

**A C C I O N A ' S
S U S T A I N A B I L I T Y -
L I N K E D F I N A N C I N G
F R A M E W O R K**

FINANCING THE SUSTAINABLE DEVELOPMENT GOALS

November 2022

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ABOUT THIS REPORT

This financing framework has been developed and is based on the [Sustainability-Linked Bond Principles 2020](#) of the International Capital Market Association (ICMA) and the [Sustainability Linked Loan Principles 2020](#), published by the Loan Market Association (LMA).

ICMA's Sustainability-Linked Bonds aim to encourage companies that contribute to sustainability (from an environmental and/or social and/or governance perspective). ICMA's Sustainability-Linked Bond Principles provides guidelines that recommend structuring features, disclosure and reporting.

STRATEGY AND RATIONAL

ACCIONA invests in and develops infrastructure assets designed to boost the regeneration of a planet that needs a new and more sustainable development model.

A DIFFERENT WAY OF DOING BUSINESS

We reimagine infrastructures by boosting their regenerative capacities

At ACCIONA we develop sustainable solutions for urgent global challenges such as global warming, the growth of urban areas or the shortage of water.

ACCIONA invests in and develops infrastructure assets to make our planet more sustainable. This approach is designed to create a positive impact on people's lives and on the planet, which we call regenerative.

What does "regenerative infrastructure" mean to us?

- Making our actions people-centric, because people are our main competitive advantage.
- Achieving a positive planet. We look to make a positive net contribution to the biocapacity of the planet.
- Making an effort to be leaders of sustainable transformation. Remaining at the forefront by contributing innovative solutions and promoting the need to act using cleaner and more inclusive development models.
- Integrating sustainable solutions to transform our businesses. Being able to create the sustainable difference in each project.

THE FIRST COMPANY OF A NEW SECTOR

ACCIONA is as company in a new sector that 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. A new sector in which ACCIONA can consider itself the first company and the benchmark.

The need for investment and the available capital

We believe that the agenda of global priorities is guided by the United Nations Sustainable Development Goals (SDG). This roadmap, which includes 17 objectives and 169 targets to be met by 2030, intends to eradicate poverty, protect the planet and guarantee prosperity for everyone as part of a new sustainable development agenda.

To reach the targets determined in this agenda, the United Nations estimated in 2019 that developing countries are facing an annual investment gap of 2.5 trillion dollars. After the impact of the pandemic this figure has gone up.

Investment in infrastructure has a direct or indirect effect on meeting all the SDGs. According to recent studies, the development of infrastructures is linked to meeting from 72% to 92% of the targets of the SDGs, above and beyond its effects on increased productivity and employment.

Resilient and balanced project portfolio

ACCIONA manages a stable, predictable and growing business, which has a portfolio of projects that has proven to be resilient with a balanced risk profile and attractive yields. This allows ACCIONA to maintain a strong competitive position and a solid capital structure, which it uses in the constant search for opportunities with added value.

The balance in ACCIONA's risk profile is due to the balance between greenfield and brownfield portfolios. The greenfield portfolio includes infrastructure projects with development risk and therefore greater short-term profitability (3-5 years), which generate liquidity for the company to invest in other new ones. This process of project selection and investment supposes a value for the company's shareholders and investors. On the other hand, ACCIONA purchases and operates brownfield assets, which have lower risk, create greater security for their investors, and provide solvency.

Pioneers in sustainable financing products

The ACCIONA business model, focussed on sustainability and with a balanced and resilient portfolio of projects, make the company a benchmark in the sector. ACCIONA uses sustainable financing mechanisms directed at projects and sustainable corporate financing.

The strategic alignment with an investment in sustainable assets can be seen in the analysis that the company has been carrying out since 2019, when it began to analyse its activities according to the criteria established by the European Union's taxonomy of sustainable finances. ACCIONA was the first company to publish the degree of alignment with the demanding parameters established by this taxonomy.

Amplifying the sustainable contribution of infrastructure projects

Infrastructure investment suffers from a paradox. On the one hand, they boost the productivity of societies more than any other sector and, on the other, the activity itself has one of the lowest productivities in the economy.

Amplifying the sustainable contribution of projects means increasing their productivity. The company uses two vectors to measure its improvement:

- More infrastructure for the same investment: improving project management through automation, industrialization and digitization of processes.
- More impact for the same infrastructure: increasing their social productivity.

A productivity that is based on the ability to contribute to sustainable environments. An approach that we have called regenerative infrastructures.

