

EU Taxonomy Alignment

Acciona Green Financing Framework



Evaluation Summary

Sustainalytics has assessed the renewable energy category of Acciona’s Green Financing Framework for alignment with the EU Taxonomy and is of the opinion that eligibility criteria in this category – which relate to electricity generation from wind power, solar photovoltaic, concentrated solar power and bioenergy – map to four EU activities and are aligned with the applicable Technical Screening Criteria (TSC). The activities align with the Do Not Significant Harm (DNSH) criteria. The scope of this assessment focuses only on the renewable energy activities within Acciona’s Green Financing Framework. Sustainalytics is also of the opinion that the activity and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.

Evaluation Date	November 1 2021
Issuer Location	Alcobendas, Spain

The Framework contributes to the following SDGs:



Table of Contents

Evaluation Summary	1
Table of Contents	2
Scope of Work and Limitations	3
Introduction	4
Sustainalytics’ Opinion	5
Alignment with the EU Taxonomy’s Technical Screening and Do No Significant Harm Criteria	5
Alignment with the EU Taxonomy’s Minimum Safeguards	6
Conclusion	7
Appendices	8
Appendix 1: Approach to Assessing Alignment with the EU Taxonomy	8
Appendix 2: Comprehensive EU Taxonomy Alignment Assessment	9
Appendix 3: Criteria for Do No Significant Harm (“DNSH”) to Climate Change Adaptation and Protection and Restoration of Biodiversity and Ecosystems	14

Scope of Work and Limitations

Sustainalytics' Assessment reflects Sustainalytics' independent¹ opinion on the alignment of the Framework with the EU Taxonomy.

As part of the Assessment, Sustainalytics assessed the following:

The Framework's use of proceeds' alignment with the EU Taxonomy for sustainable activities.

As part of this engagement, Sustainalytics held conversations with various members of Acciona's management team to understand the planned use of proceeds of the Framework.

Acciona's representatives have confirmed: (1) they understand it is the sole responsibility of Acciona to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' assessment on the alignment of the Acciona Green Financing Framework against the EU Taxonomy and should be read in conjunction with that Framework.

Any update of the present Assessment will be conducted according to the agreed engagement conditions between Sustainalytics and Acciona.

Sustainalytics' Assessment, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards.

No information provided by Sustainalytics under the present Assessment shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Acciona has made available to Sustainalytics for the purpose of this Second-Party Opinion.

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¹ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

Introduction

Acciona S.A. (“Acciona”) develops, constructs, operates, and maintains sustainable infrastructure worldwide. Headquartered in Alcobendas, Spain, the Company was founded in 1997 and provides infrastructure, renewable energy projects, water and other services in more than 40 countries.

On 1 July 2021, Acciona S.A. completed an initial public offering (IPO) of Corporación Acciona Energía Renovables S.A. (“Acciona Energía”, or the “Company”), an integrated renewable energy operator, headquartered in Spain, with operations in 16 countries. The financing transactions related to the renewable energy activities covered by this review will now fall under Acciona Energía’s operations.

In 2019, Acciona S.A. engaged with Sustainalytics to review and assess the ESG credentials under the Acciona Green Financing Framework (the “Framework”) and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018² and Green Loan Principles 2018³. Sustainalytics reviewed the Company’s Green Financing Framework,⁴ as well as other Company-specific documents, such as the Acciona’s Sustainability Report,⁵ Climate Change Policy,⁶ and Sustainability Master Plan.⁷ The Second-Party Opinion was published in November 2019 and the Framework is still applicable to this entity.⁸

In October 2021, Sustainalytics reviewed renewable energy activities of the Framework for their alignment with the EU Taxonomy Climate Delegated Act, published June 2021.⁹ This assessment speaks only to assets and projects under Acciona Energía, and should be read in conjunction with the Company’s Green Financing Framework, as well as Sustainalytics’ Second-Party Opinion.

