



Instituto de Crédito Oficial

GREEN BOND FRAMEWORK

May 2026

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I. Introduction: ICO Group

Instituto de Crédito Oficial (ICO) is a public bank with the legal form of a state-owned enterprise (Entidad Pública Empresarial in Spanish). In legal terms, ICO is a credit institution and is considered a State Financial Agency, having its own legal personality, assets and treasury, as well as management autonomy to fulfil its purposes.

ICO is financed through capital markets and loans. Its debts and obligations related to fund-raising are guaranteed by the Spanish State.

Attached to the Ministry of Economy, Trade and Business, the Secretary of State for Economy and Business Support is responsible for the strategic direction of ICO, as well as for the evaluation and control of the results of its activity.

The nature, legal regime, purposes and functions of ICO are defined in its Statutes, initially approved by Royal Decree 706/1999 and subsequently amended by Law 40/2015 on the Public Sector Legal System, Royal Decree 1149/2015 and Royal Decree 390/2011.

The Institute plays a key role in the Spanish financial system, combining its double function. On the one hand, it has a traditional countercyclical function, as it acts as a support in times of crisis of various kinds (social, health, natural, etc.), having economic and financial repercussions by providing liquidity and reducing credit risks. On the other hand, ICO plays a non-cyclical role focused on promoting strategic initiatives by identifying market failures and reorienting the Group's business model to foster economic growth in scenarios of stability.

ICO Group is composed of:



Instituto de Crédito Oficial,
Entidad Pública Empresarial
(ICO)



AXIS Participaciones Empresariales, S.G.E.I.C.,
S.A., S.M.E. (hereinafter, AXIS), fully
invested by ICO



Fundación ICO, which sole
promoter is ICO

The headquarters of ICO are in Madrid, where all the Group's entities are located. Although the bulk of its activity takes place in Spain, ICO plays an active role in financing and supporting the internationalisation of the Spanish economy and supports investments outside Spain.

ICO's mission

The aims of Instituto de Crédito Oficial are to support and promote economic activities that contribute to the growth and improved distribution of national wealth and, in particular, of those that, due to their social, cultural, innovative or ecological importance, deserve to be encouraged.

ICO's vision

To achieve these objectives, ICO acts as a National Promotional Bank, financing large companies, SMEs and the self-employed, both in Spain and internationally (on-balance sheet operations), and as a State Financing Agency, managing funds and guarantees on behalf of the State (off-balance sheet).

ICO seeks to be a leading international organisation and a benchmark domestic institution in terms of transparency, solvency and credibility, and to be recognised, especially by SMEs and financial institutions, as a strategic ally for economic growth and the creation of jobs and wealth. This commitment is underpinned by a highly qualified, motivated, efficient and committed team, who carry out their functions in an environment of trust and collaboration.

Commitment to both the green and digital transitions

For ICO Group, sustainability is a fundamental pillar integrated across all its activities. It encompasses both its asset and liability operations as well as the internal management of the organisation, from the perspective of governance and corporate social responsibility.

The medium-term growth of the Spanish economy must be based on the green and digital transitions. In this context, ICO promotes initiatives that strengthen the productive sector, promoting a low-carbon, resource-efficient and circular economy. These efforts are key to ensuring long-term competitiveness, preserving climate balance and biodiversity, and protecting human rights.

Digitalisation is also a key driver for modernising the economy and improving business competitiveness. ICO is committed to digital transformation as a tool for streamlining internal processes, improving operational efficiency and fostering innovation in the financial and manufacturing sectors. This includes the adoption of emerging technologies, such as artificial intelligence and data analytics, facilitating access to financing, encouraging the internationalisation of businesses and improving client experience.

ICO is firmly committed to long-term sustainable development, based on three main lines of action:

- Signposting role: Act as a benchmark for other market players, encouraging them to share sustainability objectives and commitments.
- Combating climate change: Actively contributing to the protection of natural capital and the reduction of greenhouse gas emissions.
- Promoting a just and inclusive transition: Fostering economic development that strikes a balance between social progress and environmental protection, ensuring that the benefits of transition reach all echelons of society.

ICO's functions

According to its Statutes, ICO's functions are the following:

- Contribute to alleviating the economic effects produced by situations of serious economic crisis, natural catastrophes or other similar events, in accordance with the instructions of the Council of Ministers or the Government Delegate Commission for Economic Affairs.
- To act as an instrument for the execution of certain economic policy measures, following the fundamental lines established by the Council of Ministers, the Government Delegate Commission for Economic Affairs or the Ministry of Economy, Trade and Enterprise, and subject to the rules and decisions agreed by its General Council in this respect.