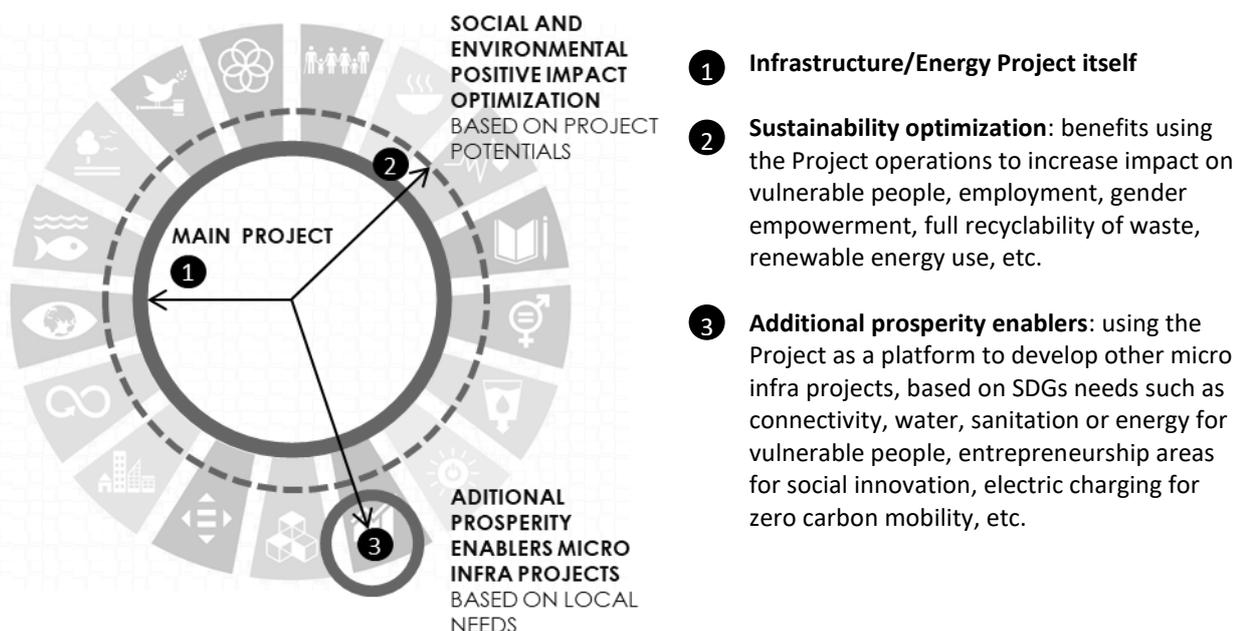
REGENERATIVE SOLUTIONS

Leading the opportunities of the 2030 Agenda requires an approach in line with the nature of the challenge posed by the sustainability transformation. We need new actors to implement new approaches that transcend traditional sectors and unique projects capable of providing integrated solutions that combine capital, talent, technique and technology, in a different way.

ACCIONA uses the term “regenerative” to refer to its approach to designing, building and operating infrastructures, so as to increase their positive social impact by multiplying their capacities to promote development — especially of the most vulnerable groups — while their environmental footprint tends to zero.

In order to multiply the positive impact on the community, starting from the conception or design phase, ACCIONA analyzes the scope for increasing the value for the community. It then proposes alternatives and additional projects supported by rigorous socioeconomic studies, which seek to activate more levers of local development through the ACCIONA project.

With these actions, ACCIONA increasingly contributes to the main enablers of progress, such as local employment and economic activity in the area, training, and access to basic services such as water and electricity.



- 1 **Infrastructure/Energy Project itself**
- 2 **Sustainability optimization:** benefits using the Project operations to increase impact on vulnerable people, employment, gender empowerment, full recyclability of waste, renewable energy use, etc.
- 3 **Additional prosperity enablers:** using the Project as a platform to develop other micro infra projects, based on SDGs needs such as connectivity, water, sanitation or energy for vulnerable people, entrepreneurship areas for social innovation, electric charging for zero carbon mobility, etc.



SUSTAINABILITY LINKED FINANCING FRAMEWORK

RATIONALE

This Sustainability-linked Financing Framework is aligned with the Sustainability-Linked Bond Principles (SLBP) and the Sustainability-Linked Loan Principles (SLLP). The SLBP were published by the International Capital Markets Association (ICMA) in June 2020 and the SLLP by the Loan Market Association (LMA) in May 2020 to increase capital allocation to sustainability, through the achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified ESG objectives, measured by Key Performance Indicators “KPIs” and Sustainability Performance Targets (“SPT”).

