

# GREEN BOND REPORT 2023



Medio Ambiente, S.A.U.

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## 1. INTRODUCTION

**FCC Medio Ambiente** (hereinafter **FCC MA**) is a global environmental services company with more than 115 years' experience in providing essential public services to almost 60 million people in nearly 5,000 municipalities in 13 countries (Europe and America).

It provides a broad, comprehensive range of services that include:

1. Urban Sanitation Activities: municipal solid waste collection, street cleaning, beach cleaning, maintenance of fountains and coastal waters.
2. Management of municipal wastes in waste treatment installations: Separation of the different fractions and preparation for recycling or re-use, composting or biomethanation of organic matter, and landfills for the disposal of unusable waste.
3. Management of municipal wastes in waste treatment installations for energy recovery.
4. Cleaning and maintenance of parks, gardens, and green areas.
5. Cleaning and maintenance of sewage networks.
6. Energy management, maintenance of installations and energy supply. This activity includes works for the improvement and renovation of the installations, auditing and consultancy and investments required to save energy and the replacement of fossil fuels with renewable energies.
7. Providing the above services using ECO vehicles such as the following:
  - Vehicles powered by Natural Gas, which have the advantage of a drastic reduction of polluting emissions, such as NOx, SOx, particles, and noise.
  - Electric vehicles. Vehicles with Zero emissions, greater energy efficiency and a significant reduction in noise.
  - Hybrid vehicles. These are vehicles equipped with two different energy storage systems on board, with at least one of these energy storage systems considered to be sustainable (electricity or natural gas).
8. Soil maintenance, refurbishment of contaminated soils and comprehensive management of industrial waste.

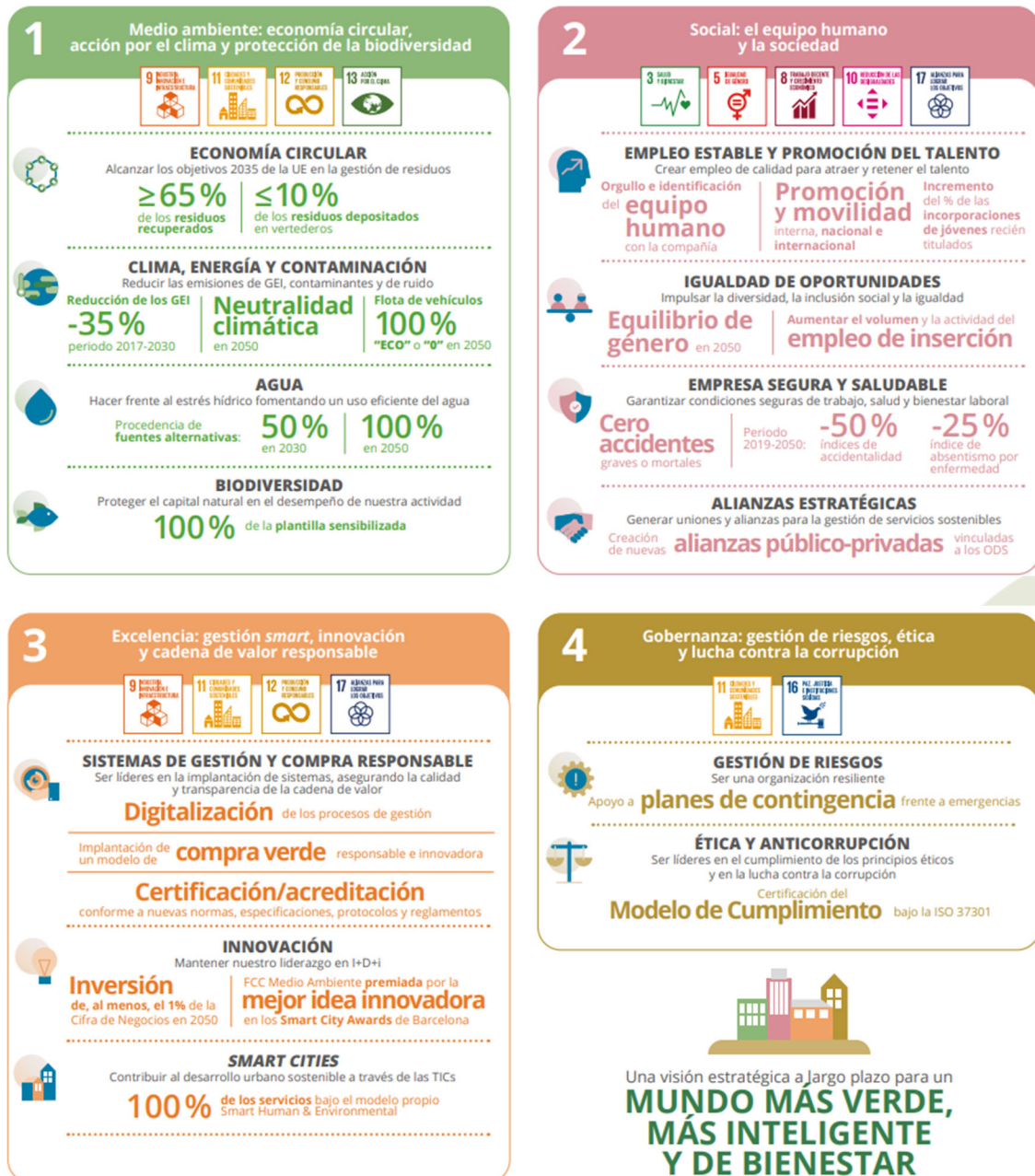
The activities undertaken by **FCC MA** have a direct impact on promoting sustainable development and the health and well-being of citizens.

