GOBIERNO DE ESPAÑA
MINISTERIO DE ECONOMÍA, COMERCIO Y EMPRESA

Tesoro Público
De España

Kingdom of Spain
Green Bond Framework update
Investor presentation

September 2026

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2. The Kingdom of Spain's environmental ambition
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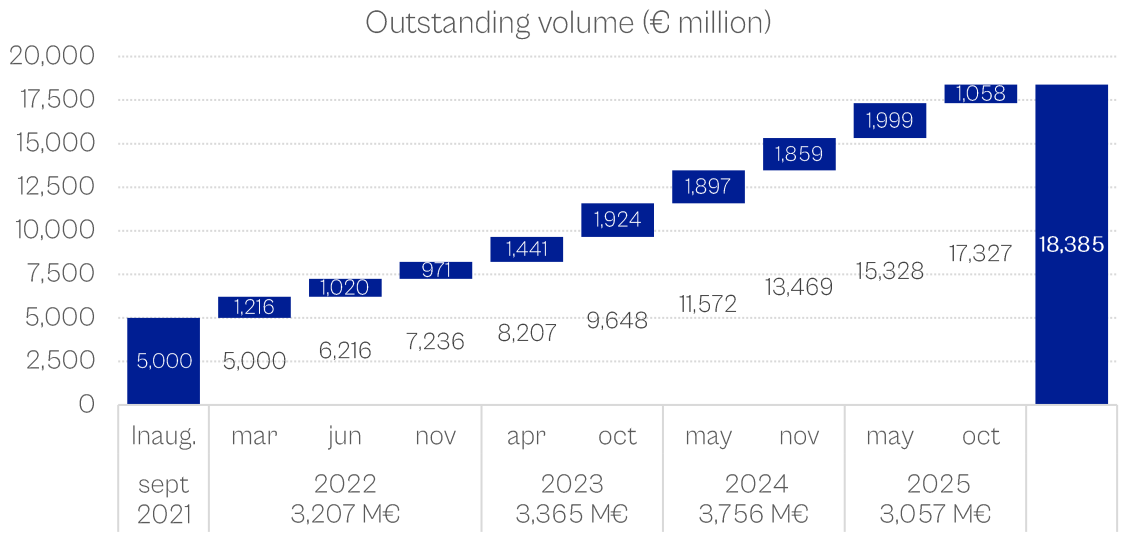
1 Programme track record and the case for an updated framework

2 The Kingdom of Spain's environmental ambition

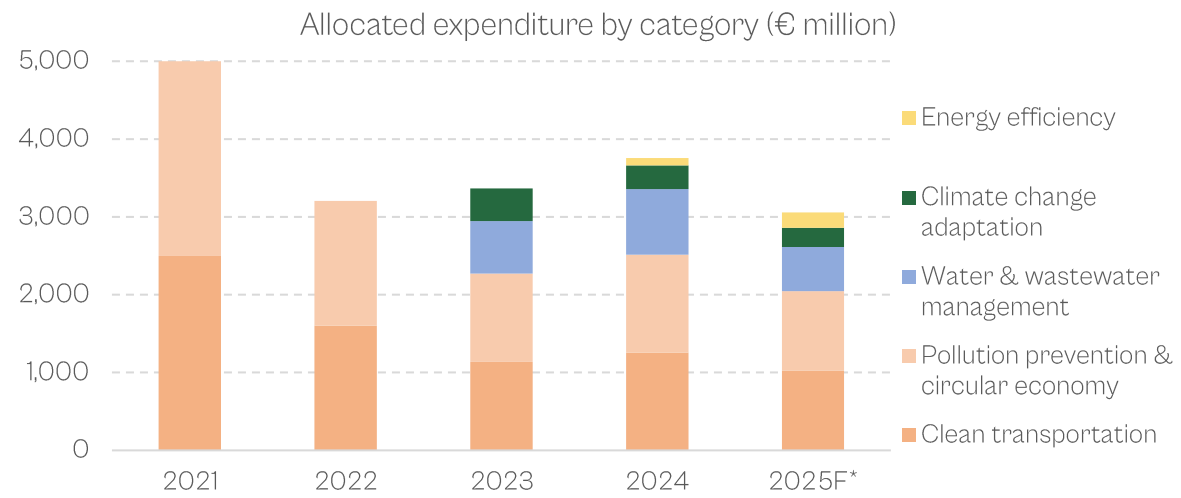
3 The 2026 Green Bond Framework

1 Highlights of Spain's >€18bn Strong Green Bond Programme

Outstanding volume has grown from €5.0bn to €18.4bn across nine taps since the inaugural 2021 issuance



The allocated expenditure has become increasingly diversified over time, with new categories progressively incorporated



* 2025 figures will be confirmed once the 2025 allocation report is published

Expenditure programmes allocated to date (2021-2024 allocation & impact reports)

Rail transport

Public service obligations, maintenance and electrification of the rail network.

