

# **Kingdom of Spain Green Bond Investor Presentation**

**March 2023**

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## 1. Kingdom of Spain's environmental ambition

# The need for decisive climate action

The government of Spain has put **climate action at the core of its agenda** with an ambitious climate framework to become a **climate neutral and resilient economy**, consistent with the Paris Agreement and the UN SDGs



## Scientific context

There is an urgent need to accelerate **global efforts** to combat climate change

- **Mar-2023:** Intergovernmental Panel on Climate Change (IPCC) published the synthesis report of the sixth assessment report (AR6)

### Main conclusions:

1. Earth's average temperature is already **1,1°C above** pre-industrial levels
2. Urgent **global need to combat climate change** to comply with Paris Agreement
3. Serious **natural, economic and political consequences**



## Spain's commitments

Spain has developed an ambitious **climate action agenda**

- **2020:**
  - Declaration of *Climate and Environmental Emergency in Spain*
  - *The Strategic Energy and Climate Framework*
- **2021-2030:** *Integrated National Plan of energy and climate*
- **2021-2026:** *Recovery, Transformation and Resilience Plan*
  - *Relevant green component (40%)*

# Spain's environmental objectives (1/3)

Spain's climate action agenda is based on two pillars: the **Strategic Energy & Climate Framework** and the **Recovery, Transformation and Resilience Plan** that represent a roadmap towards a more resilient and climate-neutral country



## Strategic Energy & Climate Framework:

- 1 Climate Change and Energy Transition Law
- 2 Integrated Energy and Climate Plan
- 3 Climate Change Adaptation Plan



## Recovery, Transformation and Resilience Plan:

- 1 **Pluriannual Program** in response to the pandemic
- 2 **Main message:** "Spain's economic recovery will be decidedly green and blue"
- 3 **40% of the funds** in investments aligned with climate action & **100%** with DNSH principle



## Main green targets



Reduce Green house gas emissions



Boost renewable energy



Improve energy efficiency



Contribute to a sustainable growth



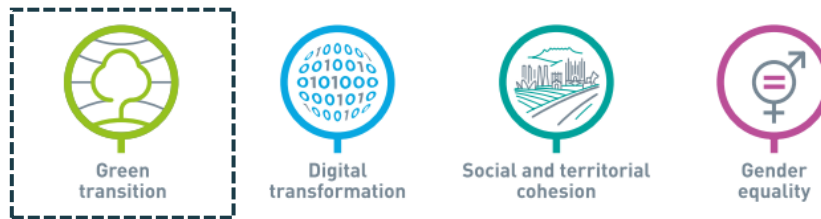
Increase climate resilience

# Spain's environmental objectives (2/3)

The **ecological transition is an indispensable reference and cross-cutting driver** for all RT&R Plan measures and actions. The ecological transition and climate measures are present across the board throughout the plan

## SPAIN'S RECOVERY, TRANSFORMATION AND RESILIENCE PLAN

### 4 cross-cutting lines of action



The mainstreaming of environmental aspects in the RT&R Plan is ensured by the application of the **"do no significant harm" principle** to all reforms and investments