**FCC MA** has published a climate change strategy in which it establishes objectives for the gradual replacement of conventional vehicles with clean technologies, hybrid or electric vehicles and also for replacement with waste treatment technologies that avoid landfilling.

During the financial year 2021, **FCC MA** published its Sustainability Strategy with a 2050 horizon ([Video-strategy](#)) that has four axes that will mark the company's actions in terms of sustainable management: **Environment, Social, Excellence and Governance**, with objectives specific in each field of activity.



Some of these commitments are:



**FCC MA** is committed to using the cleanest and most advanced technologies in the provision of high-quality services, sustainable in the medium and long term and adapted to the needs of clients. To achieve this, one of the pillars is technological innovation because of having been pioneers in many aspects of environmental services, developing more sustainable vehicles, using treatment technologies to improve recycling and creating the most comprehensive service



management platform in the sector. The improvement of environmental quality is a central objective of the services provided by **FCC MA**. This attitude has led to **FCC MA** receiving numerous awards, with special mention among the most recent:

- For the third consecutive year, the Spanish Climate Change Office has awarded FCC MA the **triple seal "Calculo-reduzco-compenso"** for the carbon footprint of the year **2022**. In this way, its commitment to reduce greenhouse gas emissions is strengthened. **FCC MA** is the third time that it has obtained the "Reduzco" seal in a row and the second year in which it has obtained the "Compenso" seal by signing agreements for the acquisition of absorption rights belonging to reforestation projects.



Evolución de la Huella de Carbono de **FCC MA** 2013\_2022

## 2. GREEN BONUS SCOPE

In November 2019, **FCC MA** published its framework for the issuance of sustainable bonds, linked to the United Nations Sustainable Development Goals (SDG). Several days later, **FCC MA** issued its first green bond for a total of 1,100 million euros, divided into two sections, one of €600 million maturing in 2023 and the other of €500 million maturing in 2026.

The issuance of this bond enables the bank to allocate funds to projects in activities with a positive impact on the environment, financing projects related to the following categories included in those defined in the framework:

- Prevention and control of pollution: urban sanitation, municipal waste treatment plants, waste to energy recovery plants, cleaning and maintenance of sanitation networks and industrial waste treatment.
- Biodiversity: Cleaning and maintenance of green areas.
- Energy efficiency: projects to improve energy efficiency in municipal installations.
- Clean transport: clean energy vehicles.

This annual **FCC MA** Green Bond allocation report is made available to the public, detailing the allocation of the net proceeds of any pending issuance. In addition, it provides information on the expected environmental impacts of eligible ecological projects, choosing indicators based on the availability of relevant data.

### 3. KEY FIGURES FOR THE GREEN BOND



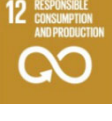






<b>Issuer</b>	FCC Servicios Medio Ambiente Holding, S.A.U.	
<b>Guarantors</b>	FCC Medio Ambiente, S.A.U. and FCC Ámbito, S.A.U.	
<b>Parent</b>	Fomento de Construcciones y Contratas, S.A.	
<b>Issue Rating</b>	BBB- (Stable) by Fitch	
<b>Form / Status of the note</b>	Bearer Global Notes, RegS, Senior Unsecured	
<b>Nominal Amounts</b>	EUR600,000,000	EUR500,000,000
<b>Issue Date</b>	4th December 2019	
<b>Maturity Date</b>	4th December 2023 (4 Years)	4th December 2026 (7 Years)
<b>Coupon</b>	0.815% Fixed, payable annually	1.661% Fixed, payable annually
<b>ISINs</b>	XS2081491727	XS2081500907
<b>Listing</b>	Irish Stock Exchange plc, Global Exchange Market	
<b>Paying &amp; Security Agent</b>	The Bank of New York Mellon	

## 4. SUMMARY OF THE FCC MA GREEN BOND FRAMEWORK

### 4.1. ELIGIBLE CATEGORIES

Eligible Green Projects are those projects that are financed, totally or partially, and directly or indirectly by **FCC MA**. They will include investment expenses and operating expenses, to that extent that the expense provides clear environmental benefits and promotes the transition to low-carbon technologies.

The following are the categories to which the projects deemed eligible have been assigned.

