



# ACS SERVICIOS, COMUNICACIONES Y ENERGIA S.A GREEN BOND ANNUAL REPORT 2022

# GREEN BOND CHARACTERISTICS

- ▶ ISSUER: ACS, Servicios, Comunicaciones y Energía, S.A.
- ▶ ISSUE DATE: 18th April 2018
- ▶ ISSUE IDENTIFICATION NUMBER: XS1799545329
- ▶ NOMINAL AMOUNT: EUR 750,000,000
- ▶ MATURITY DATE: 18th April 2026
- ▶ COUPON: 1.875% (Annual, Fixed)
- ▶ COUPON PAYMENT: Annually in arrear

# USE OF PROCEEDS

The net proceeds of green financing instruments will be used to finance and/or refinance, in whole or in part, assets or activities that meet the eligibility requirements

The Paris Agreement on Climate Change aims to limit global temperature rise this century below 2°C. Renewable Energies will play an instrumental role in the transition to a low-carbon economy. Investing in renewable energy production ACS SCE contributes to provide people with cleaner, reliable, sustainable energy and to combat climate change and its impacts

**Eligible Projects will fall into four broad categories:**

## Production of Renewable Energy

Wind (Onshore and Offshore)  
Solar (Photovoltaic or Concentrated)  
Hydro (essential that is developed sustainably)

## Transmission & Distribution Network Projects

Connecting Renewable Energy Sources  
Reducing GHG emissions with efficient, stable and reliable distribution

## Water and Water Management

Helps to maintain clean water for reuse and to optimize resource recovery  
Helps to resolve water scarcity, waste minimization, alleviating unsustainable waste generating

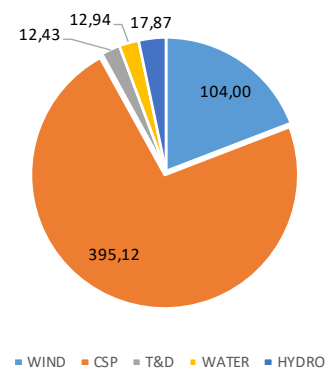
## Eligible Efficiency Energy

Required to connect or support integration of Renewable Energy inputs to national grids and systems

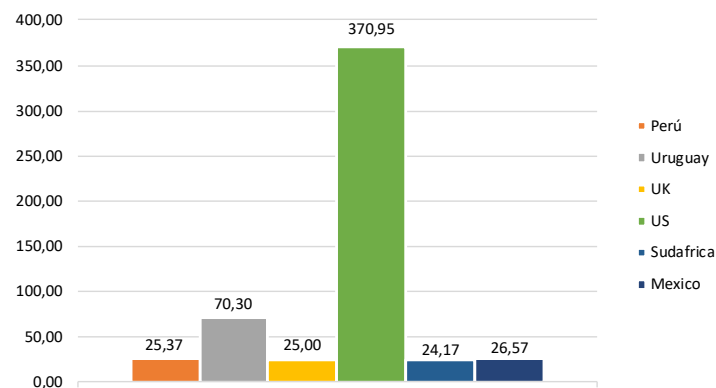
# FUND ALLOCATIONS

- ▶ As of 18th of December 2020 ACS reached for the first time since issuance the amount of 743,98 Million € allocated in renewable projects, complying with the framework requirement of assignment in the first 36 months.
- ▶ At 31st December 2021, several companies belonging to the ACS Group were sold, including all the Company's Subsidiaries, resulting in the divestment of 51 projects as at 31 March 2022 with a total amount of 226,93 Mill €. The total investment in the period from 1<sup>st</sup> April 2021 up to 31<sup>st</sup> March 2022 is being 25,30 Mill €.
- ▶ At 31st March 2022 542,36 Mill € were allocated in the different projects that compose the ACS GB portfolio.

**Fund allocation per category**



**Fund allocation per country**



- ▶ Complete list and characteristics of the projects can be found in annex I.
- ▶ Third party assurance report of the use of Green bond profits can be found in annex II.

# TOTAL FUND ALLOCATIONS



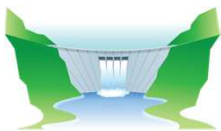
WIND POWER GENERATION

- 4 Projects
- Total Invested 104,00 Mill €
- 51,57 Mill € Finance
- 52,43 Mill € Refinance



SOLAR POWER GENERATION

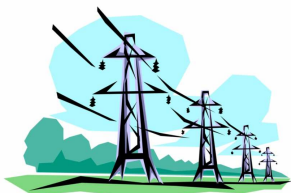
- 2 Projects
- Total Invested 395,12 Mill €
- 24,17 Mill € Finance
- 370,95 Mill € Refinance



HYDROELECTRIC POWER GENERATION

- 1 Project
- Total Invested 17,87 Mill €
- 17,87 Mill € Finance

# TOTAL FUND ALLOCATIONS



TRANSMISSION LINES

- 1 Project
- Total Invested 12,43 Mill €
- 12,43 Mill € Finance



WATER MANAGEMENT

- 1 Project
- Total Invested 12,94 Mill €
- 12,94 Mill € Finance

# BENEFITS IN SUSTAINABILITY

- ▶ As of 31st March 2022 the total tons of CO<sub>2</sub> avoided in operational projects have been 1,072,155 since 2018
- ▶ For projects in early stages of development and construction the Quantitative impact indicators have been calculated following GHG protocol guidelines. The total tons of CO<sub>2</sub> avoided is estimated in 25,330,398 since 2018
- ▶ Third party assurance report of the methodology used for the CO<sub>2</sub> avoided emissions can be found in Annex II of this report

