



Republic of Latvia

SUSTAINABILITY BOND FRAMEWORK

May 2026

Contents

01

**Executive Summary of
the Framework**

04

**Overview of the Identified
Eligible Expenditures**

02

**Latvia's Sustainability
Approach**

05

Second Party Opinion

03

**Overview of the Sustainability
Bond Framework**

Executive Summary



Executive Summary



Latvia's Sustainable Strategies & Targets

Latvia is committed to achieving **climate neutrality by 2050**, aligned with the Paris Agreement and the European Green Deal. Key targets include **reducing GHG emissions by 65% by 2030** (versus 1990). Priority measures focus on renewable energy expansion, energy efficiency, transport decarbonization, sustainable agriculture, and circular economy development, while addressing climate change adaptation, biodiversity conservation and social inequalities



Latvia's Sustainable Finance Journey

Latvia established its **inaugural Sustainability Bond Framework in 2021**, which paved the way for its **first Sustainability Bond of EUR 600m** issued in December that same year. The 2026 Framework **builds on and updates the first version**. Issuances under the Framework will contribute to the financing of Latvia's environmental and social transition, and to support the development of sustainable finance in the country



Framework update 2026

The updated Framework is aligned with the **International Capital Markets Association (ICMA) 2025 Green Bond Principles, 2025 Social Bond principles and 2021 Sustainability Bond Guidelines**. The update of the Framework further implements the EU Taxonomy, by **considering, on a best effort basis, the Substantial Contribution Criteria** for the Green Eligible Expenditures but also **reorganizes the existing Eligible Expenditures and introduces new Green and Social Categories**



Use of Proceeds 2026

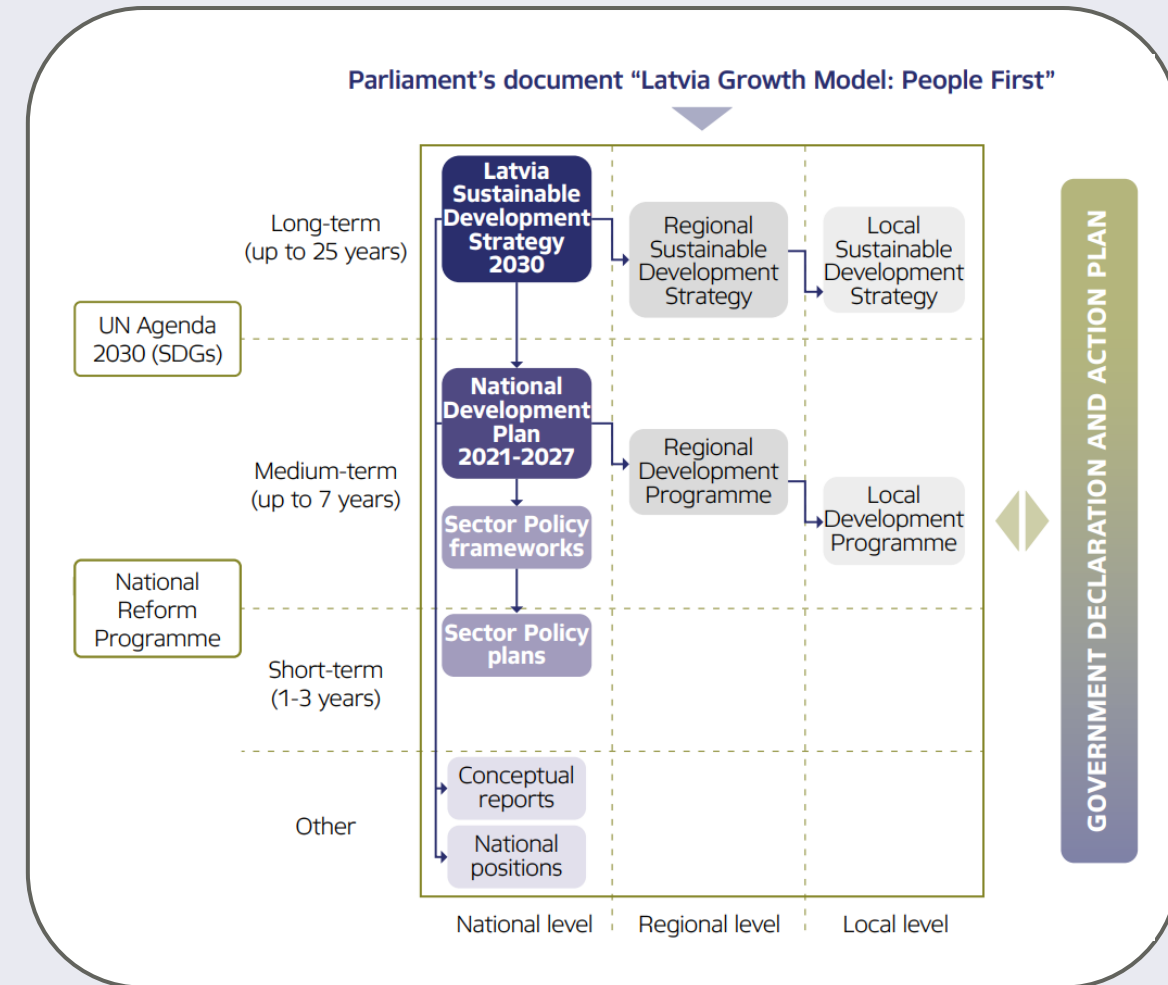
- The 8 green categories are: **Green Buildings & Energy Efficiency, Clean Transportation, Circular Economy, Pollution Prevention & Control, Environmentally Sustainable Management of Living Natural Resources & Land Use, Terrestrial & Aquatic Biodiversity Conservation, Climate Change Adaptation, Research, Innovation & Awareness Raising**
- The 5 social categories are: **Access to Essential Services for Health and Healthcare, Education, Social Inclusion, Energy Power, and Food Security and Sustainable Food Systems**