Eligible Category	UN SDG	Examples of projects
Prevention and control of pollution	   	<ul style="list-style-type: none"> <li>- Collection of waste from streets, parks, beaches, and the sea</li> <li>- Waste composting projects</li> <li>- Classification of wastes</li> <li>- Tyre retrieval projects</li> <li>- Waste classification and treatment installations</li> <li>- Waste-to-energy conversion installations</li> </ul>
Energy Efficiency		<ul style="list-style-type: none"> <li>- Energy efficiency in lighting</li> </ul>
Clean Transport	  	<ul style="list-style-type: none"> <li>- Electric, hybrid and natural gas vehicles.</li> </ul>
Protection of land and aquatic biodiversity		<ul style="list-style-type: none"> <li>- Post closure landfill remediation.</li> <li>- Treatment of contaminated soils.</li> <li>- Treatment of contaminated water.</li> <li>- Maintenance and protection of parks, gardens, and green areas.</li> </ul>

## 4.2. DEVELOPMENT AND SELECTION OF PROJECTS

FCC MA has established a Green Bond Working Group (GBWG) to undertake the evaluation and selection process.

The GBWG meets at least twice a year to review the projects to which funds have been allocated from the green bonds to verify their compliance with the Green Bond Framework and approve the allocation of these funds. The GBWG also reviews fund management and the submission of reports.



### 4.3. EXTERNAL REVIEW

**FCC MA** will contract an external entity to provide an external review in the form of a Second Part Opinion on the Framework of FCC Servicios Medio Ambiente Holding, who will confirm alignment with GBP. This Second Part Opinion is published in <https://www.fccma.com/es/>

Each year **FCC MA** is also committed to contracting an external entity to assess the compliance of the bonds issued regarding the Framework. This report will also be made public on <https://www.fccma.com/es/>

## 5. USE OF FUNDS










The funds collected are included in FCC Servicios Medio Ambiente Holding's "cash pooling" system and are subsequently distributed to those subsidiaries that have already implemented or will implement projects aimed at improving environmental performance (both new investments and refinancing projects).

It is important to mention that projects that are considered eligible, often consist of the provision of services whose final objective is the achievement of environmental improvement, such as selective waste collection and street cleaning. In order to achieve these environmental improvements, not only vehicles and machinery are required but also work centres (installations) and utensils, such as containers, waste bins, etc. so in these cases all the investment made for the provision of these services is considered eligible: installations, vehicles, machinery, containers, etc.

It is also important to note that in some of the activities, such as energy recovery from waste or investment in installations to improve energy efficiency, the investments are very long-term, 20 or 25 years, so although the general criterion has been to consider the refinancing of investments made since 2016 included, for the above-mentioned activities investments from previous years have been considered, taking into account that the amortisation period in these cases far exceeds the maturity period of the bonds.

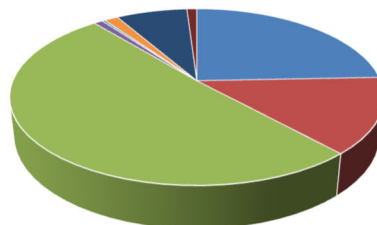
No allocations have been made from the fund during **2022** as the investments were fully allocated during **2021**. However, the allocation process carried out over the last few years is detailed below.

The table below shows the data for eligible investments by category until **2019**:

CATEGORY	SDG	INVESTMENT (€ MILLION)	%
Pollution Prevention and Control	   	744,52	90,35%
Energy efficiency		11,72	1,42%
Clean transport	  	60,40	7,33%
Biodiversity protection		7,37	0,89%
<b>TOTAL</b>		<b>824,01</b>	










ACTIVITY	CATEGORY	INVESTMENT (€ MILLION)	%
Urban sanitation	Pollution Prev Cont	200,81	24,37%
Waste Treatment	Pollution Prev Cont	114,20	13,86%
Energy from Waste	Pollution Prev Cont	418,55	50,79%
Maintenance parks, gardens and green areas	Biodiversity preserv	7,37	0,89%
Sewerage maintenance and cleaning	Pollution Prev Cont	2,52	0,31%
Energy Efficiency	Energy efficiency	11,72	1,42%
ECO Vehicles	Clean Transport	60,40	7,33%
Industrial waste treatment	Pollution Prev Cont	8,44	1,02%
<b>TOTAL</b>		<b>824,01</b>	

Allocation funds by activity



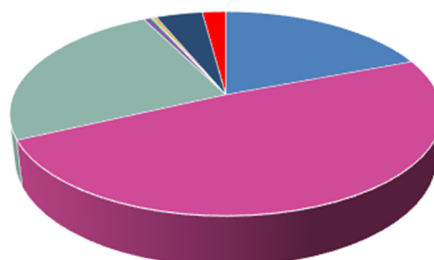
- Saneamiento Urbano
- Valorización energética
- Limpieza y Mantenimiento del Alcantarillado
- Vehículos ECO
- Tratamiento de Residuos
- Limpieza y mantenimiento de Jardines
- Eficiencia Energética
- Residuos industriales

