Sustainable Fitch
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Instituto de Crédito Oficial

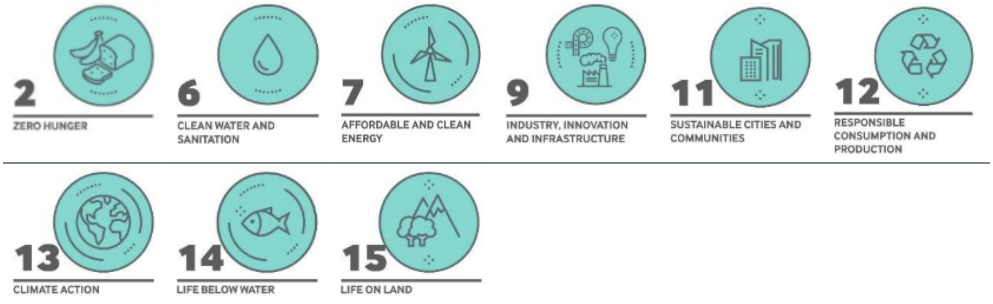
Second-Party Opinion — Green Bond Framework

Instituto de Crédito Oficial (ICO) is a Spanish public bank. It published a green bond framework covering nine environmental use of proceeds (UoP) categories, including renewable energy, energy efficiency, pollution prevention and control, clean transportation, climate change adaptation, green buildings and circular economy. Transactions under the framework align with the ICMA Green Bond Principles 2025 (GBP).

Excellent ☑ | Good | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	• Sustainable Fitch considers the UoP categories in ICO's green bond framework to be aligned with the ICMA GBP. • Its green UoP categories positively contribute to the six EU taxonomy environmental objectives. The eligibility criteria of several UoP categories align with international taxonomies, which enhances the framework's robustness and provides increased confidence regarding environmental impact.
Use of Proceeds – Other Information	Excellent	• Its comprehensive exclusion list and alignment with multiple internal and external sustainability policies, including ESG risk assessment policies, assert environmental benefits and responsible practices. A minimum share of new projects could provide more visibility on the bond's additionality.
Evaluation and Selection	Excellent	• The evaluation and selection process is well-structured and integrated across ICO, ensuring consistency, traceability and ongoing compliance with eligibility criteria throughout the bond's life. The cross-team selection process is coordinated by the sustainable finance team, involving relevant business units.
Management of Proceeds	Good	• ICO has clear procedures for unallocated proceeds, with virtual segregation and temporary investments in line with its liquidity policy and market practices. However, temporary investments aligned with eligibility criteria and a definitive segregation of proceeds would further improve transparency and tracking.
Reporting and Transparency	Excellent	• ICO's reporting practices are robust. It has committed to publishing annual allocation and impact reports with external verification until full allocation.

Relevant UN Sustainable Development Goals



Framework Type	Green	
Alignment	✓	Green Bond Principles 2025 (ICMA)
Date assigned	6 May 2026	
SPO Methodology		

See Appendix B for definitions.

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Use of Proceeds Summary – ICMA Categories

Green	Renewable energy
	Energy efficiency
	Pollution prevention and control
	Environmentally sustainable management of living natural resources and land use
	Clean transportation
	Sustainable water and wastewater management
	Climate change adaptation
	Circular economy adapted products, production technologies and processes
	Green buildings

Source: ICO green bond framework (May 2026), ICMA GBP

Framework Highlights

We consider transactions under ICO's green bond framework from May 2026 to be aligned with the ICMA GBP. In our opinion, the framework's alignment with these principles is 'Excellent'.

ICO has issued green bonds since 2019 under its initial green bond framework. It enhanced its 2021 green bond framework in 2026 to explicitly target specific UN Sustainable Development Goals (SDGs) and map eligible activities against the EU environmental objectives and EU taxonomy economic activities, in line with ICO's mission to support and promote a sustainable business fabric, aligned with the SDGs.

ICO can issue green and thematic bonds under the framework and allocate proceeds to finance or refinance projects or loans through mediation facilities, direct financing and private capital activities across any of the nine UoP categories, in line with the framework's eligibility criteria.

We expect the framework's nine green UoP categories to generate positive environmental impacts, as they include investments that are eligible under the EU taxonomy and other criteria aligned to international standards. Furthermore, activities that contribute to climate change mitigation directly support Spain's decarbonisation pathway, in line with the country's target to achieve national climate neutrality by 2050.