The following five components are the basis of ACCIONA’s Sustainability-linked Financing Framework:

1. selection of key performance indicators (KPIs);
2. calibration of sustainability performance targets (SPTs);
3. specific bond characteristics;
4. reporting on the above, and
5. independent verification of the components listed in points 1-4.

WHAT MAKES THIS FRAMEWORK DIFFERENT

ACCIONA intends to use its Sustainability-linked Financing Frameworks as a tool to channel investment towards the low carbon economy and the global sustainability agenda, by linking the funding structure to corporate and local sustainable performance improvements that advance the Sustainable Development Goals. This will be possible through the bilateral commitment of ACCIONA and the financial markets, whose contribution through a margin adjustment will translate into a broader direct impact on the communities.

Accordingly, the capital allocated will contribute to sustainability through the achievement of pre-determined, ambitious and material quantitative ESG objectives, which are monitored regularly and verified externally.

- **Corporate Performance targets:** *Based on Materiality.* Contribution to the Global Goals, as Paris Agreement on Climate, reducing the global footprint from own operations, aligned with the corporate strategy and representing a material improvement in the respective KPI trajectory.
- **Additional Local Impact targets:** *Based on Additionality.* Will capture the tangible social needs, contributing to the 2030 Agenda, additionally to ACCIONA’s projects main contribution and maximizing the impact beyond its business.

The commitments established in this framework and their real tangible impact will be guaranteed in any case by ACCIONA. In this sense, if the company fails to deliver the commitment impact as established in this framework, it will rely on third parties that, through penalty mechanisms, will provide the full targeted impact equivalent to the shortfall.

KEY PERFORMANCE INDICATORS

CORPORATE PERFORMANCE TARGETS

13 CLIMATE ACTION



KPI 1: SCOPE 1 AND 2 EMISSIONS IN TONNES OF CARBON DIOXIDE (TCO₂E).

Climate change continues to intensify the frequency and severity of natural disasters such as fires, droughts, floods, and hurricanes. 2021 was the 7th warmest on record, and the global temperature could rise as much as 3.2°C by 2100.

Rational: The infrastructures we develop today determine society's development capabilities and, to a large extent, define how we will be tomorrow. Infrastructures that respond to the climate emergency, that are capable of regenerating the planet's habitats and creating more and better opportunities for all, are a constant in our company's strategic direction. ACCIONA fully shares the objectives of total decarbonisation of the economy through public commitments, policies, specific procedures, public targets, and a model of economic incentives linked to the achievement of GHG emission reductions for directors, managers, technical and support staff.

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 Greenhouse gas emissions will be based on the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1

- GHG emissions will include CO₂ 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 CO₂ and all other GHG emissions weighted according to GHG potential.
- Scope 2 emissions will consider market-based method of the GHG.

Historical Performance: In 2021, the company's annual target, was to reduce its Scope 1 and Scope 2 GHG emissions by 18.46% compared to the base year 2017. The company has managed to reduce them by 19%. The sum of Scope 1 and Scope 2 CO₂e emissions generated in 2021 was 172,792 tonnes, of which 147,758 tCO₂e were Scope 1, and 25,035 tCO₂e were Scope 2 market-based (156,753 tCO₂e Scope 2 location-based).

GHG emssions (tCO ₂ e)	2017	2018	2019	2020	2021
Scope 1	149,782	129,022	125,586	98,194	147,758
Scope 2 – Market based	63,327	48,057	40,063	34,952	25,035



KPI 2: % 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 EUs environmental targets, and a crucial tool to help scale up sustainable investment.

Rational: The active involvement of financial markets in financing the sustainable economy is indispensable to the European Union's plans to move towards a low-carbon economy. The EU Taxonomy Regulation (EU Regulation 2020/852), which entered into force on July 12, 2020, helps to 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.

Applicable scope: Exposure of ACCIONA to the technical selection criteria 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).

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 at least one of the next six environmental objectives: the mitigation of climate change, adaptation to climate change, water protection, transition to a circular economy, pollution control and healthy ecosystems; and to
2. Do no significant harm to any other environmental objective (by complying with the Do No Significant Harm ("DNSH") criteria).
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.

Historical Performance: In 2021, ACCIONA carried out a classification of its activities according to the criteria established by Regulation (EU) 2020/852 and associated delegated acts of the European taxonomy. From ACCIONA's eligible investments, 93% of CAPEX, 71% of OPEX, and 55% sales are aligned with the taxonomy.