The table below shows the data for eligible investments by category until **2020**:

CATEGORY	SDG	INVESTMENT (€ Millions)	%
Pollution Prevention and Control	   	191	94,86%
Energy efficiency		0,63	0,31%
Clean transport	  	8,38	4,16%
Biodiversity protection		1,33	0,66%
<b>TOTAL</b>		<b>201,34</b>	

ACTIVITY	CATEGORY	INVESTMENT (€ Millions))	%
Urban sanitation	Pollution Prev Cont	38,63	19,19%
Waste Treatment	Pollution Prev Cont	98,31	48,83%
Energy from Waste	Pollution Prev Cont	49,45	24,56%
Maintenance parks, gardens and green areas	Biodiversity preserv	1,33	0,66%
Sewerage maintenance and cleaning	Pollution Prev Cont	0,38	0,19%
Energy Efficiency	Energy efficiency	0,63	0,31%
ECO Vehicles	Clean Transport	8,38	4,16%
Industrial waste treatment	Pollution Prev Cont	4,23	2,10%
<b>TOTAL</b>		<b>201,34</b>	

Reparto de fondos por actividad



- Saneamiento Urbano
- Tratamiento de Residuos
- Valorización energética
- Limpieza y mantenimiento de Jardines

The table below shows the data for eligible investments by category until **2021**:

CATEGORY	SDG	INVESTMENT (€ Millios)	%
Pollution Prevention and Control	   	74,65	100%
<b>TOTAL</b>		<b>74,65</b>	

ACTIVITY	CATEGORY	INVESTMENT (€ Millios)	%
Waste Treatment	Pollution Prev Cont	46,04	62%
Energy from Waste	Pollution Prev Cont	28,61	38%
<b>TOTAL</b>		<b>74,65</b>	



Since the totality of the green bond funds have been allocated to:

**1.100 M€**

## 6. SUSTAINABILITY BENEFITS

In **2022**, the projects financed with the green bond achieved the following results in terms of the environmental impact of our activities.

### 6.1. SPAIN AND PORTUGAL

INDICADORES DE IMPACTO	Ejercicio	
	2.022	
Indicador	U	Dato
Total waste tons collected	t	4.789.791
Inhabitants served	Hab	34270238
Waste tons treated	t	5.719.843
Total GHG emissions avoided by MSW treatment	tCO2e	1.954.012
Total direct GHG emissions avoided	tCO2e	1.940.461
Direct GHG emissions avoided by capturing biogas from landfills	tCO2e	769.601
Direct GHG emissions avoided by biological treatment	tCO2e	798.530
Direct GHG emissions avoided by retrieval of materials	tCO2e	368.613
Direct GHG emissions avoided by energy recovery from waste	tCO2e	3717
Indirect GHG emissions avoided	tCO2e	13.551
Area of green areas maintained	Ha	5.769
Amount of waste removed from sewage networks	t	4.847
Renewable Guarantee of Origin energy consumption in 2019	kWh	2.451.417
Number of ECO vehicles	u	3.364
Percentage share of ECO vehicles in FCC MA fleet	%	24%
Industrial Waste tons Treated	T	2.596.713

## 6.2. THE UNITED KINGDOM

IMPACT INDICATORS	Business year	
	2.022	
Indicator	U	Dato
Total tons of waste treated	t	298.685
Energy generated from waste	MWh	221.198
Total emissions avoided	tCO <sub>2</sub> e	538.550
GHG emissions avoided due to energy recovery from waste	tCO <sub>2</sub> e	446.622
Emissions avoided by electricity generation	tCO <sub>2</sub> e	56.627
Emissions avoided by the retrieval of slag	tCO <sub>2</sub> e	721
Emissions avoided by the retrieval of ferrous metals	tCO <sub>2</sub> e	3.389
Emissions avoided by the retrieval of non-ferrous metals	tCO <sub>2</sub> e	31.191



## 7. EXAMPLES OF PROJECTS FINANCED WITH THE FCC MA GREEN BOND

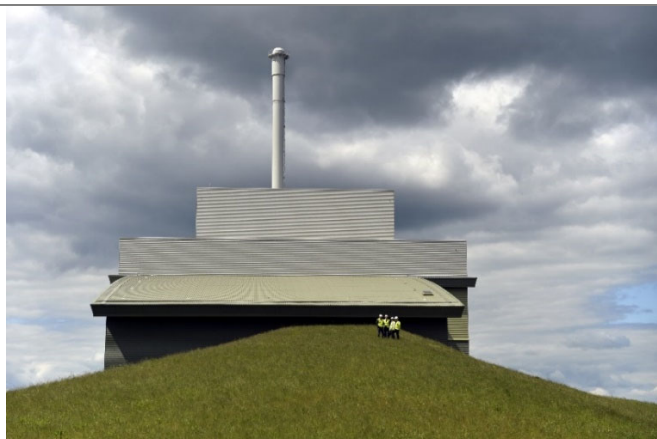
### 7.1. INTEGRAL WASTE MANAGEMENT SERVICE, IN URBAN CENTRES AND DELIMITED SCATTERED RURAL SETTLEMENTS, IN THE MUNICIPAL DISTRICT OF JEREZ DE LA FRONTERA.