The framework clearly defines the eligibility criteria for each UoP, allowing the financing or refinancing of new and existing projects under renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, clean transportation, sustainable water and wastewater management, climate change adaptation, circular economy, and green buildings.

ICO intends to consider the application of do no significant harm principles and minimum safeguards for eligible projects where feasible and report them on a best-effort basis. This approach would enhance transparency for investors.

The ICMA recommends that eligible projects are clearly described in the legal documentation for transactions. We have only reviewed the green bond framework for this Second-Party Opinion and have not reviewed any transaction legal documents or marketing materials.

Source: Sustainable Fitch, ICO green bond framework (May 2026)

Entity Highlights

ICO is a public development bank established as a state-owned enterprise. It serves both as Spain's national promotional bank and as the state's financial agency. It is supervised as a credit institution by the Central Bank of Spain. The ICO Group also comprises Axis, a venture capital firm, and Fundación ICO. ICO is headquartered in Madrid, where all group entities are based, and it conducts most of its financing activities within Spain. The group had EUR42.6 billion in total assets at end-2025.

ICO's activities as a promotional bank include mediation facilities through defined intermediary banks; direct financing through loans, credit lines, project finance and guarantees; private and venture capital via AXIS, ICO's venture capital subsidiary; and complementary financing through bonds, promissory notes and securitisations. ICO has traditionally operated

countercyclically in its capacity as a national promotional bank throughout various macroeconomic phases in the Spanish economy.

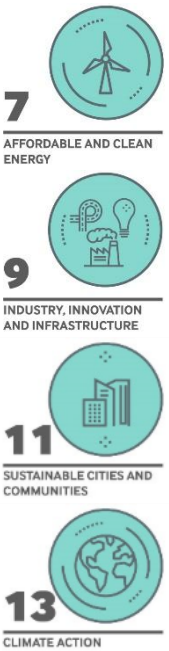
ICO's commitment to long-term sustainable development is based on three main lines: signposting role, acting as a benchmark for other market participants; actively contributing to the protection of natural capital and the reduction of GHG emissions; and supporting economic development balancing social progress and environmental protection. ICO's sustainability commitments are articulated in its sustainability policy, which it reviewed and updated in 2023.

ICO seeks to serve as a catalyst for sustainability within the financial system, fostering public-private partnerships to advance sustainable finance. The institution also actively promotes sustainability across its operations, including sustainable financing activities such as green loans, sustainability-linked loans and participations in sustainable funds. Additionally, ICO supports sustainability through its liability activities by issuing green bonds.

Source: Sustainable Fitch, ICO green bond framework (May 2026), ICO investor presentation (March 2026)