	2019	2020	2021
% of taxonomy-compliant CAPEX	93	85	93*

**Data from 2019 and 2020 are not comparable with that of 2021 as they have not been calculated and audited using the same criteria as the regulatory documentation in force at the closing date of this report.*

ADDITIONAL LOCAL IMPACT TARGETS



KPI 3: 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.

Rational: 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 people in the countries in which it operates. ACCIONA commits to provide Technical and vocational certified training to people from communities around the projects where ACCIONA operates (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: Though the commitment to generate positive impacts in the communities where it operates and the need to foster highly qualified professionals, in 2020, ACCIONA has continued to design and implement High Impact Solutions. These solutions, allow the company to enhance its sustainable difference in each project, though 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 focused on professionals/workers involved in ACCIONA's projects as well as actions that promote employability in new professions – skilled and unskilled as transversal solution to the entire projects. ACCIONA will monitor ongoing activities and efforts, such as the number of hours of training delivered through each program and will highlight performance results attained at the end of a period of activity, such as satisfaction measurement and annual exam pass rates.

The activities aimed at upgrading the sustainable difference in each project favour the achievement of the 2030 Agenda's Sustainable Development Goal 4, “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, especially to its targets: 4.4 “By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”.



KPI 4: Number of new households in rural areas in developing countries with access to electricity.

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.

Rational: ACCIONA is leading the corporate fight to mitigate the effects of the climate emergency and accelerate change towards a decarbonised energy model. For the sixth consecutive year ACCIONA has received from Energy Intelligence the award for the greenest utility company in the world.

Applicable scope: ACCIONA commits to provide access to clean and safe basic services of electricity and cooking in developing communities, through third generation solar home systems and improved cookstoves, that are affordable to the users. Households granted access to basic renewable electricity would be provided with 3rd Generation Solar Home Systems (3GSHS) as a minimum power supply.

The 3GSHS provides enough electricity for lighting, communication and entertainment (equivalent to energy access level number 2 of the Multi-Tier Framework) at an affordable price.

Calculation Methodology: Number of households granted access to basic renewable electricity will be calculated as new solar home systems installed for low-income households in isolated rural communities where there are no plans to connect them to the electricity transmission & distribution grid. Each 3rd Generation Solar Home Systems (3GSHS) installed is equivalent to one household granted access to basic renewable electricity.

The activities favour the achievement of the 2030 Agenda's Sustainable Development Goal 7 "Ensure access to affordable, reliable, sustainable and modern energy for all", especially to its target: "7.1 ensure universal access to affordable, reliable and modern energy service". The impact of our work in access to energy on the beneficiaries also favours the achievement of those global goals related to reduction of poverty, diseases and inequalities, or to promotion of education, work, sustainable production.

13 CLIMATE ACTION



KPI 5: Number of decarbonization plans for small and medium-sized enterprises.

As we face a climate emergency, and companies aim to reach their climate objectives, supply chain emissions from global businesses must be addressed. Decarbonization within the supply chain plays a critical role in realizing net-zero ambitions.

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

Applicable scope: ACCIONA would commit to support in the definition of a decarbonization strategy, through specific transition plans with GHG emissions reduction targets, helping small and medium-sized enterprises (SME), mainly present throughout the jurisdictions in ACCIONA Group's supply chain, to define strategies to decarbonize their value chain.

ACCIONA will focus on SME 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 organizations.

Calculation Methodology: SMEs eligible for the decarbonization plans, must comply with 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 €43,000,000;
- A maximum net turnover of €50,000,000;
- An average number of employees during the financial year of no more than 250;

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

For a SMEs to be accountable for the develop of decarbonization plan, the eligible SME must complete their registration through the UNFCCC Climate Neutral Now Initiative (or similar as Science Based Target Initiative) application.



KPI 6: Early adopters programme: Zero/low carbon energy, steel and cement & concrete and supplies.

Emissions associated to corporate supply chains are, on average, 11.4 times higher than operational emissions. At the same time, the typical supplies of the infrastructure industry (concrete, steel, etc) are among the hardest to abate. Early adoption helps to create new market conditions for zero/low carbon emission supplies.*

**Transparency to transformation: a chain reaction - CDP Global Supply Chain Report 2020*

Rational: Opportunities for decarbonisation are limited by the availability of zero/low carbon technology and/or consumables, especially in certain jurisdictions outside Europe where climate awareness is lower. The purchase of zero/low carbon products promotes the creation of markets for decarbonized products and services that accelerate global climate transition.

Applicable scope: This indicator would be applicable to purchases for local supplies of most carbon intensive material our company use: energy, steel and cement & concrete.

