ESG

Financing framework of ICF Group

La banca pública de promoció

Generalitat de Catalunya

1. WHO WE ARE?

The ICF is the public promotional bank of the Government of Catalonia. Our mission is to serve the financing and investment needs of Catalonia's enterprises and social entities. Through financing in the form of loans, guarantees and venture capital investment, the ICF contributes to the growth, innovation and sustainability of the Catalan economy.

To fulfil its mission, the ICF aspires to contribute to the economy, society and the environment, supporting projects and initiatives aligned with the country's strategic priorities: reindustrialisation, the green transition and the social shield.

The ICF group operates through various entities, allowing it to provide tailored solutions to self-employed professionals, startups, SMEs and organisations.

Catalan Finance Institute: public financial institution of Catalonia founded in 1985 and owned by the Government of Catalonia, fostering and improving access to funding for enterprises through a range of financial solutions (loans, guarantees and venture capital).

Financial Instruments for Innovative Companies (IFEM): companies in start-up or early stages of growth are financed alongside private investors and participative loans. IFEM also channels financial instruments funded by European ERDF funds to support SME financing.

ICF Capital: Management company for closed-end UCITS (SGEIC), SAU. It promotes, advises and manages venture capital funds or companies that invest in equity and debt instruments for Catalan companies. It currently manages four investment funds.

2. BUSINESS MODEL

Our activity focuses on granting loans and guarantees and investing in venture capital.

2.1 Loan-based solutions

We design financing solutions for nearly all sectors of activity, aiming to support projects aligned with Catalonia's strategic objectives and complement the offerings of the private financial sector.

Thanks to close collaboration with the Government of Catalonia, we offer credit lines with favourable conditions for specific purposes. At the same time, we manage preferential credit lines co-financed by the European Union's European Regional Development Fund (ERDF), aimed at promoting investment in growth and employment.

• Financing for investment projects and working capital needs.

• Available to entrepreneurs, self-employed professionals, SMEs, large companies, and organisations from both the public and private sectors.

• Medium and long term financing.

• Loans to support projects in digitalisation and reindustrialisation, the green transition, social housing and the modernisation of the primary sector, among others.

• Loans backed by Avalis de Catalunya guarantees for self-employed professionals and SMEs.

2.2 Guarantee-based solutions

• Financial guarantees for large companies or for high amounts.

2.3 Venture capital solutions

Through venture capital investment, we support startups with innovative projects and promote the growth and consolidation of existing companies.

3. STRATEGY

3.1 Main areas of work in ESG

The ICF group has a firm and strategic commitment to ESG. This is reflected in our participation in various national and international ESG initiatives:

• The ICF Group has been a signatory of the UN Global Compact on Sustainable Development Goals (SDGs) since 2021.

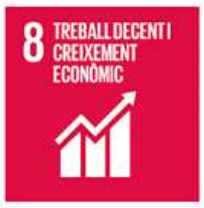
• Since 2023, we have been signatories of the voluntary agreements of the Government of Catalonia for carbon footprint calculation.

• Since 2024, we has been signatories of the Partnership for Carbon Accounting Financials (PCAF), an international alliance of financial institutions around the world that calculate their financial carbon footprint following a standard methodology.

• ICF Capital adheres to the United Nations Principles for Responsible Investment.

The ICF group has incorporated the Sustainable Development Goals (SDGs) into its strategy, identifying two strategic goals and five priority goals to guide its sustainability actions.

• Strategic goals:



SDG 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. This SDG aims to develop reliable, sustainable resilient and high-quality infrastructure.

• Priority goals:

SDG 3: Ensure healthy lives and promote well-being for all at all ages.

SDG 7: ensure access to affordable, reliable, sustainable and modern energy for all.

SDG 11. Make cities and human settlements inclusive, safe, resilient and sustainable. It is a matter of placing cities at the heart of sustainable development in an increasingly urbanised world.

SDG 13: Take urgent action to combat climate change and its impacts. Climate change affects all countries across all continents. It has a negative impact on national economies, as well as on individuals, communities and nations.

SDG 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

3.2 Rationale for the issue

The ICF group views ESG promissory notes as a key instrument for directing liquidity towards projects with positive environmental and social impact. Through the issuance of the ESG promissory notes programme, the ICF group can align its financing plans with its strategic sustainability objectives, strengthening its commitment to a greener and more equitable economy.

This issuance enables investors to take part in the ICF's group efforts to transform its business model and balance sheet towards a more sustainable direction. The ICF group has developed a ESG Financing Framework that sets the conditions for the issuance of ESG promissory notes, ensuring that funds are exclusively allocated to financing or refinancing eligible ESG projects, as defined in the "Use of Proceeds" section.

The ESG Financing Framework is aligned with the ICMA Green Bond Principles (GBP) and Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA). It is structured around four key components:

1. **Use of the Proceeds**
2. **Project Evaluation and Selection**
3. **Management of Proceeds**
4. **Reporting**

This Framework was approved by Supervisory Board on 26th February 2025 and will be updated annually to reflect market best practices and current regulations, including EU directives on sustainable finance (Directive EU 2018/2001; EU Directive 2021/2139; and Regulation 2019/2088 of the SFDR) and the EU Taxonomy (Regulation 2020/852). The latest version of the Framework will be available on the ICF website, and any ESG promissory notes in circulation will be subject to the Framework in effect at that time.

The development of this Framework aligns with the ICF's strategic priorities in ESG development, supporting its ESG commitments and objectives while ensuring that each issue of ESG promissory notes reflects these values and principles.

4. ESG financing framework for the ESG Promissory Notes issue

4.1 Use of proceeds

The funds from the issue of ESG promissory notes under this framework will be exclusively allocated to financing and/or refinancing, in whole or in part, loans or new and/or existing projects that meet the eligibility criteria outlined below.