Use of Proceeds – Eligible Projects	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
Renewable energy	
• Acquisition, maintenance, refurbishment and/or repowering of existing and development, construction or installation of new renewable energy production facilities from renewable sources, including solar, wind, bioenergy and hydropower, as set out in sections 4.1, 4.2, 4.17, 4.3, 4.8, 4.20 and 4.5 of Annex I to Commission Delegated Regulation (EU) 2021/2139, respectively. • Development, construction, equipment, operation and maintenance of new or additional energy transmission and distribution networks, including: – transmission and distribution systems that transport electricity generated with a life-cycle GHG emissions intensity below 100gCO_2e/kWh; and – construction and operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases as set out in section 4.14 of Annex I to Commission Delegated Regulation (EU) 2021/2139. • Development, construction and upgrade of equipment and facilities for the production of low-carbon gases and biofuels, including: – hydrogen with related life-cycle emissions under the threshold of 3tCO_2e/tH_2, as set out in section 3.10 of Annex I to Commission Delegated Regulation (EU) 2021/2139; and – biogas and biofuels, as set out in section 4.13 of Annex I to Commission Delegated Regulation (EU) 2021/2139.	• This UoP has a positive environmental impact, as it supports the Spanish energy and climate objectives for 2050: national climate neutrality, 100% renewable energy in the electricity mix and 97% renewable energy in the total energy mix. • We positively view renewable energy generation from zero-carbon-emissions sources such as solar and wind. These automatically align with international environmental taxonomies, as their life-cycle GHG emissions are significantly lower than fossil fuel-based generation. • We view it positively that hydropower generation projects must comply with strict criteria, either by being a run-of-river plant, having a power density above 5W/sqm, or life-cycle emissions lower than 100gCO_2e/kWh, in line with EU taxonomy thresholds and other international taxonomies. • Spain aims to increase the share of renewable energy sources in the grid, which was 59% as of end-2024. This UoP includes the construction, operation and expansion of networks dedicated to transporting electricity generated from renewable sources, which further accelerates the renewable energy growth and supports the country's target. • We also view it positively that the UoP includes renewable energy from low-carbon sources, namely hydrogen, bioenergy and sustainable biofuels, which support the decarbonisation of industry and transport in Spain. • Primary or virgin feedstock's GHG emissions savings are usually lower than residual feedstock, and risks related to land use or competition with food and feed crops may be more relevant when comparing the two. However, sustainable risk management practices and exclusions could address risks and support alignment with best practice. • The UoP is mapped to SDGs 7 (affordable and clean energy), 9 (industry, innovation and infrastructure) and 13 (climate action), supporting Spain's progress towards the UN SDGs, and aligns with the ICMA GBP renewable energy category.
Energy efficiency	
• Development, operation, distribution and maintenance of equipment or technology helping reduce energy consumption and increase energy savings, including: – construction and operation of electricity storage including cells, batteries, accumulators, chemical energy storage and pumped hydropower storage, as set out in sections 3.4 and 3.10 of Annex I to Commission Delegated Regulation (EU) 2021/2139; – construction and operation of facilities that store thermal energy; – hydrogen storage facilities and conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen storage, where hydrogen meets the criteria set in section 4.1.3 of the framework; – district heating and cooling using at least 50% renewable energy, 50% waste heat, 75% cogenerated heat or 50% of a combination of such energy and heat sources, or meeting the definition of an efficient district heating and cooling system under the Energy Efficiency Directive; – smart grids, such as smart meters, sensors or remote-control devices contributing to energy efficiency; – manufacture, installation, maintenance and repair of energy-efficiency equipment as set out in sections 3.5 and 7.3 of Annex I to Commission Delegated Regulation (EU) 2021/2139; and	• This UoP has a positive environmental impact, as it supports Spain's efforts to improve end-use energy efficiency by 43% by 2030. • International Energy Agency (IEA) data shows that GHG emissions today would have been 20% higher without the efficiency gains since 2010, and energy efficiency remains one of the key drivers to lower emissions in the future. We view energy-efficiency activities positively, particularly as the framework's criteria align with the EU taxonomy. • Energy storage systems facilitate greater renewable power deployment and transmission. They provide flexibility; balance supply and demand; improve renewable sources' reliability and efficiency, as they are inherently intermittent; and increase energy efficiency by allowing load shifting, so stored energy can be used during periods of high demand. • We view district heating and cooling positively due to the clearly defined eligibility criteria. • Residential, commercial and public service buildings account for 66% of total final electricity consumption in Spain. Therefore, energy-efficiency equipment, including smart grids, is important for reducing electricity consumption in buildings and public spaces, positively contributing to climate change mitigation. • IEA data states that electricity demand from data centres increased by 17% globally in 2025, with consumption from