ACCIONA will focus on innovative supplies creating a stimulus on the incipient offer of decarbonized alternatives, promoting in this way the demand needed to generalize the decarbonized alternative in the market.

Replace carbon-intensive supplies by zero carbon/low carbon alternatives, achieving an improvement in carbon emissions versus previous years of operation of the works or versus similar projects.

Calculation Methodology:

- Only can be eligible paid cost applied to local projects that meet one of the the following requirements:
 - **ENERGY_** Only can be considered zero carbon when include zero fossil fuel and do not incorporate emissions into ACCIONA's inventory scope 1 or 2, according to GHG protocol methodology.
 - **STEEL_** Will be considered low carbon steel when intensity emissions are below 50% steel product average provided by IPCC AR6 (reference: https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf)
 - **CEMENT & CONCRETE_** Will be considered low carbon cement & concrete when intensity emissions are below 70% cement & concrete product average provided by IPCC AR6 (reference: https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf)
 - **MACHINERY_** Will be considered only zero emissions vehicules or machinery - fully electrified or H2 equipment - used 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.


KPI 7: Number of decarbonization plans 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.

Rational: MacIntyre Windfarm projects is a 923,4-MW wind power complex in Queensland (Australia) composed by 162 turbines of 5,7 MW, 230m of height. This is the ACCIONA's biggest renewable energy facility and one of the largest onshore wind farms in the world. The wind farm is expected to be operational in 2025.

The MacIntyre Wind Farm 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 predominately used for farming. Current farming practices will continue during the construction and operational phases of the wind farm.

The surrounding society and economy largely depend on the primary sector as a way of living and source of richness. This also applies at a state level. The Queensland's primary industry is forecasted to generate \$23.54 billion of revenues in 2021–22 and to employ more than 365,000 people across its supply chain¹. Australia has committed to reducing its greenhouse emissions by 43 per cent compared to 2005 levels by 2030.

Additionally, the Queensland Government is developing a Low Emissions Agriculture Roadmap 2022-32 as part of the State strategy for net-zero, seeking to reduce its emissions 50% by 2030 compared to 2005, and powering Queensland with 70% renewable energy by 2032².

According to a report elaborated for the local farming sector³, the cost of electricity for farmers currently ranges between ten per cent to almost one-third of their production costs. Electricity bills for irrigators increased by up to 300 per cent between 2009 and 2014 and have continued to rise subsequently. 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 decarbonization initiatives.

Applicable scope: ACCIONA would commit to support in the definition of a decarbonization strategy, through specific transition plans with GHG emission reduction targets for local farmers, helping Queensland farmers to define strategies to decarbonize their operations.

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

- Livestock emissions
- Cropping and horticulture emissions
- Energy efficiency
- Renewable energy production on site

¹ Queensland Low Emissions Agriculture Roadmap 2022-2032, Queensland Government

² Queensland Energy and Jobs Plan, Queensland Government

³ 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

- Carbon farming and land management
- Supply chain reductions

The program will focus on identifying farm's highest-emitting activities and propose a decarbonization plan to reduce up to 30% of carbon emissions before 2030 compared to 2021 or 2022. The decarbonization plan will tailor measures and define recommendations to be applied and make a quantification in terms of emission reductions, efficiency improvements as well as their opportunities for financing and implementation after conducting independent walk-through assessments combined with workshops.

Calculation Methodology: Farming companies eligible for the decarbonization plans, must comply with the following criteria:

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 (QLD Ag Business)

For a QLD Ag Business to be accountable for the development of a decarbonization plan, the eligible QLD Ag Business must complete their registration through the UNFCCC Climate Neutral Now Initiative (or similar as Science Based Target Initiative or a local register of similar characteristics).

ACCIONA will not be responsible if the QLD Ag business does not implement the decarbonization plan accordingly.

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 Greenhouse Gas Protocol as global standard for measuring and managing emissions.

SUSTAINABILITY PERFORMANCE TARGETS

CORPORATE PERFORMANCE TARGETS

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

ACCIONA's Climate Change Policy priority is to lead the transition towards low-carbon business models. At ACCIONA, we continue with our commitment to climate change mitigation and a more circular economy, and have approved a new target by the Science Based Targets initiative (SBTi), in line with the science-based needs to keep the increase in global temperature below 1.5°C, to reduce 60% our Scope 1 and 2 emissions from 2017 to 2030.