² The Green Bond Principles 2018 are administered by the International Capital Market Association and are available at: [Green-Bonds-Principles-June-2018-270520.pdf \(icmagroup.org\)](https://www.icmagroup.org/green-bonds/principles-2018/green-bonds-principles-june-2018-270520.pdf)

³ The Green Loan Principles 2019 are administered by the Loan Market Association and are available at: [741_LM_Green_Loan_Principles_Booklet_V8.pdf \(lma.eu.com\)](https://www.lma.eu.com/741_LM_Green_Loan_Principles_Booklet_V8.pdf)

⁴ The Acciona Green Financing Framework is available on ACCIONA’s website at: <https://www.acciona.com/sustainability/sustainable-finance/>

⁵ Acciona, “Sustainability Report 2020”, at: <https://mediacd.acciona.com/media/t3phcopy/sustainability-report-2020.pdf>

⁶ Acciona, “Climate Change Policy”, at: <https://mediacd.acciona.com/media/5h0ddpd1/climate-change-policy-2018.pdf>

⁷ Acciona, “Sustainability Master Plan 2025”, at: https://www.acciona.com/our-purpose/sustainability/our-strategy/?_adin=02021864894

⁸ This document is available at: <https://www.acciona.com/sustainability/sustainable-finance/>

⁹ EU Taxonomy Climate Delegated Act, (2021), at: [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021D0807-01-1)

Sustainalytics' Opinion

Alignment with the EU Taxonomy's Technical Screening and Do No Significant Harm Criteria

Sustainalytics has assessed the criteria for the eligible green use of proceeds provided in Acciona's Green Financing Framework against the relevant criteria in the EU Taxonomy and determined their alignment with each of the Taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria ("TSC")
 - o The category assessed is associated with four activities within the EU Taxonomy; these four activities were assessed as aligned with the applicable TSC of the EU Taxonomy.
 - o Three other categories in Acciona's Framework were not assessed at this time.
2. Do No Significant Harm ("DNSH") Criteria
 - o The four activities assessed are aligned with the applicable DNSH criteria.
 - o The four activities assessed have a total of eighteen individual DNSH criteria (across all environmental objectives) applicable to them and all are assessed as aligned.
3. Minimum Safeguards
 - o Based on a consideration of the policies and management systems applicable to Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
 - o For Sustainalytics' assessment of alignment with the Minimum Safeguards see below.

Table 1 provides an overview of the alignment of Acciona's Framework with the TSC and DNSH criteria for the corresponding NACE activities in the EU Taxonomy

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy

Activity	Alignment with Taxonomy Criteria		Alignment per EU Environmental Objective					
	TSC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
Electricity generation from wind power	■	■	■	■	-	■	-	■
Electricity generation using solar photovoltaic technology	■	■	■	■	-	■	-	■
Electricity generation using concentrated solar power	■	■	■	■	■	■	-	■
Electricity generation from bioenergy (thermal generation from burning agricultural and forestry waste)	■	■	■	■	■	-	■	■
Infrastructure for low carbon transport	Not assessed at this time							
Water, sewage waste and remediation								
Construction and real estate activities								

Legend	
Aligned	■
Partially aligned	□
Not aligned	⊗
No applicable DNSH criteria for this Objective and/or Activity	–
Grey shading indicates the primary EU Environmental Objective	

Alignment with the EU Taxonomy’s Minimum Safeguards

The EU Taxonomy requires that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption.¹⁰ Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.^{11,12} Additionally, companies should be in compliance with the International Labour Organization’s (ILO) declaration on Fundamental Rights and Principles at Work.¹³ Acciona has formally referenced these guidelines in its corporate policies.¹⁴

Human Rights and Labour Rights

Acciona adheres to a group-level Human Rights Policy which was updated in 2021 and was developed to align with the UN Guiding Principles on Business and Human Rights^{15, 16} Acciona’s principles are aimed at promoting the respect of human rights, and specifically requires that all companies and employees in Acciona Group act accordingly.

Acciona commits to contributing to economic, social and environmental progress in the communities where it operates, towards improving standards of living through investments in access to basic services, employment generation and activities targeted at protecting and caring for the environment. Acciona pays particular attention to vulnerable groups such as indigenous peoples and minorities by providing access to food, water, sanitation, energy, education, health and housing. Furthermore, for these groups, the Company promotes the right to freedom of opinion, expression, thought and religion. Acciona upholds the requirement to reject child labour within its supply chain and does not employ any person under age 18.

