e.g. guarantees), equity-linked instruments, and repurchase agreements, collectively referred to as "sustainable instruments".

This Framework is centred around two traditional sustainable financing mechanisms.

<p><b>Green Use of Proceeds instruments:</b> aimed at supporting economic activities aligned with the EU Taxonomy by promoting specific projects contributing to environmental objectives.</p>	<p><b>Sustainability-linked instruments:</b> tied to the achievement of corporate sustainability performance targets.</p>
<p><b>Local Impact component:</b> In addition, ACCIONA introduces a 'Dual Impact' structure that combines either traditional instrument with a specific impact feature aimed at generating positive environmental and/or social impact at the local level. More information on the additional Local Impact component is provided in <a href="#">Section 5</a>, including structuring examples.</p>	

Under this Framework, ACCIONA may issue four types of sustainable financing instruments: two types of traditional Green Use of Proceeds and Sustainability-Linked financings, and those two same instruments enhanced with a Local Impact feature.

Figure 2 - Illustration of Possible Types of Sustainable Finance Transactions Under the Framework





## Green Use of Proceeds (UoP) instruments

In line with a traditional UoP structure, this type of financing supports the achievement of ACCIONA's sustainability strategy by directing funds to eligible project categories as outlined in this Framework and are aligned with the EU Taxonomy. The eligible activities are mainly related to the development of renewable energy, access to water and sanitation, infrastructure for sustainable mobility and circular economy and adaptation to climate change.

⊕ **For further information** about this instrument, [see Section 3](#)



## Green Use of Proceeds instruments with an add-on Local Impact feature

This financing structure incorporates a Green UoP structure to channel investments into EU Taxonomy-aligned activities (in line with Type I) and additionally support initiatives that generate positive environmental and/or social outcomes at local level.

The structure includes an add-on Local Impact feature that entails a commitment on the part of the issuer to invest in a particular Local Impact initiative. The quantum of the investment is sized with respect to the potential interest cost savings arising from the enhanced 'Dual Impact' instrument, whether explicit (e.g., a reduction in the credit spread/margin if targets are met) or implicit (e.g., estimated greenium in a capital markets transaction). 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.

⊕ **For further information**, see [Section 3](#) and [Section 5](#)



### Sustainability-Linked instrument tied to the achievement of corporate sustainability target(s)



In line with a traditional Sustainability-Linked structure, these instruments are tied to the achievement of meaningful sustainability targets set at corporate level; the proceeds are intended to be used for general corporate purposes.

ACCIONA Group's main corporate sustainability goals are, firstly, to maintain a high degree of alignment of its business activities with the EU Taxonomy, and, secondly, to achieve a decarbonisation pathway consistent with the most ambitious climate goals established under the Paris Agreement (1,5°C).

With respect to newly issued Sustainability-Linked instruments, ACCIONA will by default choose the EU Taxonomy alignment as corporate sustainability target.

⊕ For further information, see [Section 4](#)



### Sustainability- Linked instrument with an add-on Local Impact feature



This type of instrument builds upon the Sustainability-Linked structure tied to ACCIONA's strategic corporate objective and additionally support initiatives that generate positive environmental and/or social outcomes at local level.

As with Type II instruments, this structure includes an add-on Local Impact feature that entails a commitment on the part of the issuer to invest in a particular Local Impact initiative. The quantum of the investment is sized with respect to the potential interest cost savings arising from the enhanced 'Dual Impact' instrument, whether explicit or implicit. 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.

As in Type III instruments, newly issued Type IV instruments will be tied by default to the EU Taxonomy alignment corporate sustainability target. The achievement of this corporate target will not result in any credit spread adjustment while failure to meet it will entail a financial penalty to compensate for any shortfall.

⊕ For further information, see [Section 4](#) and [Section 5](#)



#### ADDITIONAL REMARKS:

As further explained in [Section 8](#), the fulfilment of the all the objectives referred in previous paragraphs will be periodically evaluated by an independent verifier.

In addition to these four types of instruments, a new instrument combining some of the features explained above can be structured.

## Alignment with global guidelines

This Framework has been established in accordance with the latest market best practices by the International Capital Market Association (“ICMA”), Loan Market Association (“LMA”), and the European Union, as summarised in the table below.

Global Guidance & Recommendations	Applicability check			
	Type I	Type II	Type II	Type IV
Draft – EU Green Bond Standard (“EU-GBS”) <sup>1</sup>	✓	✓		
ICMA Green Bond Principles 2021 <sup>2</sup>	✓	✓		
LMA Green Loan Principles 2023 <sup>3</sup>	✓	✓		
ICMA Sustainability-Linked Bond Principles 2020 <sup>4</sup>			✓	✓
LMA Sustainability-Linked Loan Principles 2023 <sup>5</sup>			✓	✓

<sup>1</sup> Proposal for a regulation of the European Parliament and of the Council on European green bonds: [https://www.europarl.europa.eu/doceo/document/A-9-2022-0156\\_EN.html](https://www.europarl.europa.eu/doceo/document/A-9-2022-0156_EN.html)

<sup>2</sup> ICMA Green Bond Principles June 2021 (with June 2022 Appendix 1): [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf)

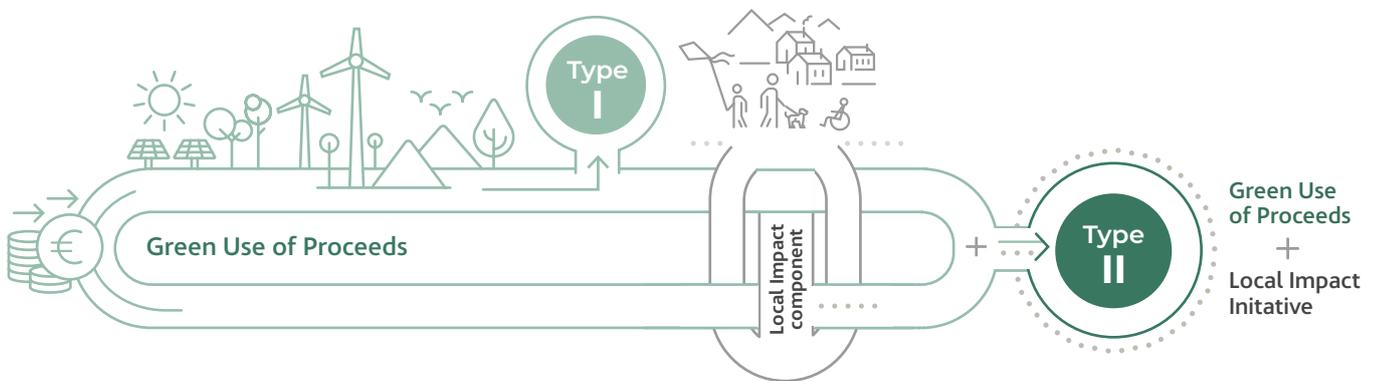
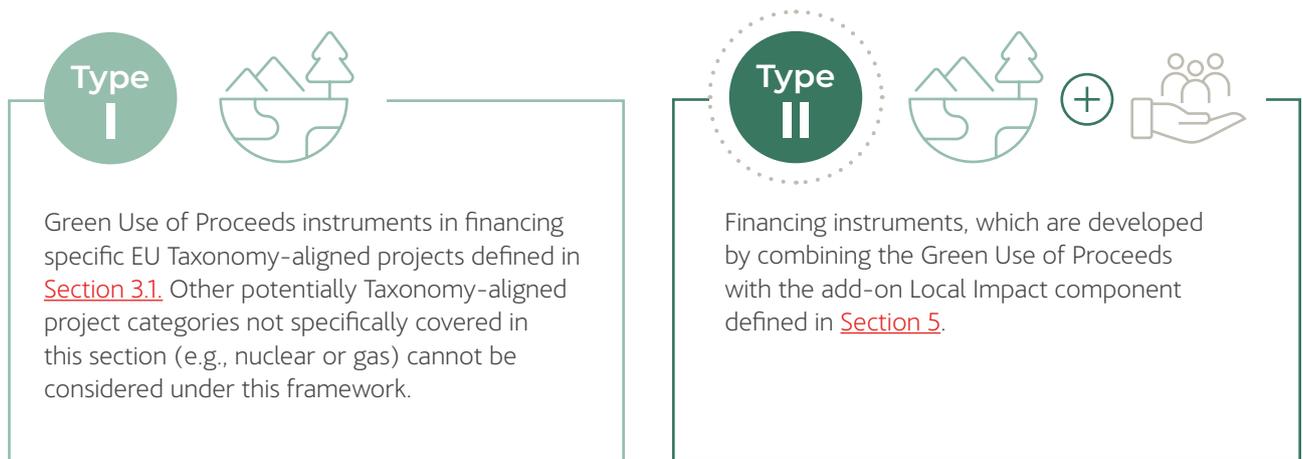
<sup>3</sup> LMA Green Loan Principles Feb 2023: <https://www.lma.eu.com/sustainable-lending/documents#green-loan-principles139>

<sup>4</sup> Sustainability-Linked Bond Principles June 2020: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf>

<sup>5</sup> LMA Sustainability-Linked Loan Principles Feb 2023: <https://www.lma.eu.com/sustainable-lending/documents#green-loan-principles139>

# 3. USE OF PROCEEDS FINANCING

This section has been established in accordance with the forthcoming EU Green Bond Standard (“EU GBS”), ICMA Green Bond Principles 2021 (GBP), LMA Green Loan Principles 2023 (GLP) and applies to:



It will remain at the company’s discretion to overlay a Local Impact component, and in such an event, a fallback mechanism will apply whereby Green Use of Proceeds instruments can be issued as standalone structures.

## Use of Proceeds

Acciona will finance or refinance a portfolio of qualifying projects, assets or services aligned with the EU Taxonomy and falling under the categories defined below, and at the same time support ACCIONA’s strategic objective of generating positive social outcomes. eligible green projects may include eligible Operational Expenditure (OpEx), Capital Expenditure (CapEx) and assets.

## Eligible Green Categories

EU Macro-Sector	EU Sub-Sector where ACCIONA's project fall	NACE Level (Code)	Financial line item	
<b>Manufacturing</b> 	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2(1) of Directive (EU) 2018/2001.	2 (C25, C27, C28)	CapEx, OpEx	
<b>Green energy supply</b> 	Construction and operation of onshore generation facilities that produce electricity	 from wind power	4 (D.35.11)	CapEx, OpEx
		 from solar photovoltaic		
		 from concentrated solar power		
		 from bioenergy (thermal generation from burning agricultural and forestry waste)		
	Construction or operation of electricity generation facilities that produce electricity from hydropower.	4 (D35.11, F42.22)	CapEx, OpEx	
	Construction and operation of green hydrogen production facilities.	4 (C20.11)	CapEx, OpEx	
<b>Transmission, distribution, and storage of electricity</b> 	Construction and operation of infrastructures for the transmission and distribution of electricity	4 (D35.12, D35.13)	CapEx, OpEx	
	Construction and operation of facilities that store electricity and return it at a later time in the form of electricity. The activity includes pumped hydropower storage.		CapEx, OpEx	
<b>Zero-emission transportation</b> 	Infrastructure for low-carbon transport: Construction of railways and underground railways.	4 (F42.11, F42.12, F42.13)	CapEx, OpEx	
	Purchase, financing, renting, leasing and operation of passenger cars, light commercial vehicles and category L vehicles (zero tailpipe emission vehicles).		CapEx, OpEx	
	Manufacture of zero tailpipe emission vehicles: passenger cars, light commercial vehicles and category L vehicles).	4 (C29.1, C30.1, C30.2, C30.9, C33.1.5, C33.1.7)	CapEx, OpEx	
<b>Water, sewerage, waste and remediation</b> 	Construction and operation of centralised wastewater treatment systems (including collection and treatment and renewal of wastewater systems).	4 (E37.00)	CapEx, OpEx	
	Construction and operation of water collection & treatment and distribution infrastructure (including renewal infrastructure).	4 (E36.00, F42.99)	CapEx, OpEx	
	Construction and operation of facilities for the treatment of sewage sludge and bio waste through anaerobic digestion (composting) with the resulting production and utilisation of biogas or chemicals.	4 (E38.21, F42.99, E37.00)	CapEx, OpEx	
	Separate collection and transport of non-hazardous waste in single or commingled fractions aimed at preparing for reuse and/or recycling.	4 (E38.11)	CapEx, OpEx	
	Construction and operation of infrastructure for landfill gas capture and utilisation in permanently closed landfills or landfill cells using new or supplementary dedicated technical facilities and equipment installed during or post landfill or landfill cell closure.	4 (E38.21)	CapEx, OpEx	

EU Macro-Sector	EU Sub-Sector where ACCIONA's project fall	NACE Level (Code)	Financial line item
<b>Construction and real estate activities</b> 	Construction of new buildings and renovation of existed buildings (with green building certification): This relates primarily to activities under NACE codes 'F41.1 - Development of building projects' and "F41.2 - Construction of residential and non-residential buildings", but also includes activities under NACE code "F43 - Specialised construction activities".	2 (F41, F43)	Asset value/ CapEx
	Installation, maintenance and repair of charging stations for electric vehicles and renewable energy technologies in buildings and parking spaces attached to buildings.	2 (F42, F43, M71, C16, C17, C22, C23, C25, C27 or C28)	CapEx, OpEx
	Acquisition of real estate and exercising ownership of that real estate	2 (L68)	CapEx
	Construction and operation of facilities that produce heat/cool from renewable sources and pipelines and associated infrastructure for heat/cool distribution.	4 (D35.3.0)	CapEx, OpEx
<b>Professional, scientific, and technical activities</b> 	Professional services related to energy performance of buildings.	2 (M71)	CapEx, OpEx
	Research, and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance, or removal of GHG emissions (RD&I).	4 (M71.1.2, M72.1)	CapEx

Examples of ACCIONA's eligible green projects, assets or services under the EU Taxonomy are provided in Appendix I: Categories and Examples of Current Eligible Projects developed by ACCIONA that are covered by the EU Taxonomy.

