



GREEN FINANCING FRAMEWORK

JULY 2023

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1. PROFILE OF FCC SERVICIOS MEDIO AMBIENTE HOLDING

FCC Servicios Medio Ambiente Holding ("FCC MA") is one of the largest environmental services companies in the world, operating since 1911. We provide urban sanitation services to Europe and America through FCC Medio Ambiente (urban services Spain), FCC Ámbito (industrial waste management and soil recultivation Spain), FCC Environment (UK), FCC Environment (CEE) and FCC Environmental Services (USA). We operate in over 5,200 municipalities globally serving 66 million inhabitants. We are a division of FCC Citizen Services who also operate in the Water and Infrastructure sectors.

Our services include, between others:

- Waste collection, transfer, transport, storage, treatment, disposal and recovery (including energy recovery); as well as associated facilities management and associated operations (management of: waste and recycling points, waste transference stations, landfills and waste treatment plants; and operations of: cleaning and maintenance of waste containers, confidential paper collection and shredding, waste management operations as a trader and technical assistant in environmental emergencies and waste).
- Street cleaning and cleaning and conservation services of parks, gardens and green areas, urban furniture and children's games, sewage, fountains and beaches, coasts and coastal waters.
- Energy services and comprehensive management of electrical facilities.
- Research, characterization and decontamination of soils and groundwater.

Some interesting data:

Solid Waste Collection: FCC MA operates an advanced fleet of vehicles equipped with a variety of innovative technologies such as electric, hybrid and natural gas propulsion powering more than 2,800 vehicles (more than 20% of the fleet). Other key technologies include soundproofing of compaction compartments, automated lifting of containers, multiple moveable axles to improve maneuvering and safety systems for operators.

Recycling: FCC MA employs a wide variety of technological solutions to ensure the highest quantity and quality of material recuperation. Multi-compartment collection vehicles, serve over 100 recycling plants worldwide, operating in many cities allow for the simultaneous collection of multiple waste fractions. Household waste recycling centers, including mobile facilities, allowing people to deposit all sorts of waste including paint, solvents, used clothing, aerosols, oils, etc. A variety of waste sorting and treatment facilities combine mechanical and manual technologies to separate recyclable materials for subsequent treatment and reuse.

Educational campaigns complement these technologies to ensure that the public is informed as to best practices regarding how to separate waste for recycling. This combination of communication and technology has led to recovery rates rising over 30% in recent years.

Waste Treatment, Energy Recovery and Disposal: At FCC MA, waste is treated as a resource, reusing and recycling to the maximum and making use of the energy value of the remaining fraction as much as possible. FCC MA operates a wide variety of treatment facilities including mechanical separation, composting, biological treatment and energy-from-waste plants. In many locations, multiple technologies are combined to ensure the most complete waste recovery possible.

Nearly 90 operational landfills receive the fraction of waste left after recycling. Biogas is captured from these and from 124 aftercare the landfills to produce clean energy and the company is in the process of installing wind turbines and photovoltaic panels at landfill sites to further increase renewable energy production. Furthermore, the company currently boasts 13 waste-to-energy projects with an annual treatment capacity of 3.6 million tonnes of non-recyclable refuse and 435 MWe of clean, non-fossil power.

Street Cleaning: Clean-energy vehicles are designed to move through city centers with minimum noise and emissions, helping to remove rubbish and create a clean environment. FCC MA has driven the technological development of new electric self-propelled machines for street cleansing services, in order to reduce the negative impacts of these services on citizens. Saving resources is a priority for FCC MA. For that purpose, FCC MA also includes water saving systems on the vehicles and machinery for street cleansing services.

Maintenance of Parks, Gardens and Green Areas: FCC MA maintains more than 6,500 hectares of parks, gardens and other green areas using green vehicles and sustainable technology that provides efficient use of water as well as protection of biodiversity.

Sewer Maintenance: FCC MA maintains more than 10,000 kilometers of sewers that provide service to more than six million people. This activity requires strong technical capabilities and high-quality resources. Vacuum trucks clean and unblock sewer lines while remote inspection and repair equipment is used to ensure that the networks continue to function correctly. FCC MA achieved a 100% EV fleet of vehicles (including light, medium and heavy duty non-commercial and self-developed vehicles) for the Sewer Maintenance and the Fountains maintenance of Barcelona.