Through Acciona’s Ethics Channel and under the guidance of Code of Conduct Committee, the Company addresses any identified abuse related to human rights. Other policies in place to guide protection of human labour rights at the Company include its Human Resources and Occupational Health and Safety Policy as well as a Social Action Policy.^{17, 18}

In line with its commitments, Acciona follows national laws and regulations in the countries where it operates and encourages its stakeholders to embed clauses on compliance with human and labour rights in contracts with subcontractors and suppliers.

¹⁰ European Commission, “Commission Delegated Regulation (EU)”, (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

¹¹ Office of the United Nations High Commissioner for Human Rights (OHCHR), “Guiding Principles on Business and Human Rights”, (2011), at: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

¹² The Organisation for Economic Co-operation and Development (OECD), “OECD Guidelines for Multinational Enterprises”, (2011), at: <https://www.oecd.org/investment/mne/48004323.pdf>

¹³ The International Labor Organisation (ILO), “ILO Declaration on Fundamental Principles and Rights at Work and Its Follow-Up”, (2010), at: https://www.ilo.org/wcmsp5/groups/public/--ed_norm/--declaration/documents/publication/wcms_467653.pdf

¹⁴ Acciona S.A. policies are applicable to Acciona Energía.

¹⁵ United Nations, “Guiding Principles on Business and Human Rights”, at: [guidingprinciplesbusinesshr_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf) (ohchr.org)

¹⁶ Acciona, “Human Rights Policy”, (2021), at: https://mediacdn.acciona.com/media/n5rpaa4q/pol%C3%ADtica-ddhh_eng-1.pdf#_ga=2.54055464.1677104590.1632741411-214762932.1632741411

¹⁷ Acciona, “Human Resources and Occupation Health and Safety Policy”, 2018, at:

https://mediacdn.acciona.com/media/pzqdyhok/humanresources_policy.pdf#_ga=2.83620374.1677104590.1632741411-214762932.1632741411

¹⁸ Acciona, “Social Action Policy”, 2018, at:

https://mediacdn.acciona.com/media/020ncazo/socialaction_policy.pdf#_ga=2.82948758.1677104590.1632741411-214762932.1632741411

Additionally, when considered new clients and projects, the Company incorporates human right risk mapping as part of its due diligence process.

Sustainalytics has not detected involvement in any relevant controversies which would suggest that the above policies are not being implemented effectively and is of the opinion that these measures appropriately safeguard minimum standards on human rights in relation to the activities of the framework.

Anti-bribery and anti-corruption

Acciona's Code of Conduct addresses anticorruption and bribery-related issues and outlines the Company's fundamental ethical principles.¹⁹ Furthermore, the Company has a dedicated Anti-corruption Policy, which is aligned with the United Nations Global Compact.²⁰ The policy addresses regulatory action, fair competition, anti-monopoly, agreement regulation, and cooperation with authorities. Through the Anti-Corruption Policy, the Company aims to outline procedures aimed at the prevention and detection of illegal activities, compliance with ethical principles that include anti-corruption regulations and encouraging integrity and accountability against corruption.

The Company adheres to fundamental principles included the United Nations Convention²¹ and adopts Principle 10 on anti-corruption of the UN Global Compact Reporting Guidance.²² In addition, Acciona has implemented several policies targeted at ensuring anti-bribery and anti-corruption practices including the Code of Conduct, Anti-corruption policy, Crime Prevention and Anti-bribery Policy, Antitrust Policy and Risk Management and Control Policy, Quality Policy.^{23, 24, 25, 26}

Acciona's Crime Prevention Policy²⁷, combined with the Anti-Corruption Policy and the Code of Conduct set out guidance for the group's zero tolerance pledge against illegal activities as well as its commitment to continuous surveillance using measures aimed at prevention and detection, and maintaining effective mechanisms for communicating and spreading awareness among employees.

