

Congreso Nacional del Medio Ambiente  
Madrid del 31 de mayo al 03 de junio de 2021

# SUSTAINABILITY-LINKED FINANCING INSTRUMENTS

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Bloque temático  
#conama2020

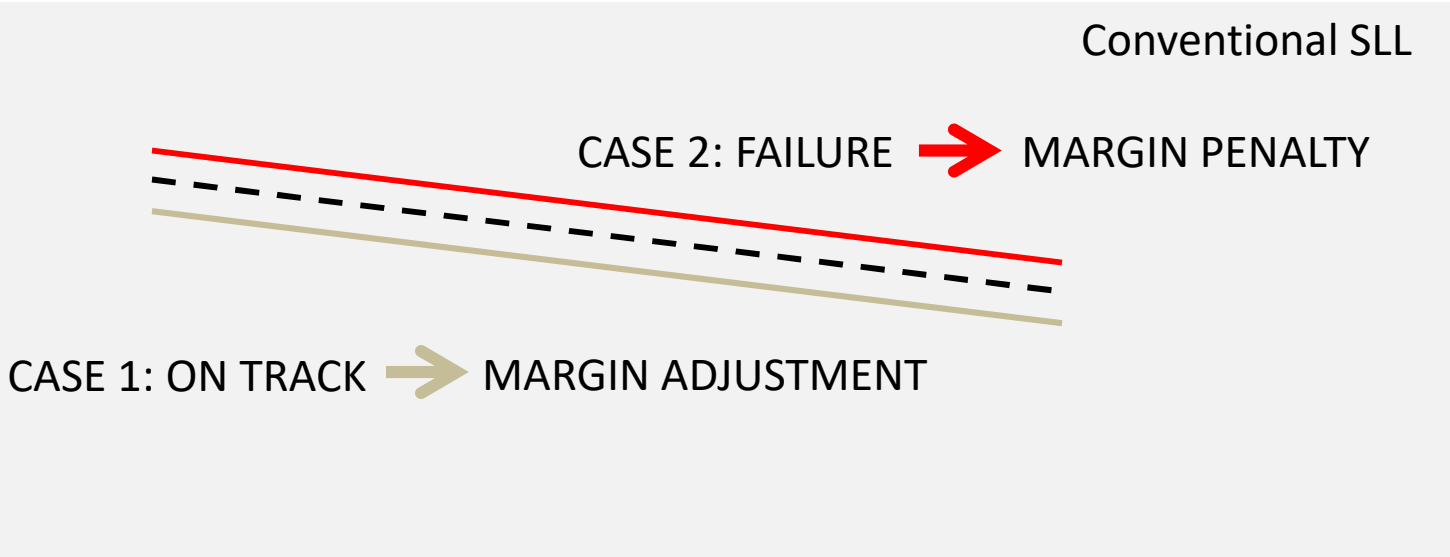


**01 ARE SBP & SLP FIT FOR  
PURPOSE?**

# LOOKING FOR IMPACT IMPROVEMENT

SLB/SLL PRINCIPLES DELIVER LIMITED IMPACTS

**SPT 1**

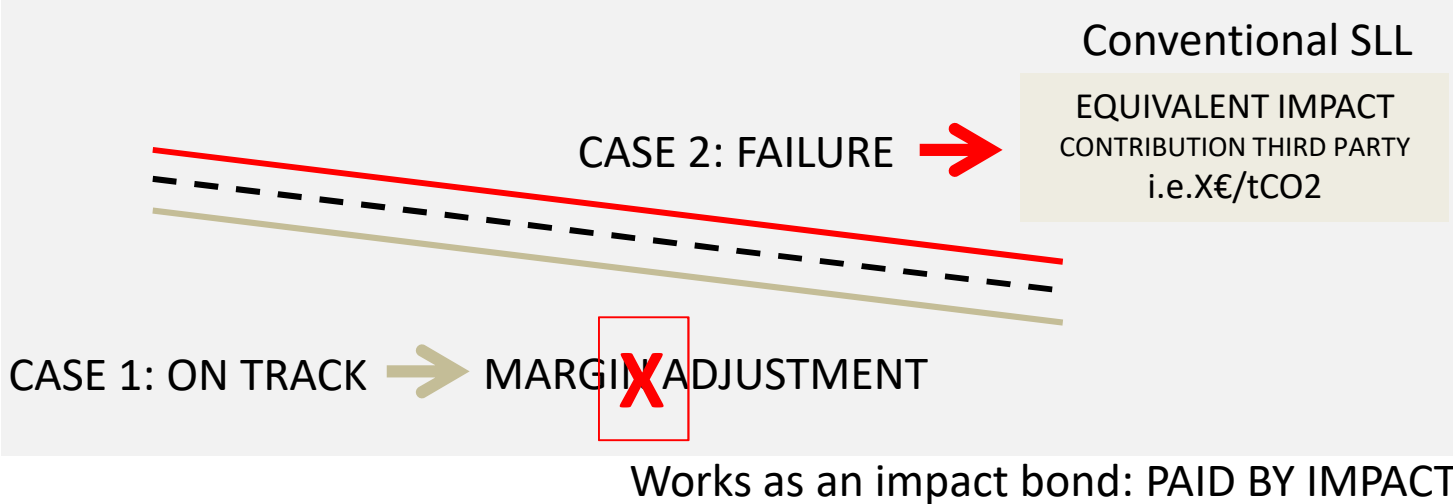


MATERIAL

# DOUBLE IMPACT APPROACH

SUSTAINABLE FINANCE INNOVATION

**SPT 1**



MATERIAL

**SPT 2**

ADDITIONAL LOCAL IMPACT = MARGIN ADJUSTMENT

CASE 1: ON TRACK → MARGIN ADJUSTMENT > LINKED TO IMPACT

CASE 2: FAILURE → CONTRIBUTION FOR EQUIVALENT IMPACT TO THIRD PARTY

ADDITIONAL

**SPT 3**

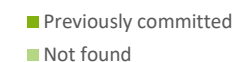
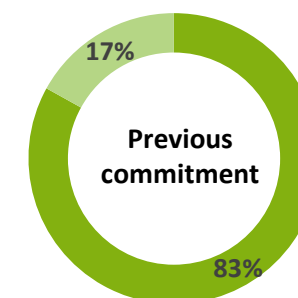
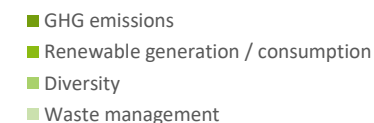
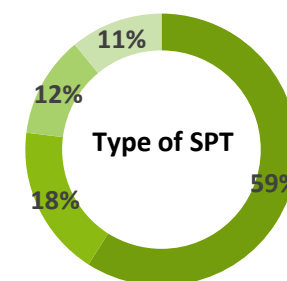
ADDITIONAL LOCAL IMPACT = MARGIN ADJUSTMENT

CASE 1: ON TRACK → MARGIN ADJUSTMENT > LINKED TO IMPACT

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## SUSTAINABILITY-LINKED MARKET PERSPECTIVE

Key Performance Indicator	Sustainability target	Previously committed
Scope 1 and 2 Group Greenhouse Gas (GHG) Emissions	-60% by 2025 vs 2015	<a href="#">AR 2020</a>
