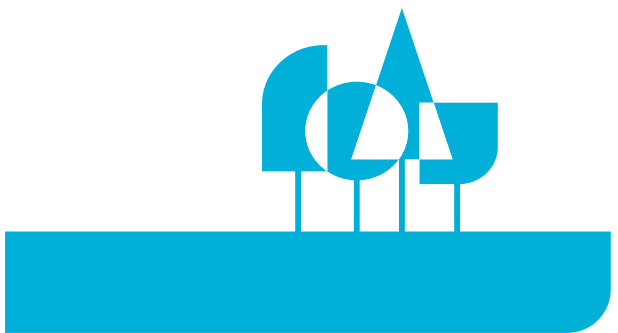




For a  better
and more 
sustainable
 future for all 

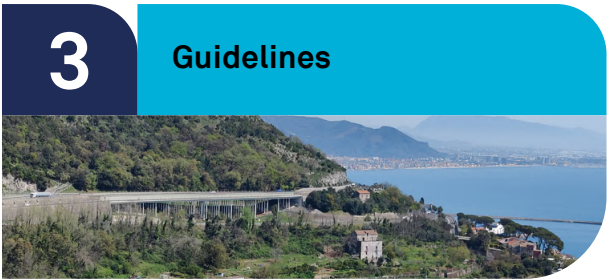
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01 INTRODUCTION

ABOUT SACYR

We work
to
encourage a
culture of
innovation

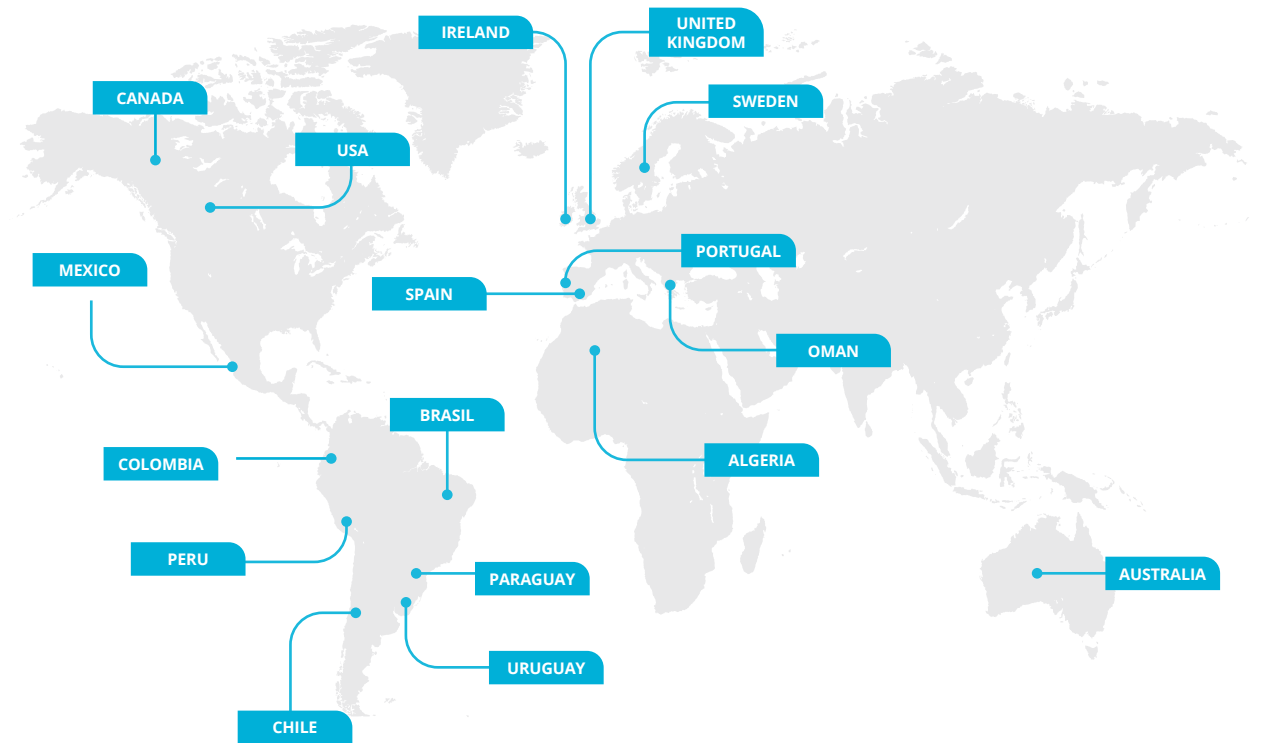


Introduction

Sacyr is a global infrastructure group listed on the IBEX 35 stock market index. We operate in more than 15 countries across four continents, where we implement innovative projects with a high environmental, social, and economic impact.



Our business model



Sacyr's activity is guided by our purpose and by six hallmark values that define us, steer our course and shape our actions in every project phase. As an industry leader, **we place the talent of our employees at the service of progress** and we invest every effort and all our passion to turn any challenge into an accomplishment.



Purpose

Moving society towards a sustainable future through the development and management of infrastructure that generates a positive social, economic and environmental impact for the benefit of all our stakeholders.



