

INSTITUTO DE CRÉDITO OFICIAL

2025 EQUATOR PRINCIPLES IMPLEMENTATION REPORT

- **Introduction**

The Equator Principles (hereinafter, EPs) constitute the **reference framework** in the financial industry for the **identification, assessment, and management of potential environmental and social risks in project financing**.

First published in 2003, they are **based** on the International Finance Corporation (IFC) Performance Standards and the World Bank Group's Environmental, Health and Safety (EHS) Guidelines. In October 2020, the EPs released their fourth version (EP4), which is currently in force. This new version broadens the scope with additional commitments, particularly regarding human rights (especially those of indigenous communities), climate change, and biodiversity, and applies globally across all countries and industrial sectors.

According to the official list of financial institutions adhering to the Equator Principles, there were 127 institutions as of the end of 2025.

ICO, in line with its values and its mission to foster a more sustainable economy, **joined this initiative in October 2016** to enhance the management of environmental and social risks in large-scale project finance. The aim is to identify and mitigate potential adverse impacts on ecosystems, local communities, and the climate. By adhering to the EPs, ICO commits to incorporating into its internal procedures the necessary actions for identifying, categorizing, and developing action plans to mitigate environmental and social risks in transactions within the scope of the Principles.

- **Equator Principles at ICO**

Given its public nature and development mandate, as well as its fiduciary duty to society and commitment to stakeholder expectations, ICO considers it essential to conduct risk analyses that incorporate environmental and social impacts of the projects it finances.

Under this premise, ICO integrates EP requirements into its internal processes, updating them as necessary¹.

The process begins with the joint collection and analysis of information by the Business and Sustainability units to determine whether proposed transactions meet the minimum criteria to fall within the scope of the EPs, which include:

- Project finance with total capital costs of USD 10 million or more.
- Project-related corporate loans, when the following three criteria are met:

¹ To facilitate the understanding and application of this international standard among the Institute's staff, employees can access an online course on the Equator Principles at any time, adapted to the latest update.