## ADENDDUM TO THE SPAIN'S RECOVERY, TRANSFORMATION AND RESILIENCE PLAN

7.700 M€ in grants

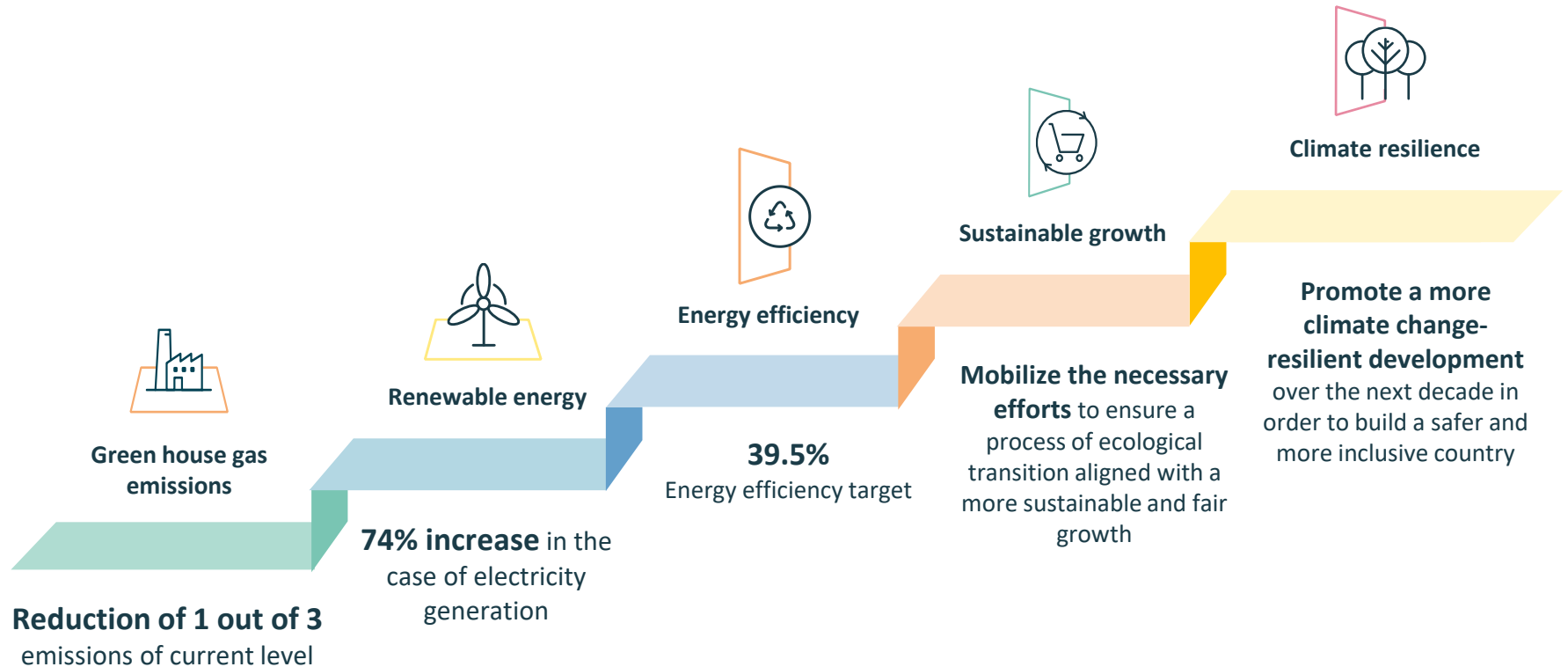
84.000 M€ in loans

- 1 Reinforce PERTES
- 1 Channel resources through new and existent funds

The green component will be at least **37%**, consistent with the **MRR criteria**

## Spain's environmental objectives (3/3)

Spain has committed to very **ambitious climate and energy targets** in terms of emission reductions, renewable energy, energy efficiency and enhancing our climate resilience. This is part of a clear **political priority to lead on the ecological transition** and in line with ensuring the EU is a climate leader.



Spanish objectives already **advanced the new EU climate ambition** and are **in line with the European Fit for 55 Package**

# A strong sustainable finance market 2/2

In Spain, sustainable financing grew again in 2022, consolidating a remarkable growth path from 2014

## Amount of sustainable financing

Global vs Spain



In 2022, the aggregate sum of bonds and loans mobilized by sustainable financing rose to **50 billion euros**. With respect to the previous year, **this figure represents a 6,3% growth.**

Source: OFISO (data from Bloomberg)



## 2. Green Bond Framework

# Green bonds' environmental objectives

Through the **issuance of green bonds**, Spain expects to finance public expenditure programs that **contribute to achieving several environmental objectives**



## Environmental objectives

- 1 Climate change **mitigation**
- 2 **Adaptation** to climate change
- 3 **Sustainable use** and protection of **water** and maritime resources
- 4 Transition to a **circular economy**
- 5 **Pollution prevention** and control
- 6 Protection and **recovery of biodiversity** and ecosystems

The eligible projects will also contribute substantially to the achievement of the following United Nations' **Sustainable Development Goals**:



# Governance

The Spanish Government decided to establish an inter-ministerial **Working Group (WG)** to coordinate the structuring and monitoring of Spain’s sovereign green bond program. This WG operates **under the mandate of the Governmental Delegated Commission for Economic Affairs**

**Spanish Treasury**  
 Responsible for the issuance of central government debt, by delegation of the First Vice-President of the Government and Minister of Economic Affairs and Digital Transformation



## The Working Group (WG)

The WG coordinates all the work related to the Sovereign Green Bond Program and the Promotion of Sustainable Finance in Spain

- Chaired by the Spanish Treasury
- Vice-chaired by the Ministry for the Ecological Transition & Demographic Challenge

### Representatives of the Ministries with green spending programs (at Director General level)

Ministry of Transport, Mobility and Urban Agenda

Ministry for the Ecological Transition & Demographic Challenge

Ministry of Science and Innovation

Ministry of Industry, Trade and Tourism

Ministry of Economic Affairs & Digital Transformation

Ministry of Finance and Public Function

Ministry of Agriculture, Fisheries and Food

# Green Bond Framework: Overview

The Kingdom of Spain's green bond framework is fully aligned with the **Green Bond Principles of the International Capital Markets Association (ICMA-2021)**



## Use of Proceeds

All designated eligible green projects provide clear environmental benefits



## Process for Project Evaluation and Selection

Only projects aligned with Spain's green goals



## Management of Proceeds

Proceeds will be appropriately tracked by the Spanish Treasury in accordance with its fund management policy



## Reporting

Reports on the allocation and impact on an annual basis with a high level of transparency

## + 2 recommendations

1

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

2

**External reviews:** pre-issuance assessment (SPO on the GBF) and post-issuance assessment (verification of allocation)



Spain will look for the best way to **incorporate the EU Green Bond Standard** content to the framework (including the implementation acts of the Taxonomy of Sustainable Finance), once it has been published and developed

# Green Bond Framework: Use of Proceeds

An amount equivalent to the net proceeds obtained through the issuance of green bonds will be allocated to expenditures **aligned with Spain's environmental objectives**



## 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



## Period

- Expenditures planned for:
- The **current fiscal year**
  - Executed in the **two previous years** (up to three for a new benchmark)















## Exclusions

- Fossil fuels
- Nuclear energy generation by fission
- Energy generation with emissions above 100 gCO<sub>2</sub>/kWh
- Intensive livestock farming
- Alcohol and tobacco industries
- Gambling
- Arms production and contracts
- Mining

# Green Bond Framework: Use of Proceeds - (Categories 1)

The projects selected for the Kingdom of Spain's sovereign green bonds will fall under the **eligible expenditure categories**, contributing to environmental objectives and Sustainable Development Goals









| Eligible categories   | EU taxonomy categories   | Sustainable Development Goals   |
|---|--|---|
|  <p><b>Renewable Energy</b></p>                               | <ul style="list-style-type: none"> <li>Climate change mitigation</li> </ul>  |     |
|  <p><b>Clean Transportation</b></p>                           | <ul style="list-style-type: none"> <li>Climate change mitigation</li> </ul>  |    |
|  <p><b>Sustainable water &amp; wastewater management</b></p> | <ul style="list-style-type: none"> <li>Sustainable use and protection of water and marine resources</li> <li>Pollution prevention and control</li> </ul> |   |
|  <p><b>Energy efficiency</b></p>                            | <ul style="list-style-type: none"> <li>Climate change mitigation</li> </ul>  |     |