Values

Excellence: Rigor, Talent, Passion

Team spirit: Confidence, Collaboration, Loyalty

Flexibility: Resilience, Pragmatism, Austerity

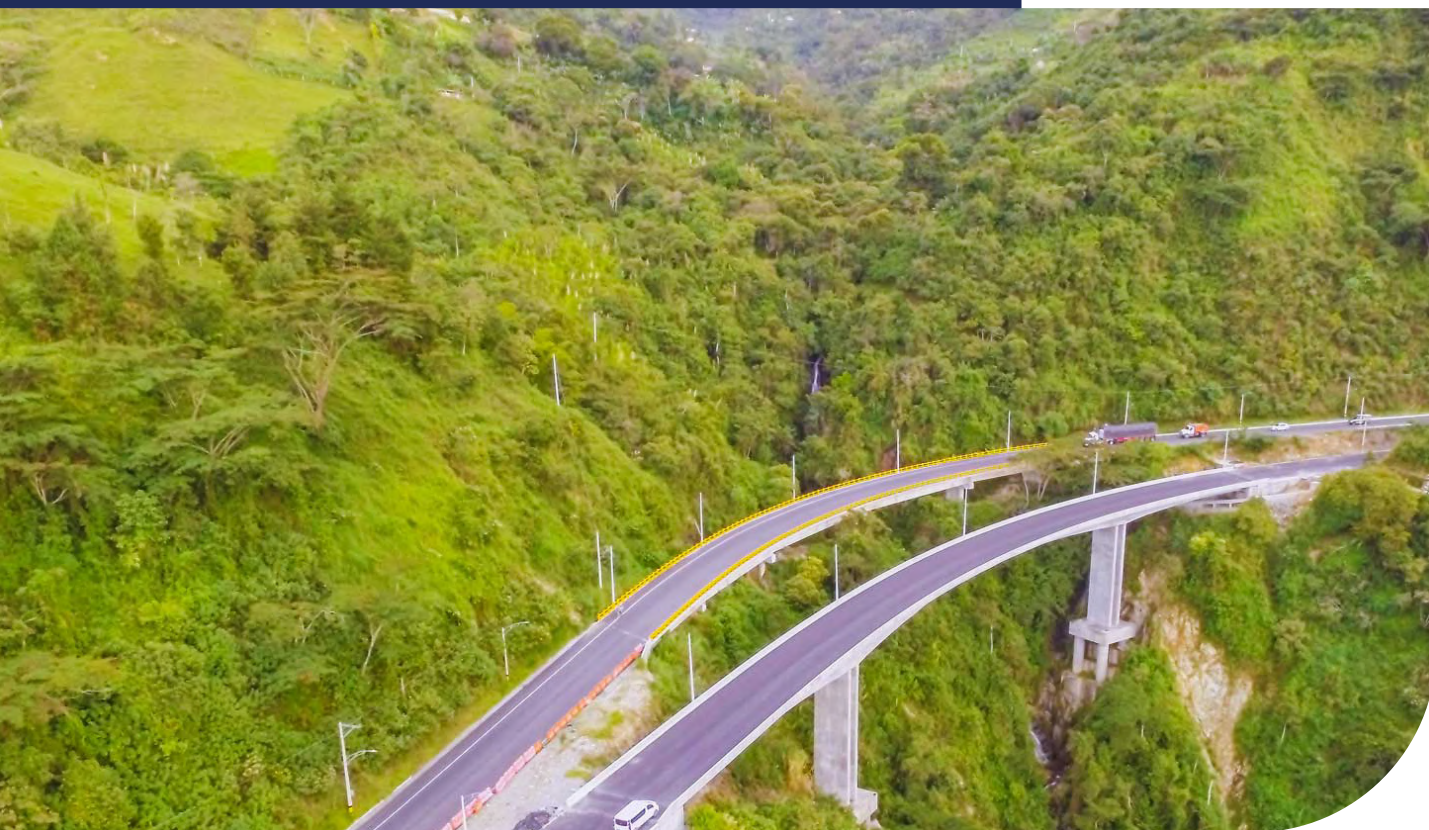
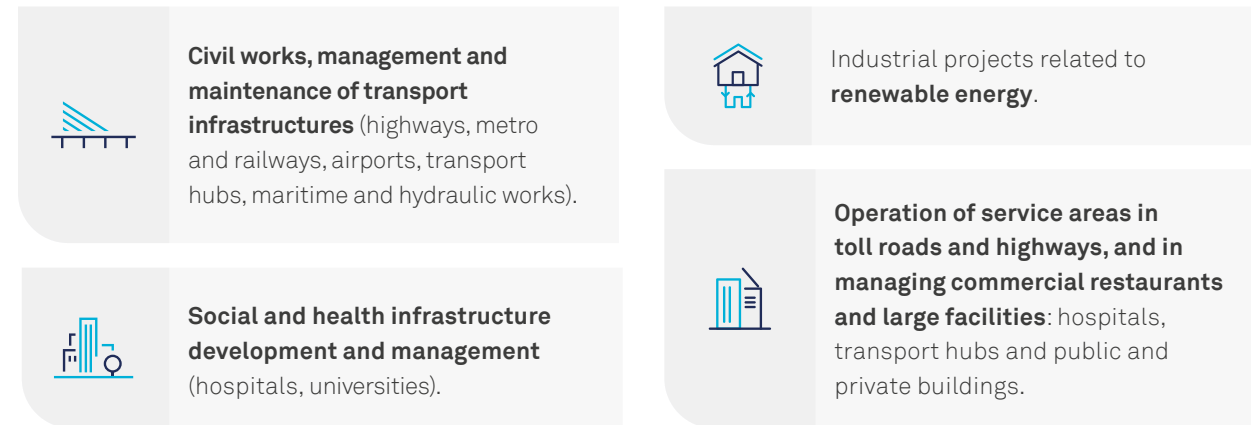
Innovation: Imagination, Creativity, Courage

Social commitment: Integrity, Transparency, Diversity and Equality

Environmental ethics: Responsibility, Efficiency, Respect

In recent years, at Sacyr, we have redefined our company profile, based on a P3 business model that intervenes throughout the entire value chain of the infrastructure sector from the tender, design and financing to asset construction, operation and maintenance.

Our **principal activities** are the following:



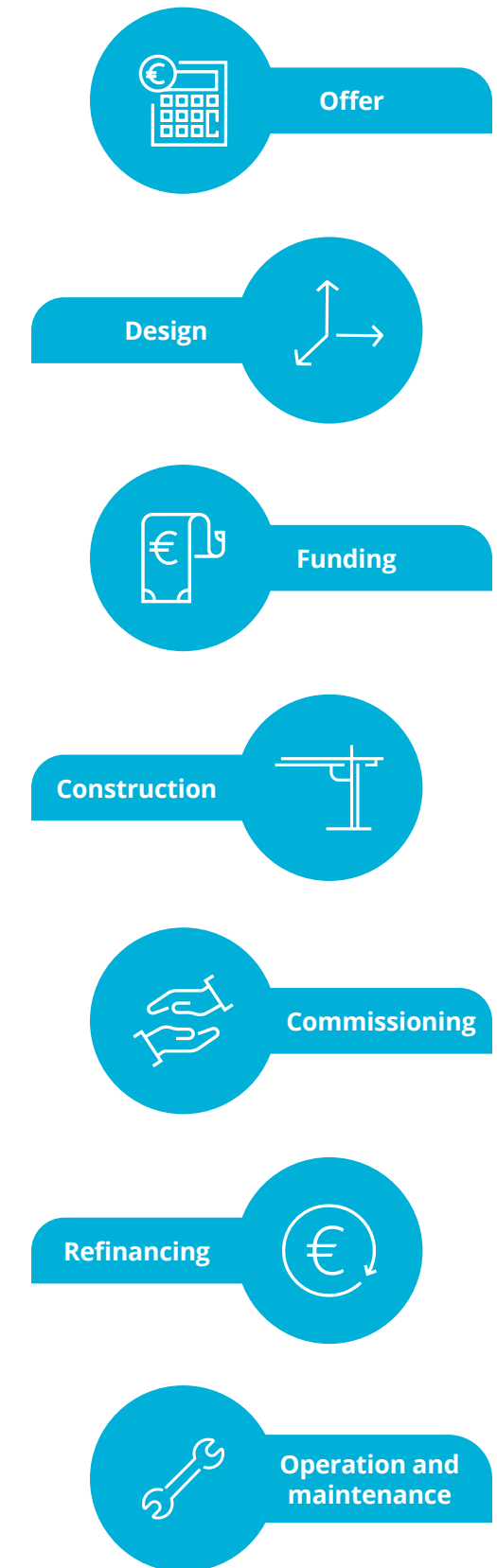
The success of our business model

Our strategic approach underpins the company's stability and soundness through the development of long-term projects in consolidated markets, with low demand risk, which generate predictable, stable and recurring revenues that, in turn, finance the associated debt and generate cash for the Group.