Historical Performance and GHG reduction path in line with the science-based needs to keep the increase in global temperature below 1.5°C: Scope 1 direct and Scope 2 indirect market-based GHG emissions (tCO₂e). ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period.

	2017	2018*	2019*	2020*	2021*	2022	
% of Reduction vs 2017	0%	4.62%	9.23%	13.85%	18.46%	23.08%	
Absolute Emissions (Scope 1 & 2 market based)	213,109	203,273	193,438	183,602	173,766	163,930	
2023	2024	2025	2026	2027	2028	2029	2030
27.69%	32.31%	36.93%	41.54%	46.15%	50.77%	55.38%	60.00%
154,094	144,259	134,421	124,587	114,751	104,915	95,079	85,244

* 2018 to 2021 data correspond to the maximum emissions that should have been emitted in those years.

ACCIONA 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 science-based needs to keep the increase in global temperature 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 focused 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 close percentage to 90%.
- Sustainable by design. ACCIONA focuses 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 that have allowed 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 decarbonization projects of our operations - from 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.

- Decarbonization 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. In 2021, there have been a total of 14 initiatives financed by the decarbonization fund, with an emissions reduction potential of 27,000 tCO₂e.

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 the climate reduction commitments.
- Disparities between environmental legislation, incentives and objectives in countries of operation.

SPT 2: Average >90% of eligible CAPEX aligned with the EU Taxonomy Regulation

ACCIONA commits to keep 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 real cumulative progress will be measured after the period.

Intermediary milestones and SPT	2022	2023	2024	2025	TOTAL
% of taxonomy-compliant CAPEX	>90%	>90%	>90%	>90%	>90%

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 impulse 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:

- Taxonomy requirements includes do not significant harm provisions and social safeguards that must be compliant.

ADDITIONAL LOCAL IMPACT TARGETS

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

ACCIONA makes an active contribution to improving the social-economic scenario of the communities in which it operates. Its initiatives contribute to people's well-being, broaden their access to education, promote the conservation of their heritage, care for the environment and biodiversity, and promote sport and healthy lifestyle. Its projects also focus on job creation by training workers and creating local business as well as improving community infrastructure. To date, 696,309 people have benefitted in 28 countries.

ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period.

	In case of extension							
Intermediary milestones and SPT	2021	2022	2023	2024	2025	TOTAL	2026	2027
Hours of certified technical training (TVET) for women and underrepresented groups	4,000	9,000	9,000	9,000	9,000	40,000	7,500	7,500

Factors that support the achievement of the Targets:

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

Factors that risk the achievement of the Targets:

- Covid-19 impact: on-site training programs may face difficulties if the health situation do not resume as expected.

SPT 4: 1,336 new households in rural areas in developing countries with access to electricity through the installation of basic solar electricity kits.

ACCIONA has set a target which reflect its strategic priority regarding the Local Community, as part of a long-term commitment to sustainability.

Prior the issuance and the establishment of the SPTs, ACCIONA has planned to provide access to electricity to approximately 2,500 new households in the period 2021-2025. Considering the issuance within the current Sustainability-linked framework, ACCIONA undertakes to provide access to electricity to a minimum of 1,336 additional households (making a total of at least 3,836 additional households in the period 2021-2025), demonstrating a 53% increase compared to ACCIONA's estimated business-as-usual scenario.

ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period.

	In case of extension							
Intermediary milestones and SPT	2021	2022	2023	2024	2025	TOTAL	2026	2027
Number of new households connected as part of the SPT	100	309	309	309	309	1,336	250	250

Factors that support the achievement of the Targets:

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

Factors that risk the achievement of the Targets:

- Political factors that can become a barrier for the successful implementation of the project.
- Technical risks on the implementation of the program and overall operation and maintenance of solar electricity kits.
- Social risks such as the acceptance and shift of households to solar electricity.

SPT 5: 25 Decarbonization plans developed for small and medium size companies (SMEs) aligned with UNFCCC Climate Neutral Now Initiative or Science Based Targets Initiative or similar.

ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period. In the event of early achievement of the target, the objective will be considered achieved.

Intermediary milestones and SPT	2022	2023	2024	2025	TOTAL
No. decarbonization plans developed for SME	5	20	20	6	51

Factors that support the achievement of the Targets:

- 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 register in UNFCCC Climate Neutral Now Initiative or Science Based Targets initiative (SBTi) or similar.
- 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 decarbonization goals with the supply of zero-emissions renewable energy and with the development of regenerative infrastructure.
- The company has in place a supplier training programme, 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 that risk the achievement of the Targets:

- Reducing GHG emissions in phases that have no direct relationship with the execution of works of ACCIONA could be challenging.
- 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 decarbonization programs.