Check examples of expenditure items



## Green Bond Framework: Use of Proceeds - (Categories 2)

The projects selected for the Kingdom of Spain's sovereign green bonds will fall under the **eligible expenditure categories**, contributing to environmental objectives and Sustainable Development Goals

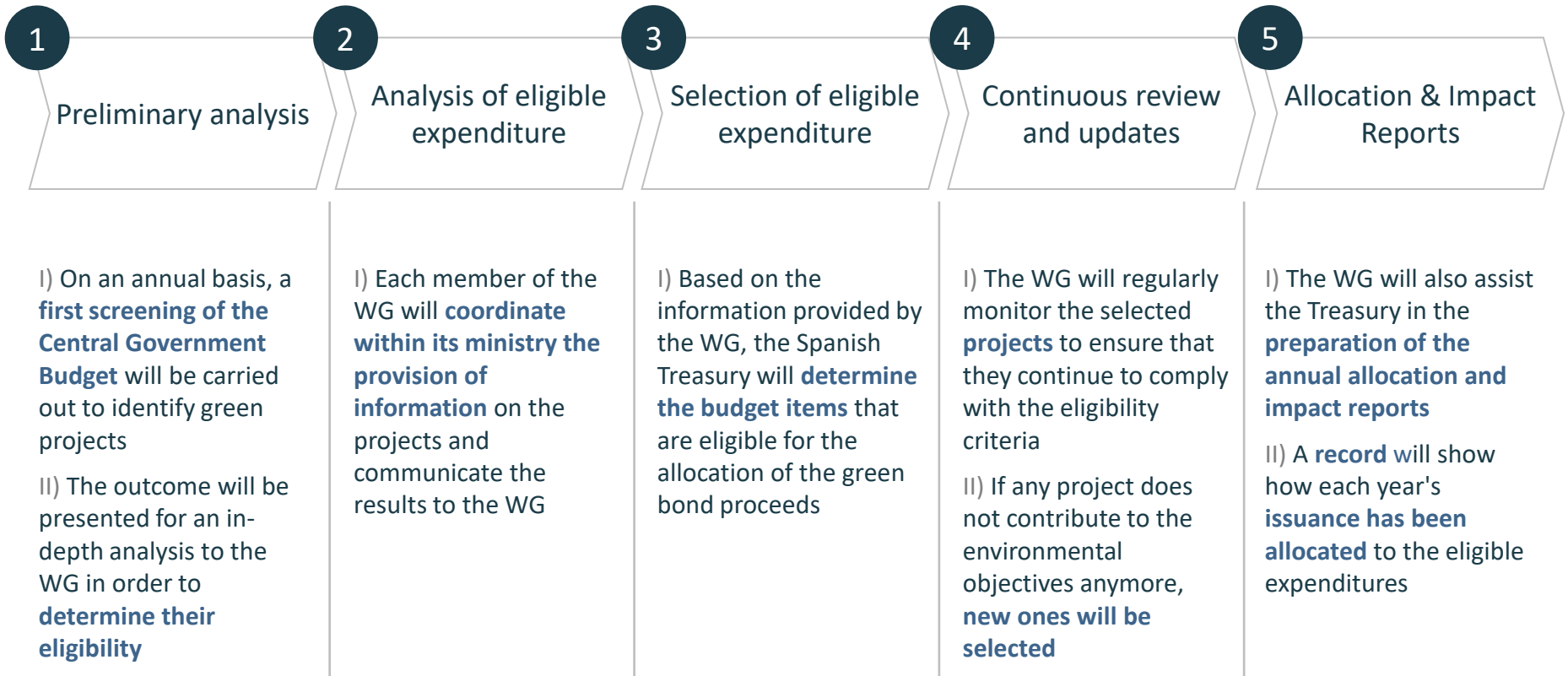
| Eligible categories   | EU taxonomy categories  | Sustainable Development Goals   |
|---|---|---|
|  <p><b>Protection and restoration of biodiversity and sustainable management of natural resources</b></p> | <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Pollution prevention and control</li> </ul>                             |    |
|  <p><b>Pollution prevention and control and circular economy</b></p>                                      | <ul style="list-style-type: none"> <li>• Transition to a circular economy</li> <li>• Pollution prevention and control</li> </ul>                      |     |
|  <p><b>Adaptation to climate change</b></p>  | <ul style="list-style-type: none"> <li>• Adaptation to climate change</li> <li>• Protection and restoration of biodiversity and ecosystems</li> </ul> |   |