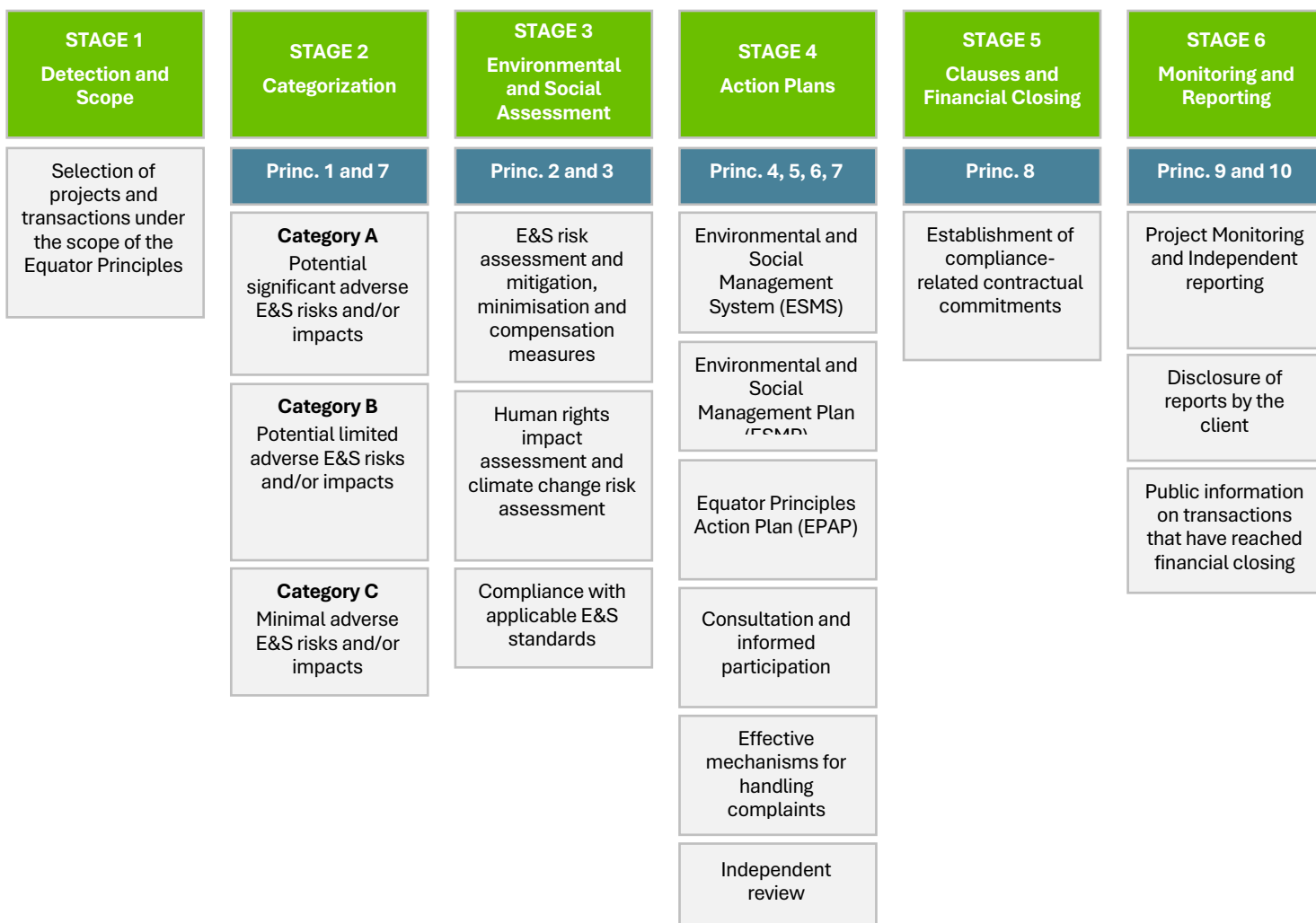
1. The majority of the loan is related to a project over which the client has effective operational control.
 2. The total loan amount and the EPFI's individual commitment (before syndication or sale) is at least USD 50 million.
 3. The loan term is at least two years.
- Project-related refinancing and acquisition finance, where the following three criteria are met:
 1. The underlying project was funded in accordance with the Equator Principles framework.
 2. There have been no material changes to the scale or scope of the project.
 3. The physical completion of the project has not yet occurred at the time of signing the loan agreement.
 - Advisory services for project financing where total project capital costs are USD 10 million or more.
 - Short-term loans with a term of less than two years that are intended to be refinanced by project finance or a project-related corporate loan that is expected to meet the criteria described above.

If a transaction falls within these categories, it is classified as A, B, or C based on the magnitude and severity of the potential environmental and social risks and impacts identified:

- **Category A:** Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible, or unprecedented.
- **Category B:** Projects with limited potential adverse environmental and social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressable through mitigation measures.
- **Category C:** Projects with minimal or no adverse environmental and social risks or impacts.

When required, an independent advisor is appointed to assist ICO with environmental and social due diligence, validation of the assigned category, and assessment of compliance with applicable principles.

The EP establish specific reporting obligations for financial institutions. In compliance with these obligations, ICO publishes the corresponding information annually, by June 30, on the [EP Association website](#) and on its own [institutional website](#).



SOURCE: Diagram by the authors based on the Equator Principles

- **Report**

This document constitutes ICO’s Equator Principles Implementation Report for 2025 (from 1 January to 31 December), in accordance with the latest version, which states that “each EPFI shall publicly report, at least annually, on the transactions it has considered under the scope of the Equator Principles.”

- **Transactions in 2025**

1. **Project Financing**

With financial close in 2025, 13 transactions have been classified as project finance under the Equator Principles. The table below shows the breakdown of these transactions:

Breakdown by category			
	Category A	Category B	Category C
	1	12	0
Detailed breakdown by category			
By sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructures	0	0	0
Oil and gas	0	0	0
Energy	1	11	0
Others	0	1	0
By region	Category A	Category B	Category C
America	0	2	0
Europe, the Middle East and Africa	1	9	0
Asia and Oceania	0	1	0
By country designation	Category A	Category B	Category C
Designated	1	12	0
Not designated	0	0	0
Independent review	Category A	Category B	Category C
Yes	1	12	0
No	0	0	0

NOTE 1: Designated countries are those considered to have robust environmental and social governance, legislative systems, and institutional capacity designed to protect their people and the natural environment. The Equator Principles Association requires a country to be a member of the OECD and to be listed as a high-income country by the World Bank in order to qualify as a designated country.