For the avoidance of doubt, under the current framework, ACCIONA will not finance any nuclear or fossil gas related activities even though they are considered to some extent sustainable economic activities under the EU Taxonomy.

## Refinancing

ACCIONA sets the criteria for which an eligible green project can qualify for refinancing: namely, it ought to still comply with the eligibility criteria at the time of the issuance of the new green Type I or Type II instrument, in line with the criteria set by ICMA<sup>6</sup>, and still delivers a meaningful impact<sup>7</sup>. Additionally, to be eligible for refinancing with Green UoP instruments, the operating life of the asset at the time of refinancing shall not exceed 12 years.

If only a portion of total proceeds are to be used for refinancing, ACCIONA will provide a non-binding pre-issuance estimate of the amount to be refinanced, the status of the eligible green project, its expected impact and, if traceable, information on its past performance.

## Look-back period

Regarding the allocation of green finance funds raised to green eligible projects, ACCIONA has established a look-back period of no longer than 36 months from the time of the issuance for CapEx, and 24 months for OpEx purposes<sup>8</sup>.

<sup>6</sup> ICMA, Green Bond Principles Handbook page 14: <https://www.icmagroup.org/assets/GreenSocialSustainabilityDb/The-GBP-Guidance-Handbook-January-2022.pdf>

<sup>7</sup> For example, in the case of the renewable energy assets, make meaningful impact means that it will maintain at least a 75% of its initial capacity to generate renewable energy.

<sup>8</sup> [https://finance.ec.europa.eu/system/files/2020-06/200309-sustainable-finance-teg-green-bond-standard-usability-guide\\_en.pdf](https://finance.ec.europa.eu/system/files/2020-06/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf)

## Process for project evaluation and selection

### Evaluation Scope

All projects that are financed and/or refinanced with proceeds from green financing instruments are selected by ACCIONA's Sustainable Finance Committee and are evaluated on a quarterly basis. This Committee comprises professionals from ACCIONA's Finance and Global Sustainability departments, as well as Sustainability representatives and project managers from ACCIONA's business lines and other parties who are selected as subject matter experts.

### Criteria applied

The Committee is responsible for verifying the compliance of all projects with the eligibility criteria, based on the contribution by ACCIONA's green projects to the environmental objectives contemplated in the EU Taxonomy (i.e., full alignment with EU Taxonomy requirement). These projects make a substantial contribution to the achievement of any of the six EU Environmental Objectives, meet the "Do Not Significant Harm" requirements applicable, and comply with the minimum social safeguards in place.

In addition, ACCIONA applies a set of minimum ESG requirements (Policy Book approved by the Board of Directors' Audit and Sustainability Commission) alongside applicable EU and national environmental and social regulations to all its activities.

Within the current Sustainable Impact Financing Framework, and following the IPO of Acciona Energía, all the taxonomy-aligned assets generated by ACCIONA Energía will be solely used for the underlying green financing operations of ACCIONA Energía.

### Ever Green Pledge

As the EU Taxonomy evolves and the Technical Screening Criteria (TSC)<sup>10</sup> undergo periodical revision, ACCIONA commits to reviewing its eligibility criteria to meet the latest available standards. As a result, in the event of a material review of the EU Taxonomy, ACCIONA will substitute assets and expenditure that are no longer considered "Taxonomy-aligned" with new eligible ones as soon as practically feasible<sup>11</sup>.

If it is not feasible to substitute the assets, investors will have the right to request a buyback. For Debt Capital Market instruments, the buyback will be exercised at par value within a reasonable period of time to be specified in each contract<sup>12</sup>.

<sup>9</sup> [https://www.acciona.com/shareholders-investors/corporate-governance/rules-governance/corporate-policies-book/?\\_adin=02021864894](https://www.acciona.com/shareholders-investors/corporate-governance/rules-governance/corporate-policies-book/?_adin=02021864894)

<sup>10</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives: EUR-Lex - 32021R2139 - EN - EUR-Lex (europa.eu)

<sup>11</sup> Alignment with the EU Taxonomy TSC will be reviewed periodically and implemented according to the latest available guidance from the EU. In the event of a change of definition at NACE level affecting a major portion of funds already allocated, the TSC and DNSH criteria in force at the time of issuance of the instrument will continue to be used.

<sup>12</sup> Each contract will specify the buyback period, which will be set with a maximum of 18 months by default.

## Management of proceeds

ACCIONA will allocate the proceeds from sustainable financing instruments to finance or refinance green eligible projects, assets, or services under development or operation.

Green projects are selected in accordance with the UoP criteria, and the evaluation and selection process presented above, prioritising current or more recent projects. ACCIONA will establish a register to track investments in eligible projects.

ACCIONA will strive, over time, to achieve a level of allocation of the eligible green project portfolio, which, after adjustments for intervening circumstances (including, but not limited to, sales and repayments), matches the balance of net proceeds from its outstanding sustainable financing instruments.

## Allocation of proceeds

ACCIONA aims to deploy the proceeds within 36 months from the time of issuance of the green financing instrument and will prioritise current or the most recent projects. Additional eligible green projects will be added to the issuer's eligible green project portfolio to the extent required to ensure that the net proceeds from outstanding sustainable financing instruments are allocated to eligible green projects.

While any net proceeds from sustainable financing instruments remain unallocated, ACCIONA will hold and/or invest such proceeds, at its own discretion, in its liquidity portfolio, in cash or short-term liquid instruments.

### Green Commercial Paper & Revolving Credit Facilities

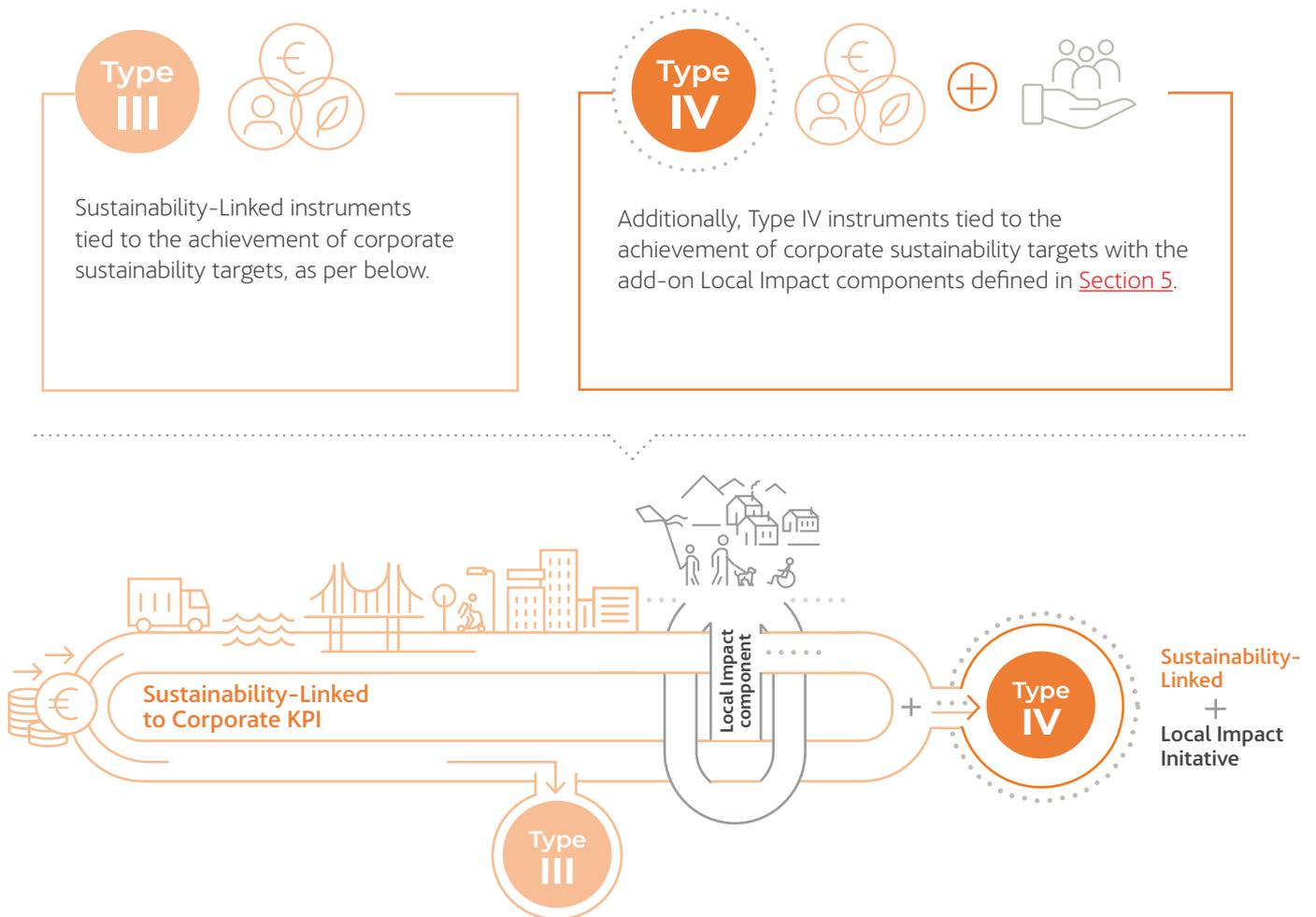
ACCIONA considers both green commercial paper and revolving credit facilities as a source of bridge financing of eligible green assets. The proceeds raised from this type of issuances will be used to finance and/or refinance working capital of such eligible assets. To ensure the integrity of ACCIONA's Green UoP instruments, an amount of eligible green assets (subject to the look-forward period criteria) equivalent to the maximum amount of outstanding green commercial paper and revolving credit facilities issued during the year, will be set aside. Restrictions to refinancing (i.e., 12-year green eligible asset life) will also apply.

### Guarantees and other Financial Products

Any financial product derived from a Green Use of Proceeds structure are eligible to be labelled as Green, as the underlying projects comply with EU Taxonomy criteria. These products may include green derivatives, green securitizations, among others.

## 4. SUSTAINABILITY-LINKED FINANCING

This section has been established in accordance with the ICMA Sustainability-Linked Bond Principles 2020, LMA Sustainability-Linked Loan Principles 2022 and refers to:



It will remain at the company's discretion to overlay a Local Impact component, and in such an event, a fallback mechanism will apply whereby Sustainability-Linked instruments can be issued as standalone structures.

### Refinancing

Refinancing will be allowed for Type III or Type IV instruments under the condition that Corporate Key Performance Indicators (CKPIs) and calibration of Corporate Sustainability Performance Targets (CSPTs) defined on each occasion will be maintained and the contribution time will be extended to align with the maturity of the new instrument.

## Selection of Corporate Key Performance Indicators (CKPI)



### CKPI 1: SCOPE 1 AND 2 EMISSIONS IN TONNES OF CARBON DIOXIDE (tCO<sub>2</sub>e)

Climate change continues to intensify the frequency and severity of natural disasters such as fires, droughts, floods, and hurricanes. 2021 was the 7th warmest year on record; global temperatures could rise as much as 3.2°C by 2100 if no action is taken.

13 CLIMATE  
ACTION



#### RATIONALE

The infrastructure we develop today determines society's development capabilities and, to a large extent, defines how we will operate tomorrow. Infrastructure that responds to the climate emergency, that is capable of regenerating the planet's habitats and creating a greater number of better-quality opportunities for all, is a common theme in our company's strategic direction. ACCIONA supports the objectives to decarbonise its activity through public commitments, policies, specific procedures, public targets, and a model of economic incentives tied to the achievement of Greenhouse Gas (GHG) emission reductions for directors, managers, technical and support staff.

The KPI is included as a "core" KPI in the Illustrative KPIs Registry implied by ICMA indicating that the metric is generally material, relatively mature, and holistic enough, to be used as a standalone.



#### APPLICABLE SCOPE

All companies in ACCIONA Group within the financial control perimeter, in accordance with the requirements of Law 11/2018, of December 28, regarding non-financial information and diversity. All Group companies are listed in Annexes I, II and III of the company's consolidated financial statements.



