



Green Bond Framework

November 4th, 2024



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1 Introduction

1.1 Introduction & Commitment to a Sustainable Future

At ABEI Energy, we are at the forefront of the energy transition, dedicated to building a sustainable future through zero-emissions power generation. As the world grapples with the urgent challenges of climate change, our mission is to not only reduce generation costs but also to foster an industry that creates the jobs of tomorrow. We firmly believe in our responsibility to create a better life for future generations by prioritizing sustainable development in all our activities.

Our commitment to renewable energies is rooted in the understanding that these sources—such as solar, wind and battery storage — are naturally replenished and available for harvesting across the globe. These technologies offer immense potential to provide energy while minimizing environmental impact and combatting climate change. At ABEI Energy, our core values of empathy, teamwork, curiosity, trust, and adaptability drive us to lead by example and remain close to the communities we serve.

In line with our commitment to renewable energy, the sustainable development we carry out on our daily activities is closely aligned with the United Nations Sustainable Development Goals (SDGs), which provide a framework for addressing global challenges. By focusing on renewable energy, ABEI Energy supports the following key goals:

- **Goal 6: Gender Equality:** A strategic commitment to integrating equal opportunities for women and men.
- **Goal 7: Affordable and Clean Energy:** We are dedicated to providing access to renewable energy solutions, ensuring they are affordable and widely available.
- **Goal 13: Climate Action:** Our commitment to zero-emissions power generation directly contributes to combating climate change and its impacts.
- **Goal 8: Decent Work and Economic Growth:** By creating job opportunities and investing in workforce development, we support sustainable economic growth.
- **Goal 11: Sustainable Cities and Communities:** We aim to contribute to sustainable urban environments through our renewable energy initiatives.
- **Goal 12: Responsible Consumption and Production:** We promote sustainable practices within our operations and supply chain.

Through these objectives, ABEI Energy is dedicated to leading the charge in the energy sector, paving the way for a sustainable future that prioritizes environmental management and society's well-being.

ABEI Energy's story began in 2005, with the development of 60 MW of photovoltaic solar power which were connected in September 2008, near Córdoba and Seville. Since then, the company has expanded its expertise with global projects, including the construction of a 110 MW wind farm in Peru, which began operations in 2014, and the connection of 50 MW and 20



MW solar plants in Spain. Additionally, the company has developed projects in Mexico and Argentina, showcasing its ability to expand globally.

In its process of international expansion, ABEI Energy has strengthened its portfolio in key markets and is now present in Spain, Italy, the United Kingdom, France, Germany, Poland, the U.S., and Mexico. The company continues to solidify its presence with more than 20 GW in development, while also innovating with new technologies in countries like Germany, leading green hydrogen and energy storage projects in various regions. With a growing portfolio and a strong commitment to renewable energy, ABEI Energy continues to position itself as a key player in the global energy transition.

1.2 ABEI Energy Core Activities

ABEI Energy oversees every stage of a project's lifecycle, from its initial development through securing financing, designing the most appropriate engineering solutions for each case, and culminating in the comprehensive management of the assets. The company boasts specialized teams for each phase of the project, ensuring complete control and flawless execution in every detail. This holistic approach allows ABEI Energy to guarantee the highest standards of quality and efficiency throughout the process.

The three main lines of business at ABEI Energy are:

- **Project Development:** ABEI Energy's team is responsible for creating renewable energy projects from the ground up, managing the entire process. This includes everything from identifying suitable areas to acquiring permits and conducting technical analyses, ensuring each project meets the highest standards of viability and sustainability. ABEI Energy develops all types of renewable energy projects (solar, wind, and storage systems), as well as projects involving emerging technologies such as biogas, hydrogen, and offshore energy solutions.
- **EPC & O&M:** ABEI Energy has an in-house team specialized in Engineering, Procurement, and Construction (EPC), overseeing the entire procurement and construction process for its projects. Additionally, they have a local team dedicated to Operations and Maintenance (O&M), ensuring that each facility operates at its optimal level throughout its lifespan. The combination of EPC and O&M services ensures seamless integration from project design to ongoing operational success.
- **Asset Management:** Another key area is asset management, where ABEI Energy's independence allows it to manage assets with flexibility, adapting to the specific needs of the market and each project. This enables ABEI to provide customized solutions that maximize the value and performance of the assets under their management.

When it comes to O&M and Asset Management, ABEI Energy seeks long-term contracts (typically 15 years). Initially, the strategy is to provide both services for the plants developed and constructed by ABEI. However, for Asset Management, the company is looking to expand by offering these services to third-party plants (projects not developed by ABEI).