Check examples of expenditure items



# Green Bond Framework: Evaluation and selection of eligible budget items

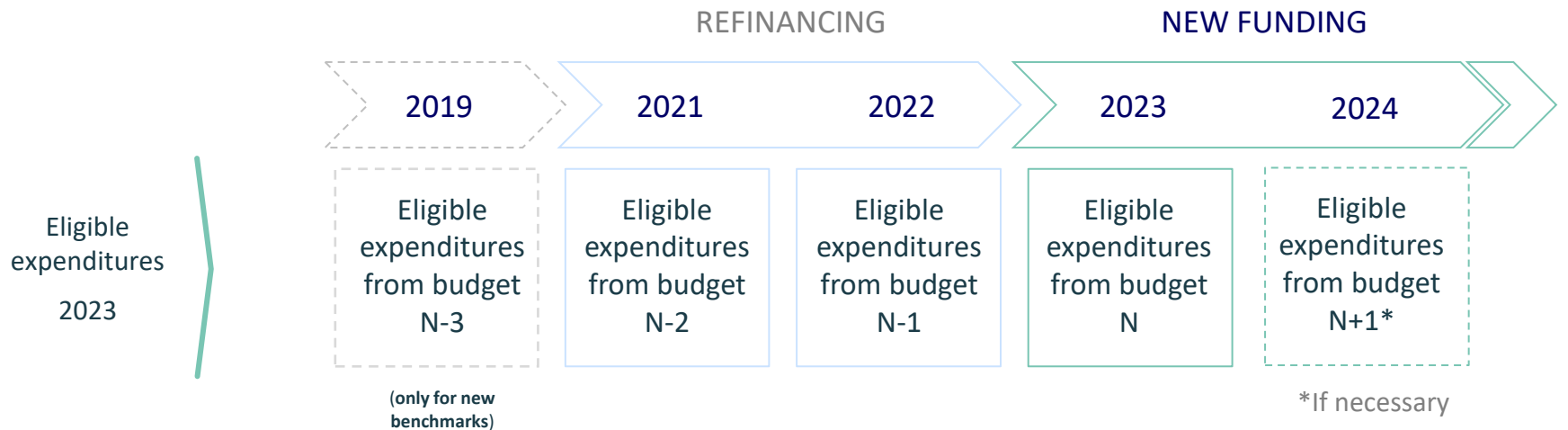
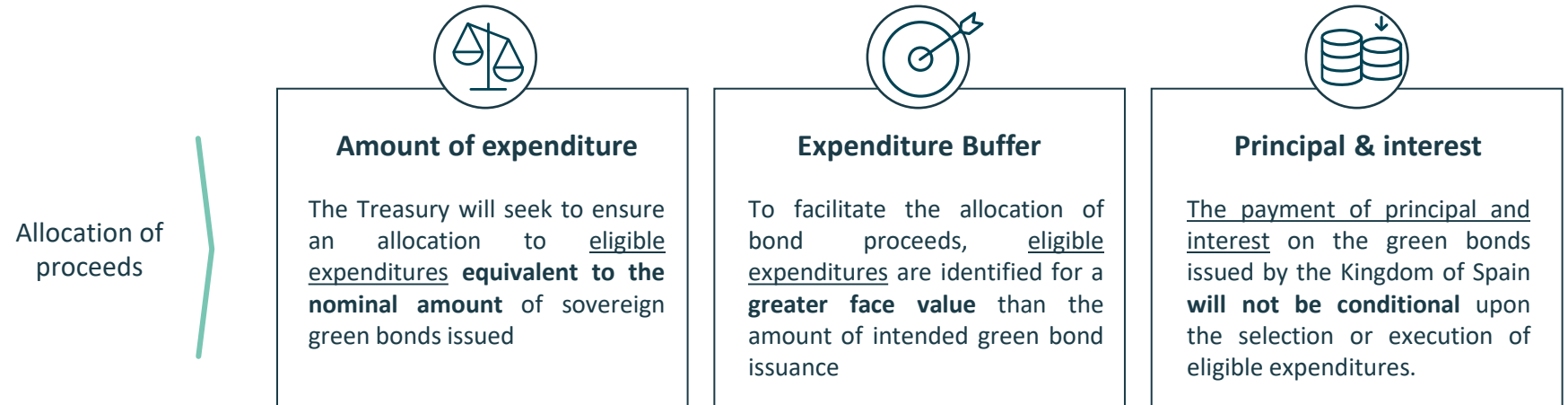
The Working Group will assist the Treasury in the process of evaluating and selecting the eligible expenditure, based on ongoing cooperation between ministerial departments





# Management of Proceeds

Green bond proceeds will form part of Spain's funding program like any other conventional Treasury's bond. The funds will be managed by the Spanish Treasury in accordance with its fund management policy



# External verification

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

## 1 Green bond framework Second Party Opinion

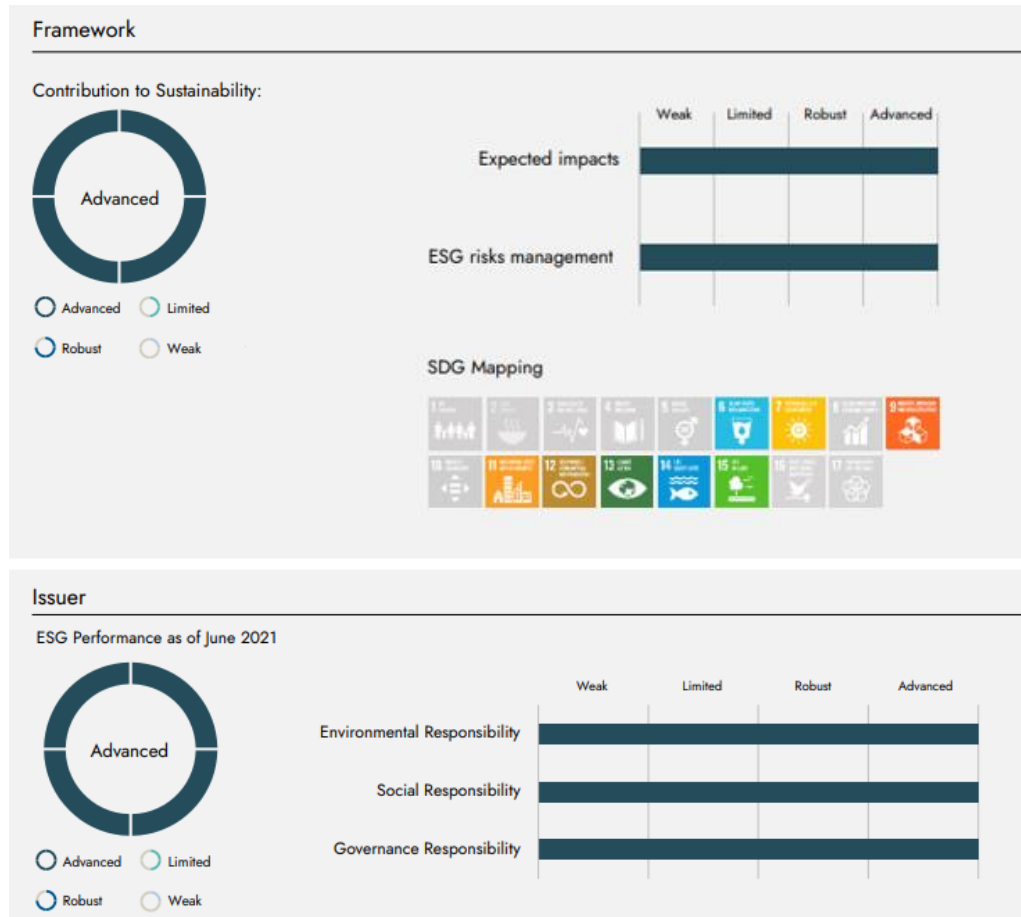
- **VE Vigeo Eiris** has carried out an external review and evaluation of the Green Bond Framework
- **The goal of this review** is to assess the consistency of the framework and its alignment with the ICMA's Green Bond Principles, taking into consideration best market practices
- **The second party 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