#### CALCULATION METHODOLOGY

Specific data requirements for GHG will be based on the GHG Protocol Corporate Accounting and Reporting Standard.

##### Scope 1

- GHG emissions will include CO<sub>2</sub> and all other GHG emissions emitted directly by ACCIONA.
- GHG emissions of owned and/or managed fleet will be included.
- Business travel: not owned and/or operated fleet GHG emissions will not be included.

##### Scope 2

- GHG emissions will include CO<sub>2</sub> and all other GHG emissions weighted according to GHG potential.
- Scope 2 emissions will consider market-based method of the GHG.

## Dilemmas and opportunities on the management of Scope 3 GHG emission

ACCIONA has set a target to reduce Scope 3 GHG emissions by 47%, compared to 2017, ratified by SBTi, in line with the most ambitious scenario in the Paris Agreement: to limit the global temperature increase to 1.5°C in comparison to the pre-industrial era levels.

However, measuring and tracking Scope 3 GHG emissions continues to pose challenges for companies with an articulated and global procurement network. ACCIONA's supply chain is constantly evolving and is estimated to have more than 20,000 individual suppliers each year. Besides, given the company's global footprint, materials purchased are sourced from across the world thereby posing a substantial challenge to gathering primary emission information. As consideration for these accounting challenges the GHG protocol, PCAF, TCFD and other standards provide rules for estimating Scope 3 emissions, which encourage a spend-based<sup>13</sup> approach when measurement of specific emission data cannot be obtained directly. However, this methodology bears intrinsic limitations that make the figures obtained neither relevant nor useful to measure and track actual company efforts. The emission factor is based on industry and product averages that do not account for the specificity of each supplier; in addition, product emissions can change from region to region, product to product and the nuances between products or suppliers can be material.

For the purpose of addressing these challenges, ACCIONA has implemented several initiatives, both internally and externally, through its own purchasing department. On the purchasing side, ACCIONA has the "Category Managers" specialised function in place; this role holds the deepest knowledge of suppliers and products and promotes the low-carbon alternatives available on the market. Also, ACCIONA supports and develops decarbonisation initiatives of its supply chain.

ACCIONA has put in place, among others, the following instruments, which, going beyond the limitations on the measurement of scope 3 GHG emissions, aim to reduce ACCIONA's scope 3 footprint: ACCIONA supports small and medium-sized enterprises in the establishment of a roadmap that allows them to not only better face the challenges posed by the transition to a decarbonised economy in highly emissive industries but also to thrive in the process.

In addition, ACCIONA has established a goal to purchase zero carbon/low-carbon alternatives that aim to help the supplier base develop the capacity to serve the market with such products.

⊕ **For more information** on such initiatives please see Local Impact Indicators 4 and 5 on section [5.1 Selection of Local Impact Indicators](#).

ACCIONA will continue to monitor the developments of carbon accounting methodologies and will strive to achieve high levels of accuracy when calculating Scope 3 emission. In the future ACCIONA may also complement this framework with an indirect emissions reduction target when more precise calculation methodology becomes available.

<sup>13</sup> GHG Protocol Calculation guidance: [Scope3 Calculation Guidance 0.pdf](#) (ghgprotocol.org) Page 33: Data sources for emission factors include: Environmentally extended input-output databases & industry associations.



## CKPI 2: % OF ELIGIBLE CAPEX ALIGNED WITH THE EU TAXONOMY REGULATION

The European Taxonomy of Sustainable Finance is a new classification of economic activities that contributes to the EU's environmental targets, and a crucial tool to help scale up sustainable investment.



### RATIONALE

Financial markets' active involvement in financing the sustainable economy is indispensable to the European Union's plans to move towards a low-carbon future. The EU Taxonomy Regulation (EU Regulation 2020/852)<sup>14</sup>, which entered into force on July 12, 2020, helps create the world's first 'green list', a classification system for sustainable economic activities, which will develop a common language for investors and companies when financing projects or goods and services with a positive impact on the environment.

The KPI is included as a "core" KPI in the Illustrative KPIs Registry compiled by ICMA indicating that the metric is generally material, relatively mature, and holistic enough, to be used as a standalone.



### APPLICABLE SCOPE

ACCIONA's exposure to the technical screening criteria, do not significant harm, and minimum safeguards established by Regulation (EU) 2020/852 and associated delegated acts. The proportion of eligible CapEx aligned with the EU Taxonomy, as referred to in Article 8(2), point (b), of Regulation (EU) 2020/852, will be calculated as the numerator divided by the denominator specified in the Commission's delegated acts developed under this Regulation (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021)<sup>15</sup>.



### CALCULATION METHODOLOGY

To meet the definition of an 'environmentally sustainable economic activity' (Article 2 of the Regulation) and thus be considered Taxonomy-aligned, ACCIONA's activities will:

1. Meet the technical criteria to substantially contribute to at least one of the next six environmental objectives: mitigation of climate change, adaptation to climate change, water protection, transition to a circular economy, pollution control and healthy ecosystems;
2. Do no significant harm to any other environmental objective (by complying with the Do No Significant Harm ("DNSH") criteria; and
3. Comply with minimum social safeguards. These are defined as ILO core labour conventions, the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Therefore, ACCIONA's economic activities, even when making a substantial contribution to climate change mitigation and/or adaptation, may not be Taxonomy-eligible if they cause significant harm to the remaining environmental objectives or they do not comply with the social safeguards considered to be a prerequisite.

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32020R0852&from=EN>

<sup>15</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2178>

## Calibration of Corporate Sustainability Performance Targets (CSPT)



### CSPT 1:

**REDUCE SCOPE 1 AND 2 EMISSIONS BY 60% IN THE PERIOD 2017-2030, IN LINE WITH THE 1.5°C SCENARIO**

ACCIONA's Climate Change Mitigation strategic priority is to lead the transition towards low-carbon business models. At ACCIONA, we stand by our commitment to climate change mitigation and a more circular economy; we have successfully obtained the SBTi validation of our new target to reduce 60% of our Scope 1 and 2 emissions from 2017 to 2030.

We are also aware of the integration of climate change into European Central Bank's monetary policy as it announced that "Better climate performance will be measured with reference to lower GHG emissions, more ambitious carbon reduction targets and better climate-related disclosures". This gives us extra motivation to set and achieve even more ambitious carbon emission reduction targets. ACCIONA will establish yearly intermediate milestones to reach these targets; however, the real cumulative progress will be measured after the period.

ACCIONA, or one of its subsidiaries, may consider intermediate milestones in different issues within this framework due to the nature of each issuance and their maturity. However, ACCIONA will guarantee a reduction path in line with the Group's SBTi target to keep the increase in global temperatures below 1.5°C. No further commitments will apply after this period (31st December 2030) and all the proceeds will be invested within this time.



### Factors that support the achievement of the targets:

- **Business orientation focussed on low-carbon activities established in the EU Taxonomy:** The forecasts that we use for the next few years indicate that we will maintain an aligned CapEx average for the period, in a percentage close to 90%.
- **Sustainable by design:** ACCIONA focusses on developing sustainable solutions to basic infrastructure challenges. The company carries out an important activity in the field of innovation that has led to changes in our processes enabling us to reduce emissions every year.
- **A progressive increase in the internal price of carbon:** ACCIONA was a pioneer in setting a carbon price. It is a real cost that allows better informed decisions to be made, to achieve emission neutrality through the purchase of CERS and to finance an internal carbon fund that promotes the implementation of decarbonisation projects of our operations - the electrification of the fleet, the replacement of materials, the installation of renewable energy, etc.
- **Variable remuneration linked to climate objectives:** Compliance with the emission reduction targets, together with 4 other indicators related to the company's sustainable performance, is linked to the path of annual compliance with the company's reduction targets.
- **Decarbonisation fund:** Since 2016, the company has had a fund whose budget comes from the impact of the internal carbon price on its activities. This fund is earmarked for the acquisition of carbon credits to offset its direct emissions, but since 2020 it has also been dedicated to investing in projects to reduce its carbon footprint.



### Factors that risk the achievement of the targets:

- Inorganic growth arising from the business diversification and mergers and acquisitions.
- Global failure to maintain leadership in climate reduction commitments.
- Disparities between environmental legislation, incentives, and objectives in countries of operation.



**CSPT 2:**  
**AVERAGE >90% OF ELIGIBLE CAPEX ALIGNED WITH THE EU TAXONOMY REGULATION**

ACCIONA commits to keeping an average above 90% of its eligible CapEx aligned with the EU Taxonomy in the period 2022 – 2025, on an annual basis, calculated with respect to ACCIONA's exposure to the activities described within the taxonomy. ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the actual cumulative progress will be measured after the period. ACCIONA may also decide to set a target at subsidiary level consistently with the overall target of the Group.

In the case of ACCIONA Energía, this commitment has been established at a >95% of eligible CapEx aligned with the EU Taxonomy Regulation. The rest of the terms match with what is defined here.



**Factors that support the achievement of the targets:**

- ACCIONA orients its strategy and its solutions to the development needs and opportunities of the sustainable agenda defined by the SDGs and the transformation to a low-carbon economy.
- Commitment to undertake EU Taxonomy-aligned investments in its operations, through the 2025 Sustainability Master Plan.
- Sustainable by design: Mitigation and adaptation criteria are incorporated from the design at the initiative of ACCIONA value chain.
- Enhanced due diligence and implementation of a human rights respect, protection and remediation programme for all activities and markets.



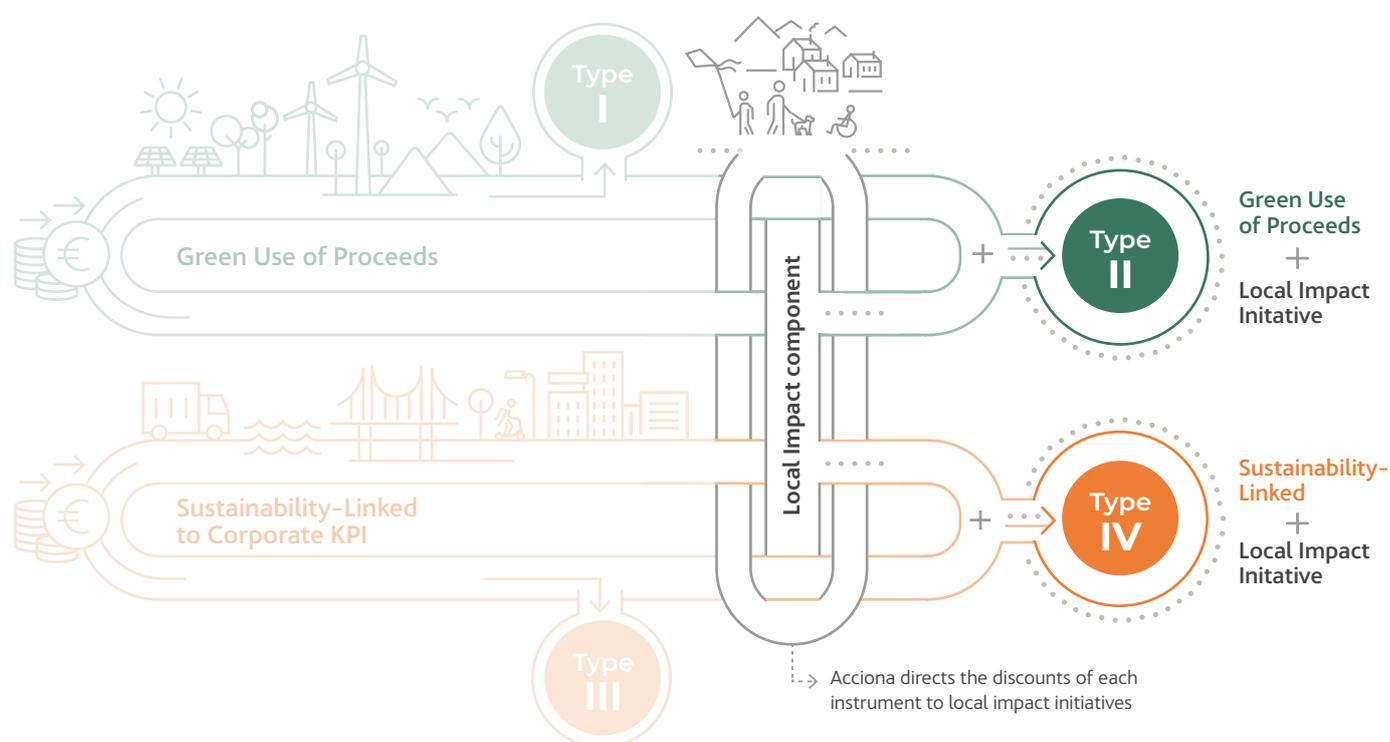
**Factors that risk the achievement of the targets:**

- Challenges in meeting the Taxonomy requirements, including complying with the TSC, DNSH criteria and Minimum Safeguard.

## 5. LOCAL IMPACT COMPONENT

In an effort to highlight the additionality of its sustainable financing structures, ACCIONA has introduced the concept of a Local Impact component to support initiatives that advance positive environmental and/or social outcomes at local level.