In terms of the geographical scope of these services, Asset Management is currently provided exclusively in Spain, but ABEI Energy is strategically planning to expand into other European markets, such as Italy, France, and the UK. On the other hand, O&M services are linked to EPC and will expand to other geographies as EPC projects are carried out in other countries. This integrated approach positions ABEI Energy as a comprehensive service provider in the renewable energy sector, aiming for growth in both existing and new markets.

1.3 Strategy & Competitive Advantages

With a commitment to being at the forefront of the energy transition, ABEI Energy is a vertically integrated company in the development of renewable projects up to RtB, with the capability to continue all activities during construction and throughout the operational life of the renewable energy plants. This allows ABEI Energy to be involved from the inception of a project all the way to its decommissioning.

The company's strategy is divided into two main branches: the development of projects up to RtB, and the activities of construction, operation, maintenance, and asset management throughout the project's useful life. Regarding the first branch, the focus is on optimizing efforts and developing projects responsibly, always ensuring their technical and economic viability.

1. **Project Development up to RtB:** ABEI Energy begins by identifying potential opportunities through an origination team composed of technical and legal specialists, divided by geography and located at the headquarters in Madrid, as well as professionals based in the target project locations. These professionals maintain close relationships with local authorities, landowners, and suppliers. In this way, the economic and technical viability of projects is assessed from the very start, enabling quick action once profitability is confirmed.

After securing land, grid connection, and submitting the project to the relevant authorities, a specialist administrative team takes over. During this period, ABEI Energy maintains a close relationship with government authorities to ensure that administrative processes are as agile as possible, regardless of the project's country of origin, and while ensuring economic viability until all permits are obtained to begin construction. Furthermore, by maintaining specialized teams by geography, with professionals located in each country where we operate, ABEI Energy is able to establish itself as a key player in the market.

In terms of project figures under development, ABEI Energy currently has over 13 GW in its pipeline, distributed across photovoltaic solar, onshore wind, and stand-alone battery projects in Spain, Italy, the UK, France, the United States, and Poland.

One of the aspects that sets ABEI Energy apart is its ambition to become a more prominent company each day. To achieve this, the company stays up to date with new markets and emerging technologies through a team dedicated exclusively to this task,

staying ahead of trends in renewable energy. Currently, the company is solidifying its entry into Portugal, Mexico, and Germany, while studying new opportunities.

Additionally, ABEI Energy currently has 4.9 GW of offshore wind in its pipeline, awaiting regulatory advancements, along with 1.1 GW of green hydrogen projects. The company is also working on consolidating its position in the biogas and data centre markets.

2. **EPC, O&M, and Asset Management:** ABEI Energy's main strategy focuses on balancing its portfolio by keeping certain assets in operation while selling others. The rotation of assets provides the opportunity to finance the development of new projects and to maintain operational assets within its portfolio.

ABEI Energy has the capacity to manage EPC tasks, taking the natural handover from development activities. The company designs all projects under the supervision of the EPC team to facilitate the transition and optimize the final result. The same applies to the O&M team, which participates in the design of the plant's control infrastructures.

To date, ABEI Energy's EPC team has constructed over 700 MW. Additionally, it is in the process of building more than 30 MW. Meanwhile, the O&M and Asset Management teams are managing over 100 MW, with the goal of reaching over 1.3 GW by 2025.

Finally, regarding asset rotation strategy, ABEI Energy has a Corporate Finance team responsible for optimizing the timing of project sales. This team evaluates sales at all stages of the project, from transferring it during the development phase and providing subsequent development services to the buyer, potentially offering EPC, O&M, and Asset Management services, to selling an already operational project. Among its most recent transactions, ABEI Energy has closed the sale of over 1 GW across Spain and the United States. This team is also responsible for analysing investment opportunities in the geography where ABEI Energy is currently present as well as new markets.

To complete the integration of activities, ABEI Energy has a team that manages energy sales through Power Purchase Agreements (PPAs) with industrial off-takers, ensuring energy sales and reducing price-related risks.

In summary, ABEI Energy's strategy is centred on fully integrating all activities throughout the renewable project life cycle, minimizing dependence on external suppliers and agents, and thereby maximizing the chances of success and the quality of the outcomes.

