



Green Bond Framework

Contents

1	Introduction.....	2
2	Green Bond Framework.....	2
2.1	Use of Proceeds.....	3
2.2	Process for Project Evaluation and Selection.....	3
2.3	Management of proceeds	3
2.4	Reporting.....	4
2.4.1	Allocation Reporting.....	4
2.4.2	Impact Reporting	4
3	External review	5
3.1.1	Second Party Opinion (pre issuance).....	5
3.1.2	Verification (post issuance)	5

Annex I

1 Introduction

ACCIONA S.A. is engaged in the development and management of renewable energy, infrastructure, water, and services in Spain as well as worldwide. The Company operates through 2 main segments making together nearly 90% of annual turnover and EBITDA. In FY2017, the Infrastructure Segment (incl. Construction, Concessions, Water, Services and Industrial) accounted for 68% of its revenues and 33% of EBITDA making ACCIONA one of the leading infrastructure companies in the world. The Energy Segment made another 24% and 57% of revenues and EBITDA, respectively - ACCIONA Energy is the biggest global energy company operating exclusively in the renewable energy sector, present in over 20 countries on five continents.

ACCIONA bases its business model on the development of sustainable solutions as regards infrastructure, water and energy. Through its Sustainability Master Plan 2020, the company responds to the main challenges of sustainable development, especially in terms of mitigating climate change, providing solutions to water scarcity and designing infrastructure adapted to new realities. ACCIONA's sustainability strategy is structured around targets and commitments for the period until 2020 in respect of society, climate change, the environment, corporate governance, people, the value chain and innovation. These targets are applicable to the entire organisation. Noteworthy, since 2016, ACCIONA is a carbon-neutral company, offsetting all the CO₂ emissions generated that it was not able to reduce.

Sustainability-related actions are led by the highest levels of the company's governance: since 2009, ACCIONA has had a Sustainability Committee in the Board of Directors.

ACCIONA's commitment to sustainability is also reflected in its contribution to achieving the Sustainable Development Goals (SDGs), defined by the United Nations. The company, through its lines of business, contributes directly to the SDGs related to access to clean water, affordable and clean energy, resilient infrastructure and the fights against climate change.

In alignment with ACCIONA's strategy and sustainability vision, the company is considering to issue a Green Bond to finance renewable energy projects in different jurisdictions.

2 Green Bond Framework

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuing a Green Bond. The ACCIONA Green Bond Framework follows the ICMA Green Bond Principles (GBP) 2017 edition, which provides guidelines in four key areas:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Green Bond Framework may also be used to govern other green financings for which the use of proceeds is intended to be used for a portfolio of Eligible Green Projects defined, selected, tracked and reported on in accordance with this Green Bond Framework.

2.1 Use of Proceeds

ACCIONA intends to allocate the proceeds of the Green Bond issue to a portfolio of Eligible Green Projects within the following eligible category:

Renewable Energy projects: Financing of, or investments in development, construction, installation and maintenance of renewable energy production units - Energy produced from renewable non-fossil sources, more specifically from wind power and solar PV installations. Annex 1 includes a sample of projects that eventually would be included in the portfolio of eligible projects.

2.2 Process for Project Evaluation and Selection

Projects financed and/or refinanced through the Green Bond proceeds are evaluated and selected by ACCIONA's Green Bond Committee formed by members of Finance in collaboration with ACCIONA's Sustainability Department, ACCIONA Energy QSE team and project managers and other parties to be nominated as subject matter experts.

ACCIONA applies minimum environmental and social (ESG) requirements and all applicable EU and national environmental and social regulation for all its activities, including those financed with the proceeds of the Green Bond. ACCIONA environmental, social and sustainability policies can be found on <https://www.accionacom/shareholders-investors/corporate-governance/corporate-policies-book/>

2.3 Management of proceeds

ACCIONA intends to allocate the proceeds from the Green Bonds to an Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above, prioritizing current or more recent projects. These projects can be newly built, existing but can also include refurbishments. To ensure proceeds are allocated in accordance to the Green Bond Framework, ACCIONA will establish a register that will track investments in eligible projects.

ACCIONA will strive, over time, to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches the balance of net proceeds from its outstanding Green Bonds. Additional Eligible Green Projects will be added to the Issuer's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects.

Whilst any Green Bond net proceeds remain unallocated, ACCIONA will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments or

to pay back a portion of its outstanding indebtedness, the balance of net proceeds not yet allocated to the Eligible Green Project Portfolio.

2.4 Reporting

The Green Bond Principles require Green Bond issuers to provide information on the allocation of proceeds. In addition to the information to which projects Green Bond proceeds have been allocated, the Green Bond Principles recommend communicating on the expected impact of the projects.

ACCIONA will make and keep readily available reporting on the allocation of net proceeds to the Eligible Green Project Portfolio and wherever feasible reporting on the impact of the Eligible Green Project Portfolio, at least at the category level, after a year from the issuance of the applicable Green Bonds to be renewed annually until full allocation of the Green Bond net proceeds.

ACCIONA intends to provide aggregated reporting for all of ACCIONA's Green Bonds and other potential green financings outstanding.