The vertical integration of the Sacyr Group's different business lines allows us **to generate value throughout a P3 projects life cycle**, making us stronger and more competitive thanks to:

- An increased capacity to identify new opportunities through our in-depth knowledge of markets.
- Design optimization to improve cost efficiency over the projects' lifetime.
- Streamlining of time frames.
- Financing capacity through structures that increase asset value.
- Appropriate risk allocation during the construction, operation and maintenance phases.
- Extensive experience in commissioning and managing assets.
- Selective asset rotation.

Market intelligence



Strategic vision

In this new cycle, the company sought to broaden the scope of its ambition even further, with the aim of enhancing the positive impact of its activities on society, the environment and the company's own finances.

For this reason, the basic pillars of the **2021-2025 Strategic Plan**, which are more salient than ever, are: sustainability, talent, the generation of shareholder value, cash and the reduction of recourse net debt.



Sustainability as a pillar

We are aware of our role as a driver of change in society. In order to respond to the needs of all our stakeholders, we have a sustainability strategy, our **Sacyr Sustainable Action Plan**, which is the roadmap for improving our ESG performance through 2025. This plan is structured around

four ambitions (Planet, Team, Positive Impact and Ambition at the Highest Level), plus a fifth, cross-cutting ambition: Sustainability Culture. The goal of this last pillar is to convey, promote and disseminate sustainability as a part of the organization's hallmark of identity.



Our ESG commitment, articulated from the highest governance body to day-to-day operations

To guarantee the application of the policies and the fulfillment of the established goals, Sacyr has a **Sustainability and Corporate Governance Committee** at the board of directors level and a **Sustainability Committee** at the executive management level.

The Sustainability and Corporate Governance Committee is responsible for supervising, proposing and updating corporate environmental, social and good governance policies for consideration and approval by the Board and determining the criteria and guidelines that should govern the content of the non-financial information statement.

The Sustainability Committee is responsible for developing and implementing sustainability-related policies and actions within a strategy aligned with the SDGs.

Our contribution to the SDGs

At Sacyr, we are aware of our role as a driver of change in society, with sustainability as a fundamental pillar of our activities. Consequently, the Group integrates the Sustainable Development Goals included in the United Nations 2030 Agenda, as a model for the company’s current and future development.

The critical challenges the world is currently facing as water stress, climate change, inequalities, waste management, universal access to healthcare services, among others, require immediate action.

Our activity contributes to promote social and economic progress with a solid environmental commitment:



	Modern social and healthcare infrastructure, addressing the highest social attention .
	Social and economic development through infrastructure projects in all the communities we are present.
	Safer roads, reducing travel times , while using sustainable materials and promoting sustainable mobility .
	Improved transit facilities, enhancing efficiency, security and comfort .
	Water and sanitation accessible in countries where we operate.
	Sustainable materials and latest technology infrastructure facing the circular economy challenge.
	Key player facilitating the transition to the new urban mobility paradigm.

02 OBJECTIVE & SCOPE OF APPLICATION

 We are
committed to
transparency,
 disclosure,
& integrity 



Objective & scope

Sacyr has applied the highest standards when developing this Sustainable Financing Framework (hereinafter the “Framework”).

Objective and scope of application

The Framework has been created to facilitate transparency, disclosure, and integrity of the company's sustainable financing initiatives.

The scope of application of the framework pertains to financial instruments and eligible projects, activities and businesses located mainly in America, Europe and Oceania. The Company is keen to pursue an innovative sustainable financing approach, intended for the holding company and for any of its subsidiaries, which includes sustainability-linked bonds, sustainability-linked loans, green bonds,

green loans, social bonds, social loans and other forms of subsidized financings, including transactional banking products (leasing, supply chain, guarantee lines, etc.).

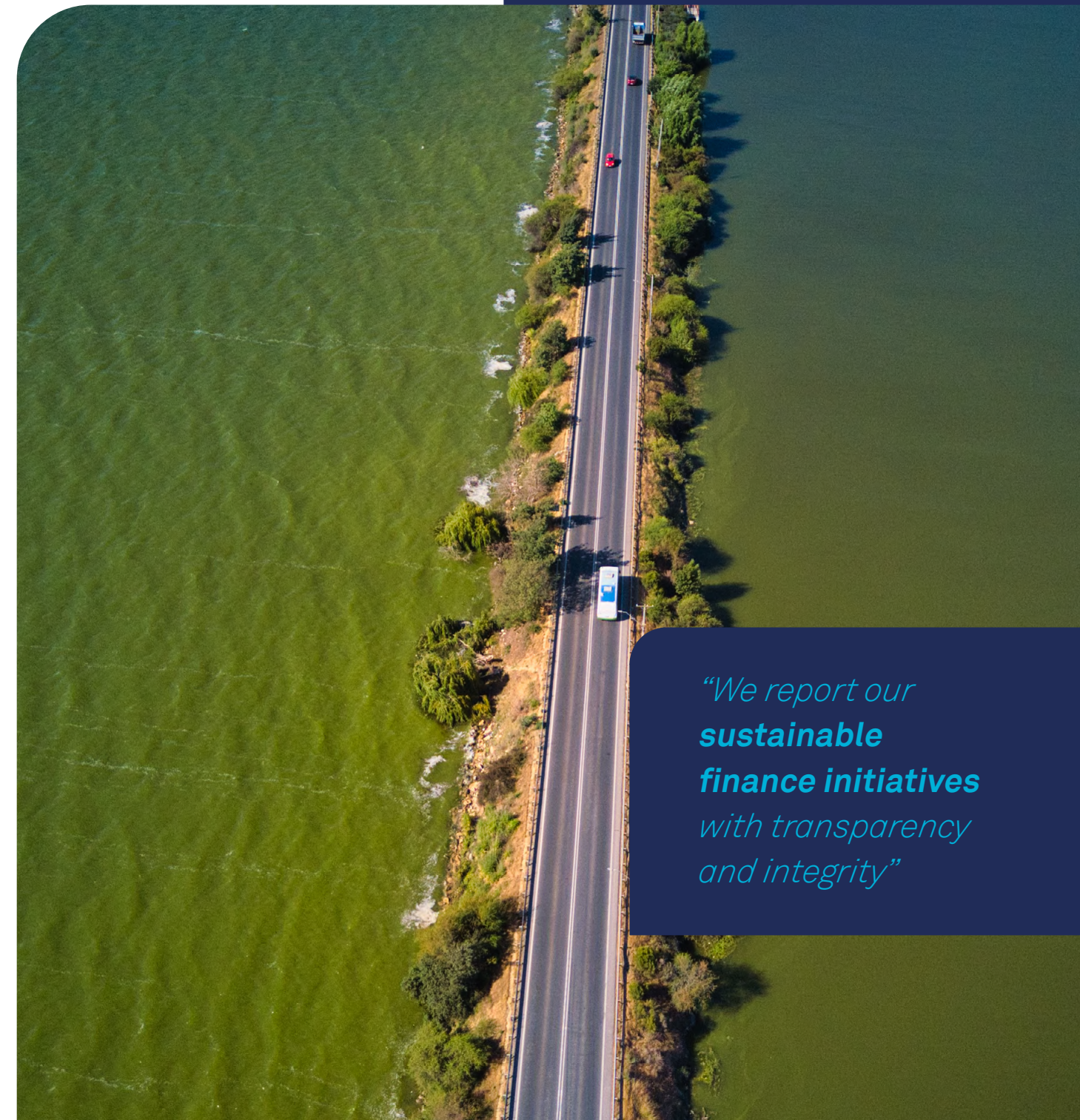
The combination of green and social eligible projects financed by one facility, will be designated as Sustainable.