1.4 ABEI Energy Corporate Governance

ABEI Energy's corporate governance structure is anchored by a Board of Directors, which plays a pivotal role in overseeing the company's operations. The Board is responsible for supervising all activities conducted by the organization, ensuring that they are aligned with the strategic objectives and core values.

In addition to the responsibilities of the Board, ABEI Energy is supported by a team of Directors who focus specifically on supervising their respective lines of business. These Directors bring specialized knowledge and expertise to their roles, allowing for a more nuanced understanding of the unique challenges and opportunities within each segment. They report directly to the Board of Directors, facilitating open lines of communication and ensuring that the Board is well-informed about all relevant aspects when making decisions.

This structure not only enhances the effectiveness of governance but also ensures a high level of honesty, transparency, and clarity throughout the decision-making process. By incorporating input from various Directors, the Board can consider diverse perspectives and insights, which ultimately leads to more informed and balanced decisions. This collaborative approach strengthens ABEI Energy's commitment to ethical practices and reinforces our mission of driving the energy transition towards a sustainable and environmentally friendly future.

The compliance committee is structured to ensure effective oversight and governance of the organization's compliance program. It includes members from various departments, such as legal, human resources and transformation, to provide diverse perspectives. The committee meets regularly to review compliance issues, assess risks, and implement corrective actions. Each member has clearly defined roles and responsibilities, contributing to the committee's goal of maintaining adherence to regulatory requirements and internal policies.



The Corporate Governance System is composed by politics that ensure the compliance prevention system and the management of activities and processes. The following policies have been developed to meet:

- Code of Conduct
- Compliance Policy
- Internal Information Channel Policy
- Anti-corruption and money laundering Policy
- Policy for the use of information systems and work equipment ABEI

- Conflict of interest
- Gifts & Hospitality Policy

Additionally, the committee oversees a whistleblowing channel, which allows employees and stakeholders to confidentially report any irregular activities or breaches of the Code of Conduct. This channel ensures that concerns are addressed promptly and transparently, fostering a culture of accountability and integrity within the organization.

2 ABEI Energy Sustainability Strategy

Aligned with its values and its purpose, ABEI Energy contributes to the following Sustainable Development Goals in every project it develops:



ABEI Energy’s Sustainable Team is represented by different areas, with the aim to have a holistic overview and have a major impact in every action. Every year the Sustainable Team has more ambitious goals in order to foster this SDGs and continue supporting and embracing change. The Team is formed by people from different areas of the business, which include People & Talent, Procurement, Health, Safety & Environment, Digital Transformation, Legal, Finance and Operations & Strategy.

2.1. Gender Equality Plan 2024-2027



ABEI Energy’s Equality Plan for the period 2024-2027 represents a strategic commitment to integrating equal opportunities for women and men, a fundamental principle that strengthens

the goals of social sustainability, promoting a more equitable and efficient organizational structure. The implementation of this plan responds both to current regulations and to ABEI Energy's commitment to contributing to more just and sustainable business development.

The plan aligns with Spanish and European gender equality regulations, such as Organic Law 3/2007 for the effective equality of women and men and focuses on reducing gender gaps within ABEI Energy. The energy sector, which plays a key role in the transition to a green economy, must not only promote environmental sustainability but also foster inclusion and diversity in its workforce, ensuring that employment and leadership opportunities are accessible to all, without discrimination.

Promoting gender equality is a key pillar of social sustainability and is part of the United Nations Sustainable Development Goals (SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth). Through this plan, ABEI Energy not only contributes to creating an inclusive and equitable work environment but also reinforces its commitment to responsible business practices, which are increasingly valued in the realm of sustainable finance.

The plan addresses several key areas of intervention that enhance the sustainability of ABEI Energy:

- Access to employment and internal promotion: ABEI Energy establishes measures to ensure fair recruitment and professional promotion, encouraging the presence of women in technical and leadership roles, where they are underrepresented. This ensures better talent utilization and contributes to a more inclusive work environment.
- Fair remuneration and salary audits: The plan includes actions to eliminate the gender pay gap, promoting salary transparency and ensuring that men and women receive equal pay for equal work. This reinforces a fairer and more transparent governance.
- Work-life balance: Policies will be implemented to foster work-life balance, encouraging shared family responsibilities between men and women, improving employee well-being, and increasing job satisfaction and talent retention.
- Prevention of sexual harassment and gender-based harassment: Through an anti-harassment protocol, ABEI Energy creates a safe and respectful work environment, reducing the risk of labour conflicts and promoting a culture of respect and well-being; key elements for the company's social sustainability.