This element is intended to be an add-on to Type I UoP instruments for the financing of specific environmental projects (see Section 3) and / or to Type III Sustainability-Linked instruments which are tied to the achievement of corporate sustainability targets (see Section 4). Such initiatives are referred to as Local Impact Initiatives (LII).



The following sections 5.1 and 5.2 include the LIIs selected to date by ACCIONA. To ensure that the LIIs are relevant to a specific project and its associated financing, different LIIs may be selected in the future and will be incorporated as annexes to this framework.

### Refinancing

Refinancing will be permitted to [Type II](#) and [Type IV](#) instruments under one of the following conditions:

- Local Impact Indicators and Local Impact Targets are maintained, and contribution time extended to align with the maturity of the new instrument.
- An agreement to add new Local Impact Targets with lenders is reached.

## Selection of Local Impact Indicator (LII)

4 QUALITY EDUCATION



### LII 1:

**Number of hours of certified technical and vocational education and training (TVET) for women, vulnerable and underrepresented minorities.**

Education enables upward socioeconomic mobility and is a key to escaping poverty, yet according to the UN some 750 million adults – two thirds of them women – remained illiterate in the world.



### RATIONALE

ACCIONA understands that it must be a major player in the economic development of the communities in the countries in which it operates, as well as a driving force for improving the quality of life of the people who live there. ACCIONA commits to providing technical and vocational certified training to people from communities living around the projects which ACCIONA embarks on (with a special focus on vulnerable groups, such as women, young people with no professional training, and people at risk of social exclusion) and help them gain qualifications via its corporate university.



### APPLICABLE SCOPE

Through the commitment to generate positive impact and the need to foster highly qualified professionals, ACCIONA has continued to design and implement High Impact Solutions. These solutions allow the company to make its sustainable difference evident in each project, through the inclusion of adjacent projects, improving the living conditions of the population and/or the environment in the vicinity of the company's operations.



### CALCULATION METHODOLOGY

Number of hours of technical certified training provided, focussed on professionals/workers involved in ACCIONA's projects as well as actions that promote employability in new professions – skilled and unskilled as a transversal solution to entire projects. ACCIONA will monitor ongoing activities and efforts, such as the number of hours of training delivered through each programme and will highlight performance results attained at the end of a given period of activity, such as satisfaction measurements and annual exam pass rates.

**LII 2:****Number of new households in rural areas in developing countries with access to electricity and water services**

One in eight people still lack access to electricity. To ensure access to affordable, reliable, sustainable and modern energy for all, the use of renewable energy has to increase from the current 25% to 38% by 2025.

Approximately half of the world's population faces severe water scarcity at least part of the year, and 3.5 billion people lack access to safely managed sanitation.

**7 AFFORDABLE AND CLEAN ENERGY****6 CLEAN WATER AND SANITATION****RATIONALE**

ACCIONA, as a group specialized in the development and management of sustainable infrastructure solutions, is committed to contributing to the economic and social development of the communities in which we operate. Providing access to water and energy services is crucial not only for meeting basic needs but also for empowering communities and fostering sustainable development.

**APPLICABLE SCOPE**

ACCIONA is committed to being a facilitator of initiatives that provide access to basic electricity and water services in developing communities, particularly in areas around its project sites or countries of operation where these needs have been identified. The rural and urban-marginal areas to be addressed will be identified by professional institutions based on detected deficiencies in access to essential services, such as energy or clean water. Once the areas are defined, ACCIONA will implement initiatives to address these needs, thereby improving the quality of life for the beneficiary families.

**CALCULATION METHODOLOGY**

The Local Impact Indicator will be calculated as the number of families positively impacted by the initiatives for access to essential services that without the initiatives would not have been able to acquire the benefits. Therefore, the indicator will reflect the improvement in the communities and the people within them.

Eligibility for initiatives is determined via meeting one of the following requirements:

**CLEAN WATER AND SANITATION:** In clean water, initiatives are considered that guarantee basic and sustainable access, according to the Joint WHO/UNICEF Water Supply and Sanitation Monitoring Programme, solutions that promote the use of water for consumption from an improved source, and may include water supply systems collected from surface sources, canals, wells or rainwater capture technologies that guarantee the potability of the resource. Likewise, different alternatives for the disposal of waste water and the water treatment at the domestic or condominium level, including solutions based on nature that, in any case, avoid the contamination of soil and water and promote a clean and healthy environment.

**AFFORDABLE AND RENEWABLE ENERGY:** Initiatives that provide electricity supply from clean and renewable sources to satisfy the basic needs of households. This involves implementing services that cater to fundamental household needs and meet at least TIER 2 of the World Bank's Multi-Tier Framework for Energy Access. By doing so, we aim to improve families' quality of life while reducing dependence on unsustainable energy sources.

<sup>16</sup> [https://www.accionacom/updates/news/accionacom-energia-worlds-greenest-power-utility-seventh-year-row/?\\_adin=02021864894](https://www.accionacom/updates/news/accionacom-energia-worlds-greenest-power-utility-seventh-year-row/?_adin=02021864894)



**LII 3:**  
**Number of trees planted to reach Net positive.**

Since 2015 an estimated **10 million hectares of forests** have been lost every year. Nature-Based Solutions are inspired and supported by nature, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions display natural features through locally adapted, resource-efficient and systemic interventions.



**RATIONALE**

ACCIONA is committed to limiting the rise in global temperatures to 1.5°C above pre-industrial levels. This includes a commitment to reduce 60% of GHG emissions (scope 1 and 2) by 2030 by both significantly reducing GHG emissions and incorporating Nature-Based Solutions (NBS) that are equal or equivalent to planting trees.



**APPLICABLE SCOPE**

ACCIONA commits to achieving net positive GHG emissions by NBS, capable of neutralising the company's carbon footprint (scope 1 & 2 market-based emissions) in the period starting from the date when the resources are made available until 2025.

This commitment will be carried out by planting trees or the equivalent certified NBS for an amount of CO<sub>2</sub> equal to or greater than the company's scope 1 and 2 emissions.

ACCIONA will establish intermediate milestones to reach this target yearly; however, the actual cumulative progress will be measured after the period.

13 CLIMATE ACTION



#### LII 4: Number of decarbonisation plans for small and medium-sized enterprises.

As we face a climate emergency, and companies aim to achieve their climate objectives, supply chain emissions from global businesses must be addressed. Supply chain decarbonisation will play a critical role in realising net-zero ambitions.



#### RATIONALE

One of ACCIONA's main goals is to extend its culture and decarbonisation commitment to its entire supply chain, as scope 3 emissions associated with the supply chain are 51% of the company's overall carbon footprint. In this sense, the company incorporates the climate change risk variable in the supplier selection process and manages its climate change risks through climate adaptation plans for its businesses.



#### APPLICABLE SCOPE

ACCIONA will commit to support in the establishment of a decarbonisation strategy, through specific transition plans with GHG emissions reduction targets, helping small and medium-sized enterprises (SMEs), mainly operating throughout the jurisdictions in ACCIONA Group's supply chain, to define strategies to decarbonise their value chain.

ACCIONA will focus on SMEs in the highest-emitting sectors, who play a crucial role in ensuring the transition to a zero-carbon economy, and not on local governments, public sector institutions, educational institutions, or non-profit organisations.



#### CALCULATION METHODOLOGY

SMEs eligible for the decarbonisation plans, must meet at least two out of three of the following criteria (according to Article 2 of the annex to Recommendation 2003/361/EC):

- A maximum balance sheet total of EUR 43,000,000;
- A maximum net turnover of EUR 50,000,000;
- An average number of employees during the financial year of no more than 250;

ACCIONA's commitment will be directly linked to the development of the decarbonisation plan and to facilitate and make available the means for the implementation by the SMEs. ACCIONA will also focus on measuring the impact of the decarbonisation plans in terms of associated emissions. ACCIONA will not be responsible if the SME does not implement the decarbonisation plan accordingly.

For SMEs to be accountable for the development of their decarbonisation plans, they must complete their registration through the UNFCCC Climate Neutral Now Initiative application (or a similar initiative such as SBTi).

13 CLIMATE ACTION

**LII 5:****Early Adopters programme: Zero/low-carbon energy, steel, cement & concrete and supplies**

Emissions associated with corporate supply chains are, on average, 11.4 times higher than operational emissions per CDP Global Supply Chain Report in 2021. However, the conventional materials utilised in the infrastructure industry (concrete, steel, etc) are among the hardest to abate. Early adoption helps create new market conditions for zero/low-carbon emission supplies.

**RATIONALE**

Opportunities for decarbonisation are limited by the availability of zero/low-carbon technology and/or consumables, especially in certain jurisdictions where climate awareness tends to be lower. The purchase of zero/low-carbon products promote the creation of markets for decarbonised products and services that accelerate the global climate transition. In this way ACCIONA accomplishes its commitment to reduce scope 3 emission through more tangible actions and initiatives.

**APPLICABLE SCOPE**

This indicator would be applicable to purchases of local supplies of the most carbon intense materials our company uses: energy, steel, cement & concrete.

ACCIONA will focus on innovative supplies, stimulating demand for decarbonised alternatives which are still in their infancy; this will help promote them and democratise such decarbonised alternatives.

Only replacement of carbon-intensive supplies by zero carbon/low carbon alternatives will help achieve an improvement in carbon emissions versus historical performance or Business as Usual.

**CALCULATION METHODOLOGY**

Eligibility for local projects is determined via meeting one of the following requirements:

- **ENERGY:** Considered zero-carbon only when it includes zero fossil fuel or achieves a 90% reduction in emissions through renewable fuels, and when emissions are not included in ACCIONA's Scope 1 or 2 inventory, in accordance with GHG Protocol methodology.
- **STEEL:** For reinforcing steel, considered low-carbon steel only when intensity emissions are below 85% of the sectorial Spanish average (577kgCO<sub>2</sub>), according to the Environmental Product Declaration. For other type of steel, considered low-carbon only when its emission intensity is below 50% of the average steel product emissions as provided by the IPCC AR6 (reference: [https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC\\_AR6\\_WGIII\\_FullReport.pdf](https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf))
- **CEMENT:** Considered low carbon only when its emission intensity is below the current EU Taxonomy threshold for cement manufacturing (reference: <https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/272/view>).
- **CONCRETE:** Considered low-carbon only when produced with cement that has emissions below the current EU Taxonomy threshold for cement manufacturing (reference: <https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity/272/view>).
- **MACHINERY:** Considered only if zero-emissions vehicles or machinery - fully electrified or H2 equipment - are utilised in project operations. Hybrid diesel or gas fuelled equipment will be not considered.

Offsetting is not allowed in any case. Carbon removals are only accepted when they meet the requirements set by the SBTi corporate net-zero standard.

<sup>17</sup> Note that the definition of supplies provided below includes CapEx and OpEx.

<sup>18</sup> [https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/106/original/CDP\\_SC\\_Report\\_2021.pdf?1644513297](https://cdn.cdp.net/cdp-production/cms/reports/documents/000/006/106/original/CDP_SC_Report_2021.pdf?1644513297)

13 CLIMATE ACTION

**LII 6:****Number of decarbonisation plans supported for local farmers within MacIntyre windfarm project context.**

Achieving real carbon reductions in the farming industry requires strong partnerships between industry, governments, and the community. By doing so, it will be possible to strengthen Queensland agriculture's environmental and social credentials and secure long-term economic and social prosperity in rural communities.

**RATIONALE**

MacIntyre Windfarm project is a 923.4 MW wind power complex in Queensland (Australia) composed by 162 turbines of 5.7 MW and 230m of height. This is ACCIONA's biggest renewable energy facilities to date and one of the largest onshore windfarms in the world. The windfarm is expected to be operational in 2025.

The MacIntyre Windfarm spans 36,000 hectares and will be built on private land across both the Southern Downs and Goondiwindi Local Government areas. The project is being constructed on a land predominantly used for farming. Current farming practices will continue during the construction and operational phases of the windfarm.

The surrounding community and economy largely depend on the primary sector as a way of living and source of income. This also applies at state level. Queensland's primary industry is forecast to generate \$23.54 billion of revenues in 2021-22 and to employ more than 365,000 people across its supply chain<sup>19</sup>. Australia has committed to reducing its GHG emissions by 43% by 2030, 2005 being the baseline.

Additionally, Queensland Government is developing a Low Emissions Agriculture Roadmap 2022-32 as part of the state's strategy for net zero, seeking to reduce its emissions by 50% by 2030 compared to 2005; it also aims to power Queensland with 70% renewable energy by 2032<sup>20</sup>.

According to a report produced for the local farming sector<sup>21</sup>, the cost of electricity for farmers currently ranges between 10% to almost one-third of their production costs. Electricity bills for irrigators increased by up to 300% between 2009 and 2014 and have continued to rise thereafter. In the context of rising energy prices, growers have investigated a range of options to reduce energy costs, including more energy efficient equipment and on-farm renewable energy. However, growers have encountered a range of operational and financial barriers to on-farm renewable energy and other decarbonisation initiatives.