Net CO2 intensity (kg CO2 Scope 1 / ton of cementitious material)	-17.5 % by 2030 vs 2018	<a href="#">IAR 2020</a>
Albioma's Energy Mix	>80% by 2023 >90% by 2025 >95% by 2030	<a href="#">AR 2020</a>
Direct Greenhouse Gas Emissions Amount (Scope 1)	SBTi 2°C by 2030	<a href="#">IAR 2020</a>
Renewable Installed Capacity	60% in 2022	<a href="#">IAR2020</a>
Scope 1 and 2 greenhouse gas (GHG) emissions	- 50% by 2030 vs 2018	<a href="#">AR 2019</a>
Scope 3 GHG emissions	- 10% by 2030 vs 2018	<a href="#">AR 2019</a>
% of renewable electricity in operations	100% by 2025.	<a href="#">AR 2019</a>
GHG emission reduction target	Set SBTi by 2023	Not found
% of women as investment advisory professionals	28% by 2026	Not found
% of female nominees in EQT portfolio investees	36% by 2026	Not found
Reduction of sulfur oxide emissions	-60% by 2025 vs 2018	<a href="#">AR 2020</a>
Ratio: Tons of CO2 equivalent (Scope 1 and 2), per ton of sales	< 0.615 by 2025.	<a href="#">AR 2020</a>
Tons of recycled metal	> 685 kt by 2026.	<a href="#">AR 2020</a>
Reduce absolute emissions (Scope 1 and 2)	-18% by 2025	<a href="#">AR 2019</a>
Reduce absolute emissions (Scope 3)	-10% by 2025	<a href="#">AR 2019</a>



Source: ACCIONA based on public sources.