By implementing this Equality Plan, ABEI Energy not only improves its performance in gender equality but also strengthens its profile as a socially responsible company, a quality increasingly valued by investors in green finance. Companies that demonstrate a commitment to inclusive and sustainable practices have greater access to opportunities in sustainable finance markets, which reward both environmental and social impacts.

The ABEI Energy Equality Plan is a key tool to promote a just and equitable transition towards a more sustainable future. Its implementation will help consolidate a more inclusive organizational culture, improving the quality of life for the workforce, and reinforcing the company's role in driving the energy transition with a focus on social and environmental.

On the other hand, this year ABEI Energy has obtained the Declaration of Exceptionality. The Disability Exception Certificate acknowledges that ABEI Energy has implemented exceptional measures to promote the inclusion of people with disabilities in the workplace. This includes adopting policies and procedures that actively integrate people with disabilities or, if the required percentage cannot be met, addressing this need by contracting services from Special Employment Centers. Inclusion is a key component of CSR as it promotes equity, diversity, and respect for human rights, essential aspects for generating a positive social impact.

ABEI Energy exemplifies its strong commitment to Corporate Social Responsibility (CSR). By promoting the inclusion of people with disabilities, the company not only fulfills its legal obligations but also leads initiatives that reinforce its role as an agent of social change. These practices not only benefit people with disabilities but also contribute to greater social cohesion, enhancing corporate reputation and aligning the company's operations with the principles of sustainability and responsibility that define a modern and ethical company.

2.2. Training Plan



At ABEI Energy, we are committed to fostering leadership, continuous professional development, and a culture of transparency and collaboration across our organization. As part of our holistic approach to sustainability, we believe that investing in our people is fundamental to driving long-term value creation, not only in terms of environmental impact but also through empowering our teams to lead with purpose and integrity. This focus on human capital development aligns with the broader goals of our Green Bond Framework, ensuring that our corporate growth is underpinned by ethical leadership, diversity, and employee well-being.

- **Leadership and Professional Development Initiatives:** To strengthen leadership capabilities across ABEI Energy, we launched a focused training program for our managers and executive team, enhancing skills critical to effective leadership. In 2023, we trained 40 individuals, equipping them with competencies in delegation, effective communication, empathy, and conflict resolution. For 2024, this initiative has been expanded to include the Executive Committee and an additional 20 mid-level managers, continuing our commitment to fostering strong, empathetic leadership within our organization.
- **Internal Alignment and Team Collaboration:** To promote greater internal cohesion and ensure a comprehensive understanding of each department's role, ABEI Energy holds quarterly training sessions. These sessions provide an opportunity for each team to present their key functions and responsibilities, improving cross-functional collaboration and alignment throughout the company.

- **Targeted Training and Language Development:** In line with our commitment to continuous improvement, ABEI Energy offers tailored training programs for employees who need to enhance their expertise in specific areas relevant to our sector. Additionally, we support our global workforce by providing flexible, one-on-one language training. Employees can enhance their English skills, while those based outside Spain can also benefit from Spanish lessons to facilitate smoother communication across borders.
- **Enhancing Internal Communication and Employee Engagement:** To foster transparency and ensure all employees are aligned with our strategic goals, we have implemented quarterly sessions where we share updates on company objectives and key developments. These sessions are designed to engage employees at all levels, improving internal communication and creating a sense of shared purpose across the organization.
- **Employee Engagement and Workplace Satisfaction:** As part of our ongoing commitment to employee well-being and engagement, ABEI Energy implemented the "HappyAtWork" climate and engagement survey by ChooseMyCompany. This initiative has resulted in certification at both the Global and Europe level, reinforcing our dedication to creating a positive and engaging workplace culture.

Through these initiatives, ABEI Energy continues to prioritize the professional growth and well-being of our employees, aligning our internal development efforts with the broader environmental and social goals of our Green Bond Framework.

2.3. Health and Safety



At ABEI we prioritize the well-being and safety of our employees, customers and visitors. Our comprehensive Health and Safety System is designed to create a safe and healthy working environment from the development phase to the end of the life of the project. We are committed to continuous improvement through regular training, risk assessment and the implementation of preventive measures. Our goal is to foster a culture of safety and prevention, we ensure that everyone can perform their duties confidently and effectively, knowing that their health and safety are our top priority.