Sustainalytics has not detected involvement in any relevant controversies which would suggest that the above policies are not being implemented effectively and is of the opinion that these measures appropriately safeguard anti-bribery and anti-corruption in relation to the activities of the framework.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Acciona's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Conclusion

Sustainalytics has assessed the renewable energy categories of the Acciona Green Financing Framework for alignment with the EU Taxonomy. Sustainalytics is of the opinion that the criteria of the Framework's renewable energy category map to four EU activities and is aligned with the applicable Technical Screening Criteria ("TSC") in the EU Taxonomy. All activities assessed are developed by Acciona Energía and are assessed as aligned with the applicable Do No Significant Harm Criteria. Three of the Framework's use of proceed categories were not assessed at this time. Sustainalytics is also of the opinion that the renewable energy activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

¹⁹ Acciona, "Code of Conduct", (2016), at: https://mediacdn.acciona.com/media/2056223/cc_2016_inq_4-10.pdf

²⁰ Acciona, "Anti-Corruption Policy", (2018), at: https://accionacorp.blob.core.windows.net/media/3127713/anticorruption_policy.pdf

²¹ The United Nations Office on Drugs and Crime (UNODC), "United Nations Convention Against Corruption", (2004), at: https://www.unodc.org/documents/brussels/UN_Convention_Against_Corruption.pdf

²² The United Nations Global Compact (UNGC), "Reporting Guidance on the 10th Principle against corruption", (2009), at: https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FAnti-Corruption%2FUNG_C_AntiCorruptionReporting.pdf

²³ Acciona, "Crime Prevention and Anti-Bribery Policy", (2018), at: https://mediacdn.acciona.com/media/3o1d5vqd/crimeprevention_policy.pdf

²⁴ Acciona, "Antitrust Policy", (2018), at: https://mediacdn.acciona.com/media/q1dn5ypk/antitrust_policy.pdf

²⁵ Acciona, "Risk Management and Control Policy", (2018), at: https://mediacdn.acciona.com/media/ywepgol2/riskmanagement_policy.pdf

²⁶ Acciona, "Quality Policy", (2018), at: https://mediacdn.acciona.com/media/kafg4c23/quality_policy.pdf

²⁷ Acciona, "Crime Prevention and Anti-Bribery Policy", (2018), at: [Compliance, Ethics and Integrity | ACCIONA | Business as unusual](#)

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Approach to Alignment Assessment

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant NACE²⁸ activity in the EU Taxonomy. This appendix describes Sustainalytics’ process and presents the outcome of its assessment of alignment with the Taxonomy’s applicable Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria. Sustainalytics’ assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics’ assessment process involves mapping each criterion in the Framework to a relevant and applicable NACE activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases, Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

The outcome of Sustainalytics’ mapping process for Acciona’s Framework is shown in Error! Reference source not found. below.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics’ process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the TSC and DNSH criteria is usually based on the specific criteria contained in the issuer’s Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy’s Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC. In these cases, Sustainalytics has assessed the activity for alignment with the DNSH criteria across all objectives.

Sustainalytics’ detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Fund Activity	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Wind power	Electricity generation from wind power	D35.11 F42.22	Mitigation	Table 3
Solar	Electricity generation using solar photovoltaic technology	D35.11 F42.22	Mitigation	Table 4

²⁸ The EU Taxonomy is based on economic activities defined in NACE (Nomenclature des Activités Économiques dans la Communauté Européenne). The Taxonomy currently lists 70 economic activities which have been chosen due to their ability to substantially contribute to climate change mitigation or adaptation.

Solar	Electricity generation using concentrated solar power	D35.11 F42.22	Mitigation	Table 5
Bioenergy	Electricity generation from bioenergy (thermal generation from burning agricultural and forestry waste)	D35.11	Mitigation	Table 6

Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of Acciona’s Framework criteria with the EU Taxonomy’s TSC and DNSH criteria for the relevant NACE activity.