Eligible green and social projects include loans within the ICF's and the group companies balance sheet, whose disbursement has occurred no more than two years before the year of issue of the ESG promissory notes or that foresee future disbursements within three years following the placement of the notes.

Eligible green and social projects will contribute to one or more of the ICF's group strategic or priority Sustainable Development Goals (SDGs), in accordance with the eligibility criteria outlined below.

Category	Subcategory	Specific conditions and criteria
Renewable energy	Solar energy	No specific criteria are applied.
	Wind power	No specific criteria are applied.
	Cogeneration of heat/cool and power from bioenergy	The agricultural biomass used in the project activity described meets the criteria set out in Article 29, paragraphs 2 to 5 of Directive (EU) 2018/2001. The forestry biomass used in the activity meets the criteria set out in Article 29 paragraphs 6 and 7 of Directive (EU) 2021/2139.
	Production of heat/cooling from bioenergy	The reduction in greenhouse gas emissions from the use of bioenergy in the described projects is at least 80%, in accordance with the GHG reduction methodology and the reference fossil fuel established in Annex V and VI of Directive (EU) 2018/2001.
	Generation of electricity from bioenergy	**For cogeneration of heat/cool and power from bioenergy and production of heat/cool from bioenergy**, the above two points do not apply to cogeneration plants or heat generation facilities with a total rated thermal input below 2 MW that use gaseous fuels derived from biomass. When facilities are based on the anaerobic digestion of organic matter, the production of digestate complies with the criteria set out in Section 5.6 and Criteria 1 and 2 of Section 5.7 of Directive (EU) 2021/2139. **For electricity generation facilities** with a total rated thermal input between 50 and 100 MW, the activity applies high-efficiency cogeneration technology. In the case of electricity-only facilities, the activity complies with the energy efficiency levels associated with the latest relevant Best Available Techniques (BAT) conclusions, particularly those for large combustion plants. For electricity generation facilities with a total rated thermal input exceeding 100 MW, the activity must meet one or more of the following criteria: a) achieves an electrical efficiency of at least 36%; b) implements a high efficiency combined heat and electricity generation technology, as mentioned in Directive 2012/27/EU of the European Parliament and of the Council (173); c) uses carbon capture and storage technology. When CO2 is captured that would otherwise have been emitted during the electricity generation process for underground storage, the CO2 must be transported and stored underground in accordance with the technical selection criteria set out in Sections 5.11 and 5.12 of Directive (EU) 2021/2139, respectively **In the case of biogas and biofuel production for transport and bioliquid production**, it must also be ensured that when CO2 is captured
	Manufacture of biogas and biofuels for use in transport and of bioliquids	

		that would otherwise have been emitted during the production process for underground storage, the CO2 is transported and stored underground in accordance with the technical selection criteria outlined in Sections 5.11 and 5.12 of Directive (EU) 2021/2139
	Other Sources of Renewable Heat Production	**Heat pumps:** The installation and operation of heat pumps is eligible if: • Refrigerant threshold: GWP ≤ 675; and • Complies with the energy efficiency requirements set out in the regulations governing the application of the Ecodesign Framework Directive. **Production of heat/cool using waste heat:** The production of heat/cool using waste heat is always eligible, except when residual heat recovery is linked to the production, processing or transport of fossil fuels (i.e. refineries, gas combustion, etc.).
	Manufacturing of renewable energy equipment	Manufacturing of products, key components and machinery that are essential for eligible renewable energy technologies.
	Manufacture of other low-carbon emission technologies.	**Production of low-carbon technologies not covered by other categories** The production of low-carbon technologies and their key components is eligible if they result in substantial reductions in GHG emissions in other sectors of the economy (including private households) if it is demonstrated that these net GHG emission reductions are significantly higher than those achieved by the most efficient alternative technologies, products or solutions available on the market. This assessment must be based on a recognised/standardised cradle-to-cradle carbon footprint evaluation (e.g. ISO 14067, ISO 14040, Environmental Product Declaration (EPD), or Product Environmental Footprint (PEF) validated by a third party.
Energy efficiency	Storage of electricity Storage of thermal energy	The economic activity has implemented physical and non-physical solutions ("adaptation solutions") that significantly reduce the most material physical climate risks associated with that activity. The material physical climate risks relevant to the activity have been identified based on those listed in Appendix A of Directive (EU) 2021/2139 through a comprehensive climate vulnerability and risk assessment, which includes the following stages: a) screening of the activity to identify which physical climate risks from the list in Appendix A of Directive (EU) 2021/2139 that may affect the performance of the economic activity during its expected lifetime; b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A of Directive

		(EU) 2021/2139, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major projects. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models The adaptation solutions implemented: a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; b) favour nature-based solutions or rely on blue or green infrastructure to the extent possible; c) are consistent with local, sectoral, regional or national adaptation plans and strategies; d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in Directive (EU) 2021/2139, the solution complies with the do no significant harm technical screening criteria for that activity. **For the storage of electricity**, in the case of pumped hydropower storage not connected to a river body, the activity complies with the criteria set out in Appendix B of Directive (EU) 2021/2139. In case of pumped hydropower storage connected to a river body, the activity complies with the criteria for DNSH to sustainable use and protection of water and marine resources specified in Section 4.5. In addition, a waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation. Finally, the activity is in line with the criteria set out in Appendix D of Directive (EU) 2021/2139. **For Aquifer Thermal Energy Storage**, the activity complies with the criteria set out in Appendix B to Directive (EU) 2021/2139.