- Total investment: € **12.685.714,68**
- Impact indicators:

INDICADORES DE IMPACTO	Ejercicio	
	2.022	
Indicador	U	Dato
Total tons of waste collected	t	96.486
Inhabitants served	Hab	212.730
Number of ECO vehicles	u	79
Percentage share of ECO vehicles in FCC MA fleet	%	46%

## 7.2. PLANTA GREATMOOR EFW – BUCKINGHAMSHIRE



- Total investment: **233,37 M€**
- Impact indicators:

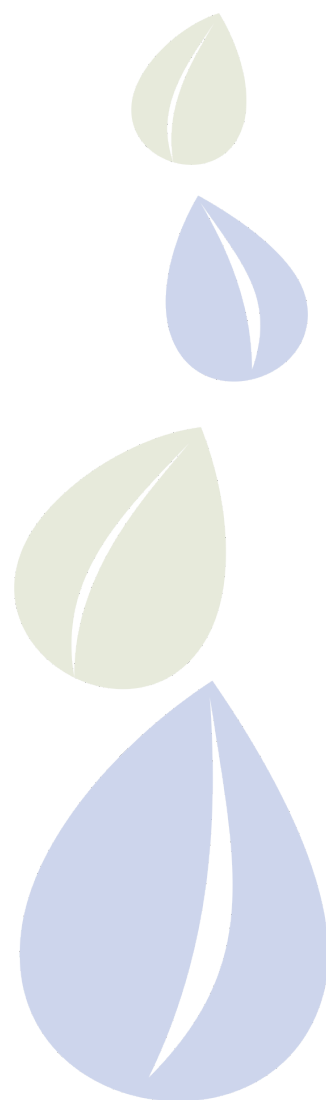
IMPACT INDICATORS	Business year
	2.022
Indicator	Dato
Total tons of waste treated	298.685
Total GHG emissions avoided by MSW treatment	538.550
Generated Energy (MWh)	221.198

- Carbon Footprint:

CARBON FOOTPRINT RESUME	
EMISSIONS ASSOCIATED TO THE USE OF FUEL (MOBILE AND FIX SOURCES)	617
EMISSIONS ASSOCIATED TO THE TREATMENT PROCESSES (FOSSIL SOURCES)	93.162
EMISSIONS ASSOCIATED TO THE CONSUMPTION OF ELECTRICITY	5.584
<b>TOTAL CARBON FOOTPRINT (tCO<sub>2eq</sub>)</b>	<b>99.363</b>

## ANNEX 1

### DNV REVIEW



## FCC SERVICIOS MEDIO AMBIENTE HOLDING SAU GREEN BOND PERIODIC REVIEW REPORT - DNV

### Scope and objectives

On 4 December 2019, FCC Servicios Medio Ambiente Holding SAU ("FCC MA" or the "Issuer") issued two bonds under its Green Bond Issuance Framework, with ISIN: XS2081491727 and ISIN: XS2081500907 (hereinafter referred to as the "BOND"). The nominal issue value of the two bonds was EUR 600 million and EUR 500 million.

FCC MA has used the net proceeds of the BOND to finance projects and nominated assets related to the following categories:

#### **Pollution Prevention and Control:**

- Waste collection from streets, parks, beaches and the sea
- Waste composting projects
- Waste sorting
- Tyre recovery projects
- Waste sorting and treatment facilities
- Waste-to-energy facilities

#### **Energy Efficiency:**

- Energy efficiency in lighting

#### **Clean Transport:**

- Electric, hybrid and natural gas vehicles

#### **Terrestrial and Aquatic Biodiversity conservation:**

- Post-closure landfill remediation.
- Treatment of contaminated soils
- Treatment of contaminated water
- Maintenance and upkeep of parks, gardens and green areas

FCC MA has commissioned DNV to provide a Periodic Review of the GREEN BOND REPORT, with respect to the allocation of funds, as at 31.12.2022. Our criteria and information covered to achieve this objective are described below under "Work Performed". The Periodic Review was conducted on information provided by FCC MA on 11 December 2023.

No assurance is provided regarding the impact report, the financial performance of the BOND, the value of any investment in the BOND, or the long-term environmental benefits of the transaction. Our objective has been to assess that the BOND has met the criteria set out below.

The scope of this DNV opinion is limited to the 2021 Green Bond Principles (GBP).

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## Responsibilities of FCC MA and DNV management

FCC MA management has provided the information and data used by DNV during the development of this review. Our statement represents an independent opinion and is intended to inform the management of FCC MA and other stakeholders interested in the BONUS as to whether the criteria have been met, based on the information provided to us. In our work we have relied on the information and facts presented to us by FCC MA. DNV is not responsible for any aspect of the nominated assets referred to in this opinion, and is not responsible if the estimates, findings, opinions or conclusions are incorrect. Therefore, DNV shall not be liable if the information or data provided by FCC MA management and used as the basis for this assessment is not correct or complete.