- **An independent entity** will also carry out a 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

# External verification: Second Party Opinion 1/2

According to the second party opinion (SPO) by Vigeo Eiris, Spain's Green Bond Framework meets the highest possible standards and gets the highest rating ever given to a European sovereign by Vigeo Eiris



In its *second party opinion*, V.E underlines that:

- ✓ Spain's green bond framework is aligned with the **four main components of ICMA's 2021 Green Bond Principles**
- ✓ Spain's framework is considered as advanced and coherent with Spain's **environmental policies**

# External verification: Second Party Opinion 2/2

According to the second party opinion (SPO) by Vigeo Eiris, Spain's Green Bond Framework meets the **highest possible standards** and gets the **highest rating ever given to a European sovereign by Vigeo Eiris**

## 1 Use of Proceeds

|             |                   |         |                |
|-------------|-------------------|---------|----------------|
| Not Aligned | Partially Aligned | Aligned | Best Practices |
|-------------|-------------------|---------|----------------|

## 2 Evaluation and Selection of Green Eligible Expenditures

|             |                   |         |                |
|-------------|-------------------|---------|----------------|
| Not Aligned | Partially Aligned | Aligned | Best Practices |
|-------------|-------------------|---------|----------------|

## 3 Management of Proceeds

|             |                   |         |                |
|-------------|-------------------|---------|----------------|
| Not Aligned | Partially Aligned | Aligned | Best Practices |
|-------------|-------------------|---------|----------------|

## 4 Monitoring & Reporting

|             |                   |         |                |
|-------------|-------------------|---------|----------------|
| Not Aligned | Partially Aligned | Aligned | Best Practices |
|-------------|-------------------|---------|----------------|



In its *second party opinion*, V.E states that:

- ✓ Spain's green bond framework **is aligned** with **best market practices as identified by V.E**
- ✓ Spain's green bond framework gets the **highest possible rating** in the four main components of ICMA-2021 principles

## **3. Issuances and green eligible expenditures, 2022**

## Green Eligible Expenditures 2020-2022 - Remarks on the selection process

01

Over the **period 2020-2022**, a volume of **EUR 9.8 bn** of central government green expenditures has been identified

02

This amount is still **indicative**, actual figures will be duly **reported in the annual allocation/impact report**

03

This amount only reflects **green expenditures eligible for the framework in accordance with best market practices**: it does not include all government green expenditures over the same period

- More specifically **it does not include**:
  - ✓ Expenses that may be financed by NGEU or any other EU funds/programmes
  - ✓ Expenditures financed by regional and local government
  - ✓ Expenditures financed by other green financing instruments
  - ✓ Expenditures whose monitoring/reporting is difficult to perform or with an eligibility that would not correspond to market best practices
  - ✓ Green expenditures financed by specific taxes or income sources

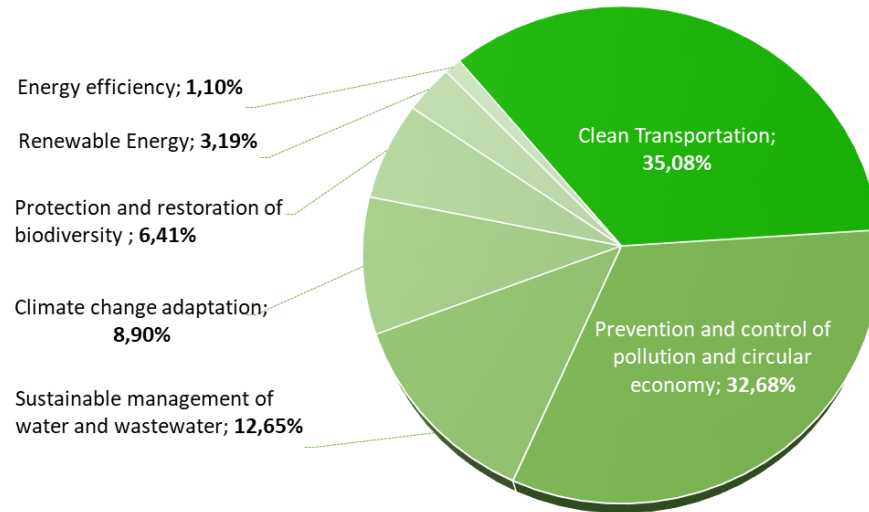
04

These eligible expenditures are **complemented by EUR 28 bn of green investments** foreseen in the Spanish **Recovery, Transformation and Resilience Plan** and **31 bn in the addendum**

# Green Eligible Expenditures - Period 2020-2022 (eligible for 2022 issuances)

- ❖ The Treasury has committed to disclose the breakdown of green **eligible expenditures per year** and to update the information annually.
- ❖ The eligible expenditures for the **2020-2022 period** were already updated by March 2022.
- ❖ These have been adjusted in 2023, considering new information on **budget execution in 2022** and minor technical adjustments.
- ❖ Per our Framework, these expenditures are **eligible for green bond issuances in 2022**.