<sup>19</sup> Queensland Low Emissions Agriculture Roadmap 2022-2032, Queensland Government

<sup>20</sup> Queensland Energy and Jobs Plan, Queensland Government

<sup>21</sup> Briggs, C., Nagrath, K., Mey, F., Wyndham, J., (2018) Irrigators - the flow on benefits of regionally embedded generation, Final Report, prepared for Energy Consumers Australia, Institute for Sustainable Futures, UTS



### APPLICABLE SCOPE

ACCIONA will commit to supporting in the definition of a decarbonisation strategy, through specific transition plans with GHG emission reduction targets for local farmers, helping Queensland farmers define strategies to decarbonise their operations.

Plans must cover at least two of the following six areas, as is defined in the Low Emissions Agriculture Roadmap 2022-2032 draft:

- Livestock emissions
- Cropping and horticulture emissions
- Energy efficiency
- Renewable energy production on-site
- Carbon farming and land management
- Supply chain reductions

The programme will focus on identifying a farm's highest-emitting activities and on proposing a decarbonisation plan to reduce emissions by up to 30% before 2030, baseline being 2021 or 2022. The decarbonisation plan will tailor measures, propose recommendations, and quantify emission reductions and efficiency improvements. It will also highlight any opportunities for financing and for implementing the above, after conducting independent walk-through assessments combined with workshops.



### CALCULATION METHODOLOGY

Eligible farms must comply with the following criteria:

Be legally incorporated companies with operations in the State of Queensland whose principal activity (>50%) relates to intensive, semi-intensive, irrigated agriculture or livestock farming in any of its activities hereinafter referred to as Queensland Agri businesses (QLDAB)

For a QLDAB to be eligible for the drafting of a decarbonisation plan, it must complete their registration through the UNFCCC Climate Neutral Now Initiative (or SBTi/ a similar local register).

ACCIONA will not be responsible if a given QLDAB does not implement the decarbonisation as agreed.

### SCOPE

Scopes 1 and 2 of its operations in Queensland (Australia)

### METHODOLOGY FOR CALCULATION:

[Greenhouse Accounting Frameworks \(GAF\) for Australian Primary Industries](#) or the [Agriculture Guidance](#) of The GHG as a global standard for measuring and managing emissions.

## Calibration of Local Impact Targets (LIT)



### LIT 1:

Support X hours of certified technical training (TVET) for women and underrepresented groups.

ACCIONA will direct X hours of certified technical training (TVET) for women and underrepresented groups, determined as a function of (i) the EUR savings obtained<sup>22</sup> from the issuance of an instrument with a Local Impact feature, as detailed in [Section 5](#) and (ii) the additional cost of supporting [1h] of training.

The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of supporting [1h] of the initiative}} = X \text{ hours of certified training}$$

For illustration purposes, the additional cost needed to support [1] hour of certified technical training (TVET) currently ranges between 20 EUR and 30 EUR therefore allowing ACCIONA to support 33,333 - 50,000 hours of training for women and individuals from underrepresented groups for every EUR 1 million saved from the issuance of the financing instrument.

Due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g. inflation and interest rates movements) and due to local conditions where the company develops / undertakes these projects.

For the avoidance of doubt, ACCIONA will determine the exact additional cost of the initiative ahead of the launch of each instrument and the details will be disclosed in the relevant offering documentation.



### Factors that support the achievement of the initiative:

- Support from the corporate university in partnership with the regulated training centres run by the local authorities.
- Support from regulators and institution to achieve SDG 4, especially providing access to inclusive, equitable quality education to those in vulnerable situations or other status.



### Risk factors for the achievement of the initiative:

- Ability to estimate the pricing benefit from the issuance of an ESG-labelled instrument.
- Pandemic outbreaks: on-site training programs may face disruption in the case of unexpected viral outbreaks.

**LIT 2:**

**Support X new households in rural areas in developing countries with access to electricity and water services**

ACCIONA will support X new households in rural areas in developing countries with access to electricity and water services through different initiatives, determined as a function of (i) the EUR savings obtained from the issuance of an instrument with a Local Impact feature, as detailed in [Section 5](#) and (ii) the additional cost of [1] basic renewable energy or water service initiative for the above-mentioned target population.

The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of [1] renewable energy or water initiative}} = X \text{ new households}$$

For illustration purposes, the additional cost of needed to supply [1] basic solar kit currently ranges between 600 EUR and 1000 EUR therefore allowing ACCIONA to support between 1,000 and 1,666 new households in rural areas in developing countries for every EUR 1 million saved from the issuance of the financing instrument.

Due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g. inflation and interest rates movements) and due to local conditions where the company arranges these projects.

For the avoidance of doubt, ACCIONA will determine the exact additional cost of the initiative ahead of the launch of each instrument and the details will be disclosed in the relevant offering documentation.

**Factors that support the achievement of the initiative:**

- Collaboration with the Spanish Cooperation and local, regional and national authorities to ensure the success of the programme.
- Partnerships with other public and private entities as well as other organisations with the same aim to have a greater impact.
- An economically sustainable and affordable model to have a long-term impact.
- A programme based on ACCIONA's business expertise, relying on the knowhow of the company and the experience of its employees

**Risk factors for the achievement of the initiative:**

- Political factors that can become a barrier for the successful implementation of the project.
- High inflation and supply chain disruptions impacting the production of renewable energy or water solutions.
- Technical risks on the implementation of the programme and overall operation and maintenance of the new services.
- Social risks such as the acceptance of new solutions and implementation of initiatives within communities.

<sup>22-23</sup> In addition to the commitment to design and manage the programme and providing its know-how and experience in delivering committed impact, ACCIONA may make an upfront payment to finance the initiative; should it hit its stated targets, it will benefit from an interest step-down to compensate for the support of the local initiative.

**LIT 3:****X trees planted to reach Net positive**

ACCIONA will support to plant X trees according to the natural-based solution determined as a function of (i) the EUR savings obtained<sup>24</sup>, from the issuance of an instrument with a Local Impact feature, as detailed in [Section 5](#) and (ii) the additional cost of planting one tree.

The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of planting one tree}} = X \text{ trees}$$

For illustration purposes, the additional cost of planting [1] tree currently ranges between 5 EUR and 10 EUR therefore allowing ACCIONA to plant between 100,000 and 200,000 trees for every EUR 1 million saved from the issuance of the financing instrument.

Due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g., inflation and interest rates movements) and due to local conditions throughout the jurisdictions in ACCIONA's supply chain.

For the avoidance of doubt, ACCIONA will determine the exact cost of the initiative ahead of the launch of each instrument and the details will be disclosed in the relevant offering documentation.

**Factors that support the achievement of the initiative:**

- NBS can be a cost-effective approach compared to the other engineered or technological alternatives.
- If needed, active cooperation and coordinated action between stakeholders with aligned priorities, interest, or values will ensure a successful implementation of the programme.
- Use of standardised principles and frameworks to scale NBS sustainably.

**Factors that risk the achievement of the initiative:**

- High level of long-term commitment is required as NBS outcomes take years to yield their benefits.
- Identifying appropriate indicators and metrics for the ecological effectiveness of nature-based interventions.
- International, national and local climate and nature-based solutions policies and practices are evolving over time.
- An inadequate implementation of NBS can compromise biodiversity, livelihood, water, and climate at scales from which it would be difficult to pull back.

<sup>24</sup> In addition to the commitment to design and manage the programme and providing its know-how and experience in delivering committed impact, ACCIONA may make an upfront payment to finance the initiative; should it hit its corporate targets, it would receive a reimbursement for the upfront payment.

**LIT 4:**

Support X decarbonisation plans developed for small and medium size companies (SMEs) aligned with UNFCCC Climate Neutral Now Initiative or SBTi or similar.

ACCIONA will support the development of X decarbonisation plans for small and medium size companies (SMEs) aligned with UNFCCC Climate Neutral Now Initiative, or SBTi or similar initiatives determined as a function of (i) the EUR savings obtained<sup>25</sup>, from the issuance of an instrument with a Local Impact feature, as detailed in [Section 5](#) and (ii) the additional cost of supporting [1] decarbonisation plan. The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of supporting [1] decarbonisation plan}} = X \text{ decarbonisation plans}$$

For illustration purposes, the additional cost of helping formulate [1] decarbonisation plan currently ranges between 15,000 EUR and 20,000 EUR, therefore allowing ACCIONA to support 50–66 small and medium size companies for every EUR 1 million saved from then issuance of the financing instrument.

Due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g., inflation and interest rates movements) and due to local conditions throughout the jurisdictions in ACCIONA's supply chain.

For the avoidance of doubt, ACCIONA will determine the exact additional cost of the initiative ahead of the launch of each instrument and the details will be disclosed in the relevant offering documentation.

**Factors that support the achievement of the initiative:**

- ACCIONA is committed to reducing its direct and energy consumption emissions by 60% between 2017 and 2030, as well as a 47% decrease in value chain emissions, consistent with the Paris Climate Agreement's most ambitious goal of limiting global warming to no more than 1.5°C above pre-industrial levels. ACCIONA's emission reduction targets have been registered in UNFCCC Climate Neutral Now Initiative and SBTi.
- ACCIONA achieved net zero carbon emissions in 2016, the first company in the energy and infrastructure sectors to do so. ACCIONA is now helping more than 500 corporations and government entities around the globe to reach their decarbonisation goals with the supply of zero-emissions renewable energy and with the development of regenerative infrastructure.
- The company has a supplier training programme in place, through various awareness campaigns and specific courses on sustainability. Furthermore, ACCIONA quantifies its climate change risk in the supplier selection process and evaluates the climate adaptation plans of its supply chain.

**Factors of risk for the achievement of the initiative:**

- The implementation of decarbonisation plan and the subsequent reduction of the GHG emission are out of the direct control of ACCIONA.
- Disparities between environmental legislation, incentives, and objectives in countries of operation of our supply chain.
- Technical risks and wide range of business activities and sectors among our supply chain could compromise the implementation of the decarbonisation programmes.

<sup>25</sup> In addition to the commitment to design and manage the programme and providing its know-how and experience in delivering committed impact, ACCIONA may make an upfront payment to finance the initiative; should it hit its stated targets, it will benefit from an interest step-down to compensate for the support of the local initiative.

**LIT 5:****Early adopters programme: Zero/low-carbon energy, steel and cement & concrete supplies**

ACCIONA will support the development of zero carbon/low-carbon procurement programme carried out in the projects by purchasing relevant supplies for infrastructure works. The specific target for an instrument can be explained by the following notation:

$$\text{€ saving derived from the issuance of the instrument}^{26} \times \text{Green Premium Factor} = \text{Total "zero carbon/low carbon" purchases in euros}$$

Being the green premium factor, the corrective factor calculated as the ratio between the price of the low carbon supplies in our projects complying the requirements mentioned previously, and the conventional supplies.

The purpose of this initiative is to use the discount to offset the “green premium”—the cost difference between conventional products and zero or low-carbon alternatives—thus creating opportunities for decarbonization. The Accumulated Targets will represent the total purchase volume of these supplies, made possible by the discount. For the avoidance of doubt, ACCIONA will calculate the Green Premium Factor prior to the launch of each instrument, with details provided accordingly.

Given the dynamic nature of zero and low-carbon materials, the Green Premium Factor may fluctuate over time due to macroeconomic factors such as inflation and interest rate changes, as well as local market conditions where the company operates its projects.

**Factors that support the achievement of the targets:**

- ACCIONA has implemented a carbon budget for each project, directly tied to the costs of the projects and to executive remuneration, which incentivizes internal efforts towards decarbonization.
- Government incentives and regulations, such as tax breaks, subsidies, and carbon pricing, are accelerating the adoption of low-carbon solutions by making them more accessible and financially attractive.
- Increased demand for sustainable products, driven by consumer preferences and corporate sustainability commitments, can create economies of scale, lowering production costs and increasing availability of low carbon materials.

**Factors that risk the achievement of the targets:**

- Difficulties to find carbon neutral (local) alternatives in specific jurisdictions.
- Lack of supplier’s readiness to scale production of zero/low-carbon products or face challenges in maintaining consistent quality and supply.
- Fluctuations in the prices of raw materials, inflation, and changes in interest rates could increase the costs of zero/low-carbon products, widening the green premium.

<sup>26</sup> In addition to the commitment to design and manage the programme and providing its know-how and experience in delivering committed impact, ACCIONA may make an upfront payment to finance the initiative; should it hit its stated targets, it will benefit from an interest step-down to compensate for the support of the local initiative.

**LIT 6:**

**X Decarbonisation plans developed for Queensland farmers aligned with UNFCCC Climate Neutral Now Initiative, Science Based Targets Initiative or similar local registry.**

ACCIONA will support the development of X decarbonisation plans for Queensland farmers aligned with UNFCCC Climate Neutral Now Initiative, or SBTi or a local registry of similar characteristics, determined as a function of (i) the EUR savings obtained<sup>27</sup>, from the issuance of an instrument with a Local Impact feature, as detailed in [Section 5](#) and (ii) the additional cost of supporting [1] decarbonisation plan. The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of supporting [1] decarbonisation plan}} = X \text{ decarbonisation plans}$$

For illustration purposes, the additional cost of supporting [1] decarbonisation plan currently ranges between 6,000 and 7,000 EUR, therefore allowing ACCIONA to support 143–167 Queensland farmers for every EUR 1 million saved from the issuance of the financing instrument.