Latvia's Sustainability Approach

Sustainable Development Planning in Latvia

Latvia's sustainable development planning operates through a robust **three-tiered National Development Planning System** mandated by law that translates ambitious national, regional and local long-term goals into specific, actionable medium-term and short-term priorities

- The **Sustainable Development Strategy of Latvia until 2030 (Latvia2030)** is hierarchically the highest national-level, long-term planning document. It outlines Latvia's long-term development priorities, strategic indicators, and development vectors.
- The **National Development Plan of Latvia for 2021-2027 (NDP27)** serves as Latvia's primary medium-term development planning document, implementing Latvia2030. It steers the implementation of Latvia 2030 and sets the parameters for sectoral policy by establishing a set of strategic objectives, defining responsible authorities and guiding major investments in the promotion of a sustainable, national development.



Latvia's Climate Policy Framework

The climate policy framework is established to ensure the achievement of the 2030 and 2050 targets for greenhouse gas emission (GHG) reductions

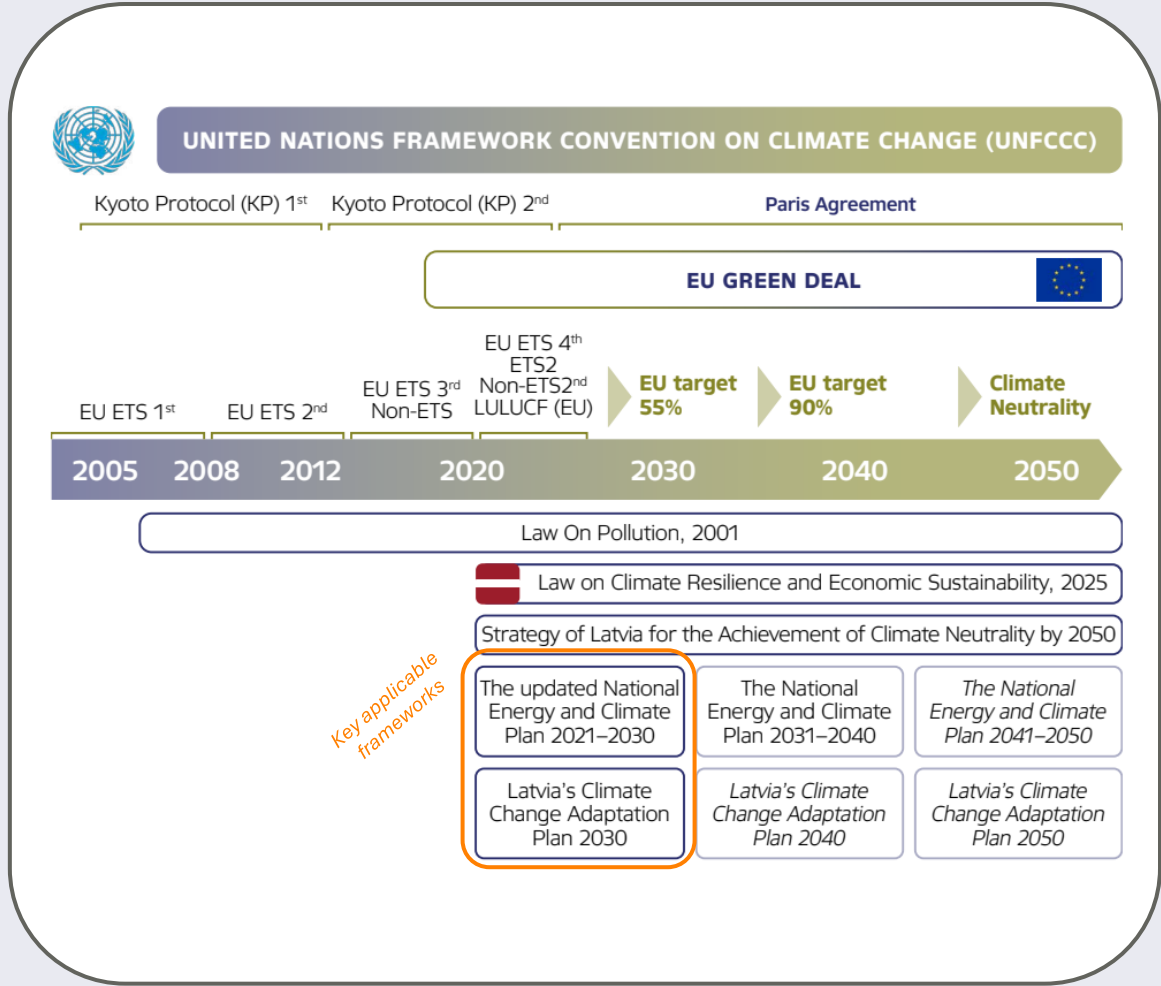
2030

Latvia is committed to **reducing GHG emissions** in the sectors not covered by EU ETS (non-ETS) **by 17%** compared to 2005.

Compared to 1990, its total **GHG emissions reduction target** (without Land Use, Land Use Change and Forestry (LULUCF)) **is -65% by 2030.**