## Breakdown by Green Category



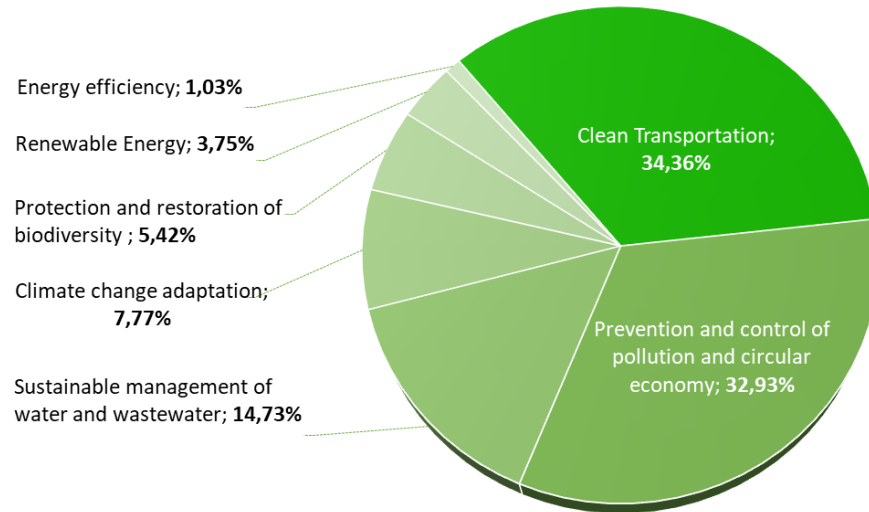
## Breakdown by Ministerial department & year

|  | Eligible expenditures (EUR million) |                 |                 |                 |
|--|-------------------------------------|-----------------|-----------------|-----------------|
|  | 2020                                | 2021            | 2022            | Total           |
| Ministry for the Ecological Transition & Demographic Challenge | 597,81                              | 586,42          | 817,34          | <b>2.001,57</b> |
| Ministry of Economic Affairs & Digital Transition              | 43,32                               | 24,00           | 43,71           | <b>111,03</b>   |
| Ministry of Transport, Mobility and Urban Agenda               | 1.740,80                            | 1.632,85        | 2.748,42        | <b>6.122,08</b> |
| Ministry of Science and Innovation                             | 260,32                              | 239,44          | 310,03          | <b>809,79</b>   |
| Ministry of Industry, Trade and Tourism                        | 0,12                                | 0,12            | 0,12            | <b>0,35</b>     |
| Ministry of Agriculture, Fisheries and Food                    | 239,11                              | 235,43          | 273,76          | <b>748,29</b>   |
| <b>Total</b>   | <b>2.881,48</b>                     | <b>2.718,26</b> | <b>4.193,37</b> | <b>9.793,11</b> |

# Green Eligible Expenditures - Period 2021-2023 (eligible for 2023 issuances)

- ❖ The Treasury has committed to disclose the breakdown of green **eligible expenditures per year** and to update the information annually.
- ❖ Per our green bond framework, only t-2 years can be considered for the Treasury’s green bond taps
- ❖ This slide presents the split by year, green category and Ministry of the expenditures eligible for any reopening of our green bond in 2023.

## Breakdown by Green Category



## Breakdown by Ministerial department & year

|  | Eligible expenditures (EUR million) |                 |                 |                  |
|--|-------------------------------------|-----------------|-----------------|------------------|
|  | 2021                                | 2022            | 2023            | Total            |
| Ministry for the Ecological Transition & Demographic Challenge | 586,42                              | 817,34          | 1.151,39        | <b>2.555,15</b>  |
| Ministry of Economic Affairs & Digital Transition              | 24,00                               | 43,71           | 116,00          | <b>183,71</b>    |
| Ministry of Transport, Mobility and Urban Agenda               | 1.632,85                            | 2.748,42        | 3.196,93        | <b>7.578,21</b>  |
| Ministry of Science and Innovation                             | 239,44                              | 310,03          | 292,97          | <b>842,44</b>    |
| Ministry of Industry, Trade and Tourism                        | 0,12                                | 0,12            | 0,12            | <b>0,35</b>      |
| Ministry of Agriculture, Fisheries and Food                    | 235,43                              | 273,76          | 280,55          | <b>789,73</b>    |
| <b>Total</b>   | <b>2.718,26</b>                     | <b>4.193,37</b> | <b>5.037,96</b> | <b>11.949,58</b> |



## 4. Issuances and reporting

# Issuances and reporting- Reporting

In its Green Bond Framework, The Spanish Treasury has committed to **publish a report on the allocation and impact of sovereign green bond proceeds** on an annual basis



## Allocation Report

- Will provide Information on the **allocation of funds raised** through the issuance of sovereign green bonds
- All allocation reports will be **verified by a specialized independent third party**



## Impact Report

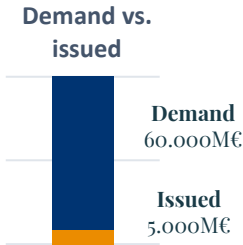
- Will provide information on **environmental impacts**, including indicators and the methodologies and assumptions used

# Green bond program of Spain, launch and inaugural issuance, 2021

In 2021, Spain decided to launch its Green Bonds program, managed by an Interministerial Working Group, which resulted in an inaugural issuance of 5,000 million euros

## Success in the inaugural issuance

Broad support from the market, with a demand of **€60,000M** that multiplied **x12** the size of the issuance.



## Funding of green programs

In the case of the first issuance, the funds obtained have been assigned to finance programs within the category of clean transport.