	In addition, a waste management plan is in place and ensures maximal reuse or recycling at end of life, including through contractual agreements with waste management partners, reflection in financial projections or official project documentation
District heating/cooling distribution	Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling are always eligible, provided the system complies with the definition of efficient district heating/cooling systems of the EU Energy Efficiency Directive.[1] The following activities are always eligible: • Modification to lower temperature regimes; • Advanced pilot systems (control and energy management systems, Internet of Things).
Manufacture of low-carbon technologies for buildings	**Manufacture of low-carbon technologies (buildings)** The manufacturing of the following products is eligible (with thresholds, where applicable) for energy efficiency equipment for buildings and their key components: • Installation of building management system (BMS). • High efficiency windows (thermal transmittance - U-value higher than 0.7 W/m2K). • High efficiency doors (thermal transmittance - U-value higher than 1.2 W/m2K). • Insulation products with low thermal conductivity (lambda lower than or equal to 0.045 W/mK), external cladding with U-value lower than 0.5 W/m2K and roofing systems with U-value lower than 0.3 W/m2K). • Hot water fixtures (e.g., taps, showers) that are rated in the highest class (dark green) according to the European Water Label Scheme (http://www.europeanwaterlabel.eu/). • Household appliances (e.g., washing machines, dishwashers) rated in the highest class available under the EU Energy Label for each appliance category. • High-efficiency lighting appliances rated in the highest energy efficiency class among those predominantly represented under the EU energy labelling regulations (or higher classes). • Presence and daylight controls for lighting systems. • High efficiency space heating and domestic hot water systems rated in the highest energy efficiency class among those predominantly represented under the EU energy labelling regulations (or higher

1 The EU Energy Efficiency Directive states: "Efficient district heating and cooling refers to a district heating or cooling system that uses at least 50% energy from renewable sources, 50% waste heat, 75% cogenerated heat, or 50% from a combination of these types of energy and heat".

		classes). • High efficiency cooling and ventilation systems rated in the highest energy efficiency class among those predominantly represented under EU energy labelling regulations or higher classes. • Heat pumps that meet the criteria set out in the energy section of the taxonomy. • Façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation. • Energy-efficient building automation and control systems for commercial buildings according to EN 15232. • Zoned thermostats and devices for the smart monitoring of the main electricity loads for residential buildings, and sensoring equipment (e.g., motion control).
		Products for heat metering and thermostatic controls for individual homes connected to district heating systems, for individual flats connected to central heating systems serving a whole building.
Afforestation and reforestation	Reforestation (plantations) on non-forest lands	Eligible projects must be in line with international or European forest certification standards (e. g., FSC/PEFC) demonstrated by a copy of the certificate or an audit report issued by a recognised auditing firm confirming compliance; this certificate or report will be kept in the loan file. **Examples of eligible measures:** • Establishment of agroforestry conversion systems. • Project in nurseries, forest area preparation for sowing (reforestation), pruning and maintenance, wildfire prevention and control measures, green infrastructure to protect against soil erosion or flood prevention and mitigation measures, forest tracks, and firebreaks. • Project in forest equipment (cable yarders, skidding and felling technology) for reforestation, reforestation activities and sustainable forest management. • Sustainable forestry activities must increase carbon stocks or reduce the impact of forestry operations.
	Reforestation on previously afforested land and rehabilitation/restoration of degraded forests	
	Sustainable forest management activities	
Circular economy adapted products, production technologies and processes	Production/processing of sustainable construction, packaging and plastic materials	Eligible activities must demonstrate that CO2 emissions have been substantially avoided through a life cycle assessment (reviewed by experts in accordance with ISO 14044). • The production of food and feed crops is not eligible for financing under the multi-beneficiary loan (MBIL) (this restriction does not apply to food and feed crop residues, such as sugarcane bagasse). • The sustainability of production must be demonstrated through an EU-recognised certification system for biofuels or applicable to forestry. This certificate must be kept in the loan file. GHG emissions[140] from the organic basic chemicals production processes are lower than:

a. for HVC: 0,693[141] tCO_2e/t of HVC;

b. for aromatics: 0,0072[142] tCO_2e/t of complex weighted throughput;

c. for vinyl chloride: 0,171[143] tCO_2e/t of vinyl chloride;

d. for styrene: 0,419[144] tCO_2e/t of styrene;

e. for ethylene oxide/ethylene glycols: 0,314[145] tCO_2e/t of ethylene oxide/glycol;

for adipic acid: 0,32[146] tCO_2e /t of adipic acid.

Circular economy

Circular economy

Models with a "product-as-a-service" reuse and sharing approach

Projects in models with a "product-as-a-service", reuse and sharing approach that enable circular economy strategies. These models may be based, among other things, on leasing systems, pay-per-use, subscription or deposit-return schemes.

Examples of eligible projects:

- Rental of products with circular design (e.g. increased durability, modularity, ease of disassembly and repair).
- Use of predictive maintenance systems aimed at extending the lifespan of the product/asset (e.g., with intelligent data management and ICT systems).
- Provisions for the return of the product/asset at the end of the first leasing lifecycle, followed by its refurbishment/repair to enable re-leasing for additional lifecycles under optimal quality conditions ("as new").

Repair, refurbishment, renewal, reuse and remanufacture of products, assets or components that have become redundant or have reached the end of their useful life and that would otherwise be discarded, enabling their reuse.

- Activities aimed at making redundant or end-of-life products usable again for their original purpose or, if they have lost their original functionality, repurposing them for adapted reuse. The products will not be reused in activities that are harmful to climate action or environmental sustainability and must retain their ability to be recovered and recycled at the end of their lifecycle.