NOTE 2: Independent review is not required for all Project typologies (for example, it is not required for Category C projects). Please refer to the Equator Principles for details on the specific requirements applicable to each category and product type.

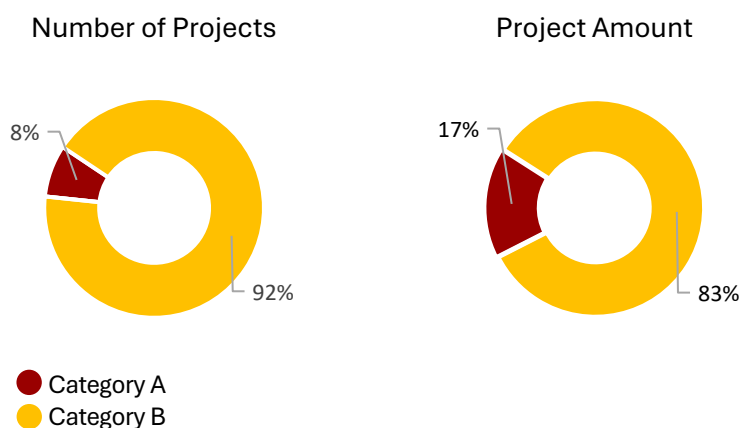
- Project name of the transactions reported in 2025

No.	Project Name	Sector	Country	Financial Closing
1	White Summit	Energy	Spain	2025
2	Central West Orana	Energy	Australia	2025
3	Carmen & Cabra	Energy	Spain	2025
4	Aguasvivas, Mudéjar & Solana	Energy	Spain	2025
5	Mudarra & Gazules	Energy	Spain	2025
6	Gabriela	Energy	Chile	2025
7	East Anglia 3	Energy	United Kingdom	2025
8	Benalup	Others	Spain	2025
9	Rivera	Energy	Spain	2025
10	Radiant	Energy	Poland	2025
11	Olivas	Energy	Spain	2025
12	Aurora	Energy	Chile	2025
13	Orchard	Energy	Spain	2025