# BENEFITS IN SUSTAINABILITY



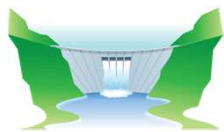
WIND POWER GENERATION

- 6 Projects (2 sold)
- Installed capacity: 2.780,68 MW
- Energy produced: 962.966,10 MWh
- GHG emissions avoided: 8.274.032,45 tCO<sub>2</sub>e



SOLAR POWER GENERATION

- 56 Projects (54 sold)
- Installed capacity: 2.440,61 MW
- Energy produced: 10.839.824,43 MWh
- GHG emissions avoided: 1.662.745,10 tCO<sub>2</sub>e



HYDROELECTRIC POWER GENERATION

- 1 Project
- Installed capacity: 19,78 MW
- Energy produced: 86.212,39 MWh
- GHG emissions avoided: 13.018,07 tCO<sub>2</sub>e



# BENEFITS IN SUSTAINABILITY



TRANSMISSION LINES

- 6 Projects (5 sold)
- 1.781 KM of transmission
- No renewable units connected yet



WATER MANAGEMENT

- 4 Projects (3 sold)
- Capacity: 1.523.684 M<sup>3</sup>/day
- Total production: 4.022.096 M<sup>3</sup>
- People impacted: 1.004.095 hab.



ENERGY EFFICIENCY

- 24 Projects (24 sold)
- Amount of energy saved: 36.611,53 MWh
- GHG emissions reduced or avoided: 7.464,26 tCO<sub>2</sub>e

## ANNEX I- LIST OF ELIGIBLE PROJECTS AS OF MARCH 2022

Category	Technology	Project Location	Operational date	Stage	Total installed capacity (MW, ml, ")
i) RENEWABLE ENERGY PRODUCTION	WIND	Uruguay	24/05/2017	Operation	48,6 MW
i) RENEWABLE ENERGY PRODUCTION	WIND	Uruguay	19/05/2017	Operation	52,8 MW
i) RENEWABLE ENERGY PRODUCTION	WIND	Aberdeen, UK	30/01/2020	Construction	50 MW
i) RENEWABLE ENERGY PRODUCTION	CSP	Nevada, US	19/11/2016	Operation	110 MW
i) RENEWABLE ENERGY PRODUCTION	CSP	Upington, Sudáfrica	30/11/2018	Construction	100 MW
i) RENEWABLE ENERGY PRODUCTION	HYDRO	Uruguay	15/09/2019	Construction	19,78 MW
iii) SUSTAINABLE WATER AND WASTE WATER MANAGEMENT	WATER	Lima, Perú	26/11/2019	Construction	33,264 m3/d
i) RENEWABLE ENERGY PRODUCTION	WIND	Mexico	2020	Construction	90MW
ii) ENERGY DISTRIBUTION AND MANAGEMENT	T&D	Perú		Promotion	317km

## ANNEX – II THIRD PARTY ASSURANCE REPORT

- i- DELOITTE INDEPENDENT EXPERT REPORT SUMMARY
- ii- TUV CO2 AVOIDED EMISSIONS REPORT 2021
- iii- TUV CO2 AVOIDED EMISSIONS REPORT 1Q2022



**Independent Expert Report  
Summary**

ACS Servicios Comunicaciones  
y Energía, S.A.

*Analysis of the use of the Green Bond  
proceeds*

*30 June, 2022*

30 June, 2022

Mr. José Luis Martínez Dalmau  
ACS Servicios Comunicaciones y Energía, S.A.  
Calle Cardenal Marcelo Spinola, nº 10  
28016, Madrid

This summary of the Independent Expert Report (the “Summary”) has been prepared by Deloitte Financial Advisory, S.L.U. at the request of ACS Servicios Comunicaciones y Energía, S.A. to be made available to its bondholders. Our Independent Expert Report aims to account for the use of the proceeds collected as a result of the issuance of the Green Bond on 20 April 2018. ACS Servicios Comunicaciones y Energía, S.A. agreed with its bondholders that an independent third party would carry out an analysis of the use of the Green Bond proceeds on an annual basis.

The main objective of the complete Independent Expert Report is to analyse and quantify the amount invested in green projects as at 31 March 2022 with the proceeds obtained from the issuance of the Green Bond and to verify that these green projects comply with the requirements established in the ACS SCE Green Bond Framework.

This Summary is subject to certain limitations that are detailed in Section 3. In Appendix A, we detail the sources of information used in our work. All the information used in this Summary has been obtained from Public Registries or provided by ACS Servicios Comunicaciones y Energía, S.A.

Our analysis has covered purely economic and accounting aspects, as this is our area of expertise, and does not refer at any time to the legal aspects or consequences (which should be evaluated by the Company’s representatives and their legal advisors).


The scope of our work does not include an audit of the financial information included in or attached to our reports; therefore, we do not express an audit opinion on such financial information.

This Summary and the complete Independent Expert Report have been prepared for ACS Servicios Comunicaciones y Energía, S.A. in accordance with the terms and conditions set forth in the Engagement Letter of 19 April 2022, so we do not accept responsibility, duty or obligation towards any other third party that could have access to it.

Our services have consisted exclusively of the implementation of the procedures indicated in our Engagement Letter dated 19 April 2022. Therefore, the information contained in this Summary is not intended in any way to constitute any basis on which a third party can make decisions, nor does it imply any advice or recommendation either positive or negative on our part.