SPT 6: Early adopters programme: Zero/low carbon energy, steel and cement & concrete and supplies.

Development of zero carbon/low carbon procurement programmes carried out in the projects.
Purchases of relevant materials for infrastructure works.

Local currency exchanges to euro will be made at the official exchange rate used in ACCIONA's accounting.

ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period.

6.1. INSTRUMENT | BILATERALS EUR 420 million 2022

Zero/low carbon supplies in the period: 1.890.000 EUR

	In case of extension - annual net zero or low carbon supplies					
Intermediary milestones and SPT	2022	2023	2024	2025	2026	2027
Minimum cumulated Zero/low carbon accredited purchases carried out in the projects– EUR	300.000	630.000	1.470.000	1.890.000	0,4MM	0,4MM

6.2. INSTRUMENT | RIN FACILITY REFINANCING ASPAC IN AUD DOLLAR 2022

Zero/low carbon supplies in the period: 3.782.000 \$AUD

	In case of extension - annual net zero or low carbon supplies					
Intermediary milestones and SPT	2022	2023	2024	2025	2026	2027
Minimum cumulated Zero/low carbon accredited purchases carried out in the projects– AUS Dollar	0.564MM	1.564MM	3.064MM	3.782MM	0,78MM	0,78MM

Factors that support the achievement of the Targets:

- Acciona has established a Carbon budget by project linked to the executive remuneration.
- Support from the project directors to develop carbon neutral local materials and services.

Factors that risk the achievement of the Targets:

- Difficulties to find carbon neutral alternatives local in specific jurisdictions.

SPT 7: 150 Decarbonization plans developed for Queensland farmers aligned with UNFCCC Climate Neutral Now Initiative, Science Based Targets Initiative or similar local registry.

ACCIONA will establish intermediary milestones to reach this target yearly, in any case, the real cumulative progress will be measured after the period. The objective of the instrument will be met when the 150 decarbonisation plans are verified. This must happen - at least before the following milestones:

Intermediary milestones and SPT	2023	2024	2025	2026	2027	2028	2029	2030
No. decarbonization plans developed for Queensland Farmers per year- accumulated	25	50	100	150	Either 25 additional decarbonization plans per year, or the monitoring of the implementation of previous 150 decarbonization plans			

Factors that support the achievement of the Targets:

- These are financial instruments linked to the MacIntyre wind farm in the Queensland region (Australia). Local farms are the largest emitters of CO2 near the project.
- Agriculture practices emitted 19.9 million tCO2 in 2020, accounting for 12.51% of Queensland's emissions in 2020.
- Emissions in the sector in the region are difficult to abate and have hardly been reduced in recent years (21MMtCO2 in 2010).

Factors that risk the achievement of the Targets:

- Farmers may not be interested in making CO2 emission reduction commitments.
- The proposed measures are not able to reduce emissions by 30% at reasonable abatement costs for the farmer.
- There are no local incentives that are consistent over time and capable of driving the necessary investments to reduce emissions by the target amount.

FINANCIAL CHARACTERISTICS

The details of any other step-up margin or premium payment amount to investors in any Sustainability-Linked Bond/Loan in the event of a missed target will be set out in the offering documentation provided at the point of issuance of any Sustainability Linked financing instrument. The Relevant Documentation may also provide that the KPIs and SPTs may be subject to recalculation based on specific circumstances, such as changes in the calculation methodology or events having a material impact on Acciona's structure or the scope of activities relevant to the measurement or calculation of the KPIs.

These details will include:

- Maturity date of instrument,
- Sustainability Key Performance Indicator (KPI) ,
- Sustainability Performance Target (SPT),
- Sustainability Target Observation Date(s),
- Financial Incentive Mechanism and Quantum (for example a coupon step-up, or payment of a premium at maturity).

The current Sustainability-Linked Financing Framework contemplates the following structure in relation to the financial characteristics:

CORPORATE PERFORMANCE TARGETS: SPT 1 & 2

The SPT 1 & SPT 2 will not have implications on the applicable loan/credit margin (the "Margin"). However, if ACCIONA has not met the targets by the Reference Date, as specified in the relevant documentation of the specific transaction:

- SPT 1: the company will make a contribution to the United Nations Environment Programme (UNEP) (or similar from the UN system Organization) to remove 10 tCO₂e per tCO₂e shortfall relative to SPT 1 (i.e. 10x), using nature-based solutions.
- SPT 2: the company will make a contribution to the United Nations Environment Programme (UNEP) (or similar from the UN system Organization) to remove 500 tCO₂e per each M€ of CAPEX shortfall relative to SPT 2, using nature-based solutions.