ICO as a national promotional bank

ICO, as a credit institution, provides financing to companies, and in particular to SMEs, the self-employed and entrepreneurs, through mediation facilities (channelling public-private partnership financing through financial institutions), direct financing products (requested from ICO directly by companies themselves), the purchase of bonds issued by companies in regulated markets, and financing through venture capital/private equity funds, most of them managed by AXIS.

ICO Mediation Facilities (also known as Second Floor Facilities) function by giving these programmes a greater degree of capillarity, allowing companies of all sectors, sizes and regions to tap into this financing.



ICO Direct Financing activity, both nationally and internationally, is aimed especially at projects developed by small, medium and large companies, with a special focus on those that generate a positive social and/or environmental impact. In direct financing programmes, ICO has continued to work so that companies can diversify the sources where they tap into resources, offering different solutions linked to the acquisition of project bonds or corporate bonds and promissory notes issued by Spanish companies in regulated markets, prioritising those that are certified as responsible issuers or that are listed in sustainability indices.

Axis, ICO's venture capital subsidiary, promotes complementary bank financing options through the four funds it manages: ICO Next Tech Fund, ICO Global Fund, ICO Sustainability and Infrastructures Fund and ICO SME Fund. The investments AXIS makes through these instruments contribute to the growth of start-ups and scale-ups and the development of projects that combine innovation and entrepreneurship.

2. ICO's Sustainability approach

Sustainability and the transition to a low-carbon, more resource-efficient and circular economy that safeguards climate balance, biodiversity and human rights are key to ensuring long-term competitiveness and our development as a society.

Hence, ICO Group integrates sustainability as a basic pillar into all its activities in a crosscutting manner, both in its asset and liability operations and in its internal management from the perspective of governance and corporate social responsibility. ICO's sustainability commitments are set out in the Sustainability Policy, which was reviewed and updated in 2023, and a new version was finally approved by the General Council in January 2024.

The public commitment to long-term sustainable development is thus maintained, balancing economic development, social development and environmental protection. Three main lines of action have been adopted: the signalling role to other agents who are encouraged to share objectives and commitments; the fight against climate change and the protection of natural capital, and the promotion of a just and inclusive transition.

ICO finances directly, or through financial institutions or Axis (its venture capital manager) projects that promote the ecological transition and the environmental, social and governance (ESG) sustainability of the business fabric. The purpose of the operations to be financed focuses, among others, on: sustainable mobility, development of renewable energies, renewable hydrogen, energy efficiency, circular economy, water treatment, improved energy efficiency and sustainability of buildings, improved accessibility in buildings and housing, urban and rural regeneration and renovation, transport infrastructure projects, hospitals, homes for the elderly or education with public and private companies, and construction and rehabilitation of social or affordable housing.



ICO Group and the Sustainable Development Goals

The 2030 Agenda and the Sustainable Development Goals must be fundamental pillars of all public action. ICO Group fully aligns its actions with these goals, both at the level of its financial activity, as well as in other initiatives with external projection, and in its internal management, as described in the different parts of this document.



Given the nature of our core business, the direct impact of our activities stems from one main purpose: to contribute as much as possible to SDG8 on decent work and sustainable economic growth.

Support for projects and activities that promote SDG8 is complemented by the contribution to other relevant SDGs through different actions, such as 7 and 13, which are particularly relevant to our financial activity. In any case, all the SDGs to which we contribute are interconnected and mark the roadmap that ICO Group offers towards sustainability and social responsibility.



In addition, and in order to encourage SMEs to learn about, apply and promote the Sustainable Development Goals, in 2019 a joint initiative was launched with the Spanish Global Compact Network and with the support of the High Commissioner for the 2030 Agenda <https://icopymeods.ico.es/>, which is still in force. This initiative aims to involve Spanish SMEs in their alignment with the SDGs, as well as the business opportunities it can bring them.

With this initiative, ICO Group takes another step forward in its commitment to the sustainability of Spanish SMEs, informing them of the changes that companies must adopt to align themselves with the 2030 Agenda, offering a series of resources to build a strategy oriented towards the SDGs.

ICO's Sustainability Policy

[ICO's Sustainability Policy](#) aims to publicly declare the **commitment of the institution to sustainability**, incorporating it in the mission, strategy and values of our institution, based on the conviction that its integration responds to the challenges and generates opportunities and benefits for the environment and society.