Table 3

Framework Activity assessed		Wind Power	
EU Activity		Electricity generation from wind power	
NACE Code		D35.11 and F42.22	
<i>EU Technical Screening Criteria</i>		<i>Alignment with Technical Screening Criteria</i>	
Mitigation	The activity generates electricity from wind power.	Eligible by default	Aligned
<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, table 7		Aligned
Sustainable use and protection of water and marine resources	In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive’s Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848159 in relation to the relevant criteria and methodological standards for that descriptor.	Currently Acciona Energía has no offshore wind projects and Acciona Energía has confirmed with Sustainalytics that no offshore wind projects will be financed under the scope of the current framework. Sustainalytics therefore considers this DNSH criteria to be not applicable. Acciona Energía has indicated that it intends to update the EU Taxonomy assessment to include such projects, should they be financed in the future.	Not Applicable
Transition to a circular economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	Most of wind turbine components can already be recycled (85-90% of total mass). However, wind turbine blades pose a special challenge due to their composition and the materials they use. Blade recycling is being approached from an industry perspective. Several industries, including the wind, chemical and composites industries, have joined forces to conduct research on and come up with possible solutions to this issue.	Aligned

		<p>The overarching strategy of the Company as it relates to renewable energy generation facilities is to extend their life beyond their nominal values. In this regard, a comprehensive life cycle analysis (LCA) is conducted for each wind project that Acciona Energía undertakes. The LCA process is certified with an Environmental Product Declaration²⁹ as defined by ISO 14025:2006, stating the quantifying of environmental data of a product according to parameters of ISO1040. This process outlines the procedures for handling equipment, recyclability along with dismantling or refurbishment. The LCA methodology will also be based on the Quality, Environment and Safety department of the country's the asset is based in.</p> <p>Acciona Energía estimates a 95.9% recyclability of wind farm materials and has ongoing research programs in place specifically targeted at improving recyclability of blades potentially using fiberglass.</p>	
Protection and restoration of biodiversity and ecosystems	<p>Refer to the assessment set out in Appendix 3, Table 8.</p> <p>Additionally, In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that Directive, and as set out in Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for those descriptors.</p>	<p>Please see Table 8 below for more information on assessment of alignment for biodiversity and ecosystems.</p> <p>There are no offshore wind projects within the portfolio, Sustainalytics therefore considers this offshore wind criterion to be not applicable.</p>	Aligned

Table 4

Framework Activity assessed	Solar Power		
EU Activity	Electricity generation using solar photovoltaic technology		
NACE Code	D35.11 F42.22		
EU Technical Screening Criteria		Alignment with Technical Screening Criteria	
Mitigation	The activity generates electricity using solar PV technology.	Eligible by default	Aligned
DNSH Criteria		Alignment with DNSH Criteria	

²⁹ Acciona Energía, "Environmental Product Declaration", at: [Data \(environdec.com\)](https://www.data.accionenergia.com)

Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 7		Aligned
Transition to a Circular Economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	<p>Acciona Energía has a strategy to extend the life of its renewable energy generation facilities. The Company relies on its LCA methodology outlined in Table 3. The LCA process is certified with an Environmental Product Declaration³⁰ as defined by ISO 14025:2006, stating the quantifying of environmental data of a product according to parameters of ISO1040.</p> <p>The LCA methodology will also be based on the Quality, Environment and Safety department of the country's the asset is based in and Acciona Energía estimates a 99.6% recyclability of the materials used for solar PV projects.</p> <p>Acciona Energía has communicated that for assets under operation, detailed LCA evaluation will be carried out annually. The Company estimates a life span of 25 years for solar PV assets. In preparation for the end of life, Acciona Energía assesses the environmental impacts from dismantling, commencing at least 6 months prior. The dismantling process of solar panels involves dismantling the panels, stations and perimeter fencing, restoring roads and ditches, removing subway cabling and line trenches, reclaiming occupied soil and vegetation and recycling of materials and waste management.</p>	Aligned
Protection and restoration of biodiversity and ecosystems	Refer to the assessment set out in Appendix 3, Table 8		Aligned

Table 5

Framework Activity assessed	Solar Power		
EU Activity	Electricity generation using concentrated solar power		
NACE Code	D35.11 F42.22		
<i>EU Technical Screening Criteria</i>		<i>Alignment with Technical Screening Criteria</i>	
Mitigation	The activity generates electricity using CSP technology.	Eligible by default	Aligned