The financial resources from the different Sustainable Financing products, issuances and/or contracting of Loans will be used exclusively to finance new projects or refinance existing projects, partially or totally.

Regarding green and social financing, the projects are classified as Eligible Green Projects and Eligible Social Projects in line with the categories, eligibility criteria, exclusions and impact indicators listed in the following sections.

Sustainability Linked facilities follow the approach consisted in linking its ESG Indicator as issuer or borrower to the terms of general corporate purposes debt, incentivizing the achievement of pre-determined Sustainability Performance Targets (SPTs) within a pre-determined timeline.

The definition of this structure and the selection of any ESG KPI will be specified in the relevant contractual documents when structuring a Sustainability-Linked Facility. The Company could eventually update this Framework and commits that any new version will keep or improve current levels of transparency and reporting (with the corresponding review by an external advisor) and that it will be publicly disclosed in its website.



“We report our sustainable finance initiatives with transparency and integrity”

03 GUIDELINES

INTERNATIONAL STANDARDS

■ We guarantee
a **rigorous**
and
quality
report



Guidelines

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

Those International Standards are a set of voluntary guidelines that promote integrity in the development of green and social financing instruments.

This Framework has been developed under the Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability-Linked Bond Principles (SLBP) set by ICMA, and the Green Loan Principles (GLP), Social Loan Principles (SLP) and Sustainability-Linked Loan Principles (SLLP), set by LMA.

According to the GBP and GLP, SBP and SLP, 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

According to the SLLP and SLBP, the framework would also cover the following components:



Selection of Key Performance Indicators (KPIs)



Calibration of Sustainability Performance Targets (SPTs)



Financial characteristics



Reporting



Verification

An External Review will be incorporated as a separate document, certifying the alignment of this Framework to the previously mentioned Guidelines and Principles.



*“We keep to the **strictest international standards** to guarantee the quality of the report”*

04 GREEN AND SOCIAL FINANCING

— We seek
— positive —
— environmental
— and social
— impact —



Green and social financing

Green and social financing instruments will be used to finance, or refinance, in whole or in part, the following Eligible projects according to the GLP/SLP and the GBP/SBP, and all designated Green/Social Projects provide clear environmental benefits.

Use of Proceeds

In the case of a possible Green/Social Bond issuance, the assets included in the Eligible 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/social bond reporting.

Sacyr will exclusively use the proceeds from green and social financing instruments to finance or refinance the portfolio of eligible projects, assets or services within the eligible categories as defined in this Framework.

4

Eligible Project Categories

Green Categories

Green Categories	Description	SDG and environmental objectives	Projects
Renewable energy	- The production of electricity through design, construction and operation and maintenance of: (I) renewable photovoltaic energy projects, (II) renewable wind power projects, (III) renewable projects based on waste to energy with biomass. - Design and construction of renewable hydroelectric energy plants.	Target: - Contribute to the decarbonization of the economy. - Provide energy from renewable sources. 	- The production of electrical energy (I) through photovoltaic panels, (II) through wind generators (III) production of electrical energy from agricultural and forest biomass (not coming from virgin forests) and derived from the maintenance of forests. Comply with Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources and comply with the efficiency established in the Spanish Royal Decree 413/2014, which regulates the activity of electricity production from renewable energy sources, defined in Annex I. - The design and construction of hydroelectric energy plants will be focused on the transmission and supportive infrastructure. The criterion to be used to be considered as an renewable energy improvement is the EU taxonomy threshold, regardless of project location. The projects will be executed according to the environmental regulations of each country, e.g., Environmental impact statement, due diligences, etc.
Energy efficiency	- Construction of electrical substations and transformer stations. - Construction of high and medium voltage networks. - Design, supply and assembly of equipment.	Target: - Contribute to the decarbonization of the economy. - Reduce energy losses in the grid. 	- Construction and maintenance of electrical substations and high and medium voltage networks., that allow for greater security of supply, rational use of energy, better voltage regulation, fewer supply interruptions, online loss reduction, etc., resulting in better energy performance. - Optimization of equipment in industrial facilities to improve energy efficiency. - The criterion to be used to be considered as an energy efficiency improvement is the achievement of ISO 50001, energy management or EU taxonomy threshold, regardless of project location.