Due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g., inflation and interest rates movements) and due to local conditions throughout the jurisdictions in ACCIONA's supply chain.

For the avoidance of doubt, ACCIONA will determine the exact additional cost of the initiative ahead of the launch of each instrument and the details will be disclosed in the relevant offering documentation.

**Factors that support the achievement of the targets:**

- These are financial instruments linked to the MacIntyre windfarm in the Queensland region (Australia). Local farms are the largest emitters of CO<sub>2</sub> in the project's vicinity.
- Agriculture practices emitted 19.9 million tCO<sub>2</sub> in 2020, accounting for 12.51% of Queensland's emissions in the same year.
- Emissions in the sector in the region are difficult to abate and have hardly been reduced in recent years (21 MMtCO<sub>2</sub> in 2010).

**Factors that risk the achievement of the targets:**

- Farmers may not be interested in making CO<sub>2</sub> emission reduction commitments.
- The proposed measures are unable to reduce emissions by 30% at reasonable abatement costs for the farmer.
- There are no local incentives capable of driving the necessary investments to reduce emissions by the targeted amount.

<sup>27</sup> In addition to the commitment to design and manage the programme and providing its know-how and experience in delivering committed impact, ACCIONA may make an upfront payment to finance the initiative; should it hit its stated targets, it will benefit from an interest step-down to compensate for the support of the local initiative.

# 6. FINANCIAL CHARACTERISTICS OF THE INSTRUMENTS

## Determination of financial characteristics

The characteristics applicable to each instrument will be reflected in the financing documentation of each transaction. See below for possible elements to be included according to the type of instrument.



**Type I**

---

**Green Use of Proceeds**

---

Not applicable

---



**Type II**

---

**Green Use of proceeds with add-on local impact component**

---

Maturity date of instrument

---

Local Impact Indicator (LII)

---

Local Impact Target (LIT)

---

Target Observation Date(s)

---

Adjustment mechanism linked to the fulfilment of sustainability commitments

---

Penalization in case of not compliance

---



**Type III**

---

**Sustainability-linked, related to corporate KPIs**

---

Maturity date of instrument

---

Corporate Key Performance Indicator (CKPI)

---

Corporate Sustainability Performance Target (CSPT)

---

Target Observation Date(s)

---

Penalization in case of not compliance

---



**Type IV**

---

**Sustainability-linked with add-on local impact component**

---

Maturity date of instrument

---

Corporate Key Performance Indicator (CKPI)

---

Local Impact Indicator (LII)

---

Corporate Sustainability Performance Target (CSPT)

---

Local Impact Target (LIT)

---

Target Observation Date(s)

---

Adjustment mechanism linked to the fulfilment of sustainability commitments

---

Penalization in case of not compliance

---

In case of an instrument that combines features of any of the four types indicated above, the financial details that apply will be included in the offering documentation.

ACCIONA envisions that lenders and investors will share its ambition of taking sustainable finance to the next level thus resulting in a direct impact on the cost of capital. In the case of the cost of debt, this support can be implicit (e.g. savings in the pricing of a transaction in the capital markets) or via explicit mechanisms (e.g. variation in the margin or credit spread depending on the selected LII(s) and whether the associated LIT(s) are met). The most appropriate structure will be determined on a case-by-case basis.

The targeted Local Impact and the associated cost shall be tailored according to the size of the financing instrument and the potential savings tied to the achievement of the sustainable objectives, reflecting the value-add attributed to the Local Impact Initiatives.

### Illustrative examples

Example of [Type II](#) Instrument

Instrument type	Amount	Sustainability adjustment/ premium	Saving
Green UoP -financing green eligible project - with an additional Local Impact: household electrification.	EUR 100 million	x bps discount from the issuance of the labelled instrument	EUR 20,000

**Cumulative impact of the instrument**



**Project impact:**

- Infrastructure of low-carbon transportation
- CO<sub>2</sub> Emission Reduction (tonnes of CO<sub>2</sub> equivalent /a)
- X tons of air pollution reduced. (Particulate matter (PM), sulphur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs))

**Local Impact:**

20-33 new households (depending on local cost of solar kit, see [Section 6.2](#)) in rural areas in developing countries with access to electricity through the installation of solar electricity kits per annum.

Example of [Type IV](#) Instrument

Instrument type	Amount	Financial structure	Saving per annum
Sustainability-Linked Instrument tied to the achievement of corporate sustainability target(s) with an additional Local Impact: household electrification.	EUR 100 million	2 bps interest adjustment if the established targets are achieved	EUR 20,000

**Cumulative impact of the instrument**



**Project impact:**

Reduce scope 1 and 2 emissions by 60% in the period 2017-2030 vs a 2017 baseline

**Local Impact:**

20-33 new households (as per above) in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits per annum.

## Review Event, amendments or recalculation

### Ever Green Pledge: Maintaining the taxonomic alignment of the investment

A review may be triggered as a result of a change in the ownership of green assets. In this case, ACCIONA commits to applying the same amount of the proceeds obtained from the green finance instrument to another eligible green asset in line with the categories set out in [section 3](#) to maintain the green characteristics of the finance instrument.

### Circumstances of Corporate Sustainability-linked and Local Impact component recalculation

The Corporate Performance Target or Local Impact Target may be subject to recalculation should specific circumstances materialise.

A review event may be triggered as a result of:

- a)** material changes in the Group's perimeter or activities (i.e. acquisitions, divestitures, mergers) which impact on the CKPIs, CSPTs, LIIs or LITs;
- b)** changes in the calculation methodology or data accessibility of any CKPIs, CSPTs, LIIs or LITs or in the event of a change to the CKPIs baseline and/or the CSPTs or LITs calibration;
- c)** any or all of the CKPIs, CSPTs, LIIs or LITs can no longer be measured, reported or are no longer meaningful.

Should any of the above be the case, an agreement between ACCIONA and the lenders must be reached to realign the adjustment mechanism to the originally defined sustainability objectives or other objectives similar in scope and relevance. If an agreement cannot be reached, savings derived from the issuance of the instrument will not be applied and ACCIONA and the lenders will no longer be able to refer to the instrument as a Sustainability-Linked, Local Impact or Dual Impact.

## 7. ANNUAL REPORTING

ACCIONA will provide aggregated reporting for all its sustainable financing instruments on an annual basis.

The Report will also be available in a specific appendix of the Integrated Report focussed on accountability for sustainable finance transactions.

### Green UoP & Impact Reporting

ACCIONA will include in the Sustainable Finance Report information on the net proceeds allocation to the portfolio of eligible green projects and the impact of the eligible green project portfolio, at least at the category level. Such information shall be updated annually until the full allocation of funds from sustainable financing instruments is completed and will remain available until the maturity of such an instrument.

#### The allocation report will provide:

- A breakdown of amounts allocated to each eligible categories or project by type of financial instrument (bonds, loans, commercial paper etc).
- A breakdown of green projects by financial item (e.g., assets, capital expenditures, operating expenditures) and evolution of the net proceeds allocated, including a balance of unallocated proceeds and a disclosure of temporary Use of the Proceeds pending allocation to eligible projects.
- A list of eligible projects to which net proceeds have been allocated or reallocated. In case it is deemed that the expected impact will not be achieved during the lifetime of the eligible project, the funds allocated to this project will be reinvested giving priority to new eligible ones..
- Details of the amounts allocated to new financing versus refinancing, projects eligible for the refinancing and the look-back period applied.
- The geographic distribution of eligible projects.
- A confirmation that the green instruments issued under the Framework are aligned with the EU Standards with external assurance statement.

#### The Impact Report may outline:

- EU Taxonomy Macro-Sector and Sub-Sector description in which ACCIONA's project is included;
- The EU Taxonomy Environmental Objective pursued with the projects and confirmation, where applicable, that the eligible projects continue to meet the relevant eligibility requirements specified by EU Taxonomy;
- Metrics applicable to each project;
- Information and, when possible, metrics about the projects' impacts (actual or expected after commercial operation). ACCIONA will do its best to align the reporting with the portfolio approach described in the ICMA Harmonised Framework for Impact Reporting, and/or other relevant directives that may arise; and
- If applicable, information on the methodology and assumptions used to evaluate the impact of green projects.

## Example of Green Impact Reporting indicators

EU Taxonomy NACE Macro-Sector	EU Taxonomy Sub-Sector description (ACCIONA's projects)	Benefits (EU Taxonomy Environmental Objective) <sup>28</sup>	Qualitative and quantitative impact metrics
<b>Manufacturing</b> 	Manufacture of renewable energy technologies, where renewable energy is defined in Article 2(1) of Directive (EU) 2018/2001.	Climate mitigation	<ul style="list-style-type: none"> <li>Reduction in carbon intensity of service in tCO<sub>2</sub> eq/unit of service</li> </ul>
<b>Green energy supply</b> 	Construction and operation of onshore generation facilities that produce electricity from wind power	Climate mitigation	<ul style="list-style-type: none"> <li>Annual GHG emissions avoided in tonnes of CO<sub>2</sub> equivalent /a</li> <li>Annual renewable energy generation in GWh (electricity)</li> <li>Capacity of renewable energy plant(s) constructed or rehabilitated in MW</li> <li>Installed hydrogen production capacity (MW) (number of homes)</li> </ul>
	Construction and operation of offshore generation facilities that produce electricity from wind power.	Climate mitigation	
	Construction and operation of electricity generation facilities that produce electricity from solar photovoltaic.	Climate mitigation	
	Construction and operation of electricity generation facilities that produce electricity from concentrated solar power.	Climate mitigation	
	Construction and operation of electricity generation facilities that produce electricity from bioenergy (thermal generation from burning agricultural and forestry waste).	Climate mitigation	
	Construction or operation of electricity generation facilities that produce electricity from hydropower.	Climate mitigation	
	Construction and operation of green hydrogen production facilities.	Climate mitigation	
<b>Transmission, distribution and storage of electricity</b> 	Construction and operation of infrastructures for the transmission and distribution of electricity	Climate mitigation	<ul style="list-style-type: none"> <li>Capacity of Renewable Energy plant(s) to be served by transmission systems (MW)</li> </ul>
	Construction and operation of facilities that store electricity and return it at a later time in the form of electricity. The activity includes pumped hydropower storage.		

<sup>28</sup> Currently only considers the impact on Climate Mitigation and Climate Adaptation goals, given the Taxonomy of the rest of the EU Environmental Objectives has not been published yet. But the impact on the rest of environmental objectives will also be included in impact reporting, whereas it is deemed significant to relevant activity.

EU Taxonomy NACE Macro-Sector	EU Taxonomy Sub-Sector description (ACCIONA's projects)	Benefits (EU Taxonomy Environmental Objective) <sup>28</sup>	Qualitative and quantitative impact metrics
<b>Zero-emission Transportation</b> 	Infrastructure for low-carbon transport: Construction of railways and underground railways.	Climate mitigation	<ul style="list-style-type: none"> <li>Total in kilometres of new or improved train lines/dedicated bus, BRT, LRT corridors bicycle lanes</li> <li>Reduction of air pollutants</li> </ul>
	Purchase, financing, renting, leasing and operation of passenger cars, light commercial vehicles and category L vehicles (zero tailpipe emission vehicles).	Climate mitigation	<ul style="list-style-type: none"> <li>Emissions reduction (CO<sub>2</sub>)</li> <li>Electrification and decarbonisation of the economy</li> <li>Promotion of alternative means of transportation</li> <li>Public space release</li> </ul>
	Manufacture of zero tailpipe emission vehicles: passenger cars, light commercial vehicles and category L vehicles).	Climate mitigation	<ul style="list-style-type: none"> <li>Number of clean vehicles deployed</li> </ul>
<b>Water, sewerage, waste and remediation</b> 	Centralized Construction and operation of centralised wastewater treatment systems (including collection and treatment and renewal of wastewater systems).	Climate mitigation and adaptation	<ul style="list-style-type: none"> <li>Emissions reduction (CO<sub>2</sub>)</li> <li>Pollution reduction</li> <li>Access to improved sanitation (number of people)</li> </ul>
	Water Construction and operation of water collection & treatment and distribution infrastructure (including renewal infrastructure).	Climate mitigation and adaptation	<ul style="list-style-type: none"> <li>Emissions reduction (CO<sub>2</sub>)</li> <li>Access to drinking water (number of people)</li> </ul>
	Construction and operation of facilities for the treatment of sewage sludge and bio waste through anaerobic digestion (composting) with the resulting production and utilisation of biogas or chemicals.	Climate mitigation and adaptation	<ul style="list-style-type: none"> <li>Emissions reduction (CO<sub>2</sub>)</li> <li>Conservation and improvement of urban spaces (m<sup>2</sup>)</li> </ul>
	Separate collection and transport of non-hazardous waste in single or commingled fractions aimed at preparing for reuse and/or recycling.	Climate mitigation	<ul style="list-style-type: none"> <li>Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tonnes of dry solids p.a. and in %)</li> <li>Annual absolute (gross) amount of sludge that is reused (in tonnes of dry solids p.a. and in %)</li> </ul>
	Construction and operation of infrastructure for landfill gas capture and utilisation in permanently closed landfills or landfill cells using new or supplementary dedicated technical facilities and equipment installed during or post landfill or landfill cell closure.	Climate mitigation	<ul style="list-style-type: none"> <li>Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a. and in % of total waste)</li> </ul>