It is applicable to its activity and management practices and establishes guidelines and a general framework for action that is complemented by the rest of the internal policies that govern ICO's activity, and in particular¹:

- [Environmental Policy](#)
- Direct Financing Policy
- [CSR Policy](#)
- [Equality Plan](#)
- [Code of Ethics and Conduct](#)
- [Internal Code of Conduct in the Stock Market](#)
- Risk Map, which incorporates ESG risks
- Transition Plan, accessible via ICO's [Statement of Non-Financial Information / Sustainability Report](#).
- [Compliance procedures](#), including those related to anti-money laundering and counter-terrorist financing, anti-fraud control, and data protection.

The Sustainability Policy has the following main **lines of action**:

- Serve as a benchmark for the design and implementation of the activities undertaken by ICO in matters of sustainability, encouraging its stakeholders to share their objectives and commitments in this area.
- Combat climate change and protect natural capital, in accordance with best international practices, and in particular, the European Union's principle of "Do No Significant Harm" (DNSH).
- Foster a fair and inclusive transition, in such a way that ICO becomes a decisive agent of change, making new opportunities available to all.

ICO integrates in its management and internal procedures the following general **principles of action**:

- Promote transparency by following the best market practices.
- Apply the value chain approach to promote positive impacts and minimize negative environmental and social impacts in own- and third-party activities.
- Gradually include sustainability-related opportunities and challenges in the strategy, processes and risk management.
- Always comply with the legislation applicable, ensuring respect for human rights.
- Facilitate the transition to more sustainable business models.

¹ Links are provided for publicly available documents.

Taking into account the definition of the policy and the principles of action, the sustainability **objectives** and the commitments derived from them are defined below:

- **Objective 1.** Contribute to establishing standards and creating benchmarks, both in its operations (assets) and in the fixed income market (liabilities) and in its venture capital business.
- **Objective 2.** Increase sustainable activity: encouraging the channelling of financing flows towards sustainable or transition activities, mainly in long-term investments.
- **Objective 3.** Foster relations and the creation of long-term assets for its main stakeholders: streamline the transfer of knowledge and experience between peers and ensure there is a responsible relationship with our clients and suppliers.
- **Objective 4.** Reach a net-zero carbon emission goal for 2050 in accordance with national and European legislation.

ICO plays a key role as a transmitter of sustainability within the financial system, working in public-private partnership for the development of sustainable finance. ICO promotes environmental, social and governance (ESG) sustainability as a core element of its strategy across all its **activities**:

- In its asset activities, financing and investing in sustainable activities (Green Loans; Sustainability-Linked Loans; participations in sustainable funds such as FondICO Sustainability and Infrastructure registered at the date of publication of the present framework under article 8 of the SFDR, etc.) and measuring risks and opportunities, as well as supporting digitalisation and innovation in collaboration with the private sector and the rest of the public sector.
- In its liability activities, issuing green and social bonds aligned with sustainable objectives and impact measurement to contribute to the development of the sustainable bond market, as well as the implementation of European funds aimed at supporting investments that promote the green and digital priorities of Spain and the EU.
- In terms of internal management, through responsible management and good governance, collaborating with other national and international agents for the dissemination of a shared sustainable strategy.
- The development of specific training initiatives on sustainable finance to provide SMEs with the necessary tools and resources to develop the opportunities offered by the transition to a more sustainable growth model.

ICO incorporates best practices in good governance, transparency and internal management, as well as in improving its information, indicators and reporting. In particular, those related to sustainability and its contribution to the achievement of the SDGs and Agenda 2030, the Paris Climate Agreement and European legislation on Sustainable Disclosure.

ICO prepares its annual integrated report, which is published on its website before the 30th June, providing stakeholders with relevant information about its structure, activity and management, as well as its main impacts. The integrated report is based on the information contained in the [Statement of Non-Financial Information / Sustainability Report](#). The information is verified by independent experts in accordance with the regulations in force at any given time. Internationally recognised frameworks are used, currently the GRI standards and the UN Global Compact Principles to which ICO adheres and is committed to core principles in areas such as human rights, labour standards, the environment and the fight against corruption in all its forms, including extortion and bribery.

ICO undertakes to work on adapting its sustainability information in accordance with the evolution of regulations and standards, always responding to the principle of transparency. ICO has voluntarily adopted the European Sustainability Reporting Standards (ESRS).