Green Categories	Description	SDG and environmental objectives	Projects
Green buildings	Design, construction and operation and maintenance of new buildings and/or renovated buildings. These will be conducted in order to meet regional, national or internationally recognized standards or certifications for environmental performance, such as LEED, BREEAM, VERDE, PASSIVHAUS, CES, CEQUAL (Bream Infrastructure).	Target: - Contribute to the decarbonization of the economy. - Increase the energy performance of buildings. - Improve the performance of buildings throughout their useful life. 	- Construction of new buildings and remodeling of existing ones. In the case of building rehabilitation, those buildings that improve their energy efficiency, increasing their energy classification. The criterion to be used to be considered as an energy efficiency improvement is the EU taxonomy threshold, regardless of project location. For building renovations, Sacyr will take into account the highest energy efficiency standards according to the project's geography. (Spain Certification A or B, etc). - Construction of new buildings and remodeling of existing buildings with sustainable construction certification, will hold at least Very Good category in Breeam, Gold in Leed, VERDE (three leaves) PASSIVHAUS (Classic), CES (certified building), CEEQUAL-BREEAM Infrastructure (Very Good); using their holistic approach to achieve ESG, health and wellness and Net Zero Carbon goals. The requirements for sustainable construction certifications are adapted to local regulations.
Clean transportation	- The construction and maintenance of infrastructures that enable low-emission, clean and efficient transportation: electric train, tramway, and metro. - Recharging stations and associated infrastructure. - Electric, hybrid and electrified vehicles.	Target: - Contribute to the decarbonization of the economy. - Provide low-emission or zero-emission transportation. - Increase sustainable mobility. 	- Infrastructure related to clean transportation, such as: train, tramway, subway, etc. Includes the construction of stations. - Design and construction of electrified road infrastructures. - Design and construction of charging infrastructures for electric and electrified vehicles. - Acquisition, leasing and renting of low-emission vehicles and machinery (electric, "zero emissions" and/or hydrogen fuel cell). - The criteria for updating the vehicle fleet and machinery will depend on the project and the geography in which it will be developed. The most sustainable option that the market can offer will be selected, taking into account the development and market penetration of electric, "zero emissions", and/or hydrogen fuel cell in each site vehicles and machinery.

Green Categories	Description	SDG and environmental objectives	Projects
Green technologies	- Industrial production of green hydrogen. - Green hydrogen associated infrastructure.	Target: - Contribute to the decarbonization of the economy. - Increase sustainable mobility. 	- Design and construction of green hydrogen production plants. - Design and construction of green hydrogen transport infrastructures. - Design and construction of green hydrogen refueling infrastructures. - Potential production of green hydrogen projects will comply with the EU Taxonomy requirement of 73.4% life cycle GHG emissions reduction.
Sustainable water and wastewater management	- Construction and maintenance of integral water cycle, and water supply sources, storage, distribution, sewage network, water treatment, reclamation and reuse, piping, and sewage networks maintenance. - Design, construction, desalination Plant Operation & Maintenance to produce drinking water and /or agricultural use water.	Target: - Improved water quality in water supply and sanitation in towns and villages. - Reduction of water losses in pipelines - Improved discharge quality in wastewater treatment. - Water supply for human consumption in areas with high water stress levels. - Water supply for agricultural use in areas with high water stress levels. 	- The design and construction of the following types of infrastructure: - Wastewater treatment plants - Pumping stations - Potabilization stations - Supply and sanitation pipelines. It may include the operation and maintenance of these infrastructures: - Design, construction, operation, and maintenance of desalination plants. The criterion to be used to be considered as a sustainable water and wastewater management improvement is the EU taxonomy threshold, regardless of project location.

Green Categories	Description	SDG and environmental objectives	Projects
Climate change adaptation	- Construction of green areas. - Sustainable watershed restoration. - Construction maritime works. - Construction irrigation works. - Water pollution detection systems.	Target: - Adaptation to climate change. - Improved protection against climatic emergencies. - Improved irrigation efficiency and reduction of water losses. - Reduced water consumption. 	- Development of parks, urban forests and linear parks that aim to recover landscape richness, natural processes and ecosystem services, responding to site-specific conditions and promoting biological diversity¹. - Projects to restore and properly manage watersheds and river courses, planning water flows, flood plains, water quality and quantity, etc. - Infrastructures to regulate flood and flood flows, e.g. storm ponds. - Design and construction of the following types of infrastructure: - Coastal protection Works - Construction of breakwaters - Embankment heightening - Harbor enlargements, etc. - Design and construction of irrigation canals and pipelines. - Design, installation, maintenance, and management of automated water quality control systems.
Circular economy adapted products, production technologies and processes	- Manufacture of recycled pavements. - Development and manufacture of certified eco-labeled or eco-efficient products.	Target: - New products that contribute to the decarbonization of the economy. - Promote more sustainable production and consumption models, reducing the use of raw materials. 	Design of new products and processes that improve recyclability and reduce waste generation. New products or services will have EU eco-labeling or LCA and EPD, as appropriate, or ISO certifications (14021, 14024, 14025, e.g.).

¹<https://www.sacyr.com/-/de-parque-abandonado-a-oasis-verde-como-transformamos-el-parque-princesa-leonor>.

Social Categories

There are two groups of target population that will benefit from Sacyr's eligible social projects:

- Development of infrastructures in order to improve the quality of life of the general population of the country.** In this case, social financing will be allocated to projects located in countries with low levels of Gross National Income (GNI) per capita. To assess this Group, Sacyr takes the World Bank's categorization as a reference.

The World Bank² analyzes the GNI (Gross National Income) per capita of each of the world's countries and territories. According to this analysis, Sacyr is present in one Lower Middle Income Country (Algeria) and in five Upper Middle Income Countries (Brazil, Colombia, Mexico, Paraguay and Peru). It is important to mention that Sacyr, in these countries and in High Income Countries, develops public infrastructures for general population including people:

- Living with limited financial resources or living below the poverty line.
 - Excluded and/or marginalized populations and/or communities.
 - People with disabilities.
 - Aging populations and/or vulnerable youths.
 - Other vulnerable groups and minorities.
- Development of infrastructures located in any country where Sacyr develops its activity, aimed at a specific target population,** under the criteria established in the social bond and loans principles previously mentioned. In this case, the company will rely on definitions of target population developed by international official institutions and corresponding national authorities or agencies in each country.

Social Categories	Description	SDG and social objectives	Target Population
Affordable housing	Design, construction and operation and maintenance of affordable housing. <u>Residential buildings:</u> <u>Social housing:</u> Developed by administrations to enable citizens with lower incomes to buy or rent decent and adequate housing. <u>Residential infrastructure for seniors:</u> Infrastructure designed to provide public services of accommodation and lodging, health care and personal care for the elderly population.	Develop affordable and accessible housing in order to improve people's quality of life.   	Citizens with lower incomes. The criteria to define this group of people will be established by the Central Bank of the country where the project is located. Elderly population. According to the World Health Organization, this group includes people aged 60 years or over.

²Source: New World Bank country classifications by income level: 2022-2023.