We have carried out a psychosocial risk study in accordance with the current legislation "Occupational Health and Safety Act" (Ley 31/1995) and "Real Decree 39/1997", with the aim of identifying and evaluating the conditions that may affect the mental health and well-being of our employees. Based on the results obtained, an action plan has been developed to mitigate the identified risks and promote a healthier and safer work environment.



On the other hand, we have implemented rigorous systems across all projects to ensure that the highest standards of safety and regulatory compliance are maintained.

HSE Management for Projects (Solar, Wind and BESS):

During the development phase of the project there is a health and safety risk assessment for every project (solar, wind and BESS) which aims to encounter all the potential risk and establish the preventive measures beforehand. This document is presented to the administration alongside the rest of the documentation for approval, and before the construction phase the health and safety plan is elaborated based on this document and with the specific task and system to follow during the construction phase.

During the development phase there is an environmental risk assessment elaborated to detect all the environmental impact for each project (solar, wind and BESS). The projects are presented to the administration and may imply changes or modifications of the projects, once is approved the administration released the Environmental Impact Declaration/Unified Environmental Authorization where all the environmental measures to reduce, mitigate or eliminate impacts are exposed for the commitment during the construction and operation and maintenance phase, and may include the minimal compensatory measures of the project. After this, ABEI Energy elaborates the environmental monitoring plan for the construction and operation and maintenance phase. This plan collects all the task, activities and measures to comply with the environmental system protection plan, including minimizing of resources such as water, generation of waste, etc.

ABEI Energy also elaborates before the construction phase the dismantling plan to ensure the correct disassemble of the plan, including the correct recycling of all the materials. This dismantling plan will be subcontracted to local companies specialized in such tasks.

For every project under construction and operation and maintenance, ABEI Energy has established a comprehensive **Health, Safety, and Environmental (HSE) system** designed to guarantee compliance and safeguard everyone involved. This system includes:

- **Training and Information:** We ensure that all personnel accessing and working on the project are equipped with the necessary training and information related to health, safety, and environmental protocols. This fosters a culture of awareness and responsibility at every level of the project.
- **Digitalized Access Control:** ABEI Energy has implemented a state-of-the-art, digital access control system that verifies compliance with legal and project-specific safety requirements. This system monitors companies, workers, machinery, and visitors to ensure that all necessary certifications and safety standards are met before they enter the site.
- **Continuous HSE Monitoring:** We conduct ongoing monitoring of health, safety, and environmental conditions to ensure adherence to the Health and Safety Plan and the Environmental Monitoring Plan for each project, in some projects it may be necessary

to develop a fire prevention plan. This allows us to proactively address any potential risks and maintain compliance throughout the construction process.

- **Wildlife Monitoring:** Depending on the project’s potential impact, wildlife monitoring may be required. If negative impacts are observed, especially during sensitive periods like breeding season, project activities may need to be adjusted accordingly.
- **Compensatory Measures:** Each project includes a compensatory measures plan designed to address impacts identified during the environmental impact assessment. These measures, agreed upon with regulatory authorities, serve to mitigate and offset the project’s environmental footprint. The implementation of compensatory measures is subcontracted to local companies specialized in the field, ensuring they are carried out with extensive knowledge of the area for maximum effectiveness.
- **KPI Tracking for Improvement:** To drive continuous improvement, we track key performance indicators (KPIs) related to health, safety, environment, and Environmental, Social, and Governance (ESG) factors. This system enables us to identify areas for improvement and closely monitor the implementation of corrective actions.
- **Regulatory Compliance Warning System:** A warning system has been implemented to monitor and alert relevant teams of any deviations from project regulations, ensuring swift corrective measures to maintain compliance with all applicable laws and standards.
- **Approval System:** All work procedures during the construction, O&M, and AM phases are reviewed by the health and safety team to ensure compliance with the required standards

Through these rigorous HSE management systems, ABEI Energy continues to uphold the highest standards of safety and environmental protection in all its projects.

2.4. Procurement and supplier approval



The approval process at ABEI Energy is a strategic initiative designed to select suppliers that meet the highest standards of quality, efficiency, and sustainability. This process ensures that the chosen suppliers not only meet technical and regulatory requirements, but also share the company's values and objectives. These objectives include:

- **Quality Assurance:** Ensure that approved suppliers demonstrate an unwavering commitment to quality in all aspects of their products and services.

- **Risk Mitigation:** Reduce exposure to potential risks by selecting suppliers with strong risk management and operational resilience.
- **Delivery Efficiency:** Optimize operational efficiency and smooth delivery of critical equipment and services for projects.
- **Regulatory Compliance:** Ensure that suppliers comply with applicable local and international regulatory standards.