EU Taxonomy NACE Macro-Sector	EU Taxonomy Sub-Sector description (ACCIONA's projects)	Benefits (EU Taxonomy Environmental Objective) <sup>28</sup>	Qualitative and quantitative impact metrics
<b>Construction and real estate activities</b> 	Construction of new buildings and renovation of existed buildings (with green building certification): This relates primarily to activities under NACE codes 'F41.1 - Development of building projects' and "F41.2 - Construction of residential and non-residential buildings", but also includes activities under NACE code "F43 - Specialised construction activities".	Climate mitigation	<ul style="list-style-type: none"> <li>• Design and construction of buildings follows sustainability guidelines (sustainable certification)</li> </ul>
	Installation, maintenance and repair of charging stations for electric vehicles and renewable energy technologies in buildings and parking spaces attached to buildings.	Climate mitigation	<ul style="list-style-type: none"> <li>• Number of new EV charging infrastructure</li> </ul>
	Acquisition of real estate and exercising ownership of that real estate	Climate mitigation	<ul style="list-style-type: none"> <li>• Number of energy performance certificates obtained</li> </ul>
	Construction and operation of facilities that produce heat/cool from renewable sources and pipelines and associated infrastructure for heat/cool distribution.	Climate mitigation	<ul style="list-style-type: none"> <li>• Increase in grid resilience, energy generation, transmission/ distribution and storage in MWh</li> </ul>
<b>Professional, scientific, and technical activities</b> 	Professional services related to energy performance of buildings	Climate mitigation	<ul style="list-style-type: none"> <li>• Number of energy performance certificates obtained</li> <li>• Annual energy saving (MWh)</li> </ul>
	Research, and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance, or removal of GHG emissions (RD&I).	Climate mitigation	<ul style="list-style-type: none"> <li>• Number of patent application/request</li> <li>• Potential GHG Emission removal</li> <li>• R&amp;D Expenses</li> </ul>

The type of indicators will depend on the type of project, asset or service financed by the green instrument.

Examples of ACCIONA's qualitative and quantitative impact metrics for eligible projects, assets or services under EU Taxonomy are provided in Appendix I: Examples of Current Eligible Projects Developed by ACCIONA that are covered by the EU Taxonomy.

## Corporate Key Performance Indicators reporting

For Sustainability Linked instruments (Type III and Type IV), the reporting shall include information about the selected Corporate KPIs relevant for each financing instrument. Annual reporting may provide:

- Up-to-date information on the performance of the selected Corporate Key Performance Indicators (CKPIs), including baselines;
- Any information enabling investors to monitor the level of ambition of the Corporate Sustainable Performance Targets (CSPTs) - e.g., any update in the issuer's sustainability strategy or governance and, more generally, any information relevant to the analysis of the CKPIs and CSPTs;
- Illustration of the positive sustainability impacts coming from KPI performance improvements;
- Verification / Assurance CSPTs report will be made publicly available, highlighting the performance vs. SPTs, the related impact, and timing of such impact according to the financial and/or structural characteristics of the instrument.

## Local Impact Indicators reporting

For "Dual Impact" instruments (Type II and Type IV), the reporting shall include information about the selected Local Impact KPI relevant for each financing instrument Annual Reporting may provide:

- Up to date information on the performance of the selected LIIs;
- Any information allowing investors to monitor the level of ambition of the LITs - e.g. any information relevant to the analysis of the LIIs and LITs;
- Verification / Assurance LITs report will be made publicly available, outlining the performance vs. LITs, the related impact, and timing of such impact according to the financial and/or structural characteristics of the instrument.

## 8. EXTERNAL REVIEW

### Second-Party Opinion (pre-issuance)

ACCIONA's Sustainable Impact Financing Framework has been reviewed by DNV, which issued a Second-Party Opinion confirming the alignment of the Framework with the [Green Bond, Green Loan Principles, Sustainability-Linked Bond Principles and the Sustainability-Linked Loan Principles]. The Second-Party Opinion and the Sustainable Financing Framework will be made available to investors in sustainable financing instruments in the Sustainable Finance and Debt Issuances sections of the corporate website.

### Verification (post-issuance)

#### Use of Proceeds

For Type I and Type II instruments, ACCIONA will request annual verification by its external auditor on the allocation of the proceeds from sustainable financing instruments to the eligible green project portfolio. This external assurance statement will be published annually no later than the same date as ACCIONA's General Shareholders Meeting.

#### Corporate & Local Impacts

With respect to KPI-Linked instruments (included in Type II, Type III and Type IV), ACCIONA intends to request annual verification by its external auditor on the performance level against each SPT/LIT for each KPI/LII, in line with the LMA principles and market practice. Its performance will also be externally verified each year by an audit firm using accountancy procedures for assurance engagements other than audits or reviews of historical financial information (ISAE 3000).

The report and the assurance/certification statement will be part of ACCIONA's Sustainable Finance Report, available yearly in the corporate website:

ACCIONA Website: [Sustainable Financing](#)

# 9. APPENDIX

## APPENDIX I: SUSTAINABILITY STRATEGY

ACCIONA's sustainability strategy is based on a long-term approach aimed at generating positive impacts on society and the environment. Through its activity, the company provides a response to basic infrastructure, water and energy needs through innovative solutions that generate progress, a new way of doing business, oriented to designing a better planet.

### SUSTAINABLE DEVELOPMENT AS A CORNERSTONE OF THE BUSINESS

ACCIONA is committed to reducing its environmental impact and carbon footprint, promoting the transition to a low-carbon economy, and contributing to the United Nations' Sustainable Development Goals (SDGs). To support its ambition ACCIONA developed a strategy guided by five-year Sustainability Master Plans (SMPs) that provide a roadmap for the company's actions and targets in key areas such as climate change, circular economy, water management, and biodiversity. The actions and targets contained within these pillars are promoted, approved, and supervised by the Board of Directors' Audit and Sustainability Committee and fall under the responsibility of the Finance and Sustainability teams led by ACCIONA's Chief Financial and Sustainability Officer (CFSO).

### IMPACT CREATION THROUGH REGENERATIVE SOLUTIONS

ACCIONA aims to go beyond traditional sustainability practices by not only reducing the social and environmental damage caused by economic activities but also actively regenerating natural and social systems. To multiply the positive impact on communities, the company analyses the scope for increasing their value from the conception or design phase. It then proposes alternatives and additional projects supported by rigorous socioeconomic studies, seeking to activate more levers of local development through each of ACCIONA's projects. With these actions, ACCIONA increasingly contributes to the main enablers of progress, such as local employment, economic activity, training, and access to basic services like water and electricity.

### CORPORATE PURPOSE INTEGRATED IN THE BY-LAWS

Since 2021 the company's by-laws highlight ACCIONA's commitment to all stakeholders, placing them all on the same level. The activities that comprise the corporate object will be performed for the purpose of promoting more sustainable models of society. As part of its mission to create long-term value, ACCIONA will safeguard the legitimate interests of shareholders, employees, suppliers, clients and other stakeholders, serving the community and the planet with positive social and environmental impacts.

### SUSTAINABLE FINANCING

ACCIONA is an early adopter of sustainable financing, having issued the first green instrument in 2016, and believer in the central role it plays to support the long-term strategic objectives while enhancing the company's value and competitive advantage. ACCIONA has been using two mechanisms of sustainable financing: one aimed at supporting projects or activities to generate positive impact; and one linked to broader organisational Key Performance Indications (KPIs) set in its strategic plan.

### IPO OF ACCIONA ENERGÍA

On 1st July 2021, ACCIONA Energía successfully completed the floating of its shares in the public market. The Initial Public Offering (IPO) was an important milestone which allowed the company to increase its capacity to continue investing in mature renewable infrastructures and technologies while at the same time boosting its ability to commit resources to the development of emerging technologies such as hybridisation, storage, and hydrogen.

## APPENDIX II: EXAMPLES OF CURRENT ELIGIBLE PROJECTS DEVELOPED BY ACCIONA COVERED BY THE EU TAXONOMY

### ACCIONA landmark projects per EU Taxonomy Sub-Sector

<p><b>Production of electricity from wind power</b></p>	<p><b>Oaxaca Wind Power Complex (Mexico):</b> One of the largest windfarms in Latin America, consisting of three windfarms (Oaxaca II, III and IV), with 306 MW of operational capacity.</p> <ul style="list-style-type: none"> <li>• Electricity production equivalent to the needs of 700,000 Mexican homes.</li> <li>• It avoids the emission of 670,000 tonnes of CO<sub>2</sub> annually, equivalent to 33.5 million trees.</li> </ul>
<p><b>Production of electricity from solar PV</b></p>	<ul style="list-style-type: none"> <li>• <b>Puerto Libertad Photovoltaic Plant (Mexico):</b> The biggest renewables project ever undertaken by ACCIONA anywhere in the world and will become operational during 2019.</li> <li>• It is one of the largest PV plants in Latin America, with 405 MW peak capacity (MWp) – 317.5 MW rated capacity.</li> <li>• Average annual power production of 963 GWh, equivalent to the electricity demand of 583,000 Mexican homes.</li> <li>• Site area of 10 km<sup>2</sup>, with 2.4-km<sup>2</sup> solar capture area, equivalent to 333 soccer fields.</li> <li>• Over 925,000 tCO<sub>2</sub> avoided per year.</li> <li>• 500 jobs created during the construction phase, with up to 900 workers during peaks.</li> </ul>
<p><b>Production of electricity from Concentrated Solar Power</b></p>	<p><b>Nevada Solar One CSP Plant (United States):</b> A 64 MW plant located in the Nevada Desert (US) grid connected in 2007.</p> <ul style="list-style-type: none"> <li>• Average annual production: 136 GWh, equivalent to the demand from around 15,000 homes.</li> <li>• 29,000 metric tonnes of CO<sub>2</sub> avoided per year.</li> <li>• 800 jobs created in the construction phase and around 30 for the operation of the plant.</li> <li>• Built in the desert in record time: 13 months.</li> <li>• Site: 130 hectares including 760 parabolic trough solar collectors and 182,000 mirrors (76 kilometres long).</li> <li>• ACCIONA proprietary technology used for the solar collectors.</li> <li>• Customers: Nevada Power Company and Sierra Pacific Resources.</li> </ul>
<p><b>Production of electricity from bioenergy</b></p>	<p><b>Sangüesa biomass plant (Spain):</b> 30-MW plant located in Navarra (Spain) and in service since 2002. It was the first biomass plant installed by ACCIONA.</p> <ul style="list-style-type: none"> <li>• Average annual production: 200 GWh, equivalent to the electricity demand of around 60,000 homes.</li> <li>• 192,000 metric tonnes of CO<sub>2</sub> avoided per year.</li> </ul>
<p><b>Production of electricity from hydropower</b></p>	<p><b>Seira hydroelectric plant (Spain):</b> located in the town of the same name in Huesca province, is a 36.65-megawatt (MW) plant with three power sets. Of the run-of-the-river type, it can supply clean energy to around 23,000 homes.</p>