Industrial Waste: FCC MA manages and processes industrial waste streams, promoting recycling and reuse whenever possible. We are specialists in soil decontamination helping to protect and improve the environment.

Beach Maintenance: FCC MA safeguards the environmental quality of more than 1,500 kilometers of coastline by cleaning beaches. Specialized teams operate combing beaches for any refuse left over from the previous day's activity. Likewise, boats equipped with nets pass along the coast

picking up floating waste. With this combination of land and sea operations FCC MA ensures maximum cleanliness in coastal areas, recovering more than 120,000kg waste from the sea every year.

Sustainable Vehicles Development: FCC MA is the world leader in developing sustainable vehicles for environmental services. Our cutting-edge R&D department has consistently brought to market superior propulsion technologies that have resulted in cities ever more free of emissions and noise. FCC MA was a pioneer in this area putting its first electric vehicles in service more than 40 years ago. Today, FCC MA operates more than 2.800 sustainable propulsion vehicles including 100% electric models as well as hybrids and natural gas-powered vehicles. As the FCC MA sustainable fleet grows the company is progressively reducing its environmental footprint accordingly.

Technological Innovation, clean technologies and circular economy: FCC MA has implemented a Research, Development and Innovation (R&D&I) Management System through which it has developed a large number of projects. The most relevant projects are: the development of H₂ vehicles for urban services, projects related to Circular Economy, which improve the effectiveness and efficiency in recycling resources from waste and the VISION comprehensive technological platform, that drives intelligent and efficient services management, employing on-board devices that integrate control systems and communications to make FCC MA's fleet exceptionally efficient. The system works in real-time gathering, transmitting and analyzing massive volumes of data generated automatically by workers, the public, environmental services vehicles and equipment. This information is then utilized to drive resource optimization and ensure delivery of the highest-quality environmental services possible. The VISION management platform covers the full range of environmental services, from collection to street cleaning to the maintenance of green areas.

2. SUSTAINABILITY STRATEGY

FCC MA is a leading organization in providing sustainable environmental services. FCC MA commitment to sustainability has been formally established in the 2050 Sustainability Strategy, approved in March 2021, a document in which the entire organization has participated, and which is the sustainability roadmap for the organization.

This long-term Sustainability Strategy has been integrated throughout the organization and focuses on combining the know-how developed in its more than 100 years of activity with the development of innovative technologies that allow it to offer its customers more efficient services and "friendly" service concept, more respectful in the consumption of resources and that contribute to making more sustainable and inclusive cities.



Policies for equality and labor integration of disadvantaged groups are of particular relevance, as well as the promotion of all those actions that reinforce the commitment to the circular economy, the fight against climate change and the reduction of the carbon footprint.

The use of alternative energies and the efficiency in their use for the provision of urban and environmental services, both in the facilities and in the service vehicles, constitute two strategic pillars in which important steps have been taken, especially in the development of technologies of electric mobility in the vehicle fleet.

FCC MA has focused its actions on those United Nations sustainable development goals (SDGs) most directly related to its activities in order to maximize the effect on the 17 SDGs as a whole. In its prioritization of objectives, the organization contributes to greater environmental, economic, and social prosperity through:

- People development: generation of talent, diversity and equal opportunities, occupational health and safety and social inclusion.
- Green growth and the fight against climate change: efficient consumption of water, energy and other resources, waste prevention; technological innovation, low carbon processes and services and protection of biodiversity.
- A favourable work environment: fight against corruption, peace and social stability, quality and transparency in the value chain.
- Public-private collaboration and opening up to the third sector.