³⁰ Acciona Energía, "Environmental Product Declaration", at: [Data \(environdec.com\)](https://www.data.com)

<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptation	Refer to the assessment set out in Appendix 3, Table 7		
Sustainable use and protection of water and marine resources	<p>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and are addressed with the aim of achieving good water status and good ecological potential. A water use and protection management plan is developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Where an Environmental Impact Assessment is carried out, no additional assessment of the impact on water is required, provided the risks identified have been addressed.</p>	<p>Acciona Energía carries out EIAs at the start of its solar power projects as well as the LCA outline in Table 3. The Company currently has only one CSP project, Nevada Solar One located in Nevada, United States. The project's development was carried out in line with Acciona Energía's ISO14001 certified environmental management system and specifically addressed the treatment of water-related impacts. Additionally, Acciona Energía has confirmed that it plans to divest from CSP plants going forward.</p> <p>The water used at the Nevada Solar One project is potable water sourced from Boulder City (a town in Clark County, Nevada). The plant does not directly source or discharge water into a water body. Acciona Energía adheres to the local municipal rules for safeguarding the environment and is subject to the Nevada Department of Environment Protection (NDPES). The NDPES requires the CSP developers to obtain a permit from the Bureau of Water Pollution Control (BWPC). Acciona Energía's CSP plant is subject to such permitting. Furthermore, the plant is subject to Acciona Energía's ISO 14001 Environment Management system, which ensures water quality standards are not exceeded.</p>	Aligned
Transition to a circular economy	<p>To ensure CSP installations have been designed and manufactured for high durability, easy dismantling, refurbishment, and recycling In line with 'Manufacture of Renewable Energy Equipment' for DNSH criteria - Embodied carbon emissions to represent less than 50% of the total carbon emissions saved by the use of the energy efficient equipment. ⁶⁰</p>	<p>Acciona Energía has communicated that the CSP represents only 0.5% of its total installed capacity and does not intend to grow its project portfolio in this technology further.</p> <p>The CSP projects are subject to the Company's LCA assessments to check for durability, recyclability, and ease of dismantling as well as the Quality, Safety and Environment department requirement of the state of Nevada.</p> <p>As per Acciona Energía's guide of environment risk assessment, environmental impacts from dismantling will be assessed at least 6 months before the end of the useful life of the plant.</p>	Aligned
Protection and restoration of biodiversity and ecosystems	Refer to the assessment set out in Appendix 3, Table 7		Aligned

Table 6

Framework Activity assessed		Bioenergy	
EU Activity		Electricity generation from bioenergy (thermal generation from burning agricultural and forestry waste)	
NACE Code		D35.11 F42.22	
<i>EU Technical Screening Criteria</i>		<i>Alignment with Technical Screening Criteria</i>	
Mitigation	All Bioenergy projects must achieve at least 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator set out in RED II. The feedstock must be produced from a feedstock listed in Part A of Annex IX of Directive (EU) 2018/2001 or Produced via anaerobic digestion of organic material not covered under sections 5.3 and 5.5, provided that a monitoring plan for methane leakage from relevant facilities is in place and any digestate produced is used as fertilizer/soil improver.	Eligible by default	Aligned
<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptations	Refer to the assessment set out in Appendix 3, Table 7		Aligned
Sustainable use and protection of water and marine resources	To identify and manage risks related to water quality and consumption, including the implementation of management plans developed with relevant stakeholders and compliance with EU water regulation.	Acciona Energía’s Bioenergy plants are located in Spain only. The Bioenergy plants are monitored for discharge water, using a Water Book. Total water consumption per month is recorded along with yearly totals. Inlet and outlet water from the plant is subject to microbiological and physicochemical testing before being released. Furthermore, Acciona Energía also complies with local municipal laws for wastewater discharge. Environment Impact Assessments (EIA) are carried out for all bioenergy plants at the start of the project. Each EIA addresses the potential environmental risk including water pollution risk that arise during the various stages of the project. Water withdrawal and discharge permits for are required for all plants operating in Spain as per the Spanish Law 62/2003 and 10/2001.	Aligned
Pollution prevention and control	In case of installations falling within the scope of Directive 2010/75/EU emissions should be within or lower than the emission levels associated with the Best Available Techniques (BAT) ranges. Along with no significant cross-media effects to ensure emissions to air, water and soil are prevented / minimized by employing the techniques included in BAT Reference Documents.	Acciona Energía has communicated that all biomass feedstock used for production of bioenergy are of agricultural origin. The feedstock largely include cereal, corn straw and olive pit waste. Acciona Energía also ensures the biomass feedstock complies with evaluation standards that prevent negative impact on the environment and targets sourcing biomass only from lands permitted under the 2018/2001 Directive.	Aligned