This Summary contains an excerpt of the conclusions included in the complete Independent Expert Report that we have prepared for ACS Servicios Comunicaciones y Energía, S.A. dated 30 June 2022. Therefore, this Summary does not purport to contain all the information that an interested party may require. Any party with access to this Summary accepts and acknowledges that it will be solely responsible for making its own investigations and forming its own view as to the accuracy and completeness of the statements contained herein.

Yours sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

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Amir Sarshar  
Partner

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## 1. Background

Based on the information provided, we summarise our understanding of the main background facts of our work as follows:

- ACS Servicios, Comunicaciones y Energía, S.A. (hereinafter, ACS SCE or the Company) was established in 21 September 1999 and its main business activity consists of electrical and industrial projects. It is a subsidiary of ACS, Actividades de Construcción y Servicios, S.A. (hereinafter, ACS), which owns 99.9% of its shares.
- On 20 April 2018, ACS SCE issued debt to the market by means of a “green bond” (hereinafter, the Green Bond) for an amount of €750 million. The proceeds collected from the bondholders had to be invested in certain eligible projects or green assets.
- The definition of green assets was made explicit by the Company in a document entitled “*ACS SCE Green Bond Framework*” (hereinafter, the Green Bond Framework). This document served as a guideline for the use of the proceeds collected by the Company for the holders of the Green Bond (hereinafter, the bondholders).
- In this regard, the proceeds obtained had to be used to finance and/or refinance in whole or in part the development, construction, installation, or maintenance of new or existing projects, assets or activities that meet the eligibility requirements defined in the Green Bond Framework (hereinafter, the Elected Projects).
- Four categories of assets were included within the definition of green assets:
  - (i) Renewable energy production projects,
  - (ii) Energy transmission, distribution and management projects,
  - (iii) Sustainable water and waste water management projects; and
  - (iv) Energy efficiency projects.
- Certain subsidiaries of ACS SCE received part of the proceeds collected by the Company and therefore, these subsidiaries made the direct investment of the proceeds received.
- In Section 5 of the Green Bond Framework, it was stated that ACS SCE would appoint an independent third party to provide an annual verification of the use of the proceeds collected. This third-party analysis would require a breakdown of project by category as at the date of the analysis, verifying its consistency with the asset type requirements defined in the Green Bond Framework and a statement of the remaining proceeds not allocated as at the date of the analysis.
- On 17 June 2019, Deloitte Financial Advisory, S.L.U. issued its first annual independent expert report on the analysis of the use of the Green Bond proceeds from the bond's issue date until 31 March 2019 (hereinafter, the 2019 Deloitte Report).
- On 15 July 2020, Deloitte Financial Advisory, S.L.U. issued its second annual independent expert report on the analysis of the use of the Green Bond proceeds from the bond's issue date until 31 March 2020 (hereinafter, the 2020 Deloitte Report).
- On 6 July 2021, Deloitte Financial Advisory, S.L.U. issued its third annual independent expert report on the analysis of the use of the Green Bond proceeds from the bond's issue date until 31 March 2021 (hereinafter, the 2021 Deloitte Report).



## 2. Objective and scope of our work

In the context described in the “Background” section above, the objective of our work has consisted of the preparation of an Independent Expert Report in which we have analysed the use of the Green Bond proceeds between 31 March 2021 and 31 March 2022 (hereinafter, the Period of Analysis).

The scope of our work has included the following procedures:

### **Scope I. Analysis of the use of the proceeds collected by the issuance of the Green Bond and quantification of the amount invested by project category during the Period of Analysis**

- The context of the Green Bond and organisational structure used by the Company to undertake the transactions subject to the Green Bond proceeds during the Period of Analysis.
- The amount invested at the beginning of the Period of Analysis in the Elected Projects as at 31 March 2021 according to the 2021 Deloitte Report.
- The verification of the use of the proceeds obtained from the issuance of the Green Bond in investments and divestments in the Elected Projects during the Period of Analysis.
- The quantification of the amount of the investments and divestments made by project category as at 31 March 2022.

### **Scope II. Verification of the nature of the Elected Projects as at 31 March 2022 and its compliance with the project categories defined in the Green Bond Framework**

- An analysis of the nature of the Elected Projects as at 31 March 2022.
- Compliance verification of the project categories defined in the Green Bond Framework.

We include the sources of information in which we have based our work in **Appendix A** of this Summary.

### 3. Limitations and Responsibility

- The scope of our work does not include an audit of the financial information used in this Summary and the complete Independent Expert Report. Therefore, we have not issued an audit opinion on this financial information.
- This Summary and the complete Independent Expert Report are based solely on the information and documentation that we have requested and has been provided by the Company, and the information obtained from public databases, detailed in Appendix A of this Report.
- Our analysis only covers accounting and financial issues, as these constitute our area of expertise, and it does not refer to the legal issues or implications at any time. The latter must be evaluated by the Company's representatives and their legal advisors.
- The scope of our work includes the analysis and interpretation of the information and documentation obtained. The scope of our work did not include tests to verify the authenticity of the documents or data we were provided with (such as handwriting tests). Where we did not have direct knowledge of the information used, we indicated the sources from which it was obtained.
- This Summary and the complete Independent Expert Report have been prepared for ACS Servicios Comunicaciones y Energía, S.A. in accordance with the terms and conditions set forth in the Engagement Letter of 19 April 2022, so we do not accept responsibility, duty or obligation towards any other third party that could have access to it.
- Our services have consisted exclusively of the implementation of the procedures indicated in our Engagement Letter dated 19 April 2022 and in Section 2 of this Summary. Therefore, the information contained in this Summary and the complete Independent Expert Report is not intended in any way to constitute any basis on which a third party can make decisions, nor does it imply any advice or recommendation either positive or negative on our part.
- ACS Servicios Comunicaciones y Energía, S.A. may not use our reports as support for accounting records or as a basis for financial statements.
- Our work is not a valuation nor is it intended to be used as support in an eventual valuation process of ACS Servicios Comunicaciones y Energía, S.A.'s assets.
- This Summary contains an excerpt of the conclusions included in the complete Independent Expert Report that we have prepared for ACS Servicios Comunicaciones y Energía, S.A. dated 9 June 2022. Therefore, this Summary does not purport to contain all the information that an interested party may require. Any party with access to this Summary accepts and acknowledges that it will be solely responsible for making its own investigations and forming its own view as to the accuracy and completeness of the statements contained herein.