Application of the circular model - transition to circular models

Projects in processes that enable the transition towards circular models and strategies in existing manufacturing and industrial production

		facilities, as well as in agriculture. In the field of the circular economy (CE), various types of interventions may be eligible, either individually or in groups: • Projects that enable a net overall resource savings through activities such as reuse, repair, refurbishment, remanufacturing, repurposing or recycling compared to the current situation or standard practice. • Projects that contribute to shifting production towards greater use of secondary raw materials compared to current practices, demonstrating a favourable environmental footprint over the project's lifecycle compared to the existing situation or standard activity. • Projects that demonstrate the preservation of the value of waste streams (which were previously or typically discarded as waste) and, therefore, the prevention of waste generation; in other words, waste recovery for reuse and recycling or other circular economy strategies. **Examples of eligible projects** Activities involving reuse, repair, refurbishment, remanufacturing, repurposing or recycling within the production process. • Projects related to reducing the use of primary raw materials in a company's operations, including replacing virgin materials with secondary or recycled alternatives, production waste or by-products. • Projects that replace or significantly reduce potentially hazardous substances in materials, products and goods.
Clean transportation	Water clean transportation	**Passenger transport by inland waterways:** • Inland waterway vessels with zero direct emissions are eligible. **Transport of goods by inland waterways:** • Inland waterway vessels with zero direct emissions are eligible. • Other inland waterway vessels are eligible if direct emissions of CO2 equivalent in tonnes per kilometre (gCO2e/km) or in tonnes per nautical mile (gCO2e/tnm) are 50% below the average reference value defined for heavy-duty vehicles in Regulation (EU) 2019/1242. **Maritime freight or passenger transport projects:** • Inland waterway vessels with zero direct emissions are always eligible. • Other maritime transport projects must demonstrate a transition from higher-carbon operation to a lower-carbon emissions model. • Infrastructure for low-carbon transport (waterborne transport). • Vessels dedicated to the transport of fossil fuels or fossil fuel blends with alternative fuels are not eligible under any circumstances. **The construction and operation of transport infrastructure are eligible in the following cases:** • Infrastructure necessary for zero direct emission waterborne transport (e.g. batteries or hydrogen refuelling facilities). • Infrastructure designed to support the renewable energy sector. • Infrastructure predominantly used for low-carbon transport, provided that the vehicle fleet using the infrastructure meets the direct emissions thresholds defined for the relevant activity, expressed in CO2e emissions per passenger-kilometre (gCO2e/pkm), per tonne-kilometre

		(gCO2e/tkm), per passenger-nautical mile (gCO2e/pnm), or per tonne-nautical mile (gCO2e/tnm). **For all infrastructure:** • Only infrastructure that is essential for the operation of the transport service is eligible. • Infrastructure dedicated to the transport of fossil fuels or fossil fuel blends is not eligible.
	Road clean transportation	(including category L vehicles) • Vehicles with zero direct emissions (including hydrogen, fuel cell and electric vehicles) are automatically eligible. **Category L vehicles (mopeds, motorcycles, motor tricycles, and quadricycles):** • Only vehicles with zero direct emissions (including hydrogen, fuel cell and electric vehicles).
		• The acquisition of heavy-duty vehicles with zero direct emissions, emitting less than 1 g CO2/kWh (or 1 g CO2/km for certain N2 vehicles), is automatically eligible. • Low-emission heavy-duty vehicles with specific direct CO2 emissions below 50% of the reference CO2 emissions for all vehicles in the same sub-group are also eligible. • Activities dedicated to the transport of fossil fuels or fossil fuel blends with alternative fuels are not eligible.
	Manufacturing of Low-Carbon Technologies	The manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low-carbon transport vehicles, their key components, vehicle fleets and vessels is eligible if they meet the following criteria: Passenger cars and light commercial vehicles (as per Regulation (EU) 2019/631 on CO2 emissions from passenger cars and vans): • Until 2025: only zero exhaust pipe emission vehicles (e.g. electric or hydrogen-powered vehicles) are included. • From 2026: only vehicles with an emission intensity of 0 g CO2/km (WLTP). Category L vehicles: • Only zero exhaust pipe emission vehicles (including hydrogen, fuel cell and electric vehicles). Heavy-duty vehicles: N2 and N3 vehicles, as defined in Regulation (EU) 2019/1242 on CO2 emissions from heavy-duty vehicles: • Heavy-duty vehicles with zero direct emissions, emitting less than 1 g CO2/kWh (or 1 g CO2/km for certain N2 vehicles). • Low-emission heavy-duty vehicles with specific direct CO2 emissions less than 50% of the reference CO2 emissions for all vehicles in the same sub-group. Railway fleets: • Trains with zero direct emissions.

		• Urban, suburban, and interurban passenger land transport fleets. • Zero direct emission land transport fleets (e.g. light rail, metro, trams, trolleybuses, buses, and railways). Waterborne transport • Ships with zero direct emissions.
	Infrastructure for clean transportation	Charging stations for electric vehicles and the corresponding infrastructure and hydrogen vehicle refueling stations Eligibility for all types of vehicles (cars, vans, trucks, buses, etc.). Infraestructure dedicated to the transport of fossil fuels o fossil fuel blends is not eligible.
Pollution Prevention and Control	Projects in pollution prevention and control	**<u>Projects in pollution prevention and control</u>** **Projects in economic activities related to the prevention and control of pollution** • Projects in end-of-pipe mitigation measures or technologies that reduce pollutant emissions to the atmosphere, water and soil from economic activities (e.g., primary crop production, forestry, fishing and land use; manufacturing and production facilities; logistics and retail). Projects must lead to a substantial reduction in emissions that goes beyond the current industry standard, for example, by raising the level of Best Available Techniques (BAT) or legal requirements, as appropriate. • Projects in the significant reduction and gradual elimination of artificial pesticides, fertilisers and antibiotics. • Projects in systems designed to improve air quality. • Projects in the reduction of noise in or near residential areas (beyond legal requirements). • Projects in machinery designed to reduce pollution. **Production of technologies for the prevention of pollution** • Manufacture of products for the prevention and control of pollution, key components and new technologies that enable substantial reductions in pollutant emissions in other sectors of the economy. • The applicable equipment or technologies must prevent or reduce emissions from other activities beyond the limit set by law (including noise reduction) or demonstrate better pollution control compared to the most effective alternative technologies/products/solutions available on the market, based on a recognised/third-party validated standard.
	Waste collection and	**Projects supporting the separate collection and transport of <u>non-hazardous</u> waste are eligible provided that:**