ACCIONA will align, on a best effort basis, the reporting with the portfolio approach described in "*Green Bonds - working towards a Harmonized Framework for Impact Reporting (December 2015)*".

2.4.1 Allocation Reporting

The allocation report will provide:

- The total amount of investments and expenditures in the Eligible Green Project Portfolio
- The number of new and existing projects (financing and refinancing)
- The balance of unallocated proceeds

2.4.2 Impact Reporting

The impact report may provide:

- Installed capacity in MW
- Annual production of renewable energy in MWh (or estimation of expected production if the project is still under-construction)
- GHG emissions avoided in tCO₂e (or estimation of expected avoidance if the project is still under-construction)

3 External review

3.1.1 Second Party Opinion (pre issuance)

This ACCIONA Green Bond Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion. The Second Party Opinion as well as the Green Bond Framework will be made available to the Green Bond investors on <https://www.accionacom/shareholders-investors/debt-issuances/> .

3.1.2 Verification (post issuance)

ACCIONA intends to request, one year after issuance or after full allocation, a verification by its external auditor (KPMG or any subsequent external auditor) of a management statement on the allocation of the Green Bond proceeds to the Eligible Green Project Portfolio.

DISCLAIMER

THIS DOCUMENT IS INTENDED TO PROVIDE NON-EXHAUSTIVE, GENERAL INFORMATION. THIS DOCUMENT MAY CONTAIN OR INCORPORATE BY REFERENCE PUBLIC INFORMATION NOT SEPARATELY REVIEWED, APPROVED OR ENDORSED BY ACCIONA AND ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY ACCIONA AS TO THE FAIRNESS, ACCURACY, REASONABLENESS OR COMPLETENESS OF SUCH INFORMATION.

THIS DOCUMENT MAY CONTAIN STATEMENTS ABOUT FUTURE EVENTS AND EXPECTATIONS THAT ARE FORWARD LOOKING STATEMENTS. NONE OF THE FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS IN THIS DOCUMENT SHOULD BE TAKEN AS FORECASTS OR PROMISES NOR SHOULD THEY BE TAKEN AS IMPLYING ANY INDICATION, ASSURANCE OR GUARANTEE THAT THE ASSUMPTIONS ON WHICH SUCH FUTURE PROJECTIONS, EXPECTATIONS, ESTIMATES OR PROSPECTS HAVE BEEN PREPARED ARE CORRECT OR EXHAUSTIVE OR, IN THE CASE OF THE ASSUMPTIONS, FULLY STATED IN THE DOCUMENT. ACCIONA HAS AND UNDERTAKES NO OBLIGATION TO UPDATE, MODIFY OR AMEND THIS DOCUMENT, THE STATEMENTS CONTAINED HEREIN TO REFLECT ACTUAL CHANGES IN ASSUMPTIONS OR CHANGES IN FACTORS AFFECTING THESE STATEMENTS OR TO OTHERWISE NOTIFY ANY ADDRESSEE IF ANY INFORMATION, OPINION, PROJECTION, FORECAST OR ESTIMATE SET FORTH HEREIN CHANGES OR SUBSEQUENTLY BECOMES INACCURATE.

THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL OR FINANCIAL ADVICE. IT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SELL OR ANY SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OR A RECOMMENDATION REGARDING ANY SECURITIES, NOTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER AND IT HAS NOT BEEN APPROVED BY ANY SECURITY REGULATORY AUTHORITY.

THE DISTRIBUTION OF THIS DOCUMENT AND OF THE INFORMATION IT CONTAINS MAY BE SUBJECT OF LEGAL RESTRICTIONS IN SOME COUNTRIES. PERSONS WHO MIGHT COME INTO POSSESSION OF IT MUST INQUIRE AS TO THE EXISTENCE OF SUCH RESTRICTIONS AND COMPLY WITH THEM.

THE INFORMATION IN THIS DOCUMENT HAS NOT BEEN INDEPENDENTLY VERIFIED.

THE ADDRESSEE IS SOLELY LIABLE FOR ANY USE OF THE INFORMATION CONTAINED HEREIN AND ACCIONA SHALL NOT BE HELD RESPONSIBLE FOR ANY DAMAGES, DIRECT, INDIRECT OR OTHERWISE, ARISING FROM THE USE OF THIS DOCUMENT BY THE ADDRESSEE.

ANNEX I

SAMPLE OF POTENTIAL ELIGIBLE PROJECTS

1. **El Cortijo wind project**
Capacity: 183 MW
Project site: Tamaulipas State (Mexico)
Estimated investment: US\$ 238,9 million
Start of construction: February 2017
Estimated COD: September 2018

2. **Mt Gellibrand wind Project**
Capacity: 132 MW
Project site: Colac, Victoria (Australia)
Estimated investment: AUD 257.9 million
Start of construction: April 2017
Estimated COD: August 2018

3. **Las Estrellas wind project**
Capacity: 198 MW
Project site: Tamaulipas State (Mexico)
Estimated Investment: US\$ 230,5 million
Start of construction: January 2019
Estimated COD: July 2020

4. **Tolpan Sur wind project**
Capacity: 87 MW
Project site: Comuna de Renaico, IX Región de la Araucanía (Chile)
Estimated Investment: US\$ 120 million
Estimated start of construction: early 2019