2050

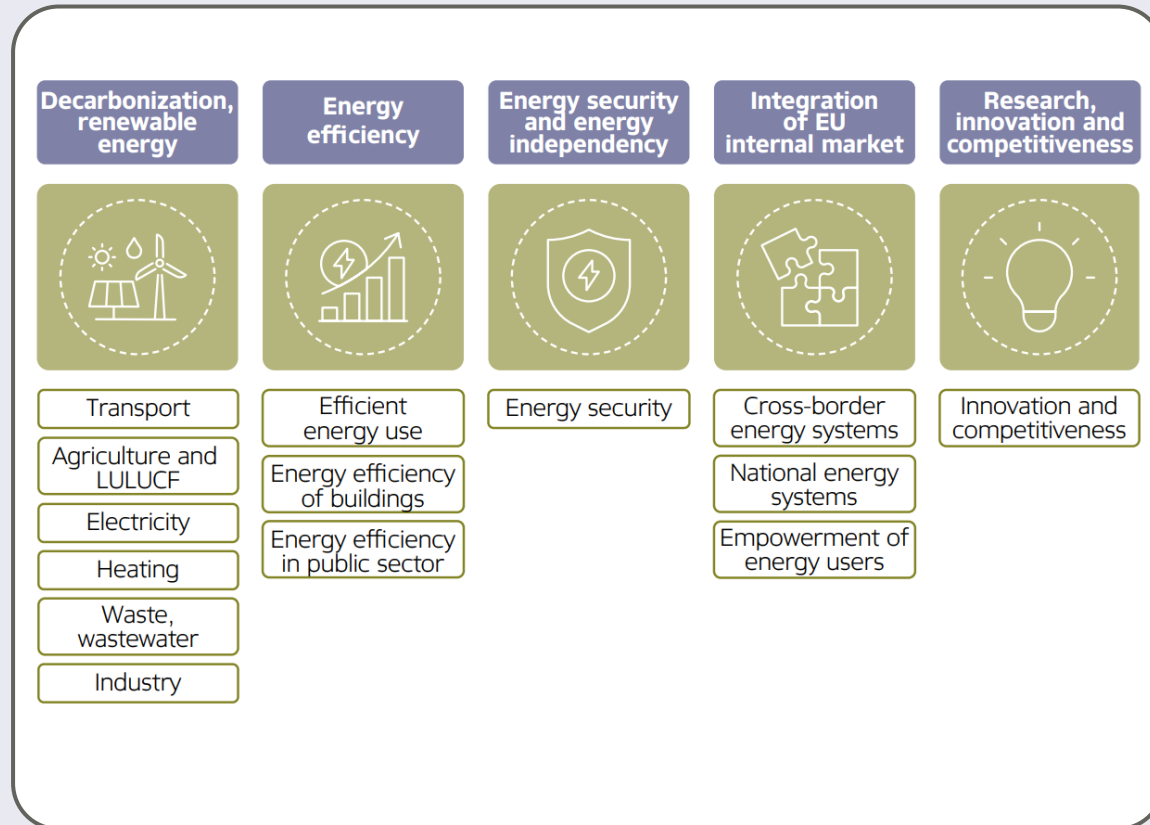
Latvia is committed to reaching **climate neutrality in 2050** (**midterm indicative targets** have also been set in the Strategy of Latvia for the Achievement of Climate Neutrality by 2050).



The National Energy and Climate Plan 2021-2030

The National Energy and Climate Plan for 2021-2030 (NECP) long-term objective is to promote the development of a climate-neutral economy by improving energy security and public welfare in a sustainable, competitive, cost effective and secure manner

5 Policy Actions to achieve the NECP objectives...



...via 7 strategic action plans

- 1 Increase the production and use of renewable energy resources
- 2 Improve buildings' energy efficiency in the public and private sectors
- 3 Promote "green" innovation through science and research in the areas of GHG emission reduction and adaptation
- 4 Ensure transport decarbonization via domestic renewable fuel production, micro-mobility and public transport
- 5 Promote sustainable agricultural practices
- 6 Substantially enhance carbon removals in the LULUCF sector through afforestation and sustainable forest management
- 7 Improve waste management, circular economy practices and efficient use of resources