All ICO areas shall incorporate in their rules and procedures, at the time of their approval or updating, the necessary aspects for the achievement of the Sustainability Principles and Objectives established in the Sustainability Policy.

3. Rationale for ICO Green Bond Framework

Its public nature and mission require ICO to promote and encourage best management practices which contribute to a sustainable business fabric in line with the SDGs. By adhering to these standards, ICO is positioned among the leading banks in the drive towards sustainable and responsible financing.

This update broadens ICO Green Bond Framework to incorporate two new Project Categories: Circular Economy and Climate Change Adaptation. Additionally, the Framework has been enhanced through the explicit specification of the Sustainable Development Goals mapping, alongside the EU Environmental Objectives and EU Taxonomy mapping for each project category. Finally, it also specifies its relationship with the EU Taxonomy, including the commitment to report on the split of eligible projects aligned with the EU Taxonomy.

This present update of the framework is in line with the ICMA [Green Bond Principles 2025](#) and its four core components, as well as its recommendation for external review:

1. **Use of Proceeds**
2. **Process for Project Evaluation and Selection**
3. **Management of Proceeds**
4. **Reporting**
5. **External review**

This Framework takes into account, where possible, the criteria of the EU Taxonomy (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment).

For the selection process of eligible projects, ICO will take into account, on a best effort basis and where relevant:

- The technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or adaptation as set out in the EU Taxonomy Annex I and II of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021;
- The technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems as set out in the EU Taxonomy Annex I to IV of the Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023;

This framework also takes into account the European Green Bond Standard (Regulation (EU) 2023/2631) and, where relevant and feasible, the Do No Significant Harm Principles (DNSH) and the Minimum Social Safeguards (MSS) as defined by the EU regulation.

The EU Taxonomy technical screening criteria are subject to periodic updates by the European Commission through delegated acts. Mentions of the EU Taxonomy technical screening criteria in each category of this framework, when present, refer to those in effect on the date of the publication of this framework. Where relevant, alignment with the updated criteria will be assessed based on the applicable requirements at the time of evaluation and on a best-effort basis.

ICO will report on the split of eligible projects aligned with the EU Taxonomy.

Under this Framework, ICO can issue:

- “Green Bonds” – an amount equal to the net proceeds will be allocated to projects within any or all the Eligible Project categories determined in this Framework.
- “Thematic Bonds”, promoting solutions to address a specific environmental challenge – an amount equal to the net proceeds will be allocated to projects within one of the Eligible Project categories determined in this Framework.

In addition to Green Bonds, ICO has played a key role in the Social Bond Market by issuing a series of Social Bonds in different currencies thus far and intends to further contribute to the development of a sustainable financial market. ICO released its first Social Bond Framework in 2015 and was later updated in 2020 and 2025.

4. Use of Proceeds

ICO's Green Bond proceeds will be allocated to its Mediation facilities, Direct financing loans and private capital activities that meet the following Project Categories:

- 4.1 Renewable Energy
- 4.2 Energy Efficiency
- 4.3 Pollution Prevention and Control
- 4.4 Environmentally sustainable management of living natural resources and land use
- 4.5 Clean Transportation
- 4.6 Sustainable water and wastewater management
- 4.7 Climate Change Adaptation
- 4.8 Circular Economy
- 4.9 Green buildings

Projects meeting the criteria described in the following sections will be considered eligible as long as the Use of Proceeds do not fund activities listed in the exclusionary criteria set out in the Appendix of this Framework.

4.1 Renewable Energy

4.1.1 Electricity generation from renewable energies

Acquisition, maintenance, refurbishment and/or repowering of existing and development, construction or installation of new renewable energy production facilities from renewable sources, including:

- Solar, as set out in sections 4.1, 4.2 and 4.17 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- Wind, as set out in section 4.3 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- Bioenergy, as set out in sections 4.8 and 4.20 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- Hydropower when electricity generation complies with either of the following criteria, as set out in section 4.5 of Annex I to Commission Delegated Regulation (EU) 2021/2139:
 - (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir;
 - (b) the power density of the electricity generation facility is above 5 W/m²;
 - (c) the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO₂e/kWh.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective

EU Taxonomy Economic Activities

- 4.1 Electricity generation using solar photovoltaic technology (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.2 Electricity generation using concentrated solar power (CSP) technology (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.3 Electricity generation from wind power (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.5 Electricity generation from hydropower (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.8 Electricity generation from bioenergy (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.17 Cogeneration of heat/cool and power from solar energy (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.20 Cogeneration of heat/cool and power from bioenergy (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.1.2 Energy transmission and distribution networks