	transport	• Source-separated waste (in single or mixed fractions) is collected separately with the aim of preparing it for reuse or recycling. • Different separately collected waste fractions are not mixed during collection or transport. **Examples of eligible projects:** • Waste collection equipment, such as bins and containers (including underground systems). • Waste collection and transport vehicles. • Technological equipment and ICT applications for support, such as route optimisation for waste collection or pay-as-you-throw systems. • Support infrastructure for collection, temporary storage, grouping and transfer of waste (e.g. recycling points for waste collection, waste transfer facilities), and/or • Support infrastructure for collection/transport vehicle fleets (vehicle deposits and auxiliary facilities that include washing and repair, refuelling/recharging, provided that vehicles comply with at least the Euro V standard). **In all cases:** • Only infrastructure that is essential for the operation of the waste collection and transport service is eligible. • Infrastructure dedicated to the transport or supply of fossil fuels or fossil fuel blends is not eligible. • The collection and transport of hazardous waste are not eligible (as classified in the EU waste list: https://ec.europa.eu/environment/waste/framework/list.htm https://ec.europa.eu/environment/waste/framework/list.htm
	Biowaste management	**Projects in biowaste composting facilities are eligible provided that:** • Biowaste is separated at source and collected separately. • The compost produced is used as a fertiliser or soil improver and meets the applicable requirements for fertilising materials set out in the Component Material Category (CMC) of Annex II of Regulation (EU) 2019/1009, or the respective national standards for fertilisers or soil improvers for agricultural use. **Examples of eligible activities:** (i) Completely new projects: construction of new composting plants, including auxiliary equipment, facilities and infrastructure. (ii) Projects in old industrial areas: total or partial replacement or improvement of existing equipment and facilities with the aim of increasing resource efficiency and material recovery and/or reducing greenhouse gas emissions.
	Waste processing and recycling	**Projects are eligible provided that:** • The raw materials is waste that is separated at source and collected in a selective manner. • The activity produces secondary raw materials suitable for replacing virgin materials in production processes. • At least 50% by weight of the separately collected non-hazardous waste processed is converted into secondary raw materials. **Examples of eligible activities:** (i) Construction of new material recovery facilities that apply mechanical processes to process waste so that it can be recycled. (ii) Total or partial replacement or improvement of existing facilities with

		the aim of increasing resource efficiency and material recovery.
	Sustainable landfill gas capturing	**Projects are eligible provided that:** • The landfill was not opened after 8 July 2020. • The landfill (or landfill cell) where the new (or expanded and/or renovated) landfill gas collection and use equipment will be located is permanently closed (no further waste is accepted) and rehabilitated to achieve environmentally acceptable conditions. • The landfill gases produced are used directly for the generation of power and/or heat, or are converted into biomethane for injection into the natural gas network, or used as fuel for vehicles (e.g., compressed natural biogas, bioCNG) or as raw material in the chemical industry (e.g., for the production of H2 and NH3). • Methane emissions from the landfill and leaks from the landfill gas collection and utilisation facilities are monitored through a monitoring plan. **Examples of eligible activities:** • Landfill gas collection, treatment and utilisation systems (e.g., extraction wells and piping systems, blowers used as reserve systems, facilities for energy production or for conversion into biomethane, compression for use as vehicle fuel, or injection into a natural gas network). Projects in landfills that have not yet been closed or renovated are not eligible.

Sustainable water and waste water treatment	Sustainable water	**Water - Improvements in water efficiency and saving**
		• Projects must result either in i) a reduction of the necessary inputs or ii) a substantial reduction of losses due to new processes/technologies.
		• In the case of projects in equipment, the projects must replace or upgrade equipment that is still within its technical useful life.
		Examples of eligible projects:
		• New technologies that ensure a substantial reduction in water usage / an increase in water efficiency beyond the company's usual projects.
		• Precision irrigation measures. Projects in new irrigation systems that have enhanced irrigation efficiencies:
		  • System efficiency should be at least:
		  ▪ 60% for furrow irrigation
		  ▪ 75% for sprinkler irrigation
		  ▪ 90% for drip irrigation
		  • Moving away from flood systems and investing in drip or point source irrigation systems that deliver water directly to the base of perennial crops.
		• Projects in improved conveyance systems, such as:
		  • Lining of canals

  - Covering canals
  - Installing pipes
- Application of the necessary measures for compliance with a certification system.
- Collection of the runoff water for subsequent use.
- Treatment of sewage/grey water for subsequent reuse.
- Nature-based solutions or low-impact technologies integrated into buildings/facilities designed to significantly improve water conservation, efficiency, reuse and discharge reduction.

Water - Improvements in the control and management of drainage/rainwater/runoff

Projects in the implementation of measures and processes that significantly improve the current state of drainage, rainwater infiltration and runoff management in agriculture, forestry, land use and manufacturing and production facilities.

Examples of eligible projects:

- Projects in improving the infiltration of rainwater from surfaces that would otherwise be impermeable.
- Transition from combined systems to separate sewerage/rainwater systems.
- Drainage system.
- Water retention infrastructure.
- Runoff control measures to improve infiltration.
- Improvement of watershed management.

Production of water management, efficiency and reuse technologies

Manufacturing activities specialised in the production of technologies related to smart water management and the improvement of water savings, conservation and efficiency, or technologies to improve water quality, which enable significant benefits in other sectors of the economy in terms of efficiency, conservation and maintaining water resource quality.