– data processing, hosting and related activities meeting energy efficiency criteria, including, where relevant, those set out in section 8.1 of Annex I to Commission Delegated Regulation (EU) 2021/2139.	AI-focused data centres rising by 50%, significantly outpacing global electricity demand growth of 3%. We positively view projects that reduce energy consumption and enhance energy efficiency in data processing. • This UoP is mapped to SDGs 7, 9 and 12 (responsible consumption and production) and aligns with the ICMA GBP energy efficiency category.	
Pollution prevention and control		
• Safe management of hazardous waste and remediation of contaminated sites, including: – separate collection, transportation and treatment of hazardous waste, as part of pollution prevention and control activities, covering the incineration of non-recyclable hazardous waste, biological treatment, physico-chemical treatment and other comparable treatment methods, as set out in sections 2.1 and 2.2 of Annex III to Commission Delegated Regulation (EU) 2023/2486; and – remediation of contaminated land and sites, including contaminated soils, groundwater, surface waters and industrial sites, as well as containment and monitoring measures directly linked to the remediation works.	• This UoP has a positive environmental impact and supports Spain's national waste framework plan, which aims to guide the Spanish waste policy, including traceability, safety and sustainability in hazardous waste management. • We positively view the management of hazardous waste UoP sub-category, as the detailed criteria indicate proper measures to mitigate risks of hazardous waste handling are in place. • The European Environment Agency found that complete inventories of contaminated sites are lacking at the EU level but concluded that the overall remediation rate is low. We view projects that contribute to a higher rate of remediation of contaminated lands as environmentally positive. • Remediating contaminated sites has several benefits, including protecting ecosystems and biodiversity, preventing bioaccumulation, improving soil and water quality, improving air quality, reducing GHG emissions from natural carbon sequestration and mitigating GHG emissions from previously degraded land. • The eligibility criteria of this sub-category do not align with international taxonomies, although potential negative impacts are partially offset by ICO's internal risk management practices; adherence to the Equator Principles adds additional strengths. • This UoP is mapped to SDG 12 and aligns with the ICMA GBP under the pollution prevention and control category.	
Environmentally sustainable management of living natural resources and land use		
• Development, manufacturing, construction, operation and maintenance of sustainable agriculture, fishery and forestry activities, including: – sustainable agriculture (organic farming certified with the EU label) and climate-smart farm inputs such as biological crop protection or drip irrigation; – environmentally sustainable fishery, confirmed through Marine Stewardship Council (MSC) or equivalent certifications, and sustainable aquaculture, confirmed through Aquaculture Stewardship Council (ASC) or equivalent certification; and – environmentally sustainable forestry, confirmed through Forest Stewardship Council, Programme for the Endorsement of Forest Certification or equivalent certifications.	• This UoP has a positive environmental impact, as it supports the conservation of biodiversity, the promotion of sustainable agriculture and the responsible use of forest and aquatic resources. It is also relevant for maintaining ecosystem services and supporting rural livelihoods. • Internationally recognised certifications help mitigate deforestation, overfishing and unsustainable land use risks, providing assurance of environmental performance. However, the effectiveness of some certifications may vary depending on local implementation and monitoring. • The OECD reported that Spain has one of the largest areas of certified organic agriculture in Europe and the world. Organic farming avoids the use of synthetic fertilisers and pesticides, reduces soil and water pollution, promotes biodiversity and tends to enhance soil health. • Farming is a significant source of GHG emissions globally, primarily methane and nitrous oxide. It also has substantial carbon sequestration and biodiversity enhancement potential. The sector is directly affected by climate change, making adaptation essential to ensure food security and resilience, although agriculture is not yet fully covered by the EU taxonomy. • MSC and equivalent certifications set adequate standards for wild-caught fishing. ASC and equivalent certifications for aquaculture ensure responsible fish farming practices. • However, issues include the intrinsic negative environmental impacts associated with the wild-caught fishing industry and the controversies surrounding MSC and ASC certification. Concerns also extend to the lack of state-of-the-art scientific	   

	understanding, inadequate fishery management practices, insufficient waste management and cost barriers for small-scale fisheries. • Seafood labels' alignment with established taxonomies is uncertain, as the EU has not yet classified fisheries and aquaculture activities as environmentally sustainable. • Sustainable forest management is key to protect biodiversity and ecosystem services. Raw materials from forests are renewable, recyclable and biodegradable, and can be used for many different products to replace fossil alternatives. Projects help mitigate negative environmental impacts by promoting sustainable forest management practices, maintaining important natural values and supporting climate change adaptation. • Certifications are important components of sustainable forestry, but they may provide varying levels of transparency in the certification process. This is partially mitigated through its alignment with local laws and its promotion of nature protection and habitat management. • This UoP is mapped to SDGs 2 (zero hunger), 12, 13, 14 (life below water) and 15 (life on land) and aligns with the ICMA GBP under the environmentally sustainable management of living natural resources and land use category.	
Clean transportation		
• Development, manufacturing, construction, operation and maintenance of low-carbon vehicles and transportation infrastructure, inland and sea and coastal water transport, including: – rolling stock and infrastructure for transportation systems with zero direct (tailpipe) CO_2 emissions, for public mass transportation and for freight transportation; – personal mobility devices and dedicated infrastructure, where propulsion is provided by the user's physical activity, a zero-emissions motor or a combination of both; – fleets of vehicles emitting 0gCO_2/km; – construction and operation of electric vehicle charging stations and supporting electric infrastructure for the electrification of transport; – infrastructure for low-carbon road and off-road transportation, such as passenger cars, public transportation, road freight, waterborne transport and aircraft; and – low-carbon maritime transport activities, including maritime freight transport, port operation and auxiliary vessels, and maritime and coastal passenger transport, as set out in sections 6.10, 6.11 and 6.12 of Annex I to Commission Delegated Regulation (EU) 2021/2139. • In any case, the financed assets and activities are not dedicated to the transport of fossil fuels.	• This UoP has a positive environmental impact as it supports Spain's transition to zero- and low-carbon mobility, contributing to national and EU targets for emissions reduction and sustainable urban development. • The IEA reported that the transport sector is the largest source of emissions in Spain, with 45% of total energy-related CO_2 emissions. Transport electrification is relevant for reducing the sector's contribution to national emissions. • Rolling stock and infrastructure for transportation systems with zero direct (tailpipe) emissions substantially contribute to climate change mitigation, as they reduce GHG emissions and air pollutants compared to diesel-powered alternatives. The infrastructure transition improves energy efficiency and allows for integration of renewable energy sources. • Personal mobility projects, such as expanding cycling and pedestrian infrastructure, help improve air quality and public health. • Financing zero-emissions vehicles is positive, reflecting excellent performance through the defined eligibility threshold of 0gCO_2/km. This contributes to national and international targets, as Spain's national strategy aims to increase the share of zero-emissions vehicles in the fleet by 2030 through its "Plan España Auto 2030". • Electric vehicle charging points and supporting infrastructure have a positive environmental impact, as they support the electrification of the transport system and enable the further deployment of zero-tailpipe-emissions vehicles. Charging and supporting infrastructure can enable a better carbon performance as Spain's energy mix continues to move to more renewable sources. • We view it positively that the framework aligns with the EU taxonomy criteria for maritime transport, as it could support and accommodate for future market developments, as zero-emission or near-zero-emission ocean-going vessels remain at a very early stage of commercial deployment and are not yet widely available at scale. • We positively view that the projects will not be dedicated to transporting fossil fuels.	