LOCAL IMPACT TARGETS: SPT 3, SPT 4, SPT 5, SPT 6 & SPT 7

Based on the achievement of each SPT 3, 4, 5, 6 & 7 annual targets, the Margin may vary in the following manner:

Annually:

- If the annual targets are met, the resulting applicable Margin would be reduced (the "Sustainability Discount") for each SPT 3, 4, 5, 6 & 7. In case the current Margin reflects the benefit from the Sustainability Discount, no additional Margin reduction will be applied; or
- If the annual targets are not met, the applicable Margin will revert to the initial Margin for each SPT 3, 4, 5, 6 & 7, in the case the current Margin reflects the benefit from the Sustainability Discount. If the current Margin is the same as the initial Margin, no further increase will be applied.

At maturity (or prepayment/cancellation):

- If on the Reference Date, the real cumulative progress with respect to SPT 3, 4, 5, 6 and/or 7 lies below the path implied by the committed annual targets, the company will make a contribution to a research institute or NGO, of international or local standing, active in the same fields (such as: climate research or climate change mitigation) equivalent to the shortfall for it to deliver the targeted impact.

If for any reason SPTs cannot be calculated or observed, the reduced Margin will not be applicable.

Finally, in the event of voluntary prepayment or cancellation of the financing instrument, the Obligors undertake to send the Arranger and Sustainability Agent a Verification Report prior to or simultaneously upon the date of voluntary prepayment or cancellation which will be considered, the Final Verification Report.

ANNUAL REPORTING

ACCIONA intends to provide aggregated reporting for all of its sustainable financing instruments and any other outstanding sustainable financing. This reporting will be published pre- and post-issuance and the transparency measures will be specified as follows:

PRE-ISSUANCE

- Definition of KPI(s) and SPT(s) (including calculation methodologies);
- Detailed description of the potential variation of the financial and/or structural characteristics of the Sustainability-Linked Finance Instruments (SLFI);
- Explanation of the planned back-up mechanisms for the event that the SPTs cannot be calculated or observed, or is unsatisfactory;
- Exceptional events (such as significant change in consolidation scope as a result of material M&A activities or drastic changes in regulatory environment or extreme events) that might substantially impact the calculation of the KPI, restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope

After one year has elapsed from the issuance of the applicable sustainable financing instruments, ACCIONA will draw up and keep readily available information on the corporate website.

POST-ISSUANCE

- Up-to-date information on the performance of the selected KPI(s), including baselines;
- Any information enabling investors to monitor the level of ambition of the SPTs (e.g., any update in the issuer's sustainability strategy or on the related KPI/ESG governance and, more generally, any information relevant to the analysis of the KPIs and SPTs);
- Illustration of the positive sustainability impacts of the performance improvement;
- Verification / Assurance report: Reports on verified SPTs will be made publicly available, outlining the performance vs. SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics;
- In the event of non-compliance with the SPTs, in the terms defined in the Framework, information will be reported on the contribution to the UNEP - UN Environment Program (or an similar organization of the UN system) and projects carried out to generate the impact committed by ACCIONA.

The Sustainability-Linked Financing Framework and the transparency report will be published on ACCIONA's website and will remain available until the maturity of such sustainable financing instruments, unless replaced by further reports in the event of material changes of allocation.

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

EXTERNAL REVIEW

SECOND-PARTY OPINION (PRE-ISSUANCE)

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

VERIFICATION (POST-ISSUANCE)

One year after issuance or after full allocation, ACCIONA intends to request verification by its external auditor of a management statement on the performance level against each SPT for each KPI. It 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).

In case of local communities targets related to access, this verification can be performed by certification of non-governmental organizations or local regulators authorities.

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

<https://www.acciona.com/shareholders-investors/stock-market-information/sustainable-finance/>

AMENDMENTS TO THIS FRAMEWORK AND RECALCULATION

Acciona may review this Framework from time to time, including its alignment to updated versions of prevailing principles and market standards as and when they are released. Acciona may also review this Framework in case of material changes in the Group's perimeter or activities with an impact on the KPIs, changes in the calculation methodology of any KPI[s] and SPT[s], in data accessibility, and in particular in the event of a change to the KPI(s), the Baseline and/or the SPT's calibration in the context of any recalculation made in good faith and in accordance with the terms and conditions of the Sustainability-Linked Finance Instruments.