## Basis of DNV's opinion

DNV adopted our Green Bond Principles methodology, which incorporates the GBP requirements, to create a Green Bond Eligibility Assessment Protocol specific to FCC MA (hereafter referred to as "Protocol"). Our Protocol includes a set of appropriate criteria that can be used to support DNV's opinion. The general principle of the criteria is that a green bond should "enable capital raising and investment for new and existing projects with environmental benefits".

In accordance with our Protocol, the criteria against which the PERIODIC REPORT ON GREEN BONDS has been reviewed are grouped into the four Principles:

- **Principle One: Use of Proceeds.** The Use of Funds criteria are governed by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. Eligible activities must provide clear environmental benefits.
- **Principle Two: Project Evaluation and Selection.** The Project Evaluation and Screening criteria are governed by the requirement that a green bond issuer must describe the process it follows to determine the eligibility of an investment using the proceeds of the green bond and describe the impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond must be tracked within the issuing organization, that separate accounts or portfolios must be created where necessary, and that a statement must be made as to how unallocated funds will be managed.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least sustainability reports should be provided to bond investors on the use of bond proceeds and that, where possible, quantitative and/or qualitative performance indicators should be used.

## Work Undertaken

Our work consisted of a **limited assurance process** that reviewed documentation related to the details of the projects that have been financed, including project descriptions, estimated and realised project costs, and project impact, which have been provided by the Issuer. We have performed a high-level review of the available information, based on the understanding that FCC MA provided this information to us in good faith. We have not conducted an audit or other tests to verify the accuracy of the information provided to us. We have not conducted on-site visits to the projects.

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The work undertaken to inform our opinion included:

Periodic Verification

- Assessment of documentary evidence provided by FCC MA on the BOND and supplemented with high-level desk research, review of documentation and interviews with key personnel of the Issuer FCC MA. These checks refer to current evaluation best practices and standard methodology.
- Discussions with FCC MA management and review of relevant documentation.
- Review of nominated projects and assets as described in Annex 2 at the time of Periodic Verification.
- Documentation of Periodic Verification findings as detailed in this document. Our opinion, detailed below, is a summary of these findings.

## DNV Findings and Opinion

DNV's findings are listed below:

1. **Principle One: Use of Proceeds.** FCC MA has reported the use of the proceeds of the BONUS as at 31 December 2022, to finance and refinance projects and assets for a total value of **€1100.00 million**, included in the eligible categories as defined in Schedule 1:

DNV reviewed the criteria for the above project categories to determine the eligibility of nominated projects and assets.

2. **Principle Two: Process for Project Evaluation and Selection.** BOND funds have been allocated solely to finance and refinance eligible assets as defined in Annex 1. DNV has reviewed evidence of the application of the eligibility criteria as defined in the FCC MA GREEN BOND FRAMEWORK, and evidence that FCC MA regularly assesses opportunities for improvement and develops action plans and initiatives to mitigate negative environmental impacts of its operations.
3. **Principle Three: Management of Proceeds.** DNV has reviewed evidence showing how FCC MA controlled the funds of the Bond, from the time of issuance to the time of disbursement. The full amount of funds is managed through treasury or equivalent, and then disbursed in accordance with the debt obligations. The funds raised have been incorporated into the FCC Group's cash pooling system and subsequently distributed to the subsidiaries of FCC Servicios Medio Ambiente Holding for the financing of eligible projects aimed at improving environmental performance (both new investments and project refinancing). At year-end 2022, the outstanding balance of unallocated resources amounts to € 0. As stated above, DNV does not provide any assurance regarding the financial performance of the Bond, the value of any investment in the Bond or the effects of the transaction.
4. **Principle Four: Reporting.** FCC MA has issued a Green Bond Report that includes impact reports and allocation reports, as of 31.12.2022. This includes a description of the project categories and the value of the funds invested, as well as the associated qualitative and quantitative environmental impacts. DNV has only performed an assessment on the allocation report. DNV does not provide assurance on the associated quantitative and qualitative environmental impacts.



**Opinion.**

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, in all material respects, the bond projects reviewed do not meet the Use of Proceeds and Allocation Reporting criteria described in the FCC MA Green Bond Framework.

**by DNV Business Assurance España, S.L.U.**

Madrid, 29 December 2023



**Lars Appel**  
Project Manager  
DNV - Business Assurance



**Juan Andrés Salido**  
Project Sponsor and Technical Reviewer  
DNV - Business Assurance

**About DNV**

Driven by our purpose to safeguard life, property and the environment, DNV enables organisations to advance the safety and sustainability of their businesses. Combining leading technical and operational expertise, risk methodology and deep industry knowledge, we empower our customers' decisions and actions with confidence and assurance. We continually invest in collaborative research and innovation to provide clients and society with operational and technological foresight. With our origins dating back to 1864, our reach today is global. With operations in more than 100 countries, our 12,000 professionals are dedicated to helping customers make the world safer, smarter and more environmentally friendly.