## 4. Conclusions

On 20 April 2018, ACS SCE issued debt to the market through a Green Bond for an amount of €750 million to use the proceeds obtained from the bondholders to carry out investments in projects considered green assets.

According to the Green Bond Framework, the projects in which the Company invested had to be included in one of the following categories: (i) renewable energy production, (ii) energy distribution and management, (iii) sustainable water and waste water management; and (iv) energy efficiency.

Initially, the Company did not carry out the investments directly, but through the following five subsidiaries with similar corporate purposes and aligned with the aim of the Green Bond (the Company's Subsidiaries): (i) Cobra Instalaciones y Servicios, S.A., (ii) Cobra Concesiones, S.L., (iii) CYMI Brasil, S.L.U. (iv) ImesAPI, S.A.; and (v) Sociedad Ibérica de Construcciones Eléctricas, S.A.

The Company's Subsidiaries received a net amount of funds of €743.98 million to carry out the investments (excluding the issuance costs of the Green Bond).

The Green Bond Framework stated that "ACS SCE will report on its Green Bonds annually and until the maturity date of the Green Bonds issued". The report had to include the following:

- The use of the Green Bond proceeds: "Total funds allocation (with breakdown per type category and breakdown of the allocation of proceeds between finance or refinancing)".
- Unallocated proceeds: "As long as there are outstanding Eligible Projects under this Framework, ACS SCE will also report on the remaining balance of unallocated proceeds in the Green Bond report".

In this regard, the Green Bond Framework states that "in the event the whole proceeds cannot be allocated to refinancing projects, ACS SCE will temporarily invest the unallocated funds in any form of cash or liquidity position such as reducing revolving borrowings of ACS SCE, on time deposits with banks, or other forms of available short-term liquid investment in safe".

On 6 July 2021, Deloitte Financial Advisory, S.L.U. issued its third annual Independent Expert Report on the analysis of the use of the Green Bond proceeds from the bond's issue date until 31 March 2021. In this Report the investment in the Elected Projects as at 31 March 2021 amounted to €743.98 million.

However, during the Period of Analysis (in March and June 2021), the Management of ACS SCE has carried out a homogenization process with the accounting criteria for recording investments in its financial statements, resulting in some adjustments to the initial investment allocated to 7 Elected Projects, that we explain in further detail in **Appendix C** of this Independent Expert Report. As a result of this, the Green Bond's Initial Investment as at 31 March 2021 was reduced to €727 million.

In addition, during the Period of Analysis, several companies belonging to the ACS Group were sold to the Vinci Group, including all the Company's Subsidiaries (CIS, CCONC, IMESAPI, SICE and CYMI Brasil), resulting in the divestment of 51 projects as at 31 March 2022.

In the context of this sale, during the previous months, ACS Group's Industrial Division was restructured. In this regard, ACS SCE acquired certain companies from the Company's Subsidiaries through which the investment in certain projects was articulated (in particular, La Niña, Kinkardine, Hidromanta, Kiyu, Pastorale, Peninsula, Codesur and Ilanga). Therefore, since the date of their purchase, these projects are directly dependent on ACS SCE.

### **Analysis Procedures:**

The analysis of the use of the proceeds collected by the issuance of the Green Bond comprised the following:

- The verification of the investment amount as at 31 March 2021.
- An analysis of the reasonability of the adjustments made to the Initial Investment of 7 Elected Projects.
- An analysis of the flow of funds of the investment and divestment transactions from 1 April 2021 until 31 March 2022 (the Period of Analysis).

The investment and divestment transactions mainly consisted of (i) the purchase or sale of shares of the entities that own the projects; and (ii) the granting and repayment of loans and credit facilities. In addition, most of the divestments carried out during the Period of Analysis are due to the sale of the Company's Subsidiaries' shares to the Vinci Group.

- An analysis of the remaining amount of proceeds from the Green Bond (not invested in projects) as at 31 March 2022.

The sources of information used for this analysis comprised the following: (i) Annual Accounts, (ii) accounting records of the investments and divestment transactions, as well as the accounting records of the balance of the Elected Projects as at 31 March 2022, (iii) bank statements; and (iv) supporting documentation for the transactions (such as purchase and sale of shares, contracts and other types of agreement) of the Company's Subsidiaries, the legal entities that own the projects and other intermediary companies of the latter.

The analysis of the nature of the projects and their classification by category consisted of the following:

- An analysis of the corporate purpose of those legal entities established for the sole purpose of undertaking one of the projects; and
- An analysis of any other relevant documentation related to the remaining projects (which are not conducted through a single legal entity).

The sources of information used to this end were: (i) Annual Accounts; and (ii) any other relevant documentation related to the other projects.

### **Conclusions of our Analysis:**

- The cash disbursements and reimbursements made in the projects during the Period of Analysis relate to transactions actually recorded, directly or indirectly, in the accounts of the Company and/or the Company's Subsidiaries and are supported by a contract or agreement.