- 5,18 Million Metric Tons of CO_2 equivalent avoided
- 20,674 Tons of NO_x avoided
- 715 Tons of PM_{10} avoided

Agricultural insurance against climate risks

Protecting Spanish farmers against climate-related crop and livestock losses since 1980.

- 109 Million Metric Tons of insured production
- €34 billion of insured capital
- 432,837 policyholders

Water management

Water supply, treatment and flood-risk infrastructure.

- 6,923,304 M^3/year of wastewater treated or avoided
- 624 km of river channel restored/recovered
- 87,147 persons benefited from measures to mitigate risks of floods

Energy efficiency tax incentives for dwellings

Personal income tax deductions for households renovating homes.

- 2,301 billion kWh/year energy demand reduction
- -55.3% average energy demand reduction

* Figures correspond to the allocation of 2024 (fiscal year 2023)

1 Rationale for updating the Green Bond Framework

Three objectives of the update

1. Consolidates Spain's green sovereign bond as a benchmark in global sustainable finance markets
2. Incorporate EU Taxonomy into eligibility criteria definition under a best-efforts approach
3. Reflects the progress made in Spain's environmental policy since 2021

Green bond market expansion

- Spain's sustainable finance market reached €76.97bn in 2025 (+17% yoy); green bonds are the largest segment, at €15.31bn (OFISO)
- Green bonds have become firmly established as a mainstream sustainable financing instrument
- Sustained European dominance and investor demand mitigate broader global headwinds, solidifying the regions' green debt market

EU regulatory framework

- Consolidation of the EU Taxonomy as a transversal reference (omnibus simplification bill)
- European Green Bond Standard applicable since December 2024
- Both have raised investor expectations since 2021
- SFDR 2.0 is expected to underpin the deepening of green bond market in the EU, particularly for public sector bodies

New public policies in Spain

- Spain has broadened the scope of public action with a positive environmental impact
- Updated National Integrated Energy and Climate Plan, new National Climate Change Adaptation Plan 2021-2030, Biodiversity Strategy 2030 and RRF-linked programmes

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2 **The Kingdom of Spain's environmental ambition**

3 The updated 2026 Green Bond Framework

2 The Kingdom of Spain's environmental ambition

Environmental action is a core public policy priority, that combines higher 2030 ambition with long-term climate resilience, anchored in a robust legal and institutional framework

A legal mandate for climate neutrality

- Spain, as a Mediterranean country, is particularly exposed to climate change, which is accelerating the deterioration of resources essential to well-being, such as water, fertile soil and biodiversity
- The Declaration of Climate and Environmental Emergency (January 2020) underscored the need to advance towards climate neutrality
- The Law on Climate Change and Energy Transition provides the legal basis for decarbonising the economy and sets minimum national targets for emissions reduction and renewable energy deployment

Ambition raised by National Energy and Climate Plan

- Updated National Energy and Climate Plan 2023-2030, aligned with the EU's revised 2023 framework, aiming to net zero in 2050
  - -32% GHG emissions vs 1990
  - 48% renewables in final energy consumption
  - 81% of electricity generation from renewables
  - 43% improvement in energy efficiency,
- Mobilising more than €200bn of investment over 2021-2030, accompanied by the Just Transition Strategy to ensure a socially-balanced transformation

Adaptation and protection of natural capital

- National Climate Change Adaptation Plan 2021-2030 embeds climate adaptation and resilience into public policy across biodiversity, agriculture, coastlines and cities
- Spain 2030 Circular Economy Strategy drives the transition to a more resource-efficient model of production and consumption
- State Strategic Plan for Natural Heritage and Biodiversity to 2030, with sectoral plans covering marine protected areas, wetlands, forests and wildfire prevention

A binding framework for water security

- The water regulatory and planning framework sets binding environmental objectives to prevent the deterioration of water bodies, integrating efficient use and resilience to water stress
- River Basin Hydrological Plans are the primary instrument for efficient resource allocation and for identifying investment needs aligned with sustainable finance
- Flood risk management plans assess exposure to physical risks and strengthen the resilience of infrastructure and water-dependent systems