Social Categories	Description	SDG and social objectives	Target Population
Affordable basic infrastructure	Design, construction and operation and maintenance of systems and facilities that serve as the basis for the economic growth of a country. <u>Non-residential buildings</u> developed by the administration and intended to provide publicly managed services: • <u>Health infrastructure</u>: Infrastructure to carry out public sanitation services that comply with coverage and quality parameters. This infrastructure is intended for the universal population of a country, including groups with a lack of quality access to essential goods and services, and increases in the case of developing countries. • <u>Education-related infrastructure</u>: Infrastructure as schools or universities designed to enable the general population, including people with limited financial resources who are beneficiaries of scholarships, to have access to public education. • <u>Cultural, sports, and wellness infrastructure</u>: Public infrastructure designed to host sport and wellbeing practices and develop artistic and cultural manifestations of the communities, including groups with limited financial resources: museums, libraries, theaters, sports centers, parks, etc. • <u>Governmental infrastructure</u>: Infrastructure designed to give public access to the general population for the exercise of different rights, such application for scholarships, financial aid, etc.	Development of accessible and affordable infrastructure in order to improve people's quality of life. 	Universal population of a country, including people with limited financial resources and with a lack of quality access to essential goods and services. The criteria to define this group of people will be established according to the Central Bank of the country where the project is located.

Social Categories	Description	SDG and social objectives	Target Population
Affordable basic infrastructure	• <u>Transportation infrastructures</u>: Infrastructure intended to give access to affordable and equitable transportation systems to the population, including those with limited economic resources (public transport, highways, railways, airports, ports, docks, maritime transport).	Development of accessible and affordable infrastructure in order to improve people's quality of life. 	Universal population of a country, including people with limited financial resources and with a lack of quality access to essential goods and services. The criteria to define this group of people will be established according to the Central Bank of the country where the project is located.
Access to essential services	Operation and maintenance of essential services. • <u>Water infrastructure</u>: Infrastructure designed to provide public access to safe and affordable drinking water and an adequate and equitable sanitation.	Development of accessible and affordable infrastructure in order to improve people's quality of life. 	Universal population of a country, including people with limited financial resources and with a lack of quality access to essential goods and services. The criteria to define this group of people will be established by the Central Bank of the country where the project is located.

³Source: WHO Guidelines on Integrated Care for Older People (ICOPE) <https://www.who.int/publications/i/item/9789241550109>.

Exclusion Criteria

Sacyr does not intend to include any of the following activities in its portfolio of sustainable financial instruments:



In case of Social Financing, financial instruments for projects in high income economies as designated by the World Bank.



Financial instruments for projects supporting fossil fuel or coal energy generation.



Acquisition, leasing and renting of low-emission vehicles and machinery will only be considered green under this Framework if they comply with the best sustainable practices in the market.



Armaments and defense.



Alcohol, tobacco, gambling, or arms.



Activities violating the rights of indigenous populations or activities in protected areas.



Activities involving exploitation of human rights, modern slavery (e.g. forced labor or human trafficking) or child labor.

Sacyr also complies with the general principles set out in our various ESG policies, which can be found at our website.

Sacyr complies with the minimum safeguards of the sustainable finance taxonomy





Sacyr uses the Principles for Responsible Investment of the United Nations (PRI) as the basis and reference for their actions



*“We carry out a **country profile analysis** to identify those that present opportunities.”*

Process for Project Evaluation and Selection

Sacyr identifies countries in which opportunities are present by conducting a profile analysis of the country, which includes reviewing the overall level of investment in the country and a screening of the country’s legal framework.

The initial phase includes the identification of opportunities within the geographic markets approved by the Business Development department, their follow-up in a database through the follow-up of official publications and bulletins in the different countries in which the Sponsor operates.

Sacyr investment committee has the responsibility to evaluate the projects from the financial, strategic, technical, legal, environmental, and social perspective, in order to identify all the potential risks and opportunities to obtain the approval in order to be part of the pipeline of the Group.

The assessment for Projects that will potentially receive allocations of amounts related to the green or social financing, will be initiated by the financial department and performed and coordinated with representatives

of the legal and sustainability areas/departments of the company (both corporate and operational).

Specialists within these departments, will verify that the project/s comply with the environmental and social standards, using a set of predefined evaluation parameters based on studies (e.g. environmental impact), financial modeling and due diligence, with the support of experts when deemed necessary, and will approve the project for green/social financing and obtain the Green/Social Project classification.

If the Eligibility criteria are met, these projects will be proposed to receive an allocation from the net proceeds from the Green or Social financial instruments and will be included in the portfolio of Green/Social projects.

Sacyr has an internal team of social and environmental experts to assists with the monitoring of ESG risks and controversies from the development of projects. Identified controversies are registered on an internal platform (“MyR!Sk”) that stores information such as the description of the ESG risk, impact, mitigation and control procedures.

Management of Proceeds

The company will track the use of proceeds of Green Financing instruments under this Framework to make sure that they are used to finance or refinance eligible projects described under the “Use of Proceeds” section, for Green and Social projects.

The proceeds of facilities would be managed by facility (according to their label as Green or Social), in order to manage the Sustainable Finance portfolio of the Group, which incorporates loans, bonds, transactional products and others.

Sacyr will temporary hold in its liquidity portfolio, including cash, cash equivalent, and/or other liquid marketable instruments, the balance of nets proceeds not yet allocated to eligible projects. Sacyr commits to not invest net proceeds in controversial activities as defined in the “exclusionary criteria” described in the “Use of Proceeds” section.

Sacyr intends for the proceeds of any Sustainable financing to be allocated to Eligible Green or Social Projects within 24 months of the incurrence of the debt.

In the case of divestment or if a project no longer meets the criteria as an Eligible Green or Social Project, Sacyr intends to reallocate the funds to one or more other Eligible Green or Social Projects.

Reporting

Sacyr will incorporate a “Sustainable Finance” chapter inside their Sustainability Integrated Annual Report, that will be publicly available, which details on the allocation of the proceeds related to their Sustainable Portfolio, as well as a description of the projects and in the case of Social Facilities, a description of the target population beneficiaries of the projects. In the case of a Green/Social 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 the Sustainable Portfolio



Total amount allocated to Eligible Projects (Green and Social) (Total)



Share of new financing and refinancing



The amount remaining unallocated (If any)

Impact Reporting

Sacyr will provide impact reporting and when feasible, including metrics regarding their Sustainable Portfolio, related to environmental and social impacts.

The aim of Sacyr is to disclose this information aligned with the Handbook for Harmonized Framework for Impact Reporting, for Green and Social Financings by ICMA, June 2023 version, where possible.

