



FCC AQUALIA, S.A.

SECOND PARTY OPINION: AQUALIA GREEN BOND



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

FCC AQUALIA, S.A. (henceforth referred to as "AQUALIA" or the "Company") is an international specialist operator in water supply, sanitation and purification of the end-to-end water cycle, serving 44,8 million users in 18 countries in Europe, Latin America, Middle East and North Africa.

AQUALIA intends to issue a green bond (henceforth referred to as "the Bond") under its Green Financing Framework (henceforth referred to as the "Framework" or "GFF") in the range of EUR 500 million. The Bond is in alignment with the stated Standards and Principles (collectively the "Principles & Standards"):

- Green Bond Principles, June 2021 with June 2022 Appendix I (GBP) issued by The International Capital Market Association (ICMA)

DNV Business Assurance Spain, S.L.U. (henceforth referred to as "DNV") has been commissioned by AQUALIA to review its Bond and provide a Second Party Opinion, based on the Principles & Standards.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Bond, the value of any investments in the Bond, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bond has met the criteria established on the basis set out below.

Responsibilities of the Management of AQUALIA and DNV

The management of AQUALIA has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform AQUALIA management and other interested stakeholders as to whether the Bond is aligned with the Principles & Standards. In our work we have relied on the information and the facts presented to us by AQUALIA. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by AQUALIA'S management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the AQUALIA-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Bond has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using green bond proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made of the use of proceeds, and that quantitative and/or qualitative performance impact indicators should be used, where feasible.

No assurance is provided regarding the financial performance of the Bond, the value of any investments in the Bond, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bond has met the criteria established on the basis set out below.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by AQUALIA in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Bond, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by AQUALIA on the Bond and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by AQUALIA and AQUALIA's website;
- Discussions with AQUALIA's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings on the alignment with Principles & Standards are listed below:

1. Use of Proceeds

AQUALIA intends to use the proceeds from the issuance of the Bond to finance or refinance green projects in Europe that contribute to achieving the SDGs. The proceeds will be used to acquire or develop projects within the Sustainable Water and Wastewater Management and Renewable Energy categories, as described in Schedule 1.

All green projects, including those for refinancing, have been reviewed according to ambitious eligibility and exclusion criteria as defined in the GFF, and are aligned with the technical screening criteria set out in the EU Taxonomy Regulation.

For this Bond, AQUALIA intends to allocate funds to eligible green projects, provided that investment in the project occurred no earlier than 18 months prior to the bond's issuance date.

DNV undertook an analysis of the associated project type to determine its eligibility as green in line with the GFF and the Principles & Standards. DNV concludes that AQUALIA is committed to issuing this Bond in line with the GFF and that the eligible categories outlined are consistent with those outlined in the Principles & Standards.

2. Process for Project Evaluation and Selection

The GFF states that Aqualia has set up a Sustainable Finance Committee, which is responsible for ensuring that the proposed eligible green projects are aligned with the defined categories and eligibility criteria, and for approving any necessary changes if a project becomes ineligible. DNV has reviewed the minutes from meetings of the Sustainable Finance Committee, which describe how projects are evaluated and selected according to the criteria defined in the GFF.

DNV concludes that AQUALIA is committed to issuing this Bond in line with the GFF, and that the process for Project Evaluation and Selection is consistent with the criteria set out in the Principles & Standards.

3. Management of Proceeds

DNV has reviewed documentation stating that proceeds from this Bond issuance will be managed in accordance with the GFF. The GFF states that the use of proceeds of any Green Finance Instrument will be directed towards the financing and refinancing of AQUALIA's green projects.

The GFF states that a green finance register will be created to monitor the allocation of proceeds to eligible projects/assets, and that any proceeds raised pending disbursement will be managed in accordance with AQUALIA's cash management processes and policies.

DNV concludes that AQUALIA is committed to issuing this Bond in line with the GFF, and that the process for Management of Proceeds is consistent with the criteria set out in the Principles & Standards.

4. Reporting

DNV can confirm that AQUALIA has committed to providing annual reporting specific to this Bond issuance under the GFF, until the tracked proceeds have been fully allocated to eligible projects.

Both the expected environmental impacts of the eligible green projects financed, and the allocation of proceeds are included in this report on an annual basis. AQUALIA clearly outlines the proposed impact indicators and units of measurement for each eligible category.

DNV concludes that AQUALIA is committed to issuing this Bond in line with de GFF, and that the process for Reporting is consistent with the criteria set out in the Principles & Standards.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Bond is not, in all material respects, in accordance with the Pre-Issuance requirements of the associated green project category, and the GBP.

For DNV Business Assurance Spain, S.L.U.