At the same time, the criteria for superior approval are meticulously crafted to ensure that suppliers not only meet ABEI Energy's high standards for quality and reliability but also possess the necessary technical expertise, resources, and commitment to sustainability. The main criteria standards are:

- **Experience and Track Record:** Evaluation of previous experience in similar projects, contract execution history, and references from previous clients.
- **Technical Capability and Resources:** Assessment of the technical capability to carry out large-scale projects and the resources available.
- **Quality and Regulatory Compliance:** Relevant certifications and accreditations, quality management processes, and compliance with industry regulations.
- **Environmental and Social Management:** Environmental and social practices and policies, assessment of environmental and social impact, and commitment to sustainability.
- **Risk Assessment:** Proactive identification and management of potential risks.
- **Local Suppliers:** there is a rule to prioritize the suppliers with major proximity against those that meet the same requirements but are from other communities or countries.

The superior approval process includes several detailed and carefully structured steps:

- **Evaluation of Experience and Background:** Request for a complete list of previous projects and verification of relevant certificates.
- **Detailed Financial Analysis:** Provision of detailed financial information and collaboration with the finance department to analyze the supplier's financial health.
- **Evaluation of the ACHILLES Platform:** Review of relevant documentation and indicators extracted from the platform.
- **Periodic Review and Update:** Adaptation to regulatory changes and industry best practices, and feedback from previous projects to improve efficiency.

Finally, the approval process continuously adapts to regulatory changes and industry best practices. Feedback from previous projects and suppliers is collected to adjust and improve the process. Additionally, evaluation criteria are updated to reflect changing industry standards, and emerging technologies are incorporated to assess suppliers' ability to adopt innovation.

2.5. Sustainable Strategy by Project



The sustainability strategy for projects is based on the UNEF’s “Sello de Excelencia en Sostenibilidad” focuses on ensuring high standards of environmental and social integration. This certification aims to recognize and promote best practices during the construction and operation phase, emphasizing four key areas:

- **Socio-economic Impact:** Projects must contribute positively to the local economy and community. ABEI Energy establishes agreements with city councils and local entities to create an employment exchange, in order to promote the local hiring of unemployed people and local companies. The KPIs of local employment and local suppliers are collected monthly to monitor the impact on local communities. Another measure is to give a benefit for the local community such as installing solar panels at the town’s school to encourage the self-consumption or contribute to sport events.
- **Governance:** Strong governance practices are required to ensure transparency and accountability, such as a compliance system, among others.
- **Environmental Integration and Biodiversity Protection:** Projects should minimize environmental impact and protect local biodiversity. In this part, ABEI Energy reviewed the compliance with the EIA (Environmental Impact Assessment) and the Environmental Impact Declaration/Unified Environmental Authorization, the Environmental Plan for the construction and the operation and maintenance.
- **Circular Economy:** Emphasis on resource efficiency and waste reduction throughout the project lifecycle. During the construction and operation phase all project have a waste management plan to ensure meeting the law and apply the policy of minimize waste generation

This comprehensive strategy not only addresses the immediate challenges faced during project execution but also helps counter misinformation about the renewable energy sector. By adhering to these principles, ABEI Energy supports the acceleration of the energy transition in Spain, paving the way for a more sustainable future. Ultimately, this approach reflects our commitment to balancing economic growth with environmental stewardship and social responsibility, ensuring that our projects deliver lasting benefits to both people and the planet.

2.6 Transformation



At ABEI Energy, we are undergoing a comprehensive digital transformation that is redefining our ways of working and enhancing our capabilities. This transformation includes the implementation of new working methodologies, such as project-based workgroups instead of traditional departmental divisions, fostering greater collaboration and innovation. We are centralizing tools and resources to avoid overlaps and ensure improvements across all departments, streamlining processes and enhancing efficiency.

Additionally, we are focusing on developing digital skills through practical training and the use of methodologies like Design Thinking, Lean Startup, and Agile. These methodologies encourage iterative development, user-centric design, and rapid prototyping, enabling our teams to adapt quickly to changing market demands and technological advancements.

One of the key advantages of this transformation is becoming a more efficient company in our operations. By leveraging digital tools and data analytics, we can optimize project management, reduce operational costs, and improve decision-making processes. This efficiency enables us to execute green energy projects more effectively and agilely, thereby accelerating the energy transition and contributing to a more sustainable future.