The applicable equipment or technologies must demonstrate greater efficiency in water use, savings and quality conservation compared to alternative technologies/products/solutions available on the market, based on a recognised/third-party validated standard.

For complete water supply systems:[2]

The energy efficiency of the **complete water supply system** is substantially increased:

- Reducing the average energy consumption of the system by at least 20% (including intake, treatment and distribution; measured in kWh per cubic metre of billed/non-billed of water supplied with authorisation); or
- Reducing the gap by at least 20% between the actual leakage value of the water supply network and a determined target value for low leakage levels.

For the rehabilitation **of the components of the water supply system**, such as intake (e.g. surface outlets, groundwater wells), treatment (water treatment plants) and distribution (water pipes, distribution networks):

- Reducing the average energy consumption of the system by at least 30% (including intake, treatment and distribution; measured in kWh per cubic metre of billed/non-billed of water supplied with authorisation); or
- Reducing the gap by at least 30% between the actual leakage value of the water supply network and a determined target value for low leakage levels.

Rehabilitation of existing water supply systems

The water collection, treatment and supply system from start to finish is eligible, provided that its performance in terms of energy consumption per cubic metre of water supplied is high, with an average energy consumption of the system (including collection, treatment and distribution) of 0.5 kWh or less per cubic metre of billed/non-billed water supplied with authorisation.
The most commonly eligible activities include the following:

- Installation of new systems or expansion of existing water supply systems that maintain the overall system consumption below 0.5 kWh/m3.

In the case of projects that only affect the intake, treatment or distribution systems, the overall consumption of the project must remain below 0.5 kWh/m3 to be considered eligible.

2 As proposed in the report of the Technical Expert Group, applicable to projects in complete systems.

	Wastewater treatment	Eligible activities consist of the rehabilitation of sewerage networks and/or wastewater treatment plants, provided that: • The renovation is carried out before the asset reaches the end of its useful lifespan; and • The rehabilitation achieves at least a 20% reduction in the energy consumption of the sewerage network (or the component of the sewerage network, e.g., the wastewater treatment plant). The net energy consumption of the system is calculated in kWh per population equivalent per annum of the waste water collected or effluent treated, taking into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs) and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy). The operator demonstrates that there are no material changes relating to external conditions, including modifications to discharge authorisation(s) or changes in load to the agglomeration that would lead to a reduction of energy consumption, independent of efficiency measures taken. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. **Examples of eligible activities:** • Rehabilitation of sewerage networks (including manholes, pipes and pumping stations) to reduce infiltrations and leaks. • Rehabilitation of wastewater treatment plants (e.g., replacing pumps, aeration) without increasing their capacity. **New or expanded sewerage networks** • The construction or expansion of sewerage networks is eligible, provided that the collection system replaces a more GHG-intensive wastewater treatment (e.g., septic tanks, anaerobic lagoons, etc.). • The activity will be included in the taxonomy as part of centralised wastewater systems. • It will only be eligible if the sewage system transports wastewater to a wastewater treatment plant (even if it is not included in the operation). The most commonly eligible activities include the following: • Construction of a new sewerage network in areas without service. The population in these areas currently dumps or would dump untreated wastewater or wastewater treated with GHG-intensive wastewater treatment systems. • Expansion of an existing sewerage network to cover areas without service. The population in these areas currently dumps or would dump untreated wastewater or wastewater treated with GHG-intensive wastewater treatment systems. **New wastewater treatment plants or expansion of existing ones** • Construction or expansion of centralised wastewater systems, including collection (sewerage network) and treatment. The most commonly eligible activities include the following: • Construction of new wastewater treatment plants with aerobic treatment serving an agglomeration. The population in this agglomeration currently dumps or would dump untreated wastewater or wastewater treated with GHG-intensive wastewater

		treatment systems. Expansion of an existing wastewater treatment plant to cover areas without service within an agglomeration. The population in these areas currently dumps or would dump untreated wastewater or wastewater treated with GHG-intensive wastewater treatment systems.
Climate resilience	Projects for Climate resilience	**Examples of climate resilience projects in agriculture:** • Drought-resistant crops/new crop variety. • Crop storage. • Aeroponic plant production. • Digital or other applications for monitoring and forecasting in the meteorological and hydrological fields. • Monitoring and forecasting in the meteorological field. • Pressurised irrigation technologies using sprinklers, drip irrigation or other high-efficiency drip systems. • Agricultural land levelling using high-precision laser techniques. • Digital or other applications related to the aforementioned activity. **Examples of climate resilience projects that increase the resilience of water resources/water availability:** • Water storage and collection. • Water saving technologies (smart water meters, pressure control technologies). • Control of water levels. • Hydrological modelling and forecasting. • Digital or other applications related to the aforementioned activity **Examples of climate resilience projects that increase the resilience of coastal infrastructure:** • Geosynthetic products for ground stabilisation. • Improvement of storm tide and hurricane/typhoon/cyclone prediction. • Early warning systems to reduce the risk of flooding. • Intelligence and analysis activities in the field of climate adaptation. • Research for the collection and supply of raw marine data. • Mapping of climate risks. • Digital or other applications related to the aforementioned activity. **Examples of climate resilience projects in the Information and**