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## Schedule 1: NOMINATED ACTIVITIES REFINANCED WITH THE FCC MA GREEN BOND

Activity	Eligible environmental category	ODS		Investment (EUR millions)		
		Funded in:	2019	2020	2021	TOTAL (a 31.12.2022)
Urban sanitation	Pollution Prevention and Control	<div><div>7ENERGÍA ASESORABLE Y NO CONTAMINANTE</div><div>11CIUDADES Y COMUNIDADES SOSTENIBLES</div><div>12PRODUCCIÓN Y CONSUMO RESPONSABLES</div><div>13ACCIÓN POR EL CLIMA</div></div>	200,81	38,63		239,44
Waste treatment			114,20	98,31	46,04	258,55
Energy recovery			418,55	49,45	28,61	496,61
Sewer cleaning and maintenance			2,52	0,38		2,90
Industrial waste			8,44	4,23		12,67
Total	Pollution prevention and control		744,52	191,00	74,65	1010,17
Energy efficiency	Energy efficiency	<div><div>7ENERGÍA ASESORABLE Y NO CONTAMINANTE</div></div>	11,72	0,63		12,35
ECO vehicles	Clean transport	<div><div>9INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA</div><div>11CIUDADES Y COMUNIDADES SOSTENIBLES</div><div>13ACCIÓN POR EL CLIMA</div></div>	60,40	8,38		68,78
Garden cleaning and maintenance	Conservation of terrestrial and aquatic biodiversity	<div><div>15VIDA EN ECOSISTEMAS TERRESTRES</div></div>	7.37	1,33		8,70
Total funding allocated			824,01	201,34	74,65	1100,00

## Schedule 2: FCC MA GREEN BOND REPORT REVIEW PROTOCOL

### 1. Use of funds

Ref.	Criterion	Requirements	Work done	DNV findings
1a	Type of voucher	<p>The bond must fall into one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>• Standard Bond with Green Use of Funds</li> <li>• Green Fixed Income Bond</li> <li>• Green Project Bond</li> <li>• Securitised Green Bond</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Bonus Data</li> <li>- FCC MA Green Bond Framework, November 2019</li> <li>- Green Bond 2023 Report</li> </ul> <p>Discussions with FCC MA Management</p>	<p>The evidence reviewed confirms that the BONUS falls into the category: Green Use of Proceeds Bond.</p>

1b	Categories of green projects	The cornerstone of a Green Bond is the use of bond funds for Green Projects, which must be adequately described in the legal documentation of the instrument.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond 2023 Report</li> <li>- FCC MA Green Bond Framework, November 2019</li> <li>- Green Bond Activity Sheet 1-8, describing green project categories and eligibility criteria</li> <li>- Green Bond Registry</li> </ul> <p>Discussions with FCC MA Management</p>	<p>As identified in the GREEN BOND FRAMEWORK, the purpose of the BOND is to use the funds to finance and refinance lines of credit for projects that fall into the following categories:</p> <ul style="list-style-type: none"> <li>• Pollution Prevention and Control</li> <li>• Renewable energies</li> <li>• Energy efficiency</li> <li>• Clean transport</li> <li>• Conservation of terrestrial and aquatic biodiversity</li> </ul> <p>DNV's assessment concluded that these assets qualify for inclusion under the Green Bond Principles within the categories mentioned above.</p>
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Ref.	Criterion	Requirements	Work done	DNV findings
1c	Environmental benefits	All designated categories of Green Projects must provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond 2023 Report</li> <li>- FCC MA Green Bond Framework, November 2019</li> <li>- Green Bond Activity Sheet 1-8, describing green project categories and eligibility criteria</li> <li>- Green Bond Registry</li> </ul> <p>Discussions with FCC MA Management</p>	<p>DNV reviewed the eligibility and exclusion criteria for the following activities and projects:</p> <ul style="list-style-type: none"> <li>- Urban sanitation</li> <li>- Waste treatment</li> <li>- Energy recovery</li> <li>- Sewer cleaning and maintenance</li> <li>- Industrial waste</li> <li>- Energy efficiency</li> <li>- ECO vehicles</li> <li>- Garden cleaning and maintenance</li> </ul> <p>DNV considers all activities and projects to qualify as Green.</p>
1d	Refinancing ratio	In the event that some or all of the funds are or may be used for refinancing, it is recommended that issuers provide an estimate of the proportion of funding versus refinancing and, where appropriate, clarify which project or investment portfolios may be refinanced and, to the extent relevant, the expected retrospective review period for refinanced projects.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond Registration</li> <li>- BONUS funds and reporting framework</li> </ul> <p>Discussions with FCC MA management</p>	It has been reported that the BOND funds, as set out below, have been allocated to refinance the nominated project assets listed in Schedule 1. This represents 100% of the Green Bond Funds and 100% refinancing of individual projects and assets.