Furthermore, our digital transformation is not just about technology but also about culture. We are fostering a culture of continuous learning and innovation, where employees are encouraged to experiment, learn from failures, and continuously improve. This cultural shift is essential for sustaining long-term growth and staying competitive in the rapidly evolving energy sector.

In summary, our digital transformation at ABEI Energy is a holistic approach that integrates new methodologies, centralized resources, and a culture of innovation to enhance our capabilities and drive the energy transition forward.

3 Financing Framework

3.1. Principle 1: Use of Funds

The proceeds from the issuance of the Green Bond will be strategically allocated for two primary purposes:

- **Refinancing of any credit line granted to the Issuer or ABEI Energy and Infrastructure, S.L.U.:** 28% allocated to the refinancing of any credit line of any purpose granted to both companies. The look-back period for this green bond allocation such as 8 months (March 2024).

- Support for Development and Operating Pipeline Growth:** The remaining 72% will be fully dedicated to the comprehensive development, construction, and operation of renewable energy assets, which is at the core of our business model. Our diverse portfolio encompasses a wide range of renewable technologies, including solar, wind, and Battery Energy Storage Systems (BESS). The funds remaining after refinancing will be strategically utilized to further enhance and accelerate the growth of our development and operational pipeline. This encompasses both domestic and international projects, enabling us to seize new opportunities in international markets where we have established operations while reinforcing our commitment to sustainability and responsible investment practices.

Projects	Solar Technology	Wind Technology	BESS Technology
Description	Development, EPC and AM of solar project plants	Development, EPC and AM of wind project plants	Development, EPC and AM of BESS
Category based on Green Bond Principles	Renewable Energy	Renewable Energy	Renewable Energy
SDG contribution	SDG 5,7,8,11,12, & 13	SDG 5,7,8,11,12, & 13	SDG 5,7,8,11,12, & 13
KPI*	1)Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a 2) Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)	1)Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a 2) Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)	1)Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a 2) Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)

* According to the Harmonised Framework for Impact Reporting June 2014

The allocation period for the funds is set to a maximum of 24 months, ensuring efficient use within this timeframe.

3.2 Principle 2: Project Selection & Evaluation Process

The structuring of Eligible Green Projects is embedded within ABEI Energy’s sustainability strategy, which itself is integrated into the company’s overall business strategy. When identifying Eligible Green Projects, priority has been given to projects that align with the Group’s strategic objectives and sector focus—primarily in renewable energy and sustainable infrastructure. Eligible Projects must contribute to environmental sustainability, demonstrate potential for long-term economic value, and comply with applicable regulatory standards and industry best practices. The selection process for Eligible Projects includes thorough assessments of financial viability, environmental and social impact, and alignment with the Group’s Green Bond Framework



The selection of projects is overseen by key departments: the Finance Department, the Sustainability Department, and Operations & Strategy Department. These departments are responsible for proposing projects that align with ABEI Energy's sustainability objectives.

Additionally, a dedicated Sustainability Committee has been established to evaluate and select projects throughout the lifespan of the program, ensuring ongoing alignment with the Green Bond Framework.

Lastly, ABEI Energy is exclusively dedicated to renewable energy projects, reflecting the company's firm commitment to environmental sustainability. Although there are no plans to expand into other business lines, should any diversification occur in the future, strict monitoring measures will be implemented to ensure that funds from green financing are solely allocated to eligible projects, as defined by the criteria outlined above.

Any future oversight will include rigorous tracking of funds to prevent green financing proceeds from being directed towards projects that do not meet the specified standards of environmental sustainability, regulatory compliance, and long-term economic value essential to ABEI Energy's Green Bond Framework.

3.3 Principle 3: Expense Management

ABEI Energy has established a comprehensive financing framework that emphasizes accountability and strategic oversight in the management of expenses. This framework is designed to ensure that all expenditures align with the company's sustainability objectives while also adhering to sound financial practices.

- **Expense Approval and Tracking:** All expenses incurred by ABEI Energy are subject to approval by designated responsible parties within the organization. This structured approach ensures that there is a clear line of accountability for all financial commitments made. Additionally, ABEI Energy maintains rigorous oversight of its suppliers and service providers, ensuring that all expenditures are justified and managed effectively.
- **Financial Committees:** To facilitate robust financial oversight, ABEI Energy convenes a Financial Assessment Meeting on a weekly basis. This Financial Assessment Meeting reviews cash flow expenses, operational expenditures, legal considerations, and financial projections involving the Chief Financial Officer (CFO) and other key members of ABEI Energy. During these meetings, the funding requirements for ongoing projects are assessed and determines how available funds will be allocated. This systematic review process allows ABEI Energy to maintain a clear understanding of its financial position and funding needs.
- **Treasury Management:** The treasury management team plays a crucial role in coordinating financial activities across the organization. The Treasury Manager conducts periodic meetings with various departments to gather insights into anticipated expenses. Invoices are submitted to the financial team, which consolidates this information into a cash flow report.