With all this, 4 axes have been defined that will mark the actions of FCC MA in terms of sustainable management: **ENVIRONMENT**, **SOCIAL**, **EXCELLENCE** and **GOVERNANCE**, with specific objectives in each field of activity. Some of these commitments are:

Four core areas guiding our efforts

1 Environment: Circular Economy, Climate Action and Biodiversity Protection

9 INDUSTRY, ENERGY AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

CIRCULAR ECONOMY:
Achieving the EU's 2035 waste management targets

≥ 65% of waste recycling | ≤ 10% of waste disposed of in landfills

CLIMATE, ENERGY AND POLLUTION:
Reducing GHG, pollution and noise emissions

Reducing GHGs by -35% between 2017-2030 | Achieving Climate Neutrality by 2050 | 100% ECO or zero-emission vehicle fleet by 2050

WATER:
Addressing water stress by promoting efficient water use

Alternative sources: 50% in 2030 | 100% in 2050

BIODIVERSITY:
Protecting natural capital in the performance of our activity

100% of staff aware

2 Social: Human Resources and Society

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

STABLE EMPLOYMENT AND TALENT PROMOTION:
Creating quality jobs to attract and retain talent

Staff pride and identification with the company | National and international promotion and internal mobility | Increasing percentage of new recruits of young graduates

EQUAL OPPORTUNITIES:
Promoting diversity, social inclusion and equality

Gender balance in 2050 | Increasing the volume and activity of inclusive employment

SAFE AND HEALTHY COMPANY:
Ensuring safe working conditions and occupational health and well-being

Zero serious or fatal accidents | Among 2019-2050 in accident rates -50% | -25% in sick leave

STRATEGIC ALLIANCES:
Generating unions, partnerships and alliances for sustainable service management

Forging new public-private partnerships linked to the SDGs

3 Excellence: Smart Management, Innovation and responsible value chain

9 INDUSTRY INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 17 PARTNERSHIPS FOR THE GOALS

RESPONSIBLE PROCUREMENT AND MANAGEMENT SYSTEMS:
Spearheading the implementation of systems ensuring the quality and transparency of the value chain

Digitising management processes

Implementing a **green, procurement** model responsible and innovative

Certification/accreditation
according to new standards, specifications, protocols and regulations

INNOVATION:
Maintaining our leadership in Research, Development and Innovation

Investing at least **1%** of Turnover by 2050

FCC Medio Ambiente **honoree** as the **best Innovative Idea** at **Smart City Awards** in Barcelona

SMART CITIES:
Contributing to sustainable urban development through ICTs

100% of services under the "Smart Human & Environmental" model

4 Governance: Risk Management, Ethics and Anti-Corruption

11 SUSTAINABLE CITIES AND COMMUNITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

RISK MANAGEMENT:
Organisational resilience

Supporting **contingency plans** for emergency situations

ETHICS AND ANTI-CORRUPTION:
Leading the way in compliance with ethical principles and the fight against corruption

Certification of the **compliance model** under ISO 37301



3. OBJECTIVE & SCOPE OF APPLICATION

The establishment of this new Sustainable Financing Framework is a reflection of the company's ongoing commitment to sustainability that already began with the previous framework in 2019.

FCC MA aims to expand its Sustainable Financing activity from its Green Bond Framework 2019 with the update of the Framework in 2023, according to its Sustainability Strategy 2050.

The Company is keen to pursue an innovative general approach when incorporating sustainable solutions into their traditional financing products.

This Framework has been established in accordance with the Green Loan Principles (GLP) set by the Loan Market Association (LMA) and the Green Bond Principles (GBP) set by International Capital Markets Association (ICMA), that aim to facilitate and support environmentally sustainable economic activity.

According to the GLP and GBP, this Framework is aligned to the guidelines in their 4 core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

These International Standards are a set of voluntary guidelines that promote integrity in the development of green financing instruments, and they aim to facilitate and support environmentally sustainable economic activity.

Green financing instruments will include bonds, loans and transactional banking products, and any green facility structured will follow the four core components and they will be applied subject to and in accordance with this Sustainable Finance Framework as amended.

4. EU TAXONOMY REFERENCE

The projects included in this Framework are part of sustainable activities as defined in the European Commission's Technical Expert Group final report on EU Taxonomy and the technical annex to the report published in March 2021.