	• This UoP is mapped to SDGs 7, 9, 11 (sustainable cities and communities) and 13 and aligns with the ICMA GBP under the clean transportation category.
Sustainable water and wastewater management	
• Development, construction and maintenance of water and wastewater management systems and facilities, including: – water collection, treatment and supply systems meeting low-carbon emission criteria or water efficiency and water quality criteria, including, where relevant, those set out in sections 5.1 and 5.2 of Annex I to Commission Delegated Regulation (EU) 2021/2139 or in section 2.1 of Annex I to Commission Delegated Regulation (EU) 2023/2486, respectively; and – wastewater collection and treatment systems meeting low-carbon emission criteria or water quality and water resource protection criteria, including, where relevant, those set out in sections 5.3 and 5.4 of Annex I to Commission Delegated Regulation (EU) 2021/2139 or in section 2.2 of Annex I to Commission Delegated Regulation (EU) 2023/2486, respectively.	• This UoP has a positive environmental impact as it supports the development, extension, operation, maintenance and renewal of water and wastewater collection, treatment and supply networks, while ensuring high energy efficiency. • Europe has been affected by recent droughts and increased water demand due to population growth and seasonal tourism in specific regions, pressuring water resources. Therefore, we positively view that the UoP finances efficiency and water-saving measures that significantly reduce losses through new processes and technologies. • We view the construction, extension, operation and renewal of water collection, treatment and supply systems positively due to their environmental benefits, improvements to public health, protection of ecosystems and increased water supply security and resilience. This is important as Spain's structural water stress stands at 43% (the threshold for high stress is 40%), with a high agricultural demand. • The Freshwater Information System for Europe found that households and certain industries in 2,073 urban areas in Spain generated 63.1 million population equivalent of wastewater each day as of 2020, equivalent to about 12.62 million m^3. This urban wastewater must be properly treated before discharge to prevent environmental pollution. • We assessed the construction, extension, operation and renewal of wastewater collection and treatment systems positively, as they prevent pollution, protect aquatic ecosystems, strengthen network resilience and reduce pollutant loads discharged to water bodies. • Overall, the projects support Spain's objective of a 10% improvement in water use efficiency by 2030, as they preserve water resources, enhance the resilience of the water supply, reduce water losses from leakage, improve energy efficiency and strengthen the resilience of wastewater and surface water networks. • We positively assess that the framework references EU taxonomy activities, ensuring that projects meet robust technical criteria for water quality and resource protection. • This UoP is mapped to SDG 6 (clean water and sanitation) and aligns with the ICMA GBP under the sustainable water and wastewater management category.
Climate change adaptation	
• Development, manufacturing, construction, operation and maintenance of systems and activities that contribute to climate change adaptation, including: – systems or activities that substantially reduce the material physical climate risks affecting the activity itself through appropriate adaptation solutions; and – systems or activities that provide or promote the use of technologies, products, services, information or practices that increase resilience or support the adaptation efforts of other people, nature, cultural heritage, assets or economic activities.	• This UoP has a positive environmental impact as it supports the development, construction, operation and maintenance of systems and activities that reduce material physical climate risks and increase resilience to climate change. • Climate change adaptation measures are crucial due to the increasing frequency and severity of extreme weather events, and the long-term impact of climate change. The activities help prevent and reduce risks from climate-related hazards. • Spain is increasingly exposed to these risks, including heatwaves, droughts and flooding, which are projected to intensify under future climate scenarios. • In response, Spain addresses climate change adaptation through Law 7/2021 on Climate Change and Energy Transition, which supports the national climate change adaptation plan 2021–2030 as the main planning instrument. The plan aims to promote coordinated and coherent action against the effects of climate change, integrating adaptation into public and private policies.