		Communication Technology (ICT) sector • Communication technologies for disseminating information in the climate-meteorological field.
Terrestrial biodiversity	Projects in biodiversity	**<u>Projects in biodiversity</u>** **Production of sustainable and/or organic primary crops** • Projects in existing activities for the production of sustainable and/or organic primary crops carried out by certified operators, or support for businesses to convert production into certified organic and/or sustainable production. • The certifications may include: international and EU certification for organic/biological agriculture; sustainable agriculture certification (e.g., Rainforest Alliance); REDcert2; others, as applicable. • Activities must not lead to the conversion, fragmentation or intensification of the use of natural habitats (especially in areas with a high biodiversity value). **Biodiversity - Protecting, developing and promoting the natural heritage and ecosystem-based tourism** • Projects in the promotion of ecotourism activities developed in modified/degraded ecosystems and natural habitats that are part of a conservation or restoration programme/plan. **Production of technologies related to biodiversity conservation and ecosystem services** • Manufacture of products for the conservation of biodiversity, key components and new technologies that contribute substantially to enabling other activities to substantially reduce their pressure on biodiversity and ecosystem services or that directly improve the state of the environment with regard to the most efficient technologies/products/alternative solutions available on the market. • Production of a sustainable and cost-effective alternative to tropical hardwood. • Development of a habitat monitoring system for species.
Green building	Green building	Project aimed at the new construction or rehabilitation of sustainable housing with high levels of energy efficiency. Eligible projects must meet: • The conditions set by Royal Decree 853/2021 will apply to all subprojects financed under this operation, including Article 60, regarding energy efficiency, which requires that the primary non-renewable energy consumption of buildings be 20% lower than current requirements under the applicable regulations (Technical Building Code, CTE).

		• At the time of completion, the financial intermediary will ensure that all buildings with more than 5,000 m2 are subjected to an air-tightness test, and any deviation in the efficiency levels established in the design phase or any defect in the building envelope will be communicated to investors and customers. • At the time of completion, the financial intermediary will ensure that all buildings with more than 5,000 m2 are subjected to a thermal integrity test, and any deviation in the efficiency levels established in the design phase or any defect in the building envelope will be communicated to investors and customers. • They must be consistent and clearly defined capital projects that are necessary for the execution of an action, including all permanent (tangible or intangible) elements essential for the sustainable production of the goods or services contemplated by the action (purely financial transactions will not be eligible).
Affordable housing	Affordable housing	Financing projects for (i) the construction of new social and affordable housing for rent and/or (ii) the purchase and renovation/rehabilitation of existing housing to convert it into social and affordable housing for rent, with the aim of providing decent housing for low- and middle-income individuals, in accordance with the social and affordable housing criteria defined by national legislation. (Article 3 and Article 17 of Law 12/2023, of May 24, on the Right to Housing). (iii) the purchase of first homes for young people and converting them into social housing. The criteria considered include income, the physical characteristics of the housing and the conditions of purchase and/or sale, in accordance with the applicable legal or regulatory provisions, or other specific criteria: a) the homes must belong to public or private lessors of social housing or affordable housing; b) rental homes must be controlled rental properties; c) the housing units must have a maximum total area of 92 m2, except those occupied by large families (i.e., those consisting of more than 4 people); and d) the usable area of commercial premises or offices must not exceed 20% of the total usable area of the building. The rental criteria are in the following link: https://habitatge.gencat.cat/ca/ambits/preus-ingressos-i-zones/taules-dingressos-de-referencia-en-materia-dhabitatge-/taules-dingressos-per-accedir-a-un-habitatge-protegit/index.html
Health and social care	Infrastructures, care centers, and residences.	The final borrowers are small municipalities, non-profit organisations and private entities, such as small and medium-sized enterprises working in the social care sector. The final beneficiaries are vulnerable people, such as people with disabilities, the elderly and individuals with substance abuse disorders. In addition, households with a dependent or vulnerable member benefit indirectly from the care services offered by the borrower. 1. Construction and/or renovation of:

		1.1 Public or private medical services infrastructure; 1.2 Specialised centres dedicated to providing assistance to vulnerable and dependent populations; 1.3 Residences of the elderly and social care centres, including housing for the elderly who are still independent. 2. Supply and installation of medical or non-medical equipment and furniture. 3. Adaptation of these facilities to facilitate access for individuals with reduced mobility. 4. Training and support programmes for individuals with disabilities. 5. Training of specialist medical and social staff
Affordable basic infrastructure	Affordable basic healthcare and social infrastructures.	The final borrowers are small municipalities, non-profit organisations and private entities, such as small and medium-sized enterprises working in the social care sector. The final beneficiaries are vulnerable people, such as people with disabilities, the elderly and individuals with substance abuse disorders. Financing can be granted for basic infrastructure, such as water supply and wastewater systems, solid waste collection and treatment facilities, including hazardous waste, as well as electricity and gas supply systems, IT infrastructure and communication facilities (such as telephone, internet, cable, etc.).
Small and midcaps companies	Small andmidcaps companies	Loans for small and medium-sized companiesthat want to finance projects in order to grow, open new markets, make new developments or strengthen the company's operations. Operations with favourable conditions due to co-financing by the European Regional Development Fund (ERDF) of the European Union, which aims to invest in growth and employment. The conditions and eligibility of loans with preferential conditions can be consulted in the call for applications published in the Official Journal of the Generalitat of Catalonia. In general, applicants must be SMEs or small midcaps and at the same time meet the following requirements to be able to finance themselves with this loan line. 1. Increase investment levels: through the acquisition of productive assets or the expansion of productive facilities. 2. Drive competitiveness: with revenue growth, international sales, increasing the margins of existing products or creating new ones. 3. Encourage the maintenance and creation of employment: that the project involves an increase in the company's current workforce.

4.2 Project Evaluation and Selection

The Project Evaluation and Selection Process will ensure the allocation of the income from ESG Promissory Notes to loans that meet the criteria set out in section 4.1 Use of proceeds.

Projects supporting or promoting the following activities will not be eligible under this Framework as eligible green and social projects:

- **Exploration, research and exploitation of fossil fuels**
- **Generation of nuclear energy**
- **Industries related to alcohol, arms, tobacco, gambling or mining**

The issuer will establish an ESG Promissory Notes Committee (PNC) to carry out the evaluation and selection process.