### ACCIONA landmark projects per EU Taxonomy Sub-Sector

<b>Production of electricity from hydrogen</b>	<p><b>Power-to-Green Hydrogen Majorca (Spain):</b> ACCIONA Energía is a partner in the first 2.5 MW industrial hydrogen hub in Southern Europe. This industrial-sized green hydrogen plant has an average production of at least 300 tonnes per year which helps to reduce CO<sub>2</sub> emissions on the island by around 21,000 tonnes per year.</p>
<b>Transmission lines</b>	<p><b>Reque -Nueva Carhuaquero (Peru):</b> This Project aims to increase the transmission capacity between the transmission system in the Cajamarca area and coastal transmission system, particularly focus on the Chiclayo area. Located between the towns of Reque and Carhuaquero in northern Peru. More than 67 % of the newly activated generation capacity in the system is below the generation threshold value of 100 g CO<sub>2</sub>e/kWh over a successive five-year period. In particular, 79.7 % of the energy from 2017 to 2021 will be low emission.</p>
<b>Electric storage</b>	<p><b>Mortlake South (Australia):</b> Mortlake South is the latest windfarm built by ACCIONA Energy in Australia. It has a capacity of 157.5 MW, enough to supply 117,000 homes and avoid the emission of approximately 532,000 tons of CO<sub>2</sub> per year.</p> <p>The windfarm has a 4-5 MW battery storage facility, and it is the company's fifth windfarm in Australia and the third in the state of Victoria.</p>
<b>Infrastructure for low-carbon transport</b>	<p><b>Quito Metro (Ecuador):</b> The suburban section of the first metro line in Ecuador's capital city is 22 km long and includes 13 new stations in addition to the two already built by ACCIONA.</p> <p>The project represents a saving of US\$ 50 million per year in fuel costs by improving the mass transit system, with the resulting reduction of 67,000 metric tonnes of CO<sub>2</sub>.</p>
<b>Passenger cars and commercial vehicles</b>	<p><b>ACCIONA Mobility (Spain and Portugal):</b> In 2018, ACCIONA took up the challenge of sustainable mobility with the launch of a shared scooter service available in the cities of Madrid, Valencia, Hospitalet de Llobregat (Barcelona), Seville and Lisbon.</p> <ul style="list-style-type: none"> <li>• Zero-emissions scooters that run on electricity certified as 100%-renewable origin.</li> <li>• Electric machinery and vehicle fleet to transport and service the bikes and their batteries.</li> </ul>
<b>Zero/low emission vehicles</b>	<p><b>Acquisition Silence:</b> ACCIONA has acquired a majority stake in the Spanish manufacturer of electric motorcycles- Silence.</p> <p>Silence is the leader in electric motorcycles in Spain, with 4,033 registrations in 2020. In 2021, 9,000 vehicles sold which represents 30% market share in EU.</p>
<b>Centralised wastewater treatment systems</b>	<p><b>La Chira WWTP (Peru):</b> Currently under construction, the plant will contribute to solving Lima's sanitary and environmental problems caused by the effluent of the Surco and Circunvalación sewers, which discharge directly into the ocean without any treatment. In addition to improvements in sanitation, this activity reduces emissions and pollution.</p> <ul style="list-style-type: none"> <li>• Capacity: 544,320 m<sup>3</sup>/d.</li> <li>• Equivalent population: 2.5 million people.</li> </ul>
<b>Water collection &amp; treatment and supply</b>	<p><b>Orduña WTP (Spain):</b> An operation and maintenance project at the water treatment plant in Orduña, Vizcaya (Spain). In addition to improvements in water access, the plant is certified under ISO 50001 in order to improve the energy efficiency and to reduce emissions.</p> <ul style="list-style-type: none"> <li>• Capacity: 1,900 m<sup>3</sup>/d.</li> <li>• Equivalent population: 480 people.</li> </ul>

### ACCIONA landmark projects per EU Taxonomy Sub-Sector

<p><b>Separate collection and transport of non-hazardous waste in source-segregated fractions</b></p>	<p><b>Waste collection services in the east of Madrid (Spain):</b> As part of a joint venture with Valoriza, OHL and Ascan, ACCIONA's service business collects waste in the districts of Hortaleza, Barajas, San Blas-Canillejas, Ciudad Lineal, Vicálvaro, Moratalaz, Salamanca, Chamartín and Retiro.</p> <ul style="list-style-type: none"> <li>• This contract includes the first 100 % electrical waste collection lorry in the capital.</li> <li>• Service provided for over 1.158,429 people.</li> </ul>
<p><b>Construction of new buildings</b></p>	<p><b>Campus Mesena:</b> the new corporate campus of ACCIONA composed by new buildings which are nearly zero-energy buildings with ACC GREEN supply, application of the sustainable mobility.</p> <ul style="list-style-type: none"> <li>• Photovoltaic: 1 GWh capacity</li> <li>• Estimated CO<sub>2</sub> reduction: 240 tCO<sub>2</sub>e /year (2,400 tCO<sub>2</sub>e) with a combined savings 1,260,000 kWh.</li> </ul>
<p><b>Energy performance of buildings</b></p>	<p><b>Headquarter of BBVA (Spain):</b> ACCIONA bestowed on the facility a series of 20 geothermal energy probes that run 100 meters deep, and 100 kw of refrigeration capacity that, as well as reducing energy consumption, allows CO<sub>2</sub> emissions to be cut by 2.5%. With 1,032 m<sup>2</sup> of photovoltaic panels installed in the top floor of the complex, which generate direct, continuous electric current that is transformed into alternating current by inverters. ACCIONA also equipped the building with 500 m<sup>2</sup> of solar thermal installations, contributing further to the energy savings.</p> <ul style="list-style-type: none"> <li>• 750,000 kWh is supplied to the building annually for own consumption.</li> <li>• Reducing the electricity bill by lowering energy consumption by 3.3% and CO<sub>2</sub> emissions by 1.6%.</li> </ul>
<p><b>Charging stations for electric vehicles</b></p>	<p><b>Acquisition of Cargacoches:</b> Cargacoches a company that installs and manages electric vehicle charging points in Spain, with a view to taking advantage of the upcoming opportunities in the growing market for electric vehicle charging infrastructure which owns 50 rapid interurban charging points and manages over 400 third-party points and 10,000 registered users.</p>
<p><b>Professional services related to energy performance of buildings</b></p>	<p><b>Schneider Electric:</b> In 2021, the company commissioned Spain's first industrial microgrid for Schneider Electric in Puente la Reina which includes 852 kWp of photovoltaic energy, five charging points for electric vehicles and 80 kWh of battery storage.</p>
<p><b>Electrical efficiency and charging</b></p>	<p><b>ACCIONA Inmobiliaria:</b> With over 25 years of experience in its sector, ACCIONA Inmobiliaria is one of the leading residential development and management companies in Spain, having developed more than 9,000 homes throughout Spain, Portugal, Poland, and Mexico.</p> <p>ACCIONA Inmobiliaria has long been committed to certifying all its new developments with the BREEAM sustainable seal. Its goal is to achieve a score of "Good" or higher for all of its residential projects. In fact, the company has reached almost 70 % of the certified projects with a score of "Very good". In addition, ACCIONA certifies the new non-residential buildings with other kind of sustainability seals (LEED with a score of "Gold" or higher).</p>

## APPENDIX III: New Local Impact Indicators

As mentioned in section **"5. LOCAL IMPACT COMPONENT"** to ensure that the Local Impact Indicators (LIIs) are relevant to a specific project and its associated financing, different LIIs will be selected in the future alongside the Calibration of Local Impact Targets (LIT) and will be incorporated in this section of the framework.

In this regard, ACCIONA includes additional Local Impact Indicators (LIIs) and the Calibration of Local Impact Targets (LIT) that falls directly under the scope of the Framework and will be labelled as defined below.



### **LII 7:** **Amount of waste diverted from landfill and circular solutions**

Our planet is running out of resources, but populations are continuing to grow. If the global population reaches 9.8 billion by 2050, the equivalent of almost three planets will be required to provide the natural resources needed to sustain current lifestyles.

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



#### **RATIONALE**

Circular economy is increasing its importance worldwide. In fact, in March 2022 the European Commission published the first package of measures to speed up transition towards a circular economy, as announced in the Circular Economy Action Plan two years before. However, in certain geographies in which ACCIONA is present, most of the waste generated is sent to landfill and circular economy solutions are difficult to encounter. Through this local impact indicator, ACCIONA will not only divert waste from landfill but seeks to lead the way towards circularity for others to follow.



#### **APPLICABLE SCOPE**

In order to reduce the impact of ACCIONA's projects on the resources available and moving away from take-make-use-dispose linear models, ACCIONA is fostering the implementation and development of circular economy solutions. On this line, the company pursues the diversion of the waste generated in its facilities to give them a second life, adapted to the type of waste generated and the characteristics of the project.



#### **CALCULATION METHODOLOGY:**

The amount of waste that is diverted from landfill will be calculated based on the waste that is generated in the facility and which is then reused, recycled or converted into another type of useful product. The second life products of the generated waste will depend on the characteristics of each project and will be defined accordingly.

**LIT 7:**

X amount of waste diverted from landfill.

ACCIONA will divert X amount of waste from landfill, determined as a function of (i) the EUR savings obtained from the issuance of an instrument with a Local Impact feature, as detailed in Section 5 and (i) the additional cost of diverting the waste generated to landfill.

The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of diverting waste from landfill}} = \text{X amount of waste diverted from landfill}$$

The additional cost of diverting waste from landfill will be impacted by the maturity of the technologies in place, the processes involved and the need to invest on the creation of new solutions. In addition, due to their dynamic nature, costs may evolve over time as a result of both macro-economic factors (e.g., inflation and interest rates movements) and due to local conditions where the company arranges these projects.

For the avoidance of doubt, ACCIONA will analyze the cost of the initiatives on a case-by-case basis and will set the local impact indicator targets to be included in each instrument. The targets will be disclosed in the relevant offering documentation.

**Factors that support the achievement of the initiative:**

- National legislation and context is usually in favor of circular economy initiatives
- Active cooperation and coordinated action between stakeholders and partners with aligned priorities, interest or values will ensure a successful implementation of the programme.

**Factors that risk the achievement of the initiative:**

- Costs may vary depending on the geography and project carried out, negatively impacting the ability to estimate the pricing benefit from the issuance of the ESG-labelled instrument
- Difficulties to find second use products for the waste generated. For certain types of waste and in particular geographies in which ACCIONA operates, circular economy solutions have not yet arrived.



**LII 8:**  
**Number of Regenerative Plans or Programmes for Key Stakeholders**

As we face a climate emergency, regenerative solutions highlight the interconnectedness of people, nature, and the built environment. Such solutions allow for a reduction in carbon emissions, restoring ecosystems, and fostering sustainable, resilient communities that enhance biodiversity and well-being.



**RATIONALE**

Human prosperity depends on robust social and environmental foundations, which are undermined by unsustainable production and consumption patterns. Merely reducing the harm caused by economic activities is insufficient for ensuring long-term viability; we must repair the damage inflicted over the past years and realign our economic practices with natural systems.

ACCIONA is committed to foster regenerative plans alongside local and professional organisations, to contribute to regenerating natural and social systems. Enhancing the regenerative capacity of people, communities, and organizations is essential for improving regional ecosystems, strengthening social cohesion, and building resilient, circular economies.



**APPLICABLE SCOPE**

To mitigate the impact of ACCIONA’s projects on natural resources and create positive impact, the company is championing the development of regenerative plans or programmes. This indicator would be applicable in any of the company projects sites or extended area or any countries where ACCIONA is present. The regenerative plans or programmes aim to restore ecosystems, strengthen the resilience of agricultural landscapes, and ensure the sustainable renewal and utilization of resources, supporting global efforts to manage land sustainably, combat desertification, and enhance biodiversity.



**CALCULATION METHODOLOGY:**

The Local Impact Indicator will be based on the number of plans or programs delivered to the identified stakeholders, which, without these initiatives, would likely not have achieved such positive impacts. Eligibility for regenerative plans or programmes is determined via meeting the following process:

**1. Stakeholder identification:**

This step ensures that the plan is relevant and tailored to the specific needs, interests, and capacities of those directly affected. By identifying these stakeholders early on, the plan can incorporate their perspectives, foster engagement, and build a collaborative framework that is essential for successful implementation and long-term prosperity.

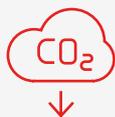
**2. Scope identification:**

A regenerative plan must also clearly define its scope, a baseline, and the positive impact it seeks to achieve in one of the following areas: nature and biodiversity, water, climate, carbon, or air pollution. This specification is crucial as it directs the plan’s efforts towards a tangible and measurable environmental objective.

**3. Monitoring and reporting:**

Following the implementation of the plan, it is essential to conduct regular follow-up assessments and impact reporting. These follow-ups allow for the monitoring of implementation, evaluating the effectiveness of the actions taken and propose changes and new strategies to enhance the impact.

The specifics required for each step of the process will depend on the characteristics of each stakeholder, and context of the project and will be defined accordingly with the lenders.

**LIT 8:****Number of Regenerative Plans or Programmes for Stakeholders**

ACCIONA will support the development of X regenerative plans or programmes for identified key stakeholders with its internal methodology and alongside local organisations determined as a function of (i) the EUR savings obtained from the issuance of an instrument with a Local Impact feature, as detailed in Section 5 and (ii) the additional cost of supporting [1] regenerative plan.

The relation can be explained by the following notation:

$$\frac{\text{€ saving derived from the issuance of the instrument}}{\text{Additional cost of [1] regenerative plan/programme}} = X \text{ regenerative plans/programmes}$$

**Factors that support the achievement of the initiative:**

- ACCIONA's experience in advanced technology and innovations will encourage new ideas and solutions into the design of the plans or programmes alongside local experts and organisations.
- The company has strong community engagement processes in its projects, this will allow the company to design the plans or programmes with local input, fostering collaboration and alignment with community needs.
- ACCIONA's has published a Regenerative Playbook and is a leading force in this new concept, demonstrating its capability to implement and manage effective regenerative solutions.

**Factors that risk the achievement of the targets:**

- Insufficient community involvement during implementation or difficulty finding local organisations with regenerative experience.
- Disruption in budgeting due to fluctuating costs, inflation or complexity of initiatives and planning.
- Changes in regulations and policies can impact long-term commitments of the stakeholders to manage and report the impact of the solutions being implemented.

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