The regular interactions between the treasury team and departmental leaders culminate in a comprehensive assessment of the company's funding requirements. Following this evaluation, the proposed expenditures are reviewed to determine whether they are appropriate and whether the projects align with ABEI Energy's strategic goals.

- **Project-Based Cash Flow Management:** ABEI Energy's financing framework emphasizes project-based cash flow management, ensuring that all payments are directly linked to specific projects. This approach enables the organization to maintain precise tracking of expenses associated with each initiative, facilitating ongoing monitoring and evaluation of financial performance. By associating payments with individual projects, ABEI Energy can maintain accountability and transparency, ensuring that resources are allocated efficiently and effectively in support of its green initiatives.

In summary, ABEI Energy's financing framework and expense management processes are designed to uphold the highest standards of financial governance while supporting the company's commitment to sustainability and responsible investment in green projects. This systematic approach enables ABEI Energy to navigate funding challenges effectively, ensuring the successful execution of its projects and initiatives aimed at promoting a greener future.

3.4 Principle 4: Reporting

ABEI Energy is committed to transparency and accountability in the allocation of proceeds from our Green Bond issuance. To ensure this, ABEI Energy will provide annual reporting on both the allocation of funds and the environmental impact of the Eligible Green Projects funded by these bonds. The reports will follow recognized best practices for impact reporting.

- **Allocation Reporting:** An Annual Allocation Report will be published within one year of the issuance of the Green Bond and will be updated annually until the proceeds are fully allocated. This report will include comprehensive information on the allocation of net proceeds, ensuring stakeholders have visibility into the use of funds and the alignment with the Green Bond Framework. Specifically, the report will cover:
 - **Total Amount Allocated** to Eligible Green Projects.
 - **Breakdown by Project Category:** Detailing the amount allocated to each category of Eligible Green Projects.
 - **Financing vs. Refinancing:** Indicating the proportion of proceeds used for new financing versus refinancing of existing projects.
 - **Unallocated Proceeds:** Disclosing any amount that remains unallocated and the anticipated timeline for allocation.

In cases of significant developments that affect the allocation or status of the Green Projects, ABEI Energy will ensure timely updates in the report.

- **Impact Reporting:** In addition to the Allocation Report, ABEI Energy will provide an Impact Reporting on an annual basis, detailing the expected and achieved environmental impacts of each Eligible Green Project. This report include:



- **Descriptions of Each Project financed** with green bond proceeds, including a brief overview of the project scope and objectives.
- **Environmental Impact Metrics:** Providing quantifiable data on the environmental benefits achieved, such as reductions in greenhouse gas emissions, renewable energy capacity added, and other relevant indicators.

By providing these reports, ABEI Energy reaffirms its dedication to transparency and responsible management of Green Bond proceeds, ensuring that stakeholders are informed of both the financial and environmental performance of our green initiatives.

4 Public Sustainability Report

4.1 Financing Framework & Expense Management

ABEI Energy is currently not required to comply with Law 11/2018 due to its size and operational profile; however, beginning in 2026, the company will proactively prepare and publish an annual sustainability report. This report will be made available on our website and will adhere to the requirements outlined in the European Corporate Sustainability Reporting Directive (CSRD) concerning corporate sustainability disclosures. By implementing this practice, ABEI Energy reaffirms its commitment to transparency and accountability in sustainability reporting, aligning with the principles of our Green Bond Framework and demonstrating our dedication to responsible corporate governance.

5 Disclaimer

The information and opinions presented in this Green Bond Framework are provided as of the date of this document and are subject to change without prior notice. Any individual who has access to the information contained herein should not consider it definitive, as it may be subject to alterations or modifications.

ABEI Energy assumes no responsibility or obligation to update or revise these statements, regardless of whether such statements are influenced by new information, future events, or other circumstances.

This Green Bond Framework is provided solely for informational purposes and does not constitute, nor should it be interpreted as, an offer or invitation to subscribe, acquire, or dispose of any assets, nor should it be regarded as a basis for assessing credit or any other valuation by third parties.



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