	• Consequently, financing adaptation solutions that substantially reduce physical climate risks is essential to achieving the country's objectives, as these measures safeguard infrastructure, communities and ecosystems from the adverse effects of climate change. • However, the absence of full alignment with international standards or taxonomies limits our assessment, with limited visibility on the technologies and practices implemented. • This UoP is mapped to SDGs 11 and 13 and aligns with the ICMA GBP under the climate change adaptation category.	
Circular economy		
• Development, manufacturing, construction, operation and maintenance of circular economy systems and activities, in line with the waste hierarchy and with priority given to waste prevention, preparation for reuse and recycling, including: – manufacture of plastics, packaging, paper and cardboard, electrical and electronic equipment, as well as other products, including, where relevant, those set out in sections 1.1 and 1.2 of Annex II to Commission Delegated Regulation (EU) 2023/2486; – collection and transport of non-hazardous and hazardous waste aimed at preparing for reuse or recovery; – treatment of hazardous waste as a means for recovery operations, as set out in section 2.4 of Annex II to Commission Delegated Regulation (EU) 2023/2486; – recovery of non-hazardous waste into secondary raw materials through mechanical, chemical or other recovery processes; – energy recovery from non-hazardous waste, excluding incineration and limited to waste that cannot be reused or recycled, in line with the waste hierarchy; – recovery of bio-waste by anaerobic digestion or composting for biogas, biomethane, digestate, compost or chemicals; – depollution and dismantling of end-of-life products, movable assets and their components for materials recovery or preparation for reuse, including the dismantling of end-of-life products and movable assets and their components of any type, such as automobiles, ships and electrical and electronic equipment for material recovery; and – circular economy services, including repair, refurbishment, remanufacturing, spare parts sales, preparation for reuse and second-hand sales.	• This UoP has a positive environmental impact, as it encompasses a broad range of activities that support resource efficiency, waste reduction and material recovery in line with circular economy principles. • The proceeds support biological packaging and biological plastic that have less environmental impact than single-use virgin plastic does. We view their use and production positively. • Biological packaging and biological plastic release significantly less CO_2 than virgin plastic. Plastic bottles can be recycled a limited number of times using mechanical methods before the quality degrades. After this, they can either be turned into non-food-grade products, such as synthetic fabrics, plumbing pipes and toys; go directly to landfill; or be incinerated after consumption. • The projects can support Spain's circular economy strategy "España Circular 2030" to be achieved by 2030, which aims to reduce waste generation by 15% compared to 2010, reduce food waste generation by 50% per capita in retail and households, and reduce food waste generation by 20% in production chains and supply, compared to 2020 levels. • Circular economy-related activities play a crucial role in reducing environmental impacts associated with resource extraction, manufacturing and waste disposal. The proliferation of plastic production, use and waste will further expand by 70% by 2040 without more ambitious policies, according to the OECD. • Circular economy systems and activities are environmentally positive, as they prioritise waste prevention in preparation for reuse and recycling. This includes the recovery of non-hazardous waste into secondary raw materials, energy recovery from non-hazardous waste, recovery of bio-waste through anaerobic digestion or composting, depollution and dismantling of end-of-life products for materials recovery or reuse, and circular economy services. • Raw material trade is often related to opaque supply chains, price volatility and import dependency. Recycling existing raw materials can mitigate these negative side effects and reduce GHG emissions, use of natural resources and biodiversity loss. Therefore, we view these activities positively. However, the processes can be energy-intensive and lead to transport-related emissions for raw materials, potentially offsetting some of the environmental benefits. • We view it positively that the manufacturing of plastics, packaging, cardboard and equipment, as well as the treatment of hazardous waste for recovery operations, follow the EU taxonomy SCC for circular economy. • This UoP is mapped to SDGs 7, 11 and 12 and aligns with the ICMA GBP under the circular economy adapted products, production technologies and processes category.	