Development, construction, equipment, operation and maintenance of new or additional energy transmission and distribution networks, including:

- Construction and operation of transmission and distribution systems, or the expansion of existing systems, that transport electricity generated with a life-cycle greenhouse gas emissions intensity below 100 gCO₂e/kWh.
- 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.
- Conversion or repurposing of existing natural gas networks to 100% hydrogen, as set out in section 4.14 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- Retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, as set out in section 4.14 of Annex I to Commission Delegated Regulation (EU) 2021/2139.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective

EU Taxonomy Economic Activity

- 4.9 Transmission and distribution of electricity (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.14. Transmission and distribution networks for renewable and low-carbon gases (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.1.3 Hydrogen, Renewable Gases and Biofuels

Development, construction, and upgrade of equipment and facilities for the production of low-carbon gases and biofuels, including:

- Hydrogen, with related lifecycle emissions under the threshold of 3 tCO₂e/tH₂, as set out in section 3.10 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- Biogas and biofuels, as set out in section 4.13 of Annex I to Commission Delegated Regulation (EU) 2021/2139.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation

EU Taxonomy Economic Activity

- 3.2 Manufacture of equipment for the production and use of hydrogen (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 3.10 Manufacture of hydrogen (Annex I Commission Delegated Regulation (EU) 2021/2139)

- 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.2 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.
- Construction of hydrogen storage facilities, and conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage, where the hydrogen meets the criteria set out in section 4.1.3.
- District heating/cooling system 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 applicable 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, including, among others, energy-efficient windows and doors, energy-efficient lighting, thermostats, sensors and other smart monitoring devices, as set out in Sections 3.5 and 7.3 of Annex I to Commission Delegated Regulation (EU) 2021/2139.
- 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.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective

EU Taxonomy Economic Activities

- 3.4 Manufacture of batteries (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 3.5 Manufacture of energy efficiency equipment for buildings

- 3.10 Manufacture of hydrogen (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.9 Transmission and distribution of electricity (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.10 Storage of electricity (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.11 Storage of thermal energy (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.12 Storage of hydrogen (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 4.15 District heating/cooling distribution (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 7.3 Installation, maintenance and repair of energy efficiency equipment (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 8.1 Data processing, hosting and related activities (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.3 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.
- 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.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to the Transition to a Pollution Prevention and Control Objective

EU Taxonomy Economic Activities

- 2.1. Collection and transport of hazardous waste (Annex III Commission Delegated Regulation (EU) 2023/2486)
- 2.2. Treatment of hazardous waste (Annex III Commission Delegated Regulation (EU) 2023/2486)

- 2.3. Remediation of legally non-conforming landfills and abandoned or illegal waste dumps (Annex III Commission Delegated Regulation (EU) 2023/2486)
- 2.4. Remediation of contaminated sites and areas (Annex III Commission Delegated Regulation (EU) 2023/2486)

4.4 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 (MSC or equivalent certification) and aquaculture (ASC or equivalent certification).
- Environmentally sustainable forestry (FSC, PEFC or equivalent certifications).

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to the Protection and Restoration of Biodiversity and Ecosystems Objective

EU Taxonomy Economic Activities

- 1.1 Afforestation
- 1.2 Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event
- 1.3 Forest management
- 1.4 Conservation forestry

4.5 Clean Transportation

Development, manufacturing, construction, operation and maintenance of low carbon vehicles and transportation infrastructure, inland and sea and coastal water transport comprised, including:

- Rolling stock and infrastructure for transportation systems with zero direct (tailpipe) CO2 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 0gCO₂/km.
- Construction and operation of electric vehicle (EV) 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 aircrafts.
- Low-carbon maritime transport activities, including, among others, 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.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective

EU Taxonomy Activities

- 3.3. Manufacture of low carbon technologies for transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.1 Passenger interurban rail transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.2 Freight rail transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.3 Urban and suburban transport, road passenger transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.4. Operation of personal mobility devices, cycle logistics (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.6 Freight transport services by road (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.7. Inland passenger water transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.8. Inland freight water transport (Annex I Commission Delegated Regulation (EU) 2021/2139)

- 6.9. Retrofitting of inland water passenger and freight transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.11. Sea and coastal passenger water transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.12. Retrofitting of sea and coastal freight and passenger water transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.13. Infrastructure for personal mobility, cycle logistics (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.14. Infrastructure for rail transport (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 6.15 Infrastructure enabling low-carbon road transport (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.6 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.
- 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

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective and Sustainable Use and Protection of Water and Marine Resources Objective.