## Environmental impact of the funds

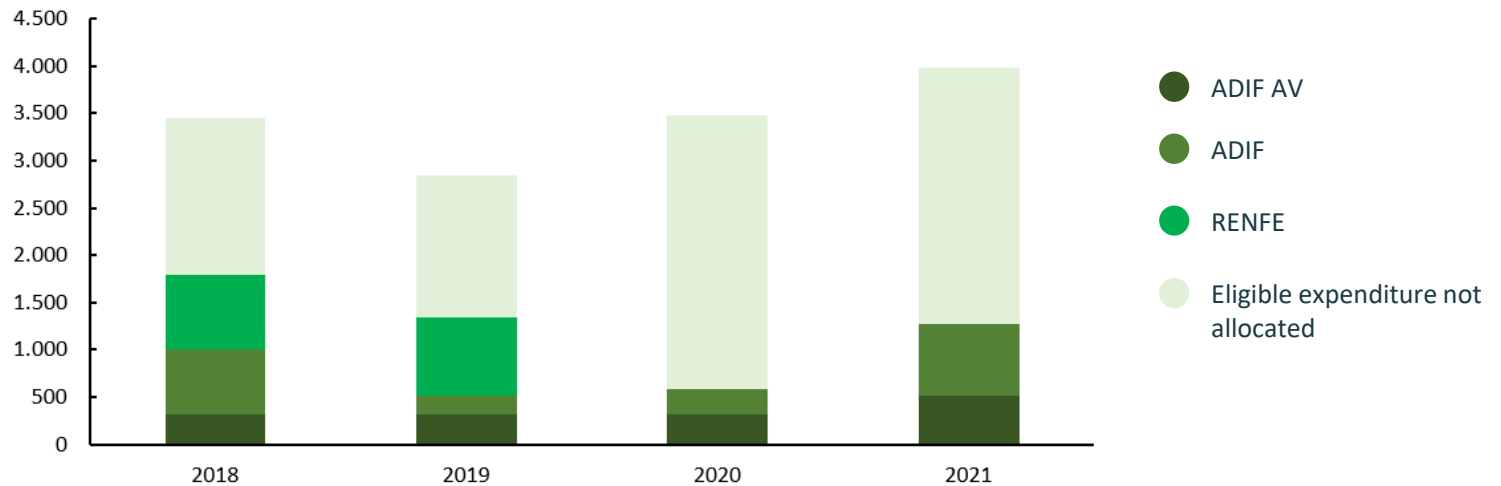
To assess the impact of the financed programs, a series of environmental indicators have been used, including tons of CO2 emissions avoided and other air pollutants.



## Issuances and reporting- Allocation report 2021 (working in reporting for 2022)

All the funds raised in 2021 (5,000 M€) have been allocated to the **category of Clean transportation**, which contributes to the objectives of **climate change mitigation** and **pollution prevention and control**.

Allocation of eligible expenditure for 2021 issuance (M€)



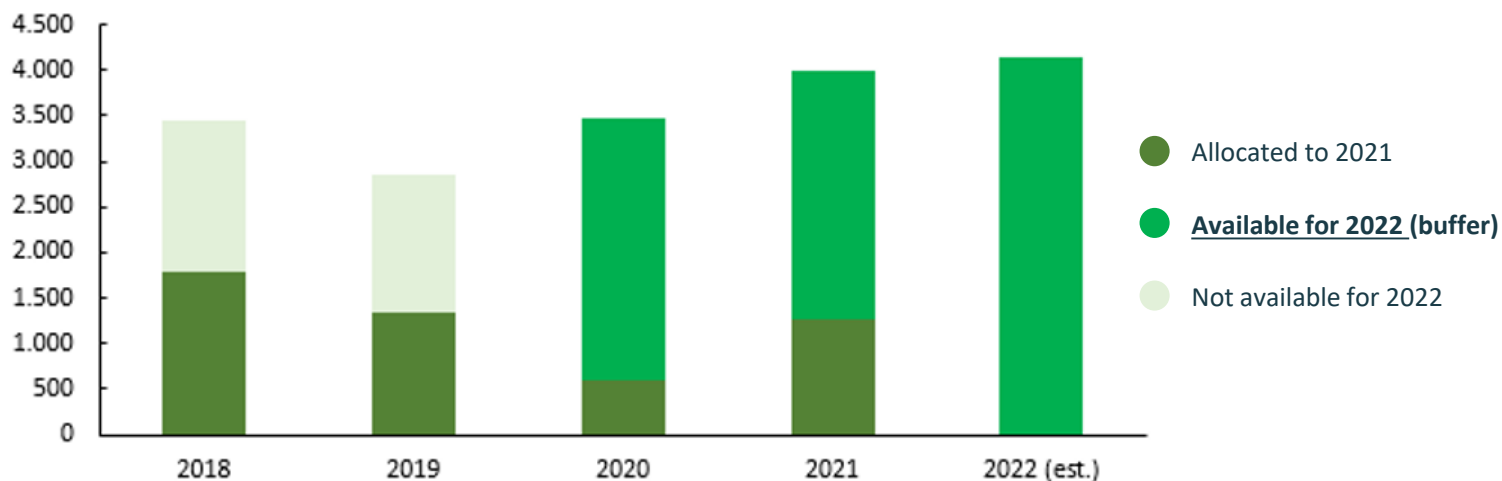
|                                     | 2018            | 2019            | 2020            | 2021            | Total            |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| RENFE                               | 786,73          | 828,57          | 0,00            | 0,00            | 1.615,30         |
| ADIF                                | 699,86          | 204,55          | 276,87          | 752,54          | 1.933,81         |
| ADIF AV                             | 311,57          | 311,57          | 311,57          | 516,17          | 1.450,90         |
| Eligible expenditure not allocated  | 1.649,66        | 1.501,49        | 2.881,48        | 2.718,26        | 8.750,89         |
| <b>Eligible expenditure (total)</b> | <b>3.447,82</b> | <b>2.846,18</b> | <b>3.469,92</b> | <b>3.986,97</b> | <b>13.750,89</b> |

Source: allocation report (2021)

## Issuances and reporting- Allocation report 2021 (working in reporting for 2022)

The allocation only represents a share of the eligible expenditures, and some of the amounts will still be eligible for 2022 issuances. **The eligible expenditures will be updated in T1 2023**, once the 2022 budget execution is available.