# 02

## **ESG FINANCING FRAMEWORKS** DOUBLE IMPACT INSTRUMENTS

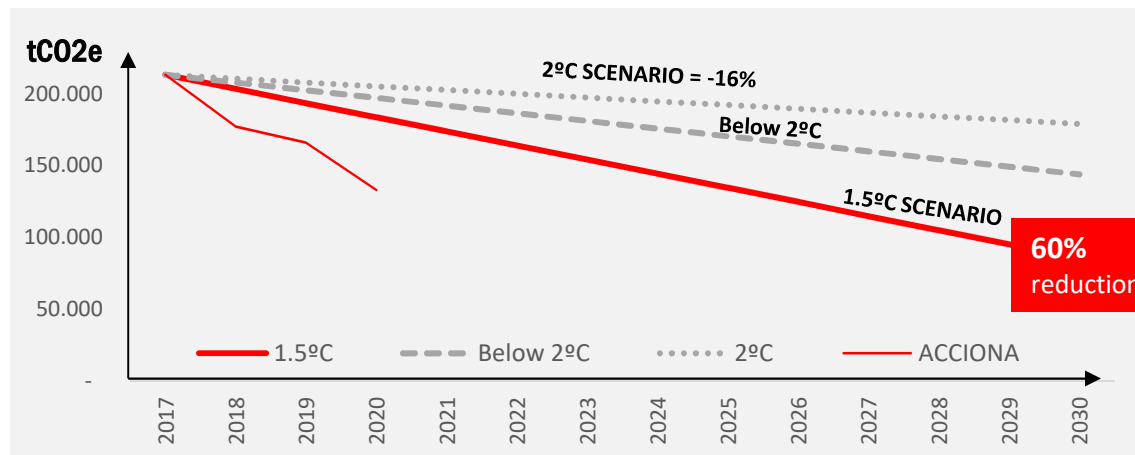
ACCIONA, S.A.  
SLL 800.000.000 €

Sustainability-Linked Finance  
Acciona, S.A.

€800 million  
ESG-linked loan

## SPT 1

### SCIENCE BASED TARGET ALIGNED WITH 1.5° SCENARIO



**AMBITION**  
Targets aligned with 1.5°C scenario  
Only 5 companies in Construction and Engineering industry have 1.5°C scenario target commitments (SBTi web site accessed 18.05.21)

ACCIONA commitments include Scope 3 emissions target reduction by 47% in 2030 (2017 base)

## SPT 2

	2021	2022	2023	2024	2025
Reduction scope 1 and 2 (base 2017)	18.46%	23.08%	27.69%	32.31%	36.93%
Total emissions scope 1 and 2 (base 2017: 213.109 tCO <sub>2</sub> )	173,766	163,930	154,094	144,259	134,421

Annually:

**No margin adjustment**

## SPT 3

At maturity (or prepayment / cancellation):

10 times \* 19€/tCO<sub>2</sub> \* [E<sub>verified</sub> - E<sub>target</sub>]



In case of failure, there is a MoU with the United Nations Environment Programme to assure equivalent impact in tCO<sub>2</sub> removals



**Sustainability-Linked Finance**  
 Acciona, S.A. **€800 million**  
ESG-linked loan

SPT 1

## 40,000 HOURS OF CERTIFIED TECHNICAL TRAINING (TVET)

ACCIONA commits to provide Technical and vocational certified training to **people from communities** around the projects where ACCIONA operates (with a special focus on **vulnerable groups, such as women, young people with no professional training, and people at risk of social exclusion**) and help them gain **qualifications** via its corporate university.

ACCIONA will monitor ongoing activities and efforts, such as the number of hours of training delivered through each program and will highlight performance results attained at the end of a period of activity, such as satisfaction measurement and annual exam pass rates.



**AMBITION**

Education enables upward socioeconomic mobility and is a key to escaping poverty, yet according to the UN some 750 million adults – two thirds of them women – remained illiterate in the world.

SPT 2

	2021	2022	2023	2024	2025
<b>Hours of certified technical training (TVET) for women and underrepresented groups</b>	4,000	9,000	9,000	9,000	9,000

**Annually:**

- Margin adjustment if the annual targets are met** (2.5 bps as a Sustainability Discount).  
If the annual targets are not met, the applicable Margin will revert to the initial Margin.

SPT 3

**At maturity (or prepayment / cancellation):**

$20\text{€}/\text{h} * [\text{hours}_{\text{target}} - \text{hours}_{\text{verified}}]$

In case of failure, there is a MoU with the United Nations Environment Programme to assure equivalent impact in training hours





**Sustainability-Linked Finance**  
 Acciona, S.A. **€800 million**  
ESG-linked loan

SPT 1

## 1,336 NEW HOUSEHOLDS WITH ACCESS TO ELECTRICITY



ACCIONA commits to provide **access to clean and safe basic services of electricity** and cooking in developing communities, through third generation solar home systems and improved cookstoves, that are **affordable to the users**.