EU Taxonomy Economic Activities

- 5.1 Water collection, treatment and supply (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.2 Wastewater collection and treatment (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.3 Construction, extension and operation of wastewater collection and treatment (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.4 Renovation of wastewater collection and treatment (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 2.1. Water supply (Annex I Commission Delegated Regulation (EU) 2023/2486)
- 2.2. Urban waste water treatment (Annex I Commission Delegated Regulation (EU) 2023/2486)

4.7 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;
- 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.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Adaptation Objective

EU Taxonomy Economic Activities

Annex II to Commission Delegated Regulation (EU) 2021/2139.

4.8 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 re-use and recycling, including:

- Manufacture of plastics, packaging, paper and cardboard, electrical and electronic equipment, as well as other products, in accordance with circularity criteria, 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 re-use 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 streams that cannot reasonably be prepared for reuse or recycled, in line with the waste hierarchy.
- Recovery of bio-waste by anaerobic digestion or composting with the resulting production and utilisation of 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 re-use. The economic activity includes 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 (EEE) for material recovery.
- Circular economy services, including repair, refurbishment, remanufacturing, spare parts sales, preparation for reuse and second-hand sales.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Circular Economy Objective

EU Taxonomy Economic Activities

- 1.1. Manufacture of plastic packaging goods (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 1.2. Manufacture of electrical and electronic equipment (Annex II Commission Delegated Regulation (EU) 2023/2486)

- 2.3. Collection and transport of non-hazardous and hazardous waste (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 2.4. Treatment of hazardous waste (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 2.5. Recovery of bio-waste by anaerobic digestion or composting (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 2.6. Depollution and dismantling of end-of-life products (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 2.7. Sorting and material recovery of non-hazardous waste (Annex II Commission Delegated Regulation (EU) 2023/2486)
- 5.5. Collection and transport of non-hazardous waste in source segregated fractions (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.6. Anaerobic digestion of sewage sludge (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.7. Anaerobic digestion of bio-waste (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.8. Composting of bio-waste (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 5.9. Material recovery from non-hazardous waste (Annex I Commission Delegated Regulation (EU) 2021/2139)

4.9 Green buildings

Acquisition, construction, development or renovation of energy-efficient buildings, including:

- Buildings with the Primary Energy Demand (PED) at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB), 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, (i) a design stage certification, (ii) a post-construction certification or (iii) an in-use certification of any of the following building certification schemes:
 - LEED “Gold”,
 - BREEAM “Excellent”,
 - Any other equivalent recognized regional certification with similar standards;
- Buildings for which renovation leads to an energy savings of at least 30% in comparison 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.

SDG Mapping



EU Environmental Objective and EU Taxonomy Mapping

EU Taxonomy Substantial Contribution to Climate Change Mitigation Objective

EU Taxonomy Economic Activities

- 7.1 Construction of new buildings (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 7.2 Renovation of existing buildings (Annex I Commission Delegated Regulation (EU) 2021/2139)
- 7.7 Acquisition and ownership of buildings (Annex I Commission Delegated Regulation (EU) 2021/2139)

5. Process for Project Evaluation and Selection

ICO commits to ensure that all eligible projects comply with the sustainability policies ICO has adopted, including the Corporate Social Responsibility (CSR) Policy, the Environmental Policy, the Transition Plan as well as other standards ICO adheres to (i.e. Equator Principles, UN Global compact), and that these are not subject to any major controversy.

Regarding the process of identifying and managing perceived social and environmental risks associated with the identified projects, ICO, as an [Equator Principles signatory](#), is committed to follow a series of guidelines and procedures when financing projects with a significant impact (those that fall within the scope of the Equator Principles). For these projects, ICO assesses the environmental and social risks and impacts, promoting responsible practices and guaranteeing that the projects are developed in a sustainable manner and that the negative impact on the environment and local communities is minimized.