The table below presents the figures of the transactions that have been subject to our analysis based on the information provided by the Company:

**Table 1: Result of the analysis of the use of the proceeds collected through the issuance of the Green Bond during the Period of Analysis (figures in million euros and percentages)**

	Amount (€MM)
Initial Investment as at 31 March 2021	743.98
Total Initial Investment verified	743.98
<b>% Total Initial Investment verified</b>	<b>100%</b>
Adjustments to the Initial Investment (*)	(16.98)
Total Adjustments to the Initial Investment verified	(16.98)
<b>% Total Adjustments to the Initial Investment verified</b>	<b>100%</b>
Investment transactions	25.30
Investment transactions verified	25.30
<b>% Total Investment transactions verified</b>	<b>100%</b>
Divestment transactions	(209.95)
Divestment transactions verified	(209.95)
<b>% Total Divestment transactions verified</b>	<b>100%</b>

(\*) It includes both the adjustments that took place in March 2021 and June 2021.

Source: Prepared by Deloitte based on the documentation provided by the Company.

In the table below, we present the following figures: (i) Initial Investment, (ii) Adjustments to the Initial Investment, (iii) investments during the Period of Analysis, (iv) divestments during the Period of Analysis; and (v) investment as at 31 March 2022:

**Table 2: Adjustments to the Initial Investment, investments and divestments carried out with the proceeds of the Green Bond during the Period of Analysis (figures in million euros)**

	Amount (€MM)
Initial Investment 31.03.2021 (a)	743.98
Adjustments to the Initial Investment (*) (b)	(16.98)
Investments during the Period of Analysis (c)	25.30
Divestments during the Period of Analysis (d)	(209.95)
<b>Total Investment as at 31 March 2022 (a)+(b)+(c)+(d)</b>	<b>542.36</b>

(\*) It includes both the adjustments to the initial investment that took place in March 2021 and June 2021.

Source: Prepared by Deloitte based on the documentation provided by the Company.

As we can observe in the previous table, the investments made by the Company with the proceeds of the Green Bond as at 31 March 2022 amounted to €542.36 million.

- All the projects in which the Company has invested as at 31 March 2022 comply with (i) the definition of green assets; and (ii) the corresponding project category as defined in the Green Bond Framework.

The amount of investments in the Elected Projects by project category as at 31 March 2022 is as follows:

**Table 3: Investments in the Elected Projects as at 31 March 2022 by project category (figures in million euros)**

Project category	Amount (€MM)
Renewable energy production	516.99
Energy distribution and management	12.43
Sustainable water and waste water management	12.94
Energy efficiency	-
<b>Total Investment as at 31 March 2022</b>	<b>542.36</b>

Source: Prepared by Deloitte based on the documentation provided by the Company.

In conclusion, we have verified that as at 31 March 2022:

- The investments made by the Company with the proceeds of the Green Bond amounted to €542.36 million, divided into 9 Elected Projects, all of them carried out through subsidiaries of ACS SCE.
- 51 Elected Projects have been divested in the context of the sale of the Company's Subsidiaries to the Vinci Group.
- The Company's Subsidiaries which have been sold to the Vinci Group have repaid the entire amount lent by ACS SCE within the Green Bond Framework on 20 April 2018.
- The remaining amount of proceeds from the Green Bond not invested in projects (€201.62 million) is available in the bank account of ACS SCE and amounts to more than €201.62 million.

\*\*\*\*\*

This Summary of Independent Expert Report has been prepared solely for the purposes described in Section 2 and is subject to the limitations and responsibility detailed in Section 3. Consequently, this Summary should not be used for any purposes other than those described above and we do not accept responsibility, duty or obligation to any other third party than ACS Servicios Comunicaciones y Energía, S.A.

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Deloitte Financial Advisory, S.L.U.



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Amir Sarshar  
Partner

## Appendix A. Sources of Information

We have completed our work using the following sources of information:

- Interviews with the Company's representatives.
- Deloitte's Independent Expert Report on the analysis of the use of the proceeds dated 6 July 2021.
- Excel document "*Allocations Bono Verde 032021-032022*" (hereinafter, the Green Bond's Allocation).
- Documentation corresponding to the corporate structure relevant to the Green Bond updated as at the FY21 closing.
- A list of investments in the Elected Projects made by the Company as at 31 March 2022.
- Supporting documentation of the loan agreements between ACS SCE and the Company's Subsidiaries, and bank statements related to the proceeds obtained from the issuance of the Green Bond.
- A breakdown of bank accounts used by ACS SCE and its subsidiaries to carry out the investments in green assets.
- Supporting documentation of the formalization of the investments and divestments made in the Elected Projects (financing agreements and purchase and sale of shares in the legal entities which own the assets).
- Accounting records evidencing the disbursement or collection of proceeds in the Elected Projects.
- Accounting records of the balance of the Elected Projects as at 31 March 2022.
- Bank statements of the disbursement or collection of proceeds in the Elected Projects.
- Annual Accounts of the legal entities that own the Elected Projects.
- Supporting documentation regarding the purchase and sale of shares of the legal entities which own the assets between ACS SCE (as buyer) and the Company's Subsidiaries (as sellers).
- Searches on public sources of information.





Add value.  
Inspire trust.

Más valor.  
Más confianza.