- **Supplementary information**

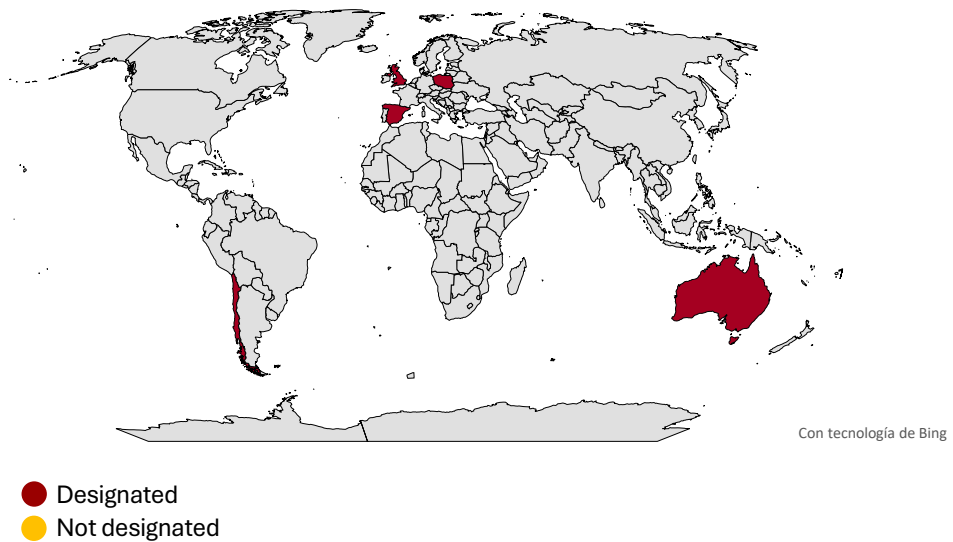
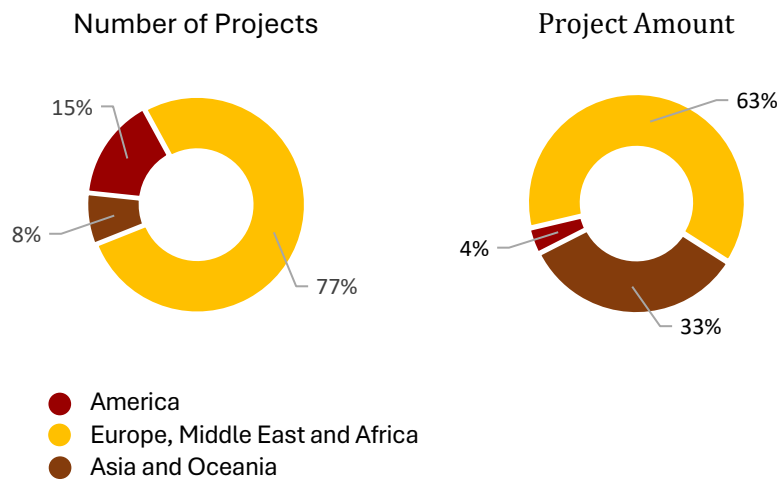
The following charts provide a complementary view of the distribution of transactions financed by ICO under the Equator Principles framework in 2025, both in terms of the number of operations and, alternatively, taking into account the total financing amount for each investment project.

- Transactions by project category



According to their distribution by category (A, B or C), in 2025, 92% of the projects financed by ICO were classified as “B”, while “A” projects accounted for 8%. Nevertheless, due to the large scale of the Radiant project—covering the development, construction, operation and maintenance of an offshore wind farm in the Baltic Sea—Category A projects represented 17% of total financing volume, compared to 83% for Category B projects.

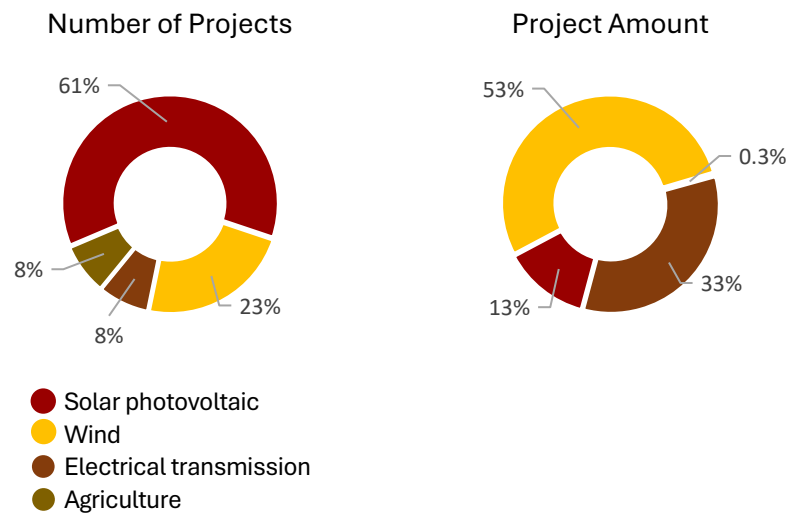
- Transactions by region



With regard to geographical distribution, most operations (77%) were carried out in the Europe, Middle East and Africa region, mainly in Spain due to ICO's role as a national promotional and development bank. Furthermore, ICO participates in financing projects abroad whenever there is Spanish interest, as is the case for projects financed in Australia, Chile, Poland and the United Kingdom.

In 2025, all transactions under the Equator Principles were formalized in designated countries.

- Transactions by sector



The sectoral distribution reflects the significant weight of renewable energy projects within ICO’s financing portfolio, accounting for 84% of Equator Principles transactions in 2025. In terms of financing volume, wind energy (53%) and electricity transmission (33%) stand out due to the large scale of the projects.

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