The process for Project Evaluation and Selection will be coordinated by the team in charge of Sustainable Finance on a regular basis and implies the participation of the different units involved in the projects, considering the sustainable commitment across the organization. According to this procedure:

- The Loan Portfolio Management Area will make a list including the projects susceptible to being classified as Green
- Further information about each specific Project is collected from the Reporting Area as well as other areas directly involved in the financing of the particular Project.
- The team in charge of Sustainable Finance will select the Eligible Projects that meet the eligibility criteria and fit the Green Project Categories identified in the framework, verifying its traceability and compliance

In the event that a loan does not continue to meet the eligibility criteria, or there are early loan repayments, ICO will use its best efforts to replace such loans with new loans selected according to the eligibility criteria of the green bond, as soon as feasible once a suitable substitution option has been identified.

Mechanisms for responsible management

ICO Group has internal regulations focused on the monitoring and responsible management of risks, ensuring that they are controlled in accordance with the highest standards. The management of these risks is approached holistically, involving the entire organisation and ensuring the application of high standards in corporate social responsibility and ethics. Both the General Council and senior management are regularly informed of these matters and are actively involved in monitoring them within their respective competencies. The most relevant policies are approved by the General Council, which receives regular information on business activities, sustainability, internal control and anti-fraud. ICO has an organisational structure with established units and bodies specialised in risk management, whose main roles are described below.

Risk management structure

- Directorate of Risk Management: Designs and proposes internal risk policies and risk analysis, management and monitoring methodologies.
- Sustainability Department: Defines sustainability guidelines and promotes a responsible management model.

- Internal Audit and Compliance: Cover key functions in risk processing
- General Council: Oversees strategic policies and sustainability performance monitoring and accountability.

Integrated risk management

The Risk Policies Area, which is part of the Directorate General of Financing and Risks, is responsible for defining and promoting the policies and methodologies for admitting and monitoring credit risk in one-off and standardised direct operations and new products. It also verifies compliance with these guidelines in the risk assessment carried out in the operations of ICO's various financial instruments.

In matters of sustainability, this area is responsible, in coordination with the Sustainability Department, for developing proposals for credit risk assessment models that encompass the integration of ESG risks.

Sustainability governance

Sustainability governance is coordinated by the Strategy and Communication Directorate, which reports directly to the Chairman and leads the integration of sustainability within the institutional strategy. As part of this framework, the Department of Sustainability, Business Development and Assessment defines ICO's commitment to sustainability, monitors regulatory compliance and supports strategic development in this area.

Within this structure, the Sustainability Department is responsible for defining the sustainability criteria applicable to ICO's different activities, monitoring the commitments made and channelling the relevant information to the decision-making bodies. This model ensures the adequate oversight and accountability of sustainability.

Sustainability Committee

The Sustainability Committee, headed by the Chairman of ICO and comprising members from all Directorates General, AXIS and Fundación ICO, meets at least three times a year, with the possibility of extraordinary meetings when so required. Its main functions include:

- Defining ICO Group's concept of sustainability.
- Raising awareness about the sustainability strategy and conveying it internally.
- Developing and monitoring ICO's position on sustainable activity.
- Identifying and coordinating the implementation of new sustainability legislation.
- Promoting and overseeing sustainability initiatives in ICO Group.

Environmental Policy

To ensure its activity is environmentally friendly and seeks the prevention of environmental impacts, ICO Group has an [Environmental Policy](#) aligned with the requirements of the ISO 14001 Environmental Management Systems standard, in force since 2020, and a code of good environmental practices.

ICO Group's commitment to environmental sustainability is materialised through its adherence to various international initiatives and agreements, such as:

- The 10 Principles of the United Nations Global Compact.
- The Equator Principles.
- The 2030 Agenda and the 17 Sustainable Development Goals.
- The Paris Agreement (COP-21).
- Since 2021, ICO's Environmental Management System has been certified by European Quality Assurance (EQA). Although the scope of the certificate issued covers ICO's activity, the management system applies to the entire Group.
- The PCAF initiative.
- The GRI Standards.

6. Management of Proceeds

Net proceeds from Green Bonds will be placed in ICO's treasury and managed by the Treasury Area using existing internal tracking systems. ICO commits to invest the net proceeds yet to be invested in cash, cash equivalent or money market products.

The team in charge of Sustainable Finance will periodically review loans funded to identify those that meet the eligibility criteria and allocate the bond proceeds from the treasury to these loans.

ICO, on a best-efforts basis, will allocate all the Green Bond proceeds to eligible projects and loans within a year from the date of issuance of the bond.

Unallocated proceeds will not be invested in excluded activities as stated in Annex 2.

7. Reporting

ICO commits to provide the following reporting information with regard to its Green Bonds on a dedicated report publicly available in ICO's website.