Independent verification Report  
**CO<sub>2</sub> AVOIDED EMISSIONS**  
**(2021)**  
(Green Bond)

Company **COBRA INSTALACIONES Y SERVICIOS S.A.**



Address 10, Cardenal Marcelo Spínola Street – 28016 - Madrid

Autor(es) José Manuel Rodríguez  
Verifier

Sustainability and Good  
Governance  
TÜV SÜD Iberia SAU

Reviwer Victoria Gutierrez Casillas  
Business Line Manager

Sustainability and Good  
Governance  
TÜV SÜD Iberia SAU

Project Number 715844839

Rev.2

Tres Cantos, march, 24, 2022



## 1 Object

On 24/03/2022 an independent audit was carried out by TÜV SÜD Iberia SAU, at Cobra Instalaciones y Servicios S.A. CIF A46146387, at the offices of Cardenal Marcelo Spinola nº 10, in order to verify the system followed by the Procedures and Standards Department (0550) for the Calculation of Avoided CO<sub>2</sub> Emissions relating to the Projects assigned to the Green Bonds, and the amounts obtained.

## 2 Scope

This Report cover the conclusions of the verification of the Calculations carried out to obtain the Avoided CO<sub>2</sub> Emissions, of the results obtained and related to Projects in Operation of the Green Bonds, in the year 2021. It is also verified that the estimates that have been made in the calculation (for non operation projects) are adequate.

## 3 References

Calculation of CO<sub>2</sub> emissions avoided carried out and presented during the audit, has been carried out following the guidelines of the GHG Protocol.

Verification has been carried out by TÜV SÜD Iberia SAU, following the guidelines of the UNE EN ISO 14064-3:2019 "Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements".

## 4 Límits

During the years 2018, 2019 and 2020, projects participated by companies of the ACS GROUP and COBRA GROUP have been developed.

Presented calculation corresponds to the time interval of the full year 2021, and is made from data obtained from the integrated projects, according to the following classification, depending on the state they are in:

- Projects in exploitation phase
- Projects under construction
- Projects in the promotion phase

The types of projects that have been considered are:

- Energy efficiency (ESEs)
- Renewable energy Generation (Hydroelectric power, Solar termal, photovoltaic, Wind generation)
- Sustainable water management (do not contribute CO<sub>2</sub> to the calculation)
- Transmission lines (do not contribute CO<sub>2</sub> to the calculation)



## 5 Assistants

Juan José Aciego (GRUPO COBRA)  
Carmen Medina (GRUPO COBRA)  
Javier Román (GRUPO COBRA)  
Lucia Lozano Perez (GRUPO COBRA)  
Jose Manuel Rodríguez (TÜV SÜD IBERIA SAU)

## 6 Calculation Method

During the course of the audit, the following method is verified to calculate the CO<sub>2</sub> avoided emissions:

$$\text{EMISSIONS} = \text{ACTIVITY DATA} \times \text{EMISSION FACTOR}$$

Differentiating by Project Type, have been considered as ACTIVITY DATA to:

- Energy produced by a sustainable source that is no longer generated by conventional energy sources or
- Energy saved by "energy efficiency projects".

Activity Data have been modulated, in some cases, by factors based on known data, factors such as:

- Percentage of participation
- Percentage of performance or number of equivalent hours
- Approximation to the exact operating days
- Installed potency

## 7 Conclusions of the Verifications carried out.

For the presentation of the Calculations of CO<sub>2</sub> avoided emissions, COBRA has used an Excel Sheet.

Projects in the exploitation phase included in the calculation of avoided CO<sub>2</sub> emissions, belong to the categories of Energy Efficiency Projects (ESEs) and Renewable Energy Projects.

**Activity Data:** for the calculations, the amounts of energy generated in the Renewable Energy Projects are being considered as Activity Data. In the promotion phase projects or in the construction phase projects, it is being estimated from the project data.

**Emission Factors:** it is verified that in the calculation for the 2021 period, Emission Factors corresponding to that year have been used, in accordance with activity data, in those cases where data is well known and guaranteed as data with the best possible estimate. In some cases, the last known emission factor of the country in which the facility is located has been used.



## EXPLOITATION PHASE

### RENEWABLE ENERGY PROJECTS

In each time interval calculated, Renewable Energy Projects can be found in Exploitation, Construction and Promotion phase (pending to start). The last two (Construction and Promotion) are not calculated as real valid contributions but estimated, for Green Bonds (by definition of the quantitative impact indicators).

The amounts of t CO<sub>2</sub> avoided associated with Renewable Energy projects in the Exploitation phase are:

PERIOD	EXPLOITATION PHASE RENEWABLE ENERGIES
2021	<b>332.005,45 t CO<sub>2</sub></b>

### ENERGY EFFICIENCY PROJECTS

#### Energy Service Companies (ESEs) in operation.

Data corresponding to the Energy Service Companies (ESEs) projects, linked to the ACS Group companies, provided by SICE and IMESAPI (ACS Group Companies) and accounted for by the provided savings measured in kWh are analyzed.

The total verified amount for each year of emissions avoided in ESEs projects in operation are:

PERIOD	EXPLOITATION PHASE ENERGY EFFICIENCY (ESEs)
2021	<b>7.464 tCO<sub>2</sub></b>

## UNDER CONSTRUCTION

Projects under construction are of different types (Renewable Energies, Transmission Lines, Sustainable water management),

The tons of CO<sub>2</sub> avoided calculated by estimation are:

PERIOD	CONSTRUCTION PHASE
2021	<b>205.647,47 tCO<sub>2</sub></b>

## PROMOTION PHASE

Projects in the promotion phase are of different types (Renewable Energies, Transmission Lines, Sustainable water management).

