

A row of wind turbines in a field under a blue sky. The turbines are silhouetted against the sky, and the foreground turbine is in sharp focus, while the others recede into the distance.

Information about
sustainable funding
projects 2020

APPENDICES

INFORMATION ABOUT SUSTAINABLE FUNDING PROJECTS

ACCIONA's funding strategy focuses on providing the most efficient solutions in terms of both economic growth and positive impact. Based on market conditions and the business strategy, the company chooses between two sustainable finance formats. One is a formula through which the funds are committed to concrete areas of the company's sustainable agenda via specific infrastructure or service projects. The other links the cost of funding to improvements in the group's environmental, social and governance (ESG) dimensions.

FINANCING THE SUSTAINABLE AGENDA

This funding mechanism obliges ACCIONA to channel its investments to projects that contribute directly to the fulfilment of objectives linked to the sustainable agenda. The funds are allocated mainly to the development of renewable energy infrastructures, access to water and sanitation, sustainable mobility, circular economy and adaptation to climate change.

In this way, the company creates business opportunities capable of generating interest in the capital markets or among banks. Given this growing trend, in 2019 ACCIONA drew up a new green financing framework that expands its portfolio of eligible sustainable projects. The new approach is based on projects' contribution to a low-carbon economy, based on the eligibility criteria set out in the European Commission's taxonomy of green activities.

Funding transactions that choose this format fall under the scope of the European Union Green Bond Standard (EU-GBS) produced by the EU Technical Expert Group (TEG) on Sustainable Finance in June 2019. The EU-GBS is a voluntary standard available to issuers that wish to align with best practices in the market. It is designed to be globally relevant and accessible to issuers located both inside and outside the EU.

ACCIONA's Green Financing Framework was reviewed by Sustainalytics, which issued a Second-Party Opinion (SPO)* in which it confirmed alignment with market best practices: the Green Bond Principles (GBP) published by the International Capital Markets Association (ICMA), and the Green Loan Principles (GLP) administered by the Loan Market Association (LMA).

Sustainable agenda funding transactions

Green transactions	Amount (million)	Maturity
LOANS		
Bankia loan 165 M AUD	165 AUD	December 2022
ING loan 100 M AUD	100 AUD	July 2024
Bankia loan 55 M AUD	55 USD	December 2021
Unicredit loan 50 M EUR	50 EUR	January 2022
Syndicated loan Chile 200 M USD	150 USD	October 2024
EMTN		
XS1684805556 December 2030	68 EUR	December 2030
XS2060619876 October 2021	222.7 EUR	October 2021
XS2036691868 August 2026	113.2 EUR	August 2026
XS1525867104 November 2031	22 EUR	November 2031
XS2122902468 February 2024	60.4 EUR	February 2024
XS2202837121 July 2023	30 USD	July 2023
XS2248078136 October 2035	39.5 EUR	October 2035
XS2267085616 December 2039	120 EUR	December 2039
OTHER DEALS		
Schuldschein 2016	78.5 EUR	Several
NSV October 2034	50 EUR	October 2034
Schuldschein 2019	167 EUR	Several
NSV March 2035	30 EUR	March 2035
Private Schuldscheins	40 EUR	Several

A total of 837.85 M€ were raised in 2020, in addition to the 933.05 M€ raised in previous years. The "green" finance raised in 2020 was assigned entirely to projects that are eligible in accordance with the criteria of the ACCIONA Green Financing Framework. Additionally, 63% of the funds raised under Euro Medium Term Notes (EMTN) programmes in 2020 were green, evidencing the importance of this type of funding for the company.

* Available at: https://accionacorp.blob.core.windows.net/media/3469809/second-party-opinion_acciona-s-green-financing-framework_november19.pdf

Projects and associated indicators

Funds linked to the previous funding framework were allocated to renewable energy. They were used to build the El Cortijo, Mt. Gellibrand and Palmas Altas wind farms and the Almeyda photovoltaic plant. The instruments associated with the framework created in 2019 allow investment in other sustainable projects, such as Quito Metro.

Those projects and their associated social and environmental indicators are shown below.

- > **El Cortijo wind farm:** Located in Tamaulipas (Mexico). Construction began in 2017 and the plant was commissioned in 2018. It represents an investment of 235 M€. As a wind power plant, its environmental benefit is that it mitigates climate change.
- > **Mt Gellibrand wind farm:** Located in Victoria (Australia). Construction began in 2017 and the plant was commissioned in 2018. It represents an investment of 258 M AUD. As a wind power plant, its environmental benefit is that it mitigates climate change.
- > **Palmas Altas wind farm:** Located in Texas (USA). This facility was commissioned in 2019. It represents an investment of about 200 M USD. As a wind power plant, its environmental benefit is that it mitigates climate change.
- > **Almeyda photovoltaic plant:** Located in the Atacama desert in Chile. This facility was commissioned in 2019. It represents an investment of about 75 M USD. As a photovoltaic power plant, its environmental benefit is that it mitigates climate change.