Reporting can be referred to an individual Green Bond or, alternatively, there can be a single annual report for all Green Bond issuances under this framework.

Allocation reporting

ICO will provide investors with information on the allocation of Green Bonds proceeds one year after the issuance, and yearly thereafter until all proceeds have been allocated. Alternatively, information on the allocation might be published within the end of the calendar year as a single annual report. The allocation reporting will include:

- Total amount allocated with a breakdown by category and region.
- Share of new financing and refinancing.
- Total amount of unallocated proceeds, if any.

Impact reporting

Until full allocation, ICO will also provide an annual impact reporting on the environmental benefits of the projects financed through the Green Bond issuance.

This report could include the following sample output metrics and impacts:

Project category	Output metrics	Impact
Renewable energy	<ul style="list-style-type: none"> • Expected renewable energy capacity installed (MW) • Expected renewable energy production distributed in MWh • Annual Hydrogen production (tH₂ or m³) 	Estimated annual GHG emissions reduced/avoided (in tCO ₂ e/year)
Energy efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh • Power capacity (MW) • Energy storage capacity (MWh) • Annual heat/cool delivered (MWh/year) 	Estimated annual GHG emissions reduced/avoided (in tCO ₂ e/year)
Pollution prevention and control	<ul style="list-style-type: none"> • Tonnes of hazardous waste collected/transported/treated. • Number of remediation projects funded. 	Reduction in pollutant loads and contamination risks affecting soil, air and water bodies.

Project category	Output metrics	Impact
	<ul style="list-style-type: none"> • Hectares of contaminated land and sites remediated. • Cubic metres of contaminated water treated. • Reduction in pollutant concentrations in soil, groundwater or surface water (%) 	
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> • Estimated land area with sustainable management • Number of sustainable fishery loans granted 	Estimated annual GHG emissions reduced/avoided (in tCO ₂ e/year)
Clean transportation	<ul style="list-style-type: none"> • Modal shift: Number of passenger-Km. and/or tons-Km • Size of the Group's fleet 	Estimated annual GHG emissions reduced/avoided (in tCO ₂ e/year)
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Expected volume of water collected, treated and/or supplied (m³/year) / Project specific targets and results 	<ul style="list-style-type: none"> • Annual water savings (m³/year) • Reduction in pollutant loads discharged to water bodies
Climate change adaptation	Number of adaptation projects	Reduction in vulnerability to physical climate risks
Circular economy	<ul style="list-style-type: none"> • Share of recycled or secondary content in products (%). • Tonnes of waste separately collected and transported for reuse or recovery. • Tonnes of waste processed for recovery. • Tonnes of secondary raw materials produced. • Energy recovered from waste (minus any support fuel) in GWh/ MWh/ KJ of net energy generated p.a. • Tonnes of end-of-life products or components depolluted and dismantled. 	<ul style="list-style-type: none"> • Estimated annual GHG emissions reduced/avoided (in tCO₂e/year) • Annual virgin raw materials avoided (tonnes)

Project category	Output metrics	Impact
	<ul style="list-style-type: none"> • Tonnes of products repaired / refurbished / remanufactured / prepared for reuse. 	
Green Buildings	<ul style="list-style-type: none"> • Primary energy demand (kWh/m²) • Reduction in annual energy consumption after renovation (%) 	<ul style="list-style-type: none"> • Estimated annual GHG emissions reduced/avoided (in tCO₂e/year) • Estimated reduction in annual primary energy demand compared with a Nearly Zero-Energy Building (in kWh/m²)

8. External review

ICO Green Bond Framework has obtained an External Review in the form of a Second Party Review from Sustainable Fitch to confirm its alignment with the Green Bond Principles².

ICO also intends to have a post-issuance review on allocation and impact reports issued under Section 7 of this Framework³.

² The external review is available on ICO's website at:
<https://www.ico.es/documents/20124/39514/Instituto+de+Cr%C3%A9dito+Oficial++Second-Party+Opinion.pdf/ac72acbc-2f93-c25b-a706-f710cb6ba86a?t=1778052581642>

³ External reviews on allocation and impact reports are available on ICO's website at:
https://www.ico.es/web/ico_en/ico/investor_relations/ico_green_bonds

Appendix: Exclusionary criteria

The list of excluded activities for issuances under this framework is the following:

- Gambling
- Tobacco
- Alcohol
- Weapons, ammunition and lethal dual-use material
- Mining
- Nuclear power generation
- Fossil fuel-based energy
- Carbon related activities
- Oil and gas