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3 **The updated 2026 Green Bond Framework**

3 Main changes of the 2026 Green Bond Framework

Updated climate context & national strategies

- Incorporate new binding EU target of -90% net emissions by 2040, and the 6th IPCC Assessment Report
- Alignment with the updated National Energy and Climate Plan 2023-2030, National Climate Change Adaptation Plan 2021-2030, Circular Economy Strategy 2030 and Biodiversity Strategy 2030

Integration of the EU Taxonomy

- **EU Taxonomy economic activities** now identified within each eligible expenditure category
- Eligible expenditures will be assessed against the technical screening criteria.
- The alignment to the **DNSH criteria** will be assessed whenever it is possible
- **Minimum social safeguards** are met through the Spanish legislation

Enhanced granularity of eligible expenditure

- **Eligibility** will be assessed against **two sets of criteria**
  1. **EU Taxonomy** substantial contribution criteria
  2. **Alternative** recognized **market practice** criteria
- Expanded **description of eligible expenditure** and a broader range of example programmes for each category
- Extended set of **impact indicators** (KPIs) used to measure and report on results

Review of exclusion criteria

- "Alcohol" narrowed to "**spirits**": wine is no longer excluded from eligible expenditure, allowing the inclusion of climate adaptation-related agricultural insurance programmes covering wine grape production
- **Arms exclusion** language **aligned** with the **EU Climate Transition / Paris-aligned Benchmarks** Regulation (2020/1818)

Reporting enhancements

- **Allocation reports** will disclose the % of expenditure identified as Taxonomy-eligible and the % meeting substantial contribution and DNSH criteria
- **Impact reports** may include optional secondary co-benefit indicators

3 Governance: Working Group on the coordination of the sovereign green bond program

The Working Group for the Structuring of Sovereign Green Bond Issuances of the Kingdom of Spain and the Promotion of Sustainable Finance ("Working Group") is the Inter-ministerial working group that coordinates all the work related to the Sovereign Green Bond Program

The Working Group operates under the mandate of the Governmental Delegated Commission for Economic Affairs

Composition

Chair	Director General of the Treasury and Financial Policy
Vice-chair	Director General of the Spanish Office for Climate Change
Members	Representatives of the Ministries with green spending programs (at Director General level)

- Ministry of Transport and Sustainable Mobility
- Ministry of Ecological Transition and Demographic Challenge
- Ministry of Science, Innovation and Universities
- Ministry of Industry and Tourism
- Ministry of Economy, Trade and Business
- Ministry of Finance
- Ministry of Agriculture, Fisheries and Food

3 Green Bond Framework: overview

The Kingdom of Spain's Green Bond Framework ("GBF") is fully aligned with the Green Bond Principles ("GBP") of the International Capital Markets Association

Use of Proceeds
All designated eligible green projects provide clear environmental benefits

Process for Project Evaluation
Budgetary programmes in line with the Framework's governance and eligibility criteria

Management of Proceeds
Proceeds are tracked by the Treasury in line with its fund management policy

Reporting
Reports on the allocation and impact on an annual basis, until full allocation, with a high level of transparency

+ 2 recommendations

Publication of a GBF demonstrating alignment with GBP and Spain's overarching sustainability strategy

External reviews:
- ✓ Pre-issuance assessment: SPO on the Framework
- ✓ Post-issuance assessment: verification of allocation

3 Green Bond Framework: use of proceeds



Categories

1. Renewable Energy
2. Clean Transportation
3. Sustainable water & wastewater management
4. Energy efficiency
5. Protection & restoration of biodiversity, ecosystems & environmentally sustainable management of natural resources
6. Pollution prevention and control and circular economy
7. Adaptation to climate change



Type of expenditures

1. Capital expenditures
2. Current Expenditures
3. Transfers & subsidies
4. Tax benefits



Allocation period

Expenditures planned for:

1. The **current fiscal year**
2. Executed in the **two years** prior to the issuance
3. Executed in **three fiscal years** following the year of issuance



Exclusions

1. Fossil fuels
2. Nuclear energy generation by fission
3. Energy generation with emissions above 100 gCO2/kWh
4. Intensive livestock farming
5. Spirits and tobacco industries
6. Gambling
7. Production, development or marketing of prohibited weapons
8. Mining

3 Evaluation and selection of eligible budget items

The Working Group ("WG") assists the Treasury in evaluating and selecting eligible expenditures, based on ongoing cooperation between ministerial departments