		<p>Acciona Energía complies with the BAT ranges as outlined within Directive 2010/75/EU for gaseous emissions from the plant. This includes SOx, NOx and particles.</p> <p>The solid waste generated from the plant is vaporized and turned to ashes and slag, used to make construction material. Acciona Energía uses 100% of the ashes and slags generated for reuse in the cement industry, in civil works and in the recovery of degraded areas. The waste is produced as a raw material containing silicon and calcium or produced as eco-arid.³¹</p> <p>Furthermore, Acciona Energía has confirmed that biomass plants are not located in zones not complying with the air quality limit values from the EU 2008/50/EC Directive.</p>	
Protection and restoration of biodiversity and ecosystems	Refer to the assessment set out in Appendix 3, Table 8		Aligned

Appendix 3: Criteria for Do No Significant Harm (“DNSH”) to Climate Change Adaptation and Protection and Restoration of Biodiversity and Ecosystems

Table 7

Criteria for DNSH to Climate Change Adaptation		
<i>DNSH Criteria</i>	<i>Alignment with DNSH Criteria</i>	
The physical climate risks that are material to the activities mentioned above have been identified by the Issuer by performing a robust climate risk and vulnerability	<p>Projects undertaken by Acciona are subject to the Company’s Climate Risk Management Procedure³³ as well as the Corporate Environmental Risk Management policies.³⁴</p> <p>Acciona’s environmental risk assessment for climate change covers the lifespan of assets, with a minimum horizon of 10 years, adjusted for assets with a shorter life cycle. The climate scenarios are evaluated based on the Representative</p>	Aligned

³¹ Acciona, “Sustainability Report 2020”, at: [sust-report-acciona20.pdf](https://mediacdn.acciona.com/media/5h0ddpd1/sust-report-acciona20.pdf)

³³ Acciona, “Climate Change Policy”, at : https://mediacdn.acciona.com/media/5h0ddpd1/climate-change-policy-2018.pdf#_ga=2.39167013.700196883.1632751163-1419015317.1632751163

³⁴ Acciona “Risk Management and Control Policy, at: https://mediacdn.acciona.com/media/ywepqol2/riskmanagement_policy.pdf#_ga=2.12653239.1677104590.1632741411-214762932.1632741411

<p>assessment.³² The assessment must be proportionate to the scale of the activity and its expected lifespan, such that:</p> <ul style="list-style-type: none"> • for investments into activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using downscaling of climate projections. • for all other activities, the assessment is performed using high resolution, state-of-the-art climate projections across a range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 years climate projections scenarios for major investments. <p>The issuer has developed a plan to implement adaptation solutions to reduce material physical climate risks to the selected activities under this framework.</p> <ul style="list-style-type: none"> • For new activities the Issuer ensures that adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts. • For activities that involve upgrading or altering existing assets or processes, the Issuer must implement adaptation solutions identified within five years from the start of the activity. In addition, selected adaptation solutions must not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts. 	<p>Concentration Pathway (RCP) 6 and RCP 8.5 which considers limits to temperature increase of 1.5 to 2 degrees Celsius for transition risk scenarios and a 3 degree Celsius for physical risk scenarios. The Company’s methodology for climate risk and scenario analyses are based on identifying risk sources, the cause of the initiating event, the probability and the consequence as well as a final classification of the risk. Once priority risks are identified, those that are assessed as very high risk will be subject to additional adaptation analysis. Given that Acciona has projects across different countries, the risk assessment is tailored to the geographic location of the asset.</p> <p>For new projects to be developed by the Company, each Environmental Impact Assessment (EIA) incorporates measures to be taken in order to avoid negative environmental impacts and Acciona conducts the due diligence on these assessments, undertaken by the Environmental Department. These assessments take into account sectoral and regional adaptation efforts and highlight measures that are taken to comply with regulations and legislation. For existing projects where Acciona is not the initial developer, the Company conducts independent due diligence on the environmental compliance of the respective projects.</p> <p>Adaptation solutions are considered as part of the Company’s overall annual risk management process. This process is conducted annually and is overseen by Acciona’s board of directors for its various categories of projects. Some of the adaptation activities that have been outlined through this process includes elevation of substations in wind farms to limit flood risk as well as monitoring and controlling of reservoirs with better weather forecasting techniques to limit environmental impacts as a result of hydropower projects.</p>	
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Table 8