Madrid, Spain / 31st May 2025



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Schedule 1. Description of Categories to be financed or refinanced through the Bond

ICMA Project Categories	Activities description	DNV Findings
Sustainable Water and Wastewater Management	– Construction, extension and operation of water collection, treatment and supply systems.	DNV concludes that the eligible categories described in the Bond are consistent with the categories described in the Principles and Standards.
	– Renovation of water collection, treatment and supply systems.	
	– Construction, extension and operation of wastewater collection and treatment.	
	– Renewal of wastewater collection and treatment.	
	– Construction, operation, upgrade, extension and renewal of desalination plants to produce water to be distributed in drinking water supply systems	
Renewable Energy	– Construction, operation or improvement of projects for the generation of hydroelectric energy	

Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Sustainable Water and Wastewater Management.	6 CLEAN WATER AND SANITATION 	DNV is of the opinion that the eligible category outlined in the Bond contributes to the achievement of the UN SDGs.
	7 AFFORDABLE AND CLEAN ENERGY 	
	11 SUSTAINABLE CITIES AND COMMUNITIES 	
	13 CLIMATE ACTION 	
Renewable Energy	7 AFFORDABLE AND CLEAN ENERGY 	
	13 CLIMATE ACTION 	

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond	The Bond must fall in one of the following categories, as defined by the Principles & Standards: • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond	The legal documentation reviewed states that the Bond falls in the category of a Green Use of Proceeds Bond. The reviewed evidence confirms that the Bond meets the criteria under the Principles, and DNV confirms this process to be well aligned with the Principles.
1b	Green Project Categories	The cornerstone of a Green Finance Instrument is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.	Eligible project category presented by AQUALIA for this Bond are as follows: • Sustainable Water and Wastewater Management. • Renewable Energy The above-mentioned project category meets the Eligible Green Project Categories in the Principles. DNV confirms this to be well aligned with the Principles.
1c	Environmental Benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	The GFF outlines the expected environmental benefits that will be realised by this Bond issuance: - Clean drinking water supplied - Mitigation of the consequences of floods and droughts - Reduced non-revenue water - Improved sanitation facilities - Reduced energy consumption for the water supply system - GHG emissions reduced/avoided DNV confirms that the proposed use of proceeds will reasonably be expected to deliver meaningful environmental benefits.
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-	Aqualia confirms that proceeds are intended to be used for finance (70%) and refinance (30%). All green projects, including those for

		financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	refinancing, have been reviewed according to the same eligibility and exclusion criteria as defined in the GFF. In addition, refinancing is only eligible for projects financed within the last 18 months. The proposed management of net proceeds from the Bond is confirmed by DNV to reasonably be expected to meet the criteria under the Principles.
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2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	The issuer of a Green Finance Instrument should outline the decision-making process it follows to determine the eligibility of projects using Green Finance proceeds. This includes, without limitation: • A process to determine how the projects fit within the eligible Green Projects categories identified in the GBP; • The criteria making the projects eligible for using the Green proceeds; and The environmental sustainability objectives	The GFF states that Aqualia has set up a Sustainable Finance Committee, which is responsible for ensuring that the proposed eligible green projects are aligned with the defined categories and eligibility criteria, and for approving any necessary changes if a project becomes ineligible. DNV has reviewed the minutes from meetings of the Sustainable Finance Committee, which describe how projects are evaluated and selected according to the criteria defined in the GFF. DNV confirms this process for project selection and evaluation to be well aligned with the Principles.
2b	Issuer Environmental and Governance Framework	Issuers are also encouraged to: • Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria • Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s).	DNV confirms that AQUALIA's environmental, social, and governance (ESG) strategies and grouping of projects with eligibility criteria, are well aligned with the Principles.

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	The net proceeds of Green Instruments should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	DNV has reviewed documentation stating that proceeds from this Bond issuance will be managed in accordance with the GFF. The GFF states that the use of proceeds of any Green Finance Instrument will be directed towards the financing and refinancing of AQUALIA's green projects. The GFF states that a green finance register will be created to monitor the allocation of proceeds to eligible projects/assets. DNV confirms that the processes to track proceeds and allocations of this Bond to the nominated projects are well aligned with the Principles.
3b	Tracking Procedure	So long as the Green Instruments are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	DNV confirms that the processes to track proceeds and allocations of this Bond to the nominated projects are well aligned with the Principles.
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	DNV has reviewed documentation stating that proceeds from this Bond issuance will be managed in accordance with the GFF. The GFF states that any proceeds raised pending disbursement will be managed in accordance with AQUALIA's cash management processes and policies. DNV confirms that the processes to track proceeds and allocations of this Bond to the nominated projects are well aligned with the Principles.

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	• Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. • The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. • Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).	DNV can confirm that AQUALIA has committed to providing annual reporting specific to this Bond issuance under the GFF, until the tracked proceeds have been fully allocated to eligible projects. Both the expected environmental impacts of the eligible green projects financed, and the allocation of proceeds are included in this report on an annual basis. AQUALIA clearly outlines the proposed impact indicators and units of measurement for each eligible category. DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles.



WHEN TRUST MATTERS

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener group. All rights reserved.