1 Preliminary analysis

On an annual basis, a **first screening of the Central Government Budget** is carried out to identify green expenditures

The outcome is presented for an in-depth analysis to the WG in order to **determine their eligibility**

2 Analysis of eligible expenditure

Each member of the WG **coordinates within its ministry the provision of information** on the selected budgetary expenditures and communicate the results to the WG

3 Selection of eligible expenditure

Based on the information provided by the WG, the Spanish Treasury **determines the budget items** that are eligible for the allocation of the green bond proceeds

4 Continuous review and updates

The WG regularly monitors the selected **expenditures** to ensure that they continue to comply with the eligibility criteria

If any expenditures cease to contribute to the objectives reflected in the GBF or to meet the eligibility criteria established, new budgetary items will be selected

5 Allocation & Impact Reports

The WG also assists the Treasury in the **preparation of the annual allocation and impact reports**

These reports will cover the green bond programme as a whole, provide information associated with each bond issued, and be published on the Public Treasury website

3 Management of proceeds

Green bond proceeds are part of Spain's funding program, like any other conventional Treasury bond. Funds are managed by the Spanish Treasury in accordance with its fund management policy

Allocation of proceeds

Amount of expenditure

The Treasury will seek to ensure an allocation to eligible expenditures **equivalent to the nominal amount** of sovereign green bonds issued

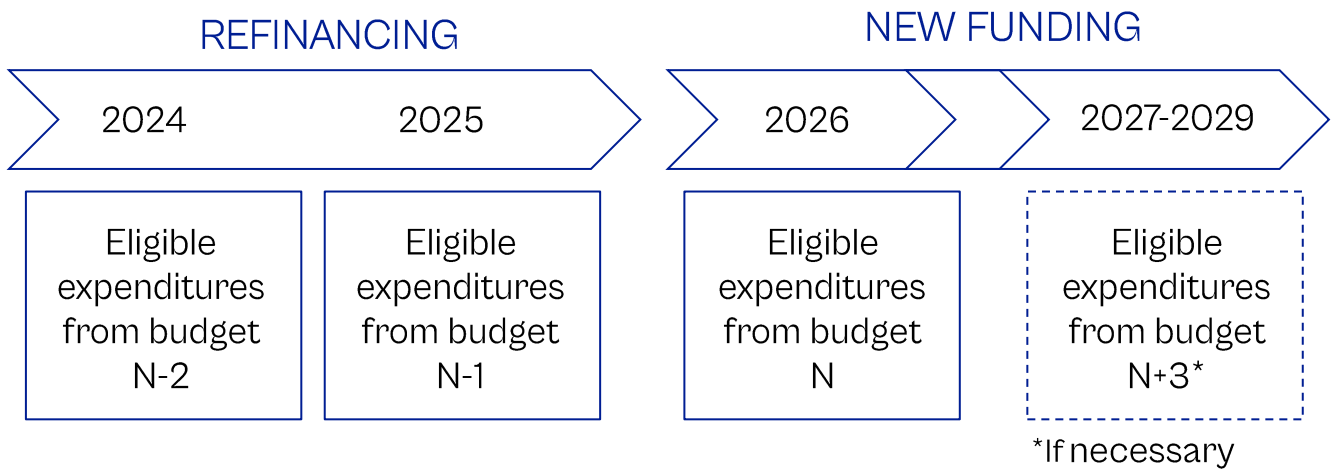
Expenditure Buffer

Efforts will be made to ensure that eligible expenditures with a total nominal value greater than the amount of green bond issuances intended to be carried out are identified

Principal & interest

The payment of principal and interest on the green bonds issued by the Kingdom of Spain **will not be conditional** upon the selection or execution of eligible expenditures

Eligible expenditures 2026



3 External verification

To fully comply with the highest markets standards, the green bond documents published on the Treasury's website are **verified by independent auditors**

1 Green bond Framework Second Party Opinion

Sustainable Fitch carried out an external review and evaluation of the Green Bond Framework

This review is to assessed the consistency of the Green Bond Framework with Spain's environmental strategy and its alignment with the ICMA's Green Bond Principles, taking into consideration best market practices

The Second Party Opinion is published on the Treasury's website

If the Framework content is modified, the second party opinion will also be updated

2 External verification of annual reports

IGAE **The General Comptroller of the State Administration** carries out the verification and assessment of the information contained in the annual reports regarding allocation

If necessary, this will also be done when circumstances require confirmation of the **effectiveness of such allocation**, in accordance with the criteria set forth in the Green Bond Framework