Examples of potential impact metrics for each Green and Social Categories:

Category	Potential Impact Metric
Renewable energy	Annual generation (MW/GWh).
	Avoided emissions. (tons of CO ₂ e).
	Renewable energy capacity installed or developed. (MW/GWh).
Energy Efficiency	Annual energy savings (MW/GWh).
	Estimated Annual GHG Emissions reduced (tons of CO ₂ e).
	ISO 50001 certified project to improve energy efficiency and reduce emissions.
Green buildings	Design and construction of buildings following sustainability guidelines (sustainable certification).
	Certification at least Good category in Breeam, Silver in Leed, etc.
	Building surface (m ²).
Pollution prevention and control	Annual generation from non-recyclable waste (MW/GWh).
	Avoided emissions. (tons of CO ₂ e).
	Waste reduced (tons).
	Products changed to increase waste reduced.
Clean transportation	Improvement of connections.
	CO ₂ emissions reduction. (tons of CO ₂ e).
	Emissions avoided (tons of CO ₂ e).
	Number of recharging stations (points).
	Power installed in recharging stations.



Category	Potential Impact Metric
Green technologies	Annual generation (electricity/other) (MW/GWh).
	Annual green hydrogen production (MW/GWh).
	CO ₂ emissions avoided (tons of CO ₂ e).
	Number of charging stations installed (points).
Sustainable water and wastewater management	Access to drinking water (no. of persons or equivalent number of inhabitants).
	Reduction of pollution (DQO, DBO...).
	ISO 50001 certified project to improve energy efficiency and reduce emissions.
Climate change adaptation	Intervened surface (m²).
Circular economy adapted products, production technologies and processes	Percentage (or total weight) of waste reused, recycled and recovered.
	Percentage (or total weight) of waste destined for disposal.
Affordable basic infrastructure	Number of people with access to affordable infrastructure (health or educational infrastructure, transport systems, etc.).
	Kilometers of roads rehabilitated/constructed.
	Number of beds in Hospitals.
Affordable housing	Number of dwellings or families benefiting from subsidized housing.
Access to essential services	Number of water infrastructure projects built/upgraded.
	Number of people provided with adequate and equitable sanitation.



05 SUSTAINABILITY-LINKED FINANCING

■ We are
■ advancing ■
towards the ■
decarbonisation
■ of our activity



Sustainability-linked financing

Key performance indicators (KPIs)

Definition

Sacyr's Scope 1 and 2 greenhouse gas (GHG) emissions, measured in metric tons of CO₂e. We report the emissions as CO₂ equivalents (CO₂e) as per GHG Protocol's guidance.

Scope/Perimeter

The KPI covers Sacyr S.A. and its subsidiaries (hereinafter referred to as Sacyr). It includes 100% of Scope 1 and 2 GHG emissions from Group centers under the operational control approach, that is, on those activities/contracts

over which it has the authority to introduce and implement its operational policies.

Scope 1:

Direct emissions coming from sources owned or controlled by us. Our direct emissions emanate from our various operating centers and are associated with:

- Fuel combustion from mobile sources: emissions from fuel consumption associated with travel and machinery.

- Fuel combustion from fixed sources: emissions from fuel consumption associated with stationary or fixed equipment and fixed facilities.
- Leaks: emissions from leaks of cooling gases from air-conditioning equipment.

Scope 2:

Indirect GHG emissions associated with electricity, including emissions from generating electric power we purchase and consume as a company. Indirect emissions come from our various operating centers and are associated with the electricity consumption of these facilities.

In June 2023, Sacyr reached an agreement to sell part of its Services business unit. This divestment process is framed in Sacyr's strategy to drastically reduce

its net recourse debt and focus on infrastructure P3 projects with low carbon intensity as its core business, in line with our climate change strategy. The completion of the transaction is subject to the compliance with the customary conditions precedent set out for this type of transaction and is expected for 4Q 2023. This agreement entails a change in the perimeter of the Sacyr Group, but in accordance with our Recalculation Policy, the change is not significant as it represents less than 10% of the KPI, so it is not necessary to recalculate the baseline. The same procedure could apply in case of future divestments with the same characteristics/magnitudes.

Regarding the main contributors to Scope 1 and 2 emissions, construction-related activities are the largest contributors to Scope 1, while the activity of facilities related to the integral water cycle contributes significantly to Scope 2 emissions.



“We focus on P3 infrastructure projects with low carbon intensity, in line with our climate change strategy.”

Rationale and Materiality

Climate change is one of the greatest environmental, social and economic challenges facing humanity. At Sacyr we are aware that all agents within society must play a part in curbing its consequences, and for this reason we actively contribute to creating a sustainable future by minimizing the adverse environmental impacts of all the Group's activities and companies. With this objective in mind, we approach carbon management from a cross-cutting or horizontal angle, in accordance with the relevant regulatory frameworks and the recommendations of international experts on climate change.

Sacyr performs a materiality analysis based on the concept of double materiality. The "Climate change and energy efficiency" topic is still the most important aspect. This ranking of material topics evidences our unwavering commitment to the environment and to transparency towards our stakeholders.

For years, Sacyr has been calculating the greenhouse gas emissions generated by its activities. This measurement allows us to gage our impact, detect the most emissions-intensive activities and establish mitigation measures in keeping with our objectives. At Sacyr, we are committed to fighting climate change, with the goal of becoming carbon neutral by 2050. To meet our goals, we have devised a plan as part of our Climate Change Strategy. Under this framework, we develop various lines of action and specific initiatives, along with the relevant KPIs to measure performance. In 2021, we already exceeded our targets for 2025, reducing Scope 1 and 2 emissions by 32% compared to 2016. Accordingly, we have updated our targets, which are endorsed by the SBTi (Science-Based Targets initiative), the benchmark for setting emissions reduction targets in line with what climate science considers necessary if we are to comply with the Paris Agreement. In 2022, we have updated

our 2021-2030 Climate Change Strategy, integrating the SBTi targets and increasing our ambition, taking 2020 as the baseline year. Therefore, Sacyr commits to reducing absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year.

The KPI is relevant and material to Sacyr's business as it clearly ties into our strategy of moving society towards a sustainable future by developing and managing infrastructure that generates a positive environmental impact for the benefit of all our stakeholders while at the same time minimizing our footprint by actively and continually managing that footprint. Therefore, the reduction of GHG emissions is essential due to its high materiality, frequent use in the market and the ability to be externally benchmarked.

Contribution to UN SDGs

Our commitment to greenhouse gas reduction directly addresses three UN Sustainable Development Goals:



Affordable and clean energy



Industry, innovation and infrastructure



Climate action

Methodology

Our approach to measuring greenhouse gas emissions follows the Greenhouse Gas (GHG) Protocol (www.ghgprotocol.org) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). We use the following two standards*:



The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard



GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard

*More information on Carbon Footprint calculation: [827b72b9-1181-6932-010b-dbbda9f39424 \(sacyr.com\)](https://827b72b9-1181-6932-010b-dbbda9f39424.sacyr.com/).