Impact of the allocation on the eligible expenditure (in M€)



|                                     | 2018            | 2019            | 2020            | 2021            | 2022 (est.)     | Total            |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Available for issuances in 2022     | 0,00            | 0,00            | 2.881,48        | 2.718,26        | 4.155,56        | 9.755,29         |
| Allocated for issuance in 2021      | 1.798,16        | 1.344,69        | 588,44          | 1.268,71        | 0,00            | 5.000,00         |
| Not available for issuances in 2022 | 1.649,66        | 1.501,49        | 0,00            | 0,00            | 0,00            | 3.151,15         |
| <b>Eligible expenditure</b>         | <b>3.447,82</b> | <b>2.846,18</b> | <b>3.469,92</b> | <b>3.986,97</b> | <b>4.155,56</b> | <b>17.906,45</b> |

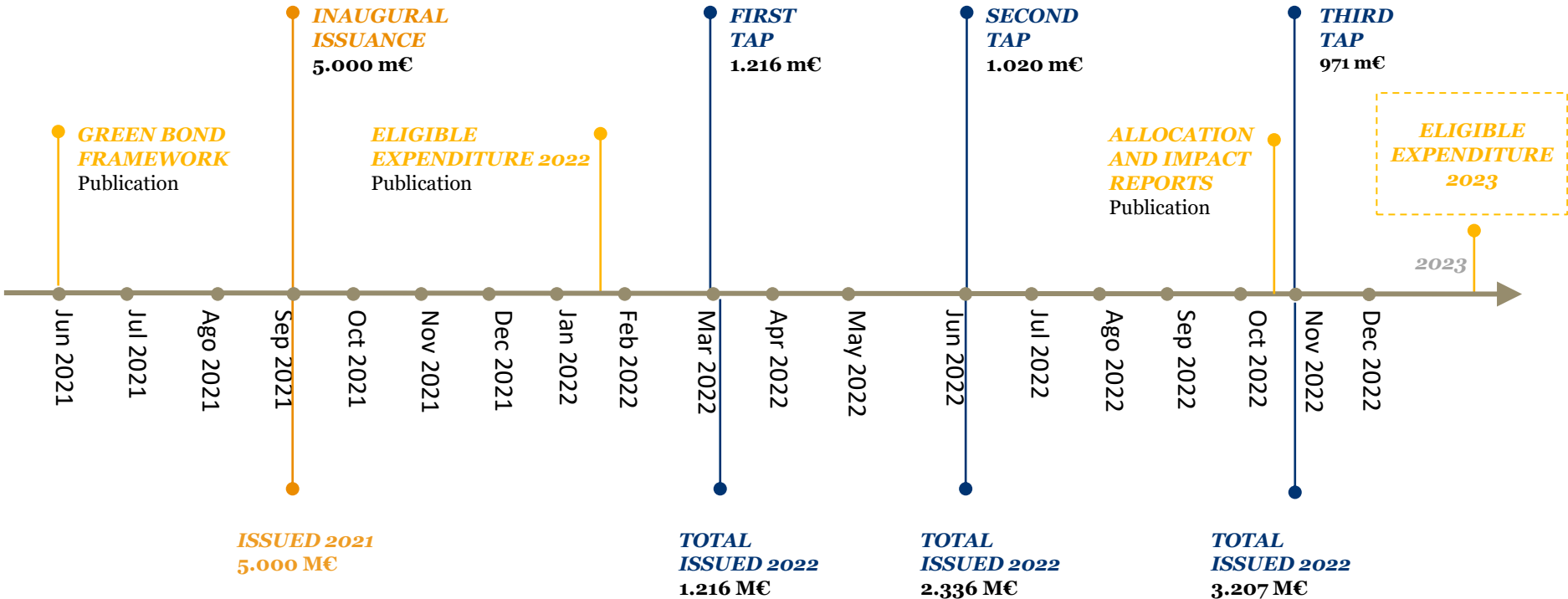
## Issuances and reporting- impact report, indicators for 2021 (working in reporting for 2022)

The impact report goes beyond the framework's commitments, including **environmental impact indicators for all the allocated funds** and widening the scope, addressing both **mitigation** and **pollution prevention and control**

|  <b>MAIN OUTPUT AND IMPACT INDICATORS</b>  |                              |                       |   |                       |  |   |                               |
|---|------------------------------|-----------------------|---|-----------------------|--|---|-------------------------------|
|  <b>SUSTAINABLE TRANSPORT</b>  | OUTPUT INDICATORS            |                       |   |                       | IMPACT INDICATORS                        |   |                               |
|   | Rail built or renovated (km) | Rail electrified (km) | Trains-km benefited from reduced prices | Users - km (millions) | Emissions avoided Co2 (millions of tons) | Emissions avoided Nox (thousands of tons) | Emissions avoided PM10 (tons) |
| Transfers to RENFE for the compensation of Public Service Obligations   |                              |                       |   | 16,95                 | 3,14                                     | 10,34                                     | 356,1                         |
| Transfers to the Railway Infraestructure Managers for the development of the infraestructure  | 234,1                        | 5,9                   |   |                       | 3,74                                     | 36,93                                     | 1,071                         |
| Transfers to railway Infraestructure Managers to setoff prices reductions   |                              |                       | 1,223,052                               |                       | 0,03                                     | 0,14                                      | 5                             |

# Issuances and reporting- Calendar of events to date

Since the inaugural issuance in September, the **Spanish Treasury has tapped three times the green bond to an outstanding of 8.207 M€**, to provide it with liquidity and to answer to the high demand from investors



# Legal notice

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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).