**AMBITION**  
 One in eight people still lack access to electricity. To ensure access to affordable, reliable, sustainable and modern energy for all, the use of renewable energy has to increase from the current 25% to 38% by 2025.

- Each 3rd Generation Solar Home Systems (3GSHS) installed is equivalent to one household granted access to basic renewable electricity.

SPT 2

	2021	2022	2023	2024	2025
<b>Number of new households with clean electricity in rural areas</b>	100	309	309	309	309

**Annually:**

- Margin adjustment if the annual targets are met** (2.5 bps as a Sustainability Discount).  
 If the annual targets are not met, the applicable Margin will revert to the initial Margin.

SPT 3

**At maturity (or prepayment / cancellation):**

$600\text{€} * [H_{\text{target}} - H_{\text{verified}}]$



**In case of failure**, there is a MoU with the United Nations Environment Programme to assure equivalent impact in households connected



# 03

## **ESG FINANCING FRAMEWORKS** DOUBLE IMPACT INSTRUMENTS

ACCIONA ENERGIA  
SLL 2.500.000.000 €

## Sustainability-Linked Finance Acciona Energía, S.A. €2.5 billion ESG-linked loan

### SPT 1

### >95% OF CAPEX ALIGNED WITH THE EU TAXONOMY

ACCIONA Energía commits to keep an average above 95% of its CAPEX aligned with the EU Taxonomy in the period 2021 - 2025, calculated with respect to ACCIONA Energía's exposure to the activities described within the taxonomy.



#### STEP 1

We ensured the selected activities complied with set low carbon contribution criteria in each sector



#### STEP 2

We assessed that projects "Do No Significant Harm" to achieving other environmental objectives



#### STEP 3

We observed that they also complied with minimum social safeguards (under OECD and ILO labor and human rights guidelines)



#### EU TAXONOMY ALIGNMENT



**AMBITION**  
**>95% CAPEX aligned**  
3 out of 4 European companies in the Electric Utilities sector lie below this target. ACCIONA Energy's commits to be at the forefront of the sector.  
Source: Exane BNP Paribas estimates

### SPT 2

	2021	2022	2023	2024	2025
<b>% of taxonomy-compliant CAPEX</b>	>95%	>95%	>95%	>95%	>95%

#### Annually:

No margin adjustment

#### At maturity (or prepayment / cancellation):

$500tCO_2 * 19€ * [0.95Capex_{total} - Capex_{taxonomy}]$



In case of failure, there is a MoU with the United Nations Environmental Programme to assure equivalent impact in tCO2 removals



## Sustainability-Linked Finance €2.5 billion ESG-linked loan Acciona Energía, S.A.

SPT 1

### NET POSITIVE BY NATURE-BASED SOLUTIONS

ACCIONA Energía commits to achieve net positive GHG emissions by Nature-Based Solutions (NBS), capable of neutralising the carbon footprint (scope 1 & 2 market-based emissions) of the company in the period 2021-2025, aligned with the 1.5°C scenario approved by the Science Targets Initiative (SBTi).

This commitment is carried out by planting trees or the equivalent certified nature-based solutions for an amount of CO2 equal to or greater than the company's scope 1 and 2 emissions.

Data calculated based on [MITECO \(Spanish Ministry for Ecological Transition\)](#), and the [Guide for estimating carbon dioxide absorption](#), with an average CO2 absorption rate of 0.29 tons CO2 per tree planted in 30 years (Iberian flora).



**AMBITION**  
Since 2015 an estimated 10 million hectares of forests have been lost every year.  
  
The company will go beyond achieving net positive carbon emissions to actually create an environmental benefit by removing additional carbon dioxide from the atmosphere.

SPT 2

	2021	2022	2023	2024	2025	TOTAL
<b>NBS: Nº of trees planted</b>	70.000	117,500	117,500	117,500	117,500	540,000

**Annually:**

- Margin adjustment if the annual targets are met (5 bps as a Sustainability Discount).  
If the annual targets are not met, the applicable Margin will revert to the initial Margin.

**At maturity (or prepayment / cancellation):**

$5.5€ * [Trees_{target} - Trees_{verified}]$  ➔

In case of failure, there is a MoU with the United Nations Environmental Programme to assure equivalent impact in tCO2 removals



## SUSTAINABILITY-LINKED DOUBLE FINANCIAL INSTRUMENTS

- Credibility of sustainable financing instruments should be based on materiality and additionality.
- Impact investing - pay for results - is a sustainable financial instrument that must be developed.
- The European taxonomy of sustainable activities represents a great advance for clarity.

ES | EN

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# WE DO INVEST IN OUR PLANET



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# ¡Thanks!

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