FCC MA's ambition is to align this framework for the green use of proceeds categories with the requirements of the EU Taxonomy Regulation for climate change mitigation and adaptation objectives. For this reason, it has determined the eligible activities and the alignment of each of them, also considering the requirements of do not significant harm (DNSH) and the minimum (social) safeguards. FCC MA has determined the eligible activities for these objectives:

- 5.3. Operation of wastewater collection and treatment system
- 5.5. Collection and transport of non-hazardous waste
- 5.7. Anaerobic digestion of biowaste
- 5.8. biowaste composting
- 5.9. Recovery of non-hazardous waste materials
- 5.10 Landfill gas capture
- 6.13 Infrastructure for personal mobility (road cleaning)
- 7.3. Installation, maintenance, and repair of energy efficiency equipment

Within this framework, we want to share information on the analysis carried out on the Eligible Activities and their alignment with the data for the year 2022 and for the three indicators: Revenue, CapEX and OpEX, which has been validated by an external entity:



FCC MA GROUP

Workcenters Amount
1499

52.01%	43.33%
%ELIG NET SALES	%ALIG S/ INC
47.32%	40.41%
%ELIG CAPEX	%ALIG CAPEX
54.74%	45.81%
%ELIG OPEX	%ALIG OPEX

KPI GROUP TAX D	1. NET SALES			2. OPEX			3. CAPEX		
	€ miles	%	#	€ miles	%	#	€ miles	%	#
A. Eligible Activities	1,890,428	52.01%	712	115,640	54.74%	683	227,958	47.32%	350
A.1. Eligible and Aligned Activities	1,574,711	43.33%	644	96,757	45.81%	608	194,663	40.41%	296
5 Water and Waste	1,072,761	29.52%	553	76,329	36.13%	521	127,874	26.54%	259
5.10 Landfill Gas	1,453	0.04%	1	153	0.07%	1			
5.3 Sewage Water	17,216	0.47%	15	913	0.43%	14	292	0.06%	4
5.5 Waste Collection	837,279	23.04%	468	62,289	29.49%	463	113,269	23.51%	221
5.8 Composting	2,507	0.07%	6	698	0.33%	6	1,060	0.22%	2
5.9 Waste Recovery	214,306	5.90%	112	12,275	5.81%	50	13,254	2.75%	34
6 Transport	495,937	13.65%	202	20,309	9.61%	200	65,709	13.64%	112
6.13 Infrastructure for personal mobility	495,937	13.65%	202	20,309	9.61%	200	65,709	13.64%	112
7 Construction and Real Estate	6,013	0.17%	14	119	0.06%	12	1,081	0.22%	4
7.3 Energy Efficiency Equipment	6,013	0.17%	14	119	0.06%	12	1,081	0.22%	4
A.2. Eligible but Unaligned Activities	315,717	8.69%	143	18,883	8.94%	130	33,294	6.91%	93
5 Agua y Residuos	215,272	5.92%	123	16,177	7.66%	110	26,653	5.53%	78
5.3 Sewage Water	5,419	0.15%	6	430	0.20%	6	148	0.03%	3
5.5 Waste Collection	61,869	1.70%	69	4,158	1.97%	64	7,177	1.49%	42
5.9 Waste Recovery	147,984	4.07%	48	11,589	5.49%	40	19,328	4.01%	33
6 Transport	100,445	2.76%	30	2,705	1.28%	29	6,641	1.38%	22
6.13 Infrastructure for personal mobility	100,445	2.76%	30	2,705	1.28%	29	6,641	1.38%	22
B. Ineligible Activities	1,744,061	47.99%	836	95,597	45.26%	931	253,820	52.68%	464
Total	3,634,490	100.00%	1269	211,237	100.00%	1348	481,778	100.00%	676

These data show that all FCC MA activities eligible according to the EU Taxonomy criteria, most of them (approximately 83%) are also aligned according to the aforementioned Taxonomy.

5. GREEN FINANCING

5.1 Use of Proceeds

Green financing instruments will be used to finance, or refinance, in whole or in part, the following Eligible projects according to the GLP and the GBP.

All designated Green Projects provide clear environmental benefits. They will include investments expenditures, and operating expenditures, insofar as any expenditure that provides clear environmental benefits and promotes the transition to low-carbon technologies.