3 External verification: Second-Party Opinion on the 2026 Framework

Sustainable Fitch

Overall SPO alignment

EXCELLENT

- Confirms alignment with the four pillars of ICMA's Green Bond Principles (2025)
- Opinion dated 2 September 2026
- Assesses consistency, EU Taxonomy incorporation and alignment with market best practice

Excellent ☑ | Good | Aligned | Not Aligned

Use of Proceeds	Use of Proceeds – other information	Evaluation & Selection	Management of proceeds	Reporting & transparency
Good	Excellent	Excellent	Excellent	Excellent

Key takeaways on the EU taxonomy

- Spain intends to align with the EU taxonomy's SCC on a best-efforts basis when defining eligible expenditures under the framework. The alignment with the DNSH principle will be assessed for the selected expenditure line items and, where feasible, disclosed in the allocation and impact reports. Compliance with the taxonomy's minimum social safeguards is intended to be met through Spain's legislative and regulatory framework.
- The framework's eligibility criteria for economic activities included under the clean transportation category fully align with the relevant SCC of the EU taxonomy. For the remaining six UoP categories, the eligibility criteria comprise both EU taxonomy-aligned and non-aligned criteria.

Contribution to relevant UN SDGs



Annex

- Eligible expenditure categories
- Eligible expenditure 2026
- Legal notice

Eligible expenditure categories (1/2)

Category	Taxon. objectives	SDGs	Example of Taxonomy activities	Example of eligible expenditure	Example impact indicators
Renewable energy	Climate change mitigation		• 4.1 Electricity generation using solar photovoltaic technology • 4.3 Electricity generation from wind power; • 4.5 Electricity generation from hydropower • 4.10 Storage of electricity	• Renewable generation network development • Transmission & distribution infrastructure • R&D&I	• GHG avoided (tonnes) • Installed renewable capacity (MW) • Energy savings (MWh/year) • Distributed renewable energy production (MWh)
Clean transportation	Climate change mitigation		• 6.3 Urban and suburban transport, road passenger transport • 6.5 Transport by motorbikes, passenger cars and light commercial vehicles • 6.14 Infrastructure for rail transport	• Rail infrastructure • Grants for land & maritime transport • Low-emission zones • Transformation of urban and metropolitan transport • EV charging incentive plan	• GHG avoided (tonnes) • Passengers in sustainable public transport • Electrified track (km) • EV charging points (#) • R&D&I expenditure
Sustainable water & wastewater management	Sustainable use & protection of water and marine resources Climate change mitigation Climate change adaptation		• 5.1 Construction, extension and operation of water collection, treatment and supply systems • 5.4 Renewal of wastewater collection and treatment • 5.13 Desalination • 8.2 Data-driven solutions for GHG emissions reductions	• Basin hydrological planning • Water management infrastructure and early-warning networks; • Irrigation modernisation • Desalination infrastructures • Management and restoration of the public hydraulic domain	• Wastewater treated or avoided (vol) • Clean water supplied (vol) • Flood-risk population protected • River restored or recovered (km) • Watercourse with flood mapping (km)
Energy efficiency	Climate change mitigation		• 4.15 District heating/cooling distribution • 7.2 Renovation of existing buildings • 7.3 Installation, maintenance and repair of energy efficiency equipment	• Energy efficiency tax deductions • Industrial Carbon Contracts for Difference • Energy renovation and residential renovation programmes	• Reduction in energy demand (KWh/year) • Non-renewable primary energy consumption reduction (kWh/year) • GHG emissions avoided (tonnes) • Dwellings/buildings renovated • Reduction in emissions intensity

Eligible expenditure categories (2/2)