Green buildings	
• Acquisition, construction, development or renovation of energy-efficient buildings, including: – buildings with the primary energy demand at least 10 % lower than the threshold set for nearly zero-energy buildings, as set out in section 7.1 of Annex I to Commission Delegated Regulation (EU) 2021/2139. – buildings required to have, or that are designed and intended to receive, a design-stage certification, a post-construction certification or an in-use certification of any of the following building certification schemes: LEED Gold, BREEAM Excellent or any other equivalent recognised regional certification with similar standards; and – buildings for which renovation leads to an energy savings of at least 30% compared to the baseline performance of the building before the renovation, as set out in section 7.2 of Annex I to Commission Delegated Regulation (EU) 2021/2139.	• This UoP has a positive environmental impact, as it contributes to the decarbonisation of buildings, which currently represent 10% of total energy-related CO_2 emissions and 66% of the total final electricity consumption in Spain. • Several plans and programmes coexist in Spain to promote the energy retrofitting of existing buildings and energy efficiency and sustainability in housing, including the national integrated energy and climate plan and the long-term strategy for energy retrofitting in the building sector. • We positively view the construction of new buildings, as it aims to finance projects with primary energy demand at least 10% lower than the threshold for nearly zero-energy buildings, in compliance with the EU taxonomy SCC. • The renovation of existing buildings achieving at least 30% energy savings compared to baseline performance aligns with EU taxonomy requirements, which we view positively. • Projects supported by internationally recognised green building certifications, such as LEED and BREEAM, provide positive environmental impacts, as these certifications set minimum requirements and criteria for indicators such as energy efficiency, water management and the use of sustainable materials. • We positively view that the criteria require eligible projects to obtain higher-tier labels in the respective certification schemes. However, certifications do not reflect alignment with the criteria defined by international taxonomies, as these use science-based energy performance criteria rather than building certification to assess contribution. • This UoP is mapped to SDG 9 and aligns with the ICMA GBP under the green buildings category.
Source: ICO green bond framework (May 2026)	Source: Sustainable Fitch

Use of Proceeds – Other Information	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• ICO has internal processes focused on the monitoring and responsible management of risks, including an organisational structure with established units and bodies specialised in risk management. ICO also encompasses ESG risks in its risk assessment models. • These processes allow early assessment of potential risks associated with the use of funds, and it commits to ensure that all eligible projects comply with the sustainability policies ICO has adopted, including the corporate social responsibility policy; the environmental policy; the transition plan; and other standards ICO adheres to (ie Equator Principles, UN Global Compact). It also ensures that these are not subject to any major controversy. • ICO, on a best-effort basis, will allocate all the green bond proceeds to eligible projects and loans within a year from the date of issuance of a green bond. • The exclusionary criteria in the framework limit the eligible UoP from funding environmental and socially sensitive activities, including gambling, tobacco, alcohol, weapons, mining, nuclear power generation, fossil fuel-based energy, carbon-related activities, and oil and gas projects.	• ICO's commitment to allocate proceeds to eligible projects and loans within a year from the date of issuance ensures that funds are deployed efficiently to support the intended environmental objectives. • We view it positively that the framework includes a comprehensive and well-defined exclusion list. This provides strong assurance that proceeds will not be allocated to activities with negative environmental or social impacts. • All eligible projects must comply with ICO's internal sustainability policies and external standards. ICO applies the Equator Principles through dedicated risk assessments for projects with significant environmental or social impacts. This process promotes responsible practices and minimises negative effects of the projects on the environment and local communities, which we view positively. • ICO has not disclosed a predefined ratio for financing versus refinancing or a commitment to include a certain proportion of new loans in its eligible portfolio; however, its commitment to report on the share of new financing versus refinancing in its allocation reporting is in line with standard market practice and would enhance transparency for investors, in line with the ICMA GBP.
Source: ICO green bond framework (May 2026)	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• ICO has a predefined process for evaluating and selecting projects to be financed or refinanced under the green bond framework. • The process involves the loan portfolio managers, reporting teams and sustainable finance team, all in line with the eligibility criteria set in the framework. • The projects' evaluation and selection will be subject to the standard credit analysis and approval process established by ICO lending activity.	• We view it positively that ICO established a structured process for the evaluation and selection of eligible projects, coordinated by the sustainable finance team and involving relevant business units. • This approach ensures that project identification and assessment are integrated across the organisation, which supports consistency and alignment with the institution's sustainability objectives. This also supports the projects' traceability and compliance with the framework's eligibility criteria. • ICO's process includes mechanisms for ongoing monitoring and the replacement of projects that no longer meet eligibility criteria or are subject to early repayment. This is in line with market best practices and ensures that the portfolio of eligible projects remains aligned with the framework's requirements throughout the bond's life.
Source: ICO green bond framework (May 2026)	Source: Sustainable Fitch