In the case of a possible Green Bond issuance, the assets included in the eligible Green Projects will not exceed 36 months for the refinancing of activities (before the issuance date of the respective instrument) and will be incorporated in the green bond reporting.

5.1.1 Green Eligible Project Categories

Table 1: Tier 1 activities related to the business core of the company










Eligible Green Categories	Eligibility Green Projects	Eligible Activities under EU Taxonomy	Example projects	Related UN SDG	Primary UN SDG targets
Pollution prevention and control	<ul style="list-style-type: none"> Waste collection and management projects. <ul style="list-style-type: none"> Collection and transport of waste in individual or mixed fractions with a view to preparing it for re-use or recycling. Street cleaning and collection, transport and management of the resulting waste. Waste-to-energy projects <ul style="list-style-type: none"> Generation of green energy from waste. Waste processing projects. <ul style="list-style-type: none"> Processing waste in a sustainable way, avoiding landfill, excluding biowaste composting facilities, tire recovery projects and glass treatment plants. Soil remediation projects. 	5.5. Collection and transport of non-hazardous waste 5.7. Anaerobic digestion of biowaste 5.9. Recovery of non-hazardous waste materials 5.10. Landfill gas capture 6.13 Infrastructure for personal mobility (road cleaning)	<ul style="list-style-type: none"> Collection, transfer, transport, storage, treatment, disposal, sorting and recovery of waste; as well as the management of facilities and associated operations (management of waste and recycling points, cleaning and maintenance of waste containers, Street cleaning, waste transfer stations, landfills and waste treatment plants). Research, characterization and decontamination of soils and groundwater Waste-to-energy facilities Landfills and industrial waste treatment plants. 		12.2: Achieve the sustainable management and efficient use of natural resources 12.5: Substantially reduce waste generation through prevention, reduction, recycling, and reuse
Circular economy adapted products	<ul style="list-style-type: none"> Waste processing facilities projects, to produce: <ul style="list-style-type: none"> Compost Glass with end of use condition. Tire treatment products Recyclable and refurbished materials, components, and products Circular tools and services 	5.8. biowaste composting 5.9. Recovery of non-hazardous waste materials	<ul style="list-style-type: none"> Biowaste composting facilities Tire recovery projects Glass treatment plants (end-of-waste condition). Waste treatment plants from renewable energy sources (solar panels, wind turbine blades, etc.) 		12.2: By 2030, achieve the sustainable management and efficient use of natural resources 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
Energy Efficiency	<ul style="list-style-type: none"> Investment in projects leading to increase in energy efficiency 	7.3. Installation, maintenance, and repair of energy efficiency equipment	<ul style="list-style-type: none"> Energy efficiency in lighting related to Street Lighting, in Public Buildings, Traffic Light Networks and in Public Fountains, among others. 		7.3: By 2030, double the global rate of improvement in energy efficiency
Clean Transportation	<ul style="list-style-type: none"> Procurement of electric vehicles: Zero-emission vehicles, greater energy efficiency and significant noise reduction. Transformation and modernization of the fleet of vehicles from diesel as a traditional fuel, towards less polluting options such as: <ul style="list-style-type: none"> Natural gas: they have the advantage of a drastic reduction in other types of pollutant emissions, such as NOx, SOx, particulates and noise. Hybrid vehicles: electric vehicles that have an auxiliary combustion engine that recharges the batteries and increases range. They achieve a reduction in pollutant emissions and noise and are more efficient. 	5.3. Operation of wastewater collection and treatment system 5.5. Collection and transport of non-hazardous waste 6.13 Infrastructure for personal mobility (road cleaning).	<ul style="list-style-type: none"> Fleet of electric, and hybrid vehicles. natural gas-powered vehicles 		9.2: Promote inclusive and sustainable industrialization 9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> Beach and coastal cleaning and Preservation Cleaning and Preservation of Parks, Gardens and Green Areas 	---	<ul style="list-style-type: none"> Protection and restoration of biodiversity and ecosystems in gardens and conservation of beaches and coastlines. Center for Environmental Education and nature activities of Coto De La Isleta 		15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
Sustainable water and wastewater management	<ul style="list-style-type: none"> Wastewater treatment and sustainable urban drainage systems maintenance. Cleaning and maintenance of ornamental fountains and drinking fountains 	5.3. Operation of wastewater collection and treatment system	<ul style="list-style-type: none"> Sewer network maintenance Management of industrial water installations 		6.3: By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

Table 2: Tier 2 activities related to the Sustainability Strategy of the company and aligned to their commitments.