Historical Performance

The indicator and historical values have been submitted to an independent review in accordance with the ISAE 3410 standard “Assurance Engagements on greenhouse gas statements”, as part of our annual Integrated Sustainability Report.

Scopes 1 and 2 (tCO ₂ eq) pre-SBTi				
Base year 2016	2017	2018	2019	
578,150.55	538,075.08	528,369.78	486,619.80	
Annual change	-6.93%	-1.80%	-7.90	
Variation with respect to base year 2016	-6.93%	-8.61%	-15.83%	

Sustainability performance targets (SPTs)

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goal in the Paris Agreement: limiting global

warming to 1.5°C above pre-industrial temperatures. To achieve this, greenhouse gas (GHG) emissions must halve by 2030 – and drop to net zero by 2050.

Sacyr’s climate science-based targets are validated by SBTi and align with what climate science deems necessary to limit global warming to 1.5°C. With this, Sacyr reasserts its commitment to reducing absolute scope 1 and 2 greenhouse gas (GHG) emissions by 42% by 2030. This way, Sacyr is a step closer to meeting the goals set in the Paris Agreement after committing to establishing intermediate targets and designing a roadmap to science-based net-zero emissions.

To achieve this target, we have a Decarbonization Plan that includes different initiatives and projects, aligned with our Climate Change Strategy. These initiatives are coordinated by different working groups, made up of specialists representing the different business areas that make up the Sacyr Group. The main initiatives to reduce our Scope 1 and 2 emissions are focused on increasing energy efficiency, the consumption of energy from renewable sources and the promotion of sustainable mobility.

We compile an annual inventory of our greenhouse gas emissions following the GHG Protocol methodology and submit it to an independent review in accordance with the ISAE 3410 standard “Assurance Engagements on greenhouse gas statements”. Both the inventory and this verification report are published in our Integrated Sustainability Report each year.

Scopes 1 y 2 (tCO ₂ eq) SBTi Validated Target: reduction of 42% 2020-2030										
SBTi Base year 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
410,091.20	393,653.73	373,542.28	358,419.71	341,195.88	323,972.05	306,748.22	289,524.39	272,300.56	255,076.73	237,852.90
Annual Variation	-4.01%	-5.11%	-4.05%	-4.81%	-5.05%	-5.32%	-5.61%	-5.95%	-6.33%	-6.75%
Variation with respect to SBTi base year 2020	-4.01%	-8.91%	-12.60%	-16.80%	-21.00%	-25.20%	-29.40%	-33.60%	-37.80%	-42.00%

Recalculation Policy

The KPIs and the SPTs set out in this Framework may be changed and recalculated at the occurrence of any significant change in:

- The calculation methodology of the KPI.
- The change in applicable laws, regulations, guidelines and policies which are required for the determination of the KPI and/or the SPT.
- The data due to better data accessibility and accuracy or discovery of data errors.
- The perimeter of Sacyr Group due to any acquisition, demerger, merger, corporate reconstruction, divestiture, or disposal, where any such change is defined as significant.

Sacyr may also choose to recalculate the baseline and/or SPT for changes that will consider a modification of more than 10% in the baseline or SPTs. In such event these will be revised in good faith and amend this Framework.

Financial Characteristics

Sustainability-linked financing instruments will incorporate the KPI described in the section “a. Key performance indicators (KPIs)”, as specified in the legal documents (policies and contracts) of the sustainability-linked financing instruments.

In line with market practices, Sacyr is committed to incorporating an ESG structure that involves a step up / step down in the margin, which will be linked to the sustainability performance of the Group or its subsidiaries.

In the case that Sacyr cannot calculate or observe the SPTs in a satisfactory manner, a fallback mechanism clause will be included in the documentation with the explication of the different scenarios where it would be applicable.

The number of SPTs will vary depending on the maturity of the contemplated Sustainability-Linked facilities. For each Sustainability-Linked facility issued under this Framework,

the applicable SPTs and the dates at which compliance with the SPT will be assessed (the Target Observation Date(s)) will be detailed in the relevant documentation.

The interest coupon payable in respect of any Sustainability-Linked Bonds issued by Sacyr may be subject to a coupon adjustment in the event the applicable SPT in relation to the KPI are or are not achieved as of the relevant Target Observation Date(s).

Further information will be provided in the specific documentation relevant to each Sustainability-Linked facility issue.

Reporting

Sacyr will annually provide sufficiently up-to-date information to monitor the performance of the KPIs and to verify the accomplishment of the SPTs.

As transparency is of value in the Sustainable Finance market, Sacyr commits to publicly report the information by incorporating the KPIs into their Integrated Sustainability Report, which is verified by an external party.

This reporting would be published regularly, at least annually, in order to enable investors to monitor the progress of the SPT, especially when it is included in a facility. Also, this documentation will be shared annually with Sacyr’s lenders so they can confirm all the information and related impact to any Sustainability-Linked facility.

In case of a trigger event in a Sustainability-Linked Bond issuance that includes a coupon adjustment the performance of the KPI will be verified by an external party with relevant expertise.

The date on which Sacyr will publish the performance against the SPT will be at the time of publication of the Annual Integrated Sustainability Report, after the official external audit of our data by the external verifier. Each report will be available within 180 days from the end of each Financial Year and will include the data for the previous year ended on 31 December. Sacyr considers its Financial Year from January 1 to December 31, based on a natural year.

06 VERIFICATION

BY SECOND PARTY OPINION

■ We ensure
a **quality** ■
■ and ■
■ **truthful**
■ **report** ■



Verification

Sacyr has appointed S&P to provide an independent **Second Party Opinion** (“SPO”) report to evaluate this Framework and its alignment with the LMA and ICMA International Principles.

The SPO will be made publicly available on Sacyr’s corporate website, in the shareholders and investors section:

www.sacyr.com

If Sacyr updates its Framework, it will be subject to a new review from any qualified provider that could issue a Second Party Opinion.

Post-Issuance Review

All information related to the reporting under this Framework will be incorporated in the Annual Integrated Sustainability Report which will be verified by an external advisor of recognized prestige.

Amendments to this Framework

Sacyr will review the contents of this Framework from time to time, with a view to ensuring its ongoing alignment with updated versions of the GLP, GBP, SLP, SBP, SLBP and SLLP, and any relevant principles as and when they are available in the market.

Sacyr may also review this Framework in case of material changes in the scope, methodology, KPIs and/or the SPTs calibration. Such review may result in this Framework being updated and amended.

Any future updated version of this Framework, and its SPO, will be published on Sacyr’s website as well.



*“We secure the report through an independent **Second Party Opinion** report.”*

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