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• Net proceeds from green bonds will be managed by ICO's treasury area using internal tracking systems and unallocated proceeds will be temporarily invested in cash, cash equivalents or money market products until allocation. • ICO's sustainable finance team will periodically review loans funded to identify eligible projects for allocation of the bond proceeds. • Unallocated proceeds will not be invested in the excluded activities defined in the framework.	• The unallocated proceeds, if any, will be temporarily managed in line with ICO's liquidity policy, in line with standard market practice. • The temporary investments in instruments that align with the framework's eligibility criteria would strengthen the robustness of the framework and enhance positive environmental impact. • The issuer virtually allocates eligible expenditures in its internal systems; this is in line with the ICMA GBP and standard market practices. • Further segregation between the bond proceeds and the issuer's other funds, such as by using a dedicated bank account, can prevent commingling and ensure stronger separation and control. • The sustainable finance team will be in charge of monitoring eligible loans, which we view positively, as it ensures the loans continue to meet the eligibility criteria throughout the lives of the instruments.
Source: ICO green bond framework (May 2026)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• ICO will publish dedicated green bond allocation and impact reports. Reporting may be provided for individual bonds or as a single annual report covering all issuances under the framework. • Allocation reports will be made available one year after issuance and annually until all proceeds are allocated, or published as a single annual report by the end of the calendar year. • The allocation report will detail the total amount allocated, by category and region; share of new financing versus refinancing; and total amount of unallocated proceeds, if any. • ICO will provide annual impact reports on the environmental benefits of projects financed by green bonds until full allocation, including measurable impact metrics as outlined in the framework. • ICO also intends to have a post-issuance review on reports issued under the framework.	• Annual reporting until full allocation is in line with market best practice and ensures that investors are kept informed throughout the life of the instrument. Reporting will be made publicly available, supporting transparency and accountability. • The issuer confirmed that allocation reporting will be provided at the project level, where possible, consistent with its reporting on previous issuances. This approach is consistent with market best practice, and would enhance transparency and provide clarity on the specific UoP impacts. • The issuer confirmed that reporting will be updated in the event of material changes to the eligible loan portfolio, which we view positively. • The framework's reporting commitments include disclosure of both allocated and unallocated proceeds, as well as financing and refinancing. This level of detail is in line with market expectations. • The impact metrics are specifically measurable and align with recognised international standards, such as the ICMA Harmonised Framework for Impact Reporting. This supports the credibility and comparability of reported outcomes. • The issuer published the impact reporting methodology in the past, based on recognised standards such as the GHG Protocol. It shared its intention to continue doing so, which would ensure alignment with leading market practices. • The issuer confirmed that impact reporting will be provided at the project level where possible, consistent with market best practice, allowing assessment of the environmental benefits generated specifically by the financed projects. • Reporting verification is expected to occur annually, in line with standard market practice and supporting the credibility of disclosed information. However, the absence of a commitment to provide assurance reports, whether reasonable or limited assurance, reduces the strength of the reporting. • ICO confirmed that external reviews will be conducted for both allocation and impact reporting, in line with market best practice. We view this positively.
Source: ICO green bond framework (May 2026)	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

- **6.1:** By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- **6.3:** By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- **6.4:** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- **6.a:** By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix
- **7.3:** By 2030, double the global rate of improvement in energy efficiency

- **9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
- **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.

- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
- **11.b:** By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels
- **11.6:** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

- **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 minimise their adverse impacts on human health and the environment
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

- **13.1:** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- **13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Relevant UN Sustainable Development Goals

- **14.4:** By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

- **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
- **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
- **15.5:** Promote fair and equitable sharing of the benefits arising from the utilisation of genetic resources and promote appropriate access to such resources, as internationally agreed

Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Green	
Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.

2) Project Evaluation and Selection	
Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability	
Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds	
Tracking of Proceeds	
Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Type of Instrument: Green

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	Yes
Allocation to a portfolio of disbursements	No
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting	
Project-by-project	No
On a project portfolio basis	No
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting	
Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual instrument(s)	Yes
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	No
Other ESG indicators	Energy storage capacity (MWh); tonnes of hazardous waste collected, transported and treated; number of sustainable fishery loans granted; and share of recycled or secondary content in products, among others.

Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Type of Instrument: Green

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA, APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.