Eligible Green Categories	Eligibility Green Projects	Eligible Activities under EU Taxonomy	Example projects	Related UN SDG	Primary UN SDG targets
Green Technologies	<ul style="list-style-type: none"> Energy storage systems R&D in new clean technologies Green hydrogen projects 	--	<ul style="list-style-type: none"> Green Hydrogen vehicles. Minethic project, where phosphorus extracted from incineration slag is used for electric batteries. LifeLandfillBiofuel – project, where waste is converted into biofuel for vehicles. And other similar projects. 		<p>7.3: By 2030, double the global rate of improvement in energy efficiency</p> <p>9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>
Renewable energy	<ul style="list-style-type: none"> Construction, generation, or purchase of renewable energy from wind, solar. 	7.3. Installation, maintenance, and repair of energy efficiency equipment	<ul style="list-style-type: none"> Wind turbines at closed landfill sites. Solar panels in work centres for self-consumption 		<p>7.1: Ensure universal access to affordable, reliable and modern energy services</p> <p>7.2: Increase substantially the share of renewable energy in the global energy mix</p>
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> Preservation or restoration of natural landscapes. 	---	<ul style="list-style-type: none"> Restoration, renaturation, and afforestation of the closed landfill surface. Reforestation of degraded slopes in mountainous sites. <ul style="list-style-type: none"> Development of land reclamation projects in landfill areas. Design of new projects for the reuse of spaces to generate carbon absorption projects through tree plantations to offset CO₂ emissions inhouse. 		<p>15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world</p> <p>15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development</p>

5.1.2 Excluded Projects

FCC MA asserts that it will not use the proceeds of any green financing for:

- New Landfills.
- Incineration activities:
 - Waste-to-energy (WtE) facilities that incinerate recyclable materials (included those WtE projects that only treat rejections of treatment facilities and / or non-recyclable materials from selective waste collection)
 - WtE facilities with an R1 value of energy efficiency < 0.65

5.2 Process for Project Evaluation and Selection

FCC MA will track the use of proceeds of Green Financing instruments, under this Framework to make sure that they are allocated to new lending or existing projects/expenditures that meets the criteria set out above in Section "1. Use of Proceeds".

To manage this monitoring, FCC MA will set up a Green Financing Working Group (GFWG) to carry out the evaluation and selection process. The members of the Group will be from:

- Sistemas de Gestión (Management Systems including environmental and sustainability experts)
- Administración y Finanzas (Administration and Finance)
- Estudios y Contratación (Studies and Hiring)
- Maquinaria (Machinery)

The GFWG will be chaired by Director de Sistemas de Gestión.

On a biannual basis, the GFWG will consult with other FCC MA departments (as necessary) to identify and recommend eligible projects or expenditures for inclusion as Eligible Use of Proceeds.

On a biannual basis, the GFWG will review all proposed Eligible Use of Proceeds to determine their compliance with the FCC MA Green Finance Framework in order to approve the allocation of proceeds.

On a biannual basis, the GFWG will review the allocation of the proceeds to the Eligible Use of Proceeds and determine if any changes are necessary (for instance, if projects or expenditures have been cancelled, sold or otherwise become ineligible).

The GFWG will also review the management of proceeds (as described in Section iii) and facilitate reporting (as described in Section IV).

5.3 Management of Proceeds

FCC MA will be responsible for the management of the facilities labeled as green under this Framework.