Impact indicators for renewable energy projects

Indicator	El Cortijo (Mexico)	Mt Gellibrand (Australia)	Palmas Altas (USA)	Almeyda (Chile)
Rated installed capacity (MW)	183	132	145	54.2
Power production in 2020 (GWh)	664	281	288	156
Emissions avoided per year (tCO ₂), considering the country's conventional energy production mix (IEA 2020 data)	380,605	221,985	174,760	114,493
Energy production in terms of equivalent homes*	401,937	41,088	23,405	64,596
Beneficiaries of social initiatives in the community in 2020 (estimated no. of people)	Not available	6,392	600	85
Jobs created, based on company's own socio-economic impact survey (estimate in job-years**)	5,676	1,324	Not available	612

* A home is assumed to have the following energy consumption: 1,652 kWh/year in Mexico, 6,839 kWh/year in Australia, 12,305 kWh/year in the United States, and 2,415 kWh/year in Chile.

** One job-year represents a full-time job for a duration of one year.



APPENDICES

Information about sustainable funding projects

Quito Metro: ACCIONA is building the first subway in Ecuador's capital city; it will be 22 km long, with thirteen new stations in addition to two already built by the company. Construction commenced in 2016 and it will open to the public in 2021. As a low-carbon transport infrastructure, its main environmental benefit is that it mitigates climate change.

Quito Metro impact metrics

Indicator	Quito Metro
Emissions avoided due to fuel savings (projections)	163,942 tCO ₂ e
Users (estimates)	400,000 passengers per day
Beneficiaries of social initiatives in the community in 2020 (estimated no. of people)	5,010 people
Jobs created, based on company's own socio-economic impact survey (estimate)	32,760 job-years. One job-year represents a full-time job for a duration of one year.

FUNDING WITH ESG IMPROVEMENT TARGETS

This funding formula includes conditions tied to ACCIONA's fulfilment of sustainable performance improvement objectives, in the environmental, social and governance (ESG) dimensions. Achievement of the objectives is assessed regularly by international rating agencies or, in the case of specific indicators, by independent auditors.

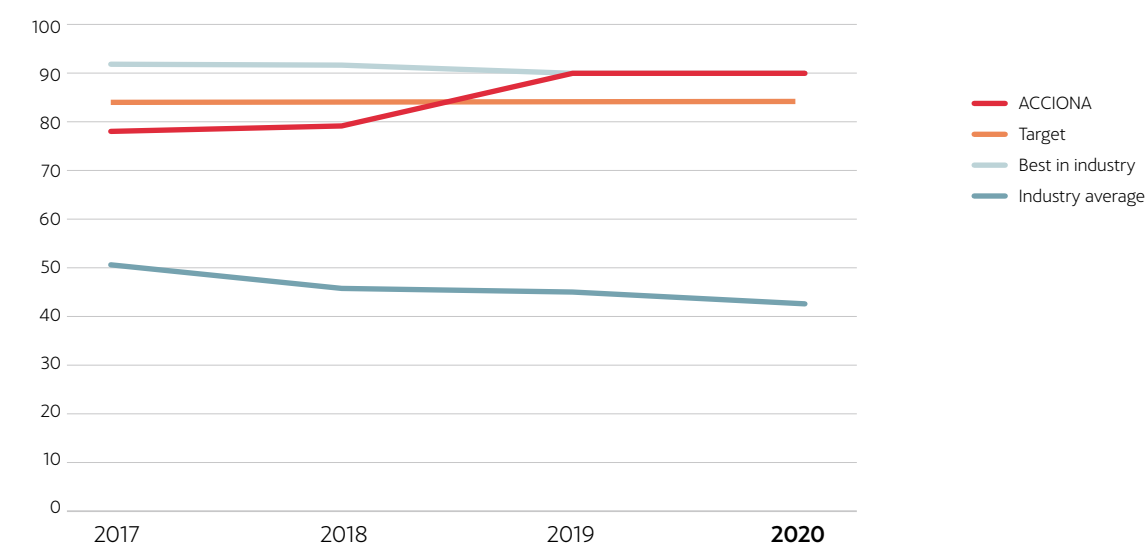
Funding deals linked to ESG objectives

ESG deals	Amount (million)	Maturity	Target index
Bilateral Chile 30 M USD	30 USD	May 2021	CSA
Syndicated loan 2,200 M EUR - Tranche C	260 EUR	July 2022	CSA
Syndicated loan 675 M EUR	675 EUR	February 2024	CSA
Syndicated loan 1,300 M EUR	1,300 EUR	May 2024	CSA
Syndicated loan 2,200 M EUR - Tranche D	1,440 EUR	July 2024	CSA

The ESG variable to which this funding is linked is the Corporate Sustainability Assessment (CSA), performed annually by S&P Global. The target was to raise ACCIONA's CSA score by 5 points from 79 out of 100 in the baseline year (2018).