Tons of CO<sub>2</sub> avoided calculated by estimation are:

PERIOD	PROMOTION PHASE
2021	<b>9.126.130,91 tCO<sub>2</sub></b>



## **OTHER PROJECTS WITHOUT AVOIDED EMISSIONS CALCULATION**

Sustainable Water Management projects do not have associated CO<sub>2</sub> emissions, although other indicators are taken into account to include these projects in the Green Bonds scope.

Transmission line projects are not associated with CO<sub>2</sub> emissions, although other indicators are taken into account to include these projects in the Green Bonds scope.



## 8 Declaration of Verification

This verification audit has been carried out by TÜV SÜD Iberia following the GHG Protocol guidelines and based on the UNE EN ISO 14064-3:2019 “Greenhouse gases. Part 3: Specification with guidance for the verification and validation of greenhouse gas statements”.

TÜV SÜD Iberia has realized the verification to obtain the information, explanations and evidence necessary to provide a reasonable level of assurance that the avoided CO<sub>2</sub> emissions calculated by GRUPO COBRA for the year 2021 have been correctly defined.

### a) Independent Opinion

Calculation of CO<sub>2</sub> Emissions Avoided by the Department of Procedures and Standards (0550) of Cobra Instalaciones y Servicios S.A. corresponding to the year 2021.

- It is correct and accurately represents data and information about CO<sub>2</sub> avoided emissions.
- No computational errors
- It is based on the GHG Protocol guidelines.

This verification report must be interpreted in conjunction with the Report and the Excel data that is prepared by COBRA to present avoided emissions calculations of projects included in the Green Bonds.


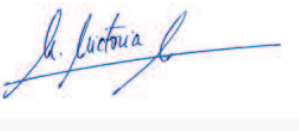
The uncertainty accepted in the verification by TÜV SÜD Iberia is below 5%.

CO<sub>2</sub> emissions avoided that are considered in the calculations in the year 2021 and that have been verified by TÜV SÜD Iberia are:

#### tCO<sub>2</sub> avoided emissions - 2021

EXPLOITATION PHASE		TOTAL EXPLOITATION	PROMOTION PHASE	CONSTRUCTION PHASE
RENEWABLE ENERGY	ENERGY EFFICIENCY		RENEWABLE ENERGY	RENEWABLE ENERGY, LINES, WATER
<b>332.005,45 tCO<sub>2</sub></b>	<b>7.464,26 tCO<sub>2</sub></b>	<b>339.469,71 tCO<sub>2</sub></b>	<b>9.126.130,91 tCO<sub>2</sub></b>	<b>205.647,47 tCO<sub>2</sub></b>



	Boss Verifier	Reviwer
Name, Surname	José Manuel Rodríguez Clavero	Victoria Gutiérrez Casillas
Sign		
Date	24/03/2022	24/03/2022

### CONFIDENTIALITY

All the information received during the process of the verification of avoided emissions, will have a confidential treatment, committing TÜV SÜD IBERIA S.A.U. not to transmit it to third parties without the express authorization of the client.

In any case, TÜV SUD IBERIA S.A.U. complies with the provisions of the Organic Law 3/2018 on Data Protection.



Add value.  
Inspire trust.

Más valor.  
Más confianza.

Independent verification Report  
**CO<sub>2</sub> AVOIDED EMISSIONS**  
**(2022 – Q1)**  
(Green Bond)

Company **COBRA INSTALACIONES Y SERVICIOS S.A.**



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TÜV SÜD Iberia SAU

Project number 715846834/1000

Rev.0

Tres Cantos, may, 06 2022





## 1 Object

On 27/05/2022 an independent audit was carried out by TÜV SÜD Iberia SAU, at Cobra Instalaciones y Servicios S.A. CIF A46146387, at the offices of Cardenal Marcelo Spinola nº 10, in order to verify the system followed by the Procedures and Standards Department (0550) for the Calculation of Avoided CO<sub>2</sub> Emissions relating to the Projects assigned to the Green Bonds, and the amounts obtained.  
The period considered is the 2022 first quarter.

## 2 Scope

This Report cover the conclusions of the verification of the Calculations carried out to obtain the Avoided CO<sub>2</sub> Emissions, of the results obtained and related to Projects in Operation of the Green Bonds, in the 2022 first quarter.

It is also verified that in the period under consideration there have been no projects in the construction phase or in the development phase that contribute to the amount of CO<sub>2</sub> avoided.

## 3 References

Calculation of CO<sub>2</sub> emissions avoided carried out and presented during the audit, has been carried out following the guidelines of the GHG Protocol.

Verification has been carried out by TÜV SÜD Iberia SAU, following the guidelines of the UNE EN ISO 14064-3:2019 Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.

## 4 Límits

During the years 2018, 2019, 2020, 2021 and 2022 first quarter, projects participated by companies of the ACS GROUP have been developed.

Presented calculation corresponds to the time interval of the 2022 first quarter, and is made from data obtained from the integrated projects, according to the following classification, depending on the state they are in:

- Projects in exploitation phase
- Projects under construction
- Projects in the promotion phase

The types of projects that have been considered are:

- Energy efficiency
- Renewable energy generation
- Sustainable water management (do not contribute CO<sub>2</sub> to the calculation)

## 5 Assistants

Carmen Medina (GRUPO COBRA)  
Javier Román (GRUPO COBRA)  
Jose Manuel Rodríguez (TÜV SÜD IBERIA SAU)

## 6 Calculation Method

During the course of the audit, the following method is verified to calculate the CO<sub>2</sub> avoided emissions:

$$\text{EMISSIONS} = \text{ACTIVITY DATA} \times \text{EMISSION FACTOR}$$

Differentiating by Project Type, have been considered as ACTIVITY DATA to:

- Energy produced by a sustainable source that is no longer generated by conventional energy sources or
- Energy saved by "energy efficiency projects".