The Processing and Disbursement Department will prepare and analyse a list of potential eligible projects, ensuring alignment with the criteria set out in this Framework. Once reviewed, the list will be submitted to the Administration and Markets Department for a second-level verification before being presented to the PNC

The PNC, chaired by the ICF Director of Administration and Markets, will meet regularly—at least quarterly—and will maintain records of its meeting minutes. It will be composed of the Director of Processing, the Head of Global Risk Control, the Director of Products, Brand and Sustainability, the ESG Venture Capital Investment Manager, and the Financial Director.

The PNC will evaluate the projects submitted and confirm their compliance with this Framework.

In this way, we will establish an initial layer of control with the risk department, which will then be validated by the PNC, thereby implementing a multilayered process. Furthermore, our PNC is multidisciplinary and includes ESG managers.

In the event that a loan does not meet the eligibility criteria, in the case of early loan repayments, or if the loan matures before the maturity of the promissory note, the PNC will replace such loans with new loans selected in accordance with the eligibility criteria. The same procedure will be followed if any of the projects is the subject of a dispute that results in an unfavourable court decision or a significant regulatory fine. In these cases, the replacement of these loans with eligible ESG loans will be carried out within a maximum period of 6 months.

The PNC will also be responsible for overseeing the management of the funds and will approve the reporting on ESG bonds (as described in this Framework in sections 4.3 and 4.4, respectively).

The ICF undertakes to update the ESG Finance Framework with the aim of adhering to the latest market best practices.

4.3 Fund management

The ICF will supervise and monitor the net funds through its internal IT system, while aiming to designate enough eligible green and social projects to ensure that the outstanding balance related to this portfolio is equal to the total balance of the promissory note funds. Therefore, the ICF will monitor the amount assigned to eligible green and social projects and this will be documented through its internal systems.

The ICF undertakes to make its best efforts to allocate the total amount of issued ESG promissory notes to eligible projects within 24 months from the issue date.

Unallocated funds from the ICF's outstanding ESG notes may be temporarily invested in cash, deposits or money market instruments, in accordance with the ICF's investment guidelines for its treasury liquidity portfolio. On the money market instruments portion, the ICF is committed to investing only in those with an ESG rating.

To manage this aspect, the ICF will establish an ESG Promissory Notes Register.

The ESG Promissory Notes Register will be reviewed by the ESG Promissory Notes Committee (PNC) on a regular basis (and at least quarterly) and will include relevant information, such as details of the ESG promissory notes issued (ISIN code, size, issue date and maturity date, among other information), as well as details of eligible green and social projects, including the portfolio's outstanding amount and any other information required.

4.4 Reports

The ICF's Administration and Markets Directorate will be responsible for reviewing and approving reporting related to ESG notes issued under this new framework, allowing investors and stakeholders to track the development of eligible projects, with the aim of aligning with the International Capital Market Association (ICMA) Harmonised Framework for Impact Reporting.

The ICF will publish an annual report that will include both an allocation report and an impact report, available on its website.

Allocation reports:

This report will be updated periodically to reflect any significant changes affecting eligible ESG projects. It will include information such as:

- **Outstanding balance of ESG promissory notes.**
- **Percentage of funds allocated to financing and refinancing.**
- **Balance of funds not allocated in the reporting period (if applicable).**
- **Percentage of co-financing (if any).**

We will be adopting an issuance-by-issuance approach and, where possible, providing a breakdown by projects to enhance visibility on the allocation of proceeds within each UoP category.

Impact reports:

The ICF will provide an impact report detailing the expected environmental, social, and governance effects by project category. This report will include additional data to illustrate the positive impact of the financed projects and the methodology used to assess these impacts. Some of the metrics included are:

Eligible categories	Impact metrics
Renewable energy	• Installed capacity (MWth) • Estimated energy production (MWh/year)
Energy efficiency	• Installed capacity (MWth) or primary energy savings (MWh/year) • GEC emissions savings
Circular economy adapted products, production technologies and processes	• Processing capacity and quantity of waste produced (tonnes/year) • Increase in materials, components and products that are reusable, recyclable, and/or certified compostable as a result of the project • Waste that is prevented, minimised, reused or recycled before and after the project
Wastewater treatment	• Evidence of compliance with the criteria • Permits and licences • Beneficiary's self-declaration
Affordable housing	• Number of beneficiaries among the target population • Number of dwellings
Green Building	• Annual energy savings in MWh • Reduction in annual energy consumption after renovation (%)
Road or water clean transportation	• Modal shift: number of passenger-km, and/or tons-km • Size of the fleet • Estimated annual GHG emissions reduced/avoided (in tCO2e/year)

To ensure transparency and rigor in assessing the environmental and social benefits of financed projects, this Framework establishes objective criteria and standardized methodologies for measuring key impact metrics.

In the environmental sphere, avoided or reduced emissions will be calculated following the Greenhouse Gas (GHG) Protocol, an internationally recognized standard for quantifying and managing greenhouse gas emissions. This methodology ensures consistency, reliability, and traceability of reported data, facilitating comparability with other sustainable finance initiatives.

Depending on the nature of the financed project, additional impact indicators will be defined in alignment with the United Nations Sustainable Development Goals (SDGs) and best market practices. These may include methodologies for measuring achieved energy efficiency, reductions in natural resource consumption, or the generated social impact.

Commitment to these methodologies ensures that the reported information is verifiable and aligned with international sustainable finance standards, strengthening the credibility of the Framework.

5. External Review

Second opinion on the framework of the ESG promissory notes issuance programme

The ICF has commissioned Fitch to conduct an external review of this framework and has issued a second opinion. This second opinion will be available on the ICF website, in the ESG Promissory Notes Programme section.

Annual report verification

The ICF will request an annual assurance report confirming that the amount of the promissory notes has been allocated in accordance with all significant aspects of the criteria set out in the framework, as well as the review of impact information. This annual report will be available on the ICF website, in the Promissory Notes Programme section.