On an annual basis, FCC MA will review the registry, "Green Financing Register", which will contain relevant information that will include:

- Identification related to the financing instruments
- Details of Eligible Use of Proceeds, including:
 - Eligible green projects / categories
 - Allocation made by eligible green project / categories
 - Estimated impact of the green projects / categories

In the case of Green facilities, pending its allocation to Eligible Green Projects, FCC MA will temporarily hold an amount equal to the unallocated proceeds in its accounts. FCC MA will oversee the allocation and tracking of expenditures on Eligible Green Projects up to an amount equal to the net proceeds Of the Green facility.

To manage this oversight, FCC MA will establish a Green Financing Register. The proceeds of each FCC Green facility will be deposited in FCC MA's general funding accounts and earmarked for allocation in the Green Projects Register.

5.4 Reporting

An annual allocation report will be made publicly available, which details on the allocation of the net proceeds.

In the case of a Green Bond issuance, an annual allocation report will be made publicly available within one year of the issuance until full allocation and on a timely basis in case of a material development.. The allocation report will include the following details:

- Total amount allocated to Eligible Green Projects;
- Total amount allocated per Eligible Green Project Category;
- Share of new financing and refinancing;
- The amount remaining unallocated.

In addition, FCC will provide impact reporting on the expected environmental impacts of the Eligible Green Projects, in line with the best practice guidance on impact reporting. Impact reporting will be made available on an annual basis, subject to the availability of the relevant data.

Potential key environmental impact indicators include:

Tier 1 activities related to the business core of the company

Eligible Project Categories	Potential Impact Metrics
Pollution Prevention and control	<p>Waste collection & processing projects</p> <ul style="list-style-type: none"> • Annual absolute amount of waste that is separated and/or collected and treated • Total GHG emissions avoided by MSW treatment • Tons of Industrial Waste treated • Inhabitants served <p>Waste-to-energy projects</p> <ul style="list-style-type: none"> • Total tons of waste treated • Energy generated from waste • Total emissions avoided • GHG emissions avoided due to energy recovery from waste <ul style="list-style-type: none"> ○ Emissions avoided by electricity generation ○ Emissions avoided by the retrieval of slag ○ Emissions avoided by the retrieval of ferrous metals ○ Emissions avoided by the retrieval of non-ferrous metals
Circular economy adapted products	<ul style="list-style-type: none"> • % of recovered waste compared to the total waste treated. • Total GHG emissions avoided by waste treatment
Energy efficiency	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent.
Clean transportation	<ul style="list-style-type: none"> • Number of ECO vehicles deployed. • Percentage of ECO vehicles in the FCC MA fleet.
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> • Annual treatment of soil (tonnes) • Extension of beaches and coasts maintained • Total green area maintained
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Amount of waste extracted from sewage networks

Tier 2 activities related to the Sustainability Strategy of the company and aligned to their commitments

Eligible Project Categories	Potential Impact Metrics
Green Technologies	<ul style="list-style-type: none"> • Number of R&D&I projects • Annual investment in R&D&I projects/INCN (Revenue)
Renewable energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided in tonnes of CO₂ equivalent. • Annual renewable energy generation in MWh/GWh (electricity).
Environmentally sustainable management of living	<ul style="list-style-type: none"> • Annual GHG emissions absorbed in tonnes of CO₂ equivalent.

Eligible Project Categories	Potential Impact Metrics
natural resources and land use	

6. VERIFICATION

6.1 Second Party Opinion (SPO)

FCC MA has appointed DNV GL BUSINESS ASSURANCE ESPAÑA S.L. to assess the alignment of the Framework with the GLP and GBP by LMA and ICMA.

The Second Party Opinion (SPO) document will be made available on the company's website: www.fccma.com

6.2 External Verification

FCC MA is committed to engage an assurance provider, or an External Reviewer to assess the compliance of the bonds issued against the FCC MA Green Financing Framework on an annual basis.

The resulting report will be made public at FCC MA's website www.fccma.com

6.3 Amendments to this Framework

The GFWG will review this Framework on a regular basis and such review may result in a potential update or amendment. The updates, if not minor or technical in nature, will be subject to the prior approval of the FCC MA GFWG. The updated Framework, if any, will be published on FCC MA's website and will replace this Framework, and will also be reviewed by an external party.