That goal was achieved in 2019, as ACCIONA scored 90 out of 100. The company maintained that score in 2020, when it was the top-rated company in its category: utilities.

ACCIONA's CSA goal and performance



VERIFICATION OF GREEN FUNDING

ACCIONA has requested KPMG Asesores to provide an independent review on non financial performance indicators included in this Annex of the selected projects that have received green funding. For more information, see the following pages.



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Independent Assurance Report on the non-financial indicators included in Appendix II Information about sustainable funding projects in the 2020 Integrated Report of Acciona, S.A.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish language version prevails.)

To the Management of Acciona, S.A.:

We have been engaged by Acciona, S.A. (hereinafter, Acciona) to review the non-financial performance indicators included in "Appendix II. Information about sustainable funding projects" within its Integrated Report for the year ended at 31 December 2020 (hereinafter Appendix II), selected from those proposed by ACCIONA according the Second-party opinion letters available in www.acciona.com/sustainability/sustainable-finance/ associated with the green bond issued in order to comply with the Green Bond Principles' fourth principle and under the framework of Green Bond Standard (EU-GBS) produced by the EU Technical Expert Group on Sustainable Finance.

Our report is presented in the form of an independent conclusion with a limited assurance indicating that, based on the work performed and the evidence obtained, there is nothing that has caught our attention and makes us think that the indicators are not reliable and do not comply, in all its material aspects, with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards).

The revised information is limited to the content of Appendix II above mentioned, in which Acciona has included selected non-financial indicators to comply with the current and projected progress of the environmental and social performance at El Cortijo wind farm in Mexico, Mt Gellibrand wind farm in Australia, Palmas Altas wind farm in USA, Almeyda photovoltaic plant in Chile and Quito Metro in Ecuador (currently under construction).

Responsibilities of Acciona's management

Acciona's management is responsible for the selection, preparation and presentation of Appendix II in accordance with the fourth principle of the Green Bond Principles (Guidelines and procedures for the issuance of green bonds) published by the International Capital Market Association, under the framework of Green Bond Standard (EU-GBS) produced by the EU Technical Expert Group on Sustainable Finance and the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards). It is also responsible for the selection and presentation of the non-financial indicators of Appendix II from those proposed by the Second-party opinion letters associated with the green bond issued, including the establishment and maintenance of the control and performance management systems from which the information is obtained.



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These responsibilities include the establishment of appropriate controls where Acciona's management considers necessary to enable that the preparation of non-financial indicators with a limited assurance review would be free of material errors, whether due to fraud or error.

Our responsibility

Our responsibility is to review Appendix II and report in the form of an independent conclusion with a limited assurance based on the evidence obtained. We conducted our engagement in accordance with the revised International Standard on Assurance Engagements ISAE 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the Standard ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform our work to obtain a significant level of assurance about whether the Appendix II complies, in all its material aspects, with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards), as a basis for our limited assurance conclusion.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Procedures applied

Our limited assurance engagement consisted of making enquiries of management and people responsible for the preparation of information presented in the Appendix II and applying analytical and other evidence gathering procedures. These procedures included:

- > Analysis of the processes of compiling and internal control over quantitative data reflected in the Appendix II, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- > Review of the application of the Global Reporting Initiative's GRI Standards through the Sustainability Reporting Standards requirements for the preparation of reports.
- > Reading the information presented in the Appendix II to determine whether it is in line with our overall knowledge of, and experience with, the environmental and social performance in the projects above mentioned.



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Our multidisciplinary team included specialists in environmental and social business performance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. Under no circumstances may this report be considered an auditor's report.

Conclusion

Our conclusion is based on and subject to the matters described in this Independent Assurance Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that leads us to believe that the non-financial indicators included in Appendix II. Information about sustainable funding projects, of Acciona's Integrated Report, for the year ended 31 December 2020 have not been prepared in all material respects in accordance with the principles and guidelines for the determination of indicators included in the Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI Standards), including the reliability of data, the adequacy of the information presented and the absence of significant deviations and omissions.

Purpose of our report

In accordance with the terms and conditions of our engagement letter, this Independent Assurance Report has been prepared for Acciona in relation to its Appendix II. Information about sustainable funding projects within 2020 Acciona's Integrated Report and should therefore not be used for any other purpose or in any other context.

KPMG Asesores, S.L.

Patricia Reverter Guillot
16 March 2021