Criteria for the Protection and Restoration of Biodiversity and Ecosystems		
<i>DNSH Criteria</i>	<i>Alignment with DNSH Criteria</i>	
An Environmental Impact Assessment (EIA) or screening has been completed, for activities within the Union, in accordance with Directive 2011/92/EU. For activities in third countries, an EIA has been completed in accordance	The Company has in place the following policies to guides its actions on biodiversity, through the Biodiversity Management	Aligned

³² The EU Delegated Act identifies several climate related risks and classifies them into chronic or acute risks, Chronic risks include -changing temperature (air, freshwater, marine water), changing wind patterns, changing precipitation patterns and types, coastal erosion, heat stress, ocean acidification, sea-level rise, and solifluction. Acute risks pertain to – heat/ cold wave, wildfire, cyclone, hurricane, tornado, storm, drought, landslide, flood, and glacial lake outburst. For a complete list of climate related risk please refer to Section 2 of Appendix E of EU’s draft delegated regulation (Annex 1), at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy#ISC_WORKFLOW

<p>with equivalent national provisions or international standards.</p> <p>Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</p> <p>For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</p>	<p>Report³⁵ and Biodiversity Policy.³⁶ Furthermore, there is an overarching Global Commitment to Biodiversity.³⁷ These policies outline its governance and risk management processes which involve environmental impact assessments, monitoring programs and other studies.</p> <p>Acciona applies a mitigation hierarchy to identify and assess potential effects on biodiversity of its projects. Pre-project site assessments are undertaken to ensure minimal impact on the project sites as part of development. This entails analyses related on-site protected areas, proximity to water bodies, presence of protected flora or fauna, potentially affected species, surface area, intensity of impact, duration of impact and reversibility or irreversibility of the impact.</p> <p>Additionally, the Company relies on project specific EIAs to minimize the impact of project development, establish preventative and corrective measures and implement Environmental Monitoring Programs.</p> <p>In 2020, Acciona recorded 95 ongoing projects with EIAs in place and 254 Environmental Monitoring Plans at centres and facilities under maintenance. Over 920 sites within operations, spanning 12,958 hectares have been assessed on biodiversity. These assessments identified 208 sites as being in close proximity to critical biodiversity (within 2km or less distance to protected areas) and all have Biodiversity Management Plans³⁸ are in place.</p>
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³⁵ Acciona "Biodiversity Management", at: https://mediacdn.acciona.com/media/3312579/gesti%C3%B3n-de-la-biodiversidad_en_2019.pdf

³⁶ Acciona "Biodiversity Policy", at: https://mediacdn.acciona.com/media/apvloid4/biodiversity-policy-2018.pdf#_ga=2.212710676.1870581770.1632822692-872165437.1632822692

³⁷ Acciona "Global Commitment to Biodiversity", at: https://mediacdn.acciona.com/media/lbzhq34k/biodiversity-report-acciona.pdf#_ga=2.56520235.1870581770.1632822692-872165437.1632822692

³⁸ Acciona "Biodiversity Management", at: https://mediacdn.acciona.com/media/3312579/gesti%C3%B3n-de-la-biodiversidad_en_2019.pdf

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