Activity Data have been modulated, in some cases, by factors based on known data, factors such as:

- Percentage of participation
- Percentage of performance or number of equivalent hours
- Approximation to the exact operating days
- Installed potency

This information is provided by those responsible and interlocutors related to the projects considered and the communications in which they provide such data are available.

## 7 Conclusions of the Verifications carried out.

For the presentation of the Calculations of CO<sub>2</sub> avoided emissions, COBRA has used an Excel Sheet.

Projects in the exploitation phase included in the calculation of avoided CO<sub>2</sub> emissions, belong to the categories of Energy Efficiency Projects (ESEs) and Renewable Energy Projects.

**Activity Data:** for the calculations, the amounts of energy generated in the Renewable Energy Projects are being considered as Activity Data.

**Emission Factors:** it is verified that in the calculation for the period 2022 (Q1) Emission Factors corresponding to previous years have been used, as the most valid approximation data. In some cases, the last known emission factor of the country in which the facility is located has been used.

For the presentation of the Calculations of the Emissions Avoided of CO<sub>2</sub>, COBRA has used Excel Spreadsheet files.

Usually projects in the exploitation phase included in the calculation of avoided CO<sub>2</sub> emissions belong to the categories of Energy Efficiency Projects (ESEs) and Renewable Energy Projects. During the first quarter of 2022, only Renewable Energy Projects are available. ESEs have not been included.

## EXPLOITATION PHASE

### RENEWABLE ENERGY PROJECTS

In time interval calculated (2022-Q1), Renewable Energy Projects can be in Exploitation, Construction and Promotion phase (pending to start). The last two (Construction and Promotion) are not calculated as real valid contributions but estimated, for Green Bonds (by definition of the quantitative impact indicators).

The amounts of t CO<sub>2</sub> avoided associated with Renewable Energy projects in the Exploitation phase are:

PERIOD	EXPLOITATION PHASE
	RENEWABLE ENERGIES (Wind Farms, Hydroelectric, Thermosolar)
2022-Q1	66.993,60 tCO <sub>2</sub>

### ENERGY EFFICIENCY PROJECTS

#### Energy Service Companies (ESEs) in operation.

There are no data in the period considered (2022-Q1).

## UNDER CONSTRUCTION

Projects under construction can be of different types (Renewable Energies, Transmission Lines, Sustainable water management),

There are no data in the period considered (2022-Q1).

## PROMOTION PHASE

Projects in the promotion phase can be of different types (Renewable Energies, Transmission Lines, Sustainable water management).

There are no data in the period considered (2022-Q1).

### OTHER PROJECTS WITHOUT AVOIDED EMISSIONS CALCULATION

Sustainable Water Management projects do not have associated CO<sub>2</sub> emissions, although other indicators are taken into account to include these projects in the Green Bonds scope.

There is a water project (plant to desalinate water and treatment plant - PROVISUR), but does not contribute to Green Bonds.

Transmission line projects are not associated with CO<sub>2</sub> emissions, although other indicators are taken into account to include these projects in the Green Bonds scope.

There is a transmission line in the promotion phase (LA NIÑA) that does not contribute to the green bonds.



## 8 Declaration of Verification

This verification audit has been carried out by TÜV SÜD Iberia following the GHG Protocol guidelines and based on the UNE EN ISO 14064-3:2019 “Greenhouse gases. Part 3: Specification with guidance for the verification and validation of greenhouse gas statements”.

TÜV SÜD Iberia has realized the verification to obtain the information, explanations and evidence necessary to provide a reasonable level of assurance that the avoided CO<sub>2</sub> emissions calculated by GRUPO COBRA for the 2021-Q1, have been correctly defined.

### a) Independent Opinion

Calculation of CO<sub>2</sub> Emissions Avoided by the Department of Procedures and Standards (0550) of Cobra Instalaciones y Servicios S.A. corresponding to the 2021-Q1:

- It is correct and accurately represents data and information about CO<sub>2</sub> avoided emissions.
- No computational errors
- It is based on the GHG Protocol guidelines.

This verification report must be interpreted in conjunction with the Report and the Excel data that is prepared by COBRA to present avoided emissions calculations of projects included in the Green Bonds.


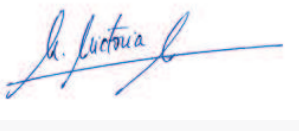
The uncertainty accepted in the verification by TÜV SÜD Iberia is below 5%.

CO<sub>2</sub> emissions avoided that are considered in the calculations in the 2021-Q1 and that have been verified by TÜV SÜD Iberia are:

#### tCO<sub>2</sub> avoided emissions

EXPLOITATION PHASE		TOTAL EXPLOITATION	PROMOTION PHAS	CONSTRUCTION PHASE
RENEWABLE ENERGY	--		--	--
<b>66.993,60 tCO<sub>2</sub></b>	--	<b>66.993,60 tCO<sub>2</sub></b>	--	--



	Leader Verifier	Reviwer
Name, Surname	José Manuel Rodríguez Clavero	Victoria Gutiérrez Casillas
Sign		
Date	30/05/2022	30/05/2022

### CONFIDENTIALITY

All the information received during the process of the verification of avoided emissions, will have a confidential treatment, committing TÜV SÜD IBERIA S.A.U. not to transmit it to third parties without the express authorization of the client.

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