## 2. Project Evaluation and Selection Process

Ref.	Criterion	Requirements	Work done	DNV findings
2a	Investment decision process	<p>The issuer of a Green Bond should describe the decision-making process it follows to determine the eligibility of projects using Green Bond funds. This includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>• The process by which the issuer determines how projects fit within the identified categories of eligible Green Projects;</li> <li>• The criteria that make projects eligible to use Green Bond funds; and</li> <li>• Environmental sustainability objectives</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond 2023 Report</li> <li>- FCC MA Green Bond Framework, November 2019</li> <li>- Green Bond Activity Sheet 1-8, describing green project categories and eligibility criteria</li> <li>- Minutes of the Green Bonds Working Group Meeting</li> <li>- Green Bond Registry</li> </ul>	<p>In accordance with the FCC MA Green Bond Framework, the issuer has established a Green Bond Working Group to carry out the evaluation and selection process of eligible projects and activities according to the eligibility criteria set out in the "Green Bond Activity Sheet 1-8".</p> <p>DNV confirmed this process to define a clear and repeatable system by which projects can be identified and included or excluded from the pool of Green Bond projects (Green Bond Registry).</p>
2b	Environmental, social and governance framework of the issuer	<p>In addition to the information disclosed by an issuer on its Green Bond process, criteria and guarantees, Green Bond investors may also take into account the quality of the overall framework and the issuer's performance with respect to environmental sustainability.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- Green Bond 2023 Report</li> <li>- FCC MA's Governance Framework and CSR and Sustainability Policy</li> <li>- FCC MA Annual Report</li> <li>- FCC MA Green Bond Framework, November 2019</li> </ul>	<p>DNV reviewed the FCC MA Sustainability and Environmental Policy and the Sustainability Reporting Framework for FCC MA and its subsidiary organisations.</p> <p>Based on the evidence reviewed and the discussion we had with senior management, we found nothing to suggest that FCC MA's environmental, social and governance framework is not in line with good practice in the industry in which it operates.</p>



### 3. Management of the Funds

Ref.	Criterion	Requirements	Work done	DNV findings
3a	Follow-up procedure	The net proceeds of the Green Bond, or an amount equal to these net proceeds, should be credited to a sub-account, transferred to a sub-portfolio or in any case controlled by the issuer in an appropriate manner, who would also have to substantiate this in an internal and formal way linked to its lending and investment operations for Green Projects.	Review of: <ul style="list-style-type: none"> <li>Green Bond 2023 Report</li> <li>Green Bond Registry</li> <li>Accounting System Software (SAP)</li> <li>Activity and Project Management System Software (Vision)</li> </ul>	DNV has reviewed evidence showing how FCC MA tracked the Bond proceeds from the time of issuance to the time of disbursement. The total amount of funds is managed within the treasury or equivalent, and then disbursed in accordance with the debt obligation. The funds raised have been incorporated into the FCC Group's cash pooling system, and subsequently distributed to the subsidiaries of FCC Servicios Medio Ambiente Holding for the financing of eligible projects aimed at improving environmental performance (both new investments and project refinancing).
3b	Follow-up procedure	During the lifetime of the Green Bond, the balance of the funds analysed must be periodically adjusted to match the allocations to eligible Green Projects made during that period.	Review of: <ul style="list-style-type: none"> <li>Green Bond 2023 Report</li> <li>Green Bond Registry</li> <li>Accounting System Software (SAP)</li> <li>Activity and Project Management System Software (Vision)</li> </ul>	<p>The evidence reviewed shows that FCC MA has tracked the BONUS funds from the time of issuance to the time of disbursement and reduced the net fund balance by amounts in line with the asset debt repayment schedule. At year-end 2021 the BONO funds were fully allocated.</p> <p>It has been reported that no funds have been de-allocated or earmarked during the financial year 2022, and that at year-end the outstanding balance of unallocated funds was <b>0 €</b>.</p>
3c	Temporary placement	The issuer must disclose to investors the intended rates of temporary placement of the balances of funds not yet allocated.	Discussions with FCC MA Management	The outstanding balance of unallocated funds is 0 €.

#### 4. Publication of Reports

Ref.	Criterion	Requirements	Work done	DNV findings
4a	Periodic information	In addition to reporting on the use of funds and the temporary investment of unallocated funds, issuers must provide, at least annually, a list of projects to which green bond funds have been allocated, including, where possible with respect to confidentiality and/or competitive considerations, a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Discussions with FCC MA management  Green Bond 2023 Report	FCC MA has issued a Green Bond Report that includes impact reports and allocation reports. This includes a description of the project categories and the value of the funds invested (as per Annex 1 above), as well as the associated qualitative and quantitative environmental impacts. DNV has only carried out an assessment on the allocation reports. DNV does not provide any assurance on the associated quantitative and qualitative environmental impacts.



Medio Ambiente, S.A.U.