Category	Taxon. objectives	SDGs	Example Taxonomy activities	Example of eligible expenditure	Example impact indicators
Protection & restoration of biodiversity & ecosystems	Protect & restor. of biodiversity & ecosystems Climate change mitigation Climate change adaptation Sustainable use & protection of water and marine resources		• 1.1 Conservation, including restoration, of habitats, ecosystems and species. • 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 • 2.1 Restoration of wetlands	• Active forest management, planning and certification • Reforestation and restoration • Wildfire, erosion and desertification prevention • Sustainable marine/fisheries resource management • Protection of Natura 2000 areas and threatened species • Certified organic farming • Promotion of carbon sinks	• Hectares of protected areas restored or maintained • Forest area under certified management • CO_2 sequestered (tonnes) • Forest products mobilised or certified with chain-of-custody • Forest area subject to fire prevention actions
Pollution prevention & circular economy	Transition to a circular economy Pollution prevention & control Climate change mitigation Climate change adaptation Sustainable use & protection of water and marine resources		• 2.2 Treatment of hazardous waste • 2.3 Collection and transport of non-hazardous and hazardous waste • 5.5 Collection & transport of non-hazardous and hazardous waste • 5.6 Anaerobic digesting & composting of bio-waste/sewage sludge	• Waste management infrastructure (reuse, recycling, recovery) • Eco-design incentives for longer-life/reusable/repairable products • Packaging reduction • Air/water/soil quality improvement • R&D&I in circular economy • Agri-food chain sustainability training	• Volume of waste treated and reduction in waste generated • volume of waste converted into secondary raw materials • R&D&I expenditure
Climate change adaptation	Climate change adaptation Sustainable use & protection of water and marine resources		• 3.1. Nature-based solutions for flood and drought risk prevention and protection • 9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change • 10.1. Non-life insurance: underwriting of climate-related perils • 14.2 Flood risk prevention and protection infrastructure	• Agricultural insurance against climate risks • Climate-resilient infrastructure and land-use planning • Nature-based solutions and ecosystem restoration • Coastal adaptation & management of the maritime-terrestrial domain • Climate observation & early-warning systems	• Insured capital / production (in monetary / physical units) • Premiums paid (in monetary units) • Population protected • Coastline protected (km)

Eligible expenditure 2026

Breakdown by Ministerial department and year (€ million) *				
	2024	**2025**	**2026**	**Total**
Agriculture, Fisheries and Food	127.31	231.97	313.64	672.92
Science, Innovation and Universities	430.33	446.05	400.80	1,277.17
Economy, Trade and Business	73.60	95.50	15.00	184.10
Industry and Tourism	0.16	0.16	250.16	250.48
Ecological Transition and Demographic Challenge	304.38	423.57	1,097.60	1,825.55
Transport and Sustainable Mobility	1,080.27	2,206.60	2,033.36	5,320.23
Finance	8.64	228.10	256.37	493.11
Total	**2,024.69**	**3,631.95**	**4,366.93**	**10,023.56**

** Figures will be confirmed once the 2025 allocation report is published*

Legal notice

This Green Bond Framework is provided for information purposes only and does not constitute or form part of, and should not be construed as, an offer or invitation to sell bonds issued by the Kingdom of Spain, or the solicitation of an offer to underwrite, subscribe for or otherwise acquire any debt or bonds of the Kingdom of Spain, and nothing contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any decision to purchase any bonds issued by the Kingdom of Spain should be made solely on the basis of the information to be contained in the Offering Circular, produced in connection with the offering of such bonds. Prospective investors are required to make their own independent investment decisions.

It is the Issuer's intention to apply the proceeds of those bonds for projects that contribute to the fulfillment of the environmental objectives described in the Green Bond Framework. Nevertheless, no representation is made as to the suitability of any Spanish sovereign green bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Spanish sovereign green bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation for such Spanish sovereign green bonds and its purchase of Spanish sovereign green bonds should be based upon such investigation as it deems necessary. The Kingdom of Spain has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with Spanish sovereign green bonds. In addition, each environmentally focused potential purchaser of the Spanish sovereign green bonds should be aware that Eligible Green Projects may not deliver the environmental or sustainability benefits anticipated.

Furthermore, no assurance can be given that the use of proceeds from the Spanish sovereign green bonds for any Eligible Green Expenditures will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required or intended to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, any Eligible Green Expenditures.

While it is the intention of the Kingdom of Spain to apply the proceeds of any bonds issued as Spanish sovereign green bonds for Eligible Projects, there can be no assurance that such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Project as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. Any such failure will not constitute an Event of Default under the Spanish sovereign green bonds.

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Spanish sovereign green bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Offering Circular. Any such opinion or certification is not a recommendation by the Issuer, any Manager or any other person to buy, sell or hold any such securities and is current only as of the date it was issued. As at the date hereof, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

A failure of the bonds issued as Spanish sovereign green bonds to meet investor expectations or requirements as to their "green", "sustainable" or equivalent characteristics including the failure to apply proceeds for Eligible Projects, the withdrawal of a third party opinion, the Spanish sovereign green bonds ceasing to be listed or admitted to trading on any stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Projects as anticipated, may have a material adverse effect on the value of such bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the bonds as a result of the bonds not falling within the investor's investment criteria or mandate).