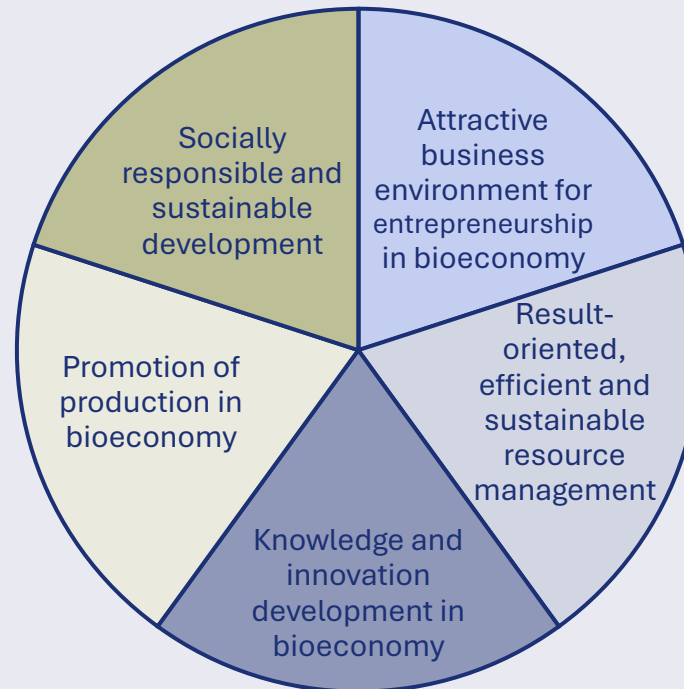
Latvia's Bioeconomy Development Strategy 2030

Latvia's bioeconomy sectors spearhead the transformation of natural capital into sustainable, high-value opportunities

The strategic goals* for the National Bioeconomy Development are divided into three main groups

1. Advancement and retention of employment in the bioeconomy sectors to **at least 128 thousand persons**
2. Increasing the value added of bioeconomy products to at least **EUR 3.8 billion in 2030**
3. Increasing the value of bioeconomy production exports to at **least EUR 9 billion in 2030**

Execution of the National Bioeconomy Strategy 2030 is anchored in five complementary action areas:



Socially responsible and sustainable development

- **Reduction of GHG emissions** in bioeconomy sectors
- **Enhancement of ecosystems' cultural** or intangible services as the development of public goods
- **Promotion of bioeconomy** and public involvement
- Introduction of the principles of rational use of **bioresources in population habits**

*performance rate - <https://bioekonomika.lbtu.lv/LIBRA2030merki/>

Transport as a key decarbonization lever

The Transport Development Guidelines for 2021-2027 (TDG2027) is a medium-term policy planning document for the development of the transport sector in Latvia, which also incorporates elements of decarbonization

Resource efficiency

Enhancing Latvia's resource efficiency via integrated mobility and urban/ transportation planning:



Tram line extension

- Riga city tram line 7 extension 2.2 km (Riga)



Cycling Infrastructure

- 52 kms of cycling infrastructure (Riga)



Mobility hubs

- 15 new hubs (Riga)

Electrification of transport

Enhancing the share of Renewable Energies in the private and public transportation system via:



Electric buses

- Electric buses in Riga (52 e-buses purchased)



Electric trains

- 32 new electric trains (in serviss)



BEMU trains

- 9 trains (in production + 5 planned)
- Charging infrastructure

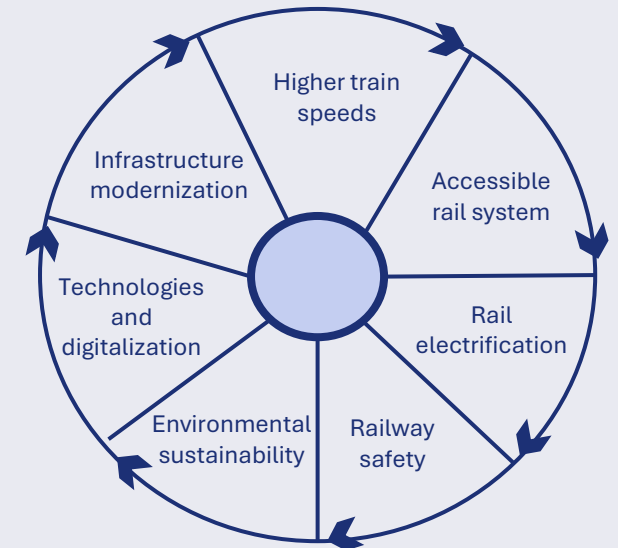


Support to EVs

- EUR 40m for the acquisition of BEV and PHEV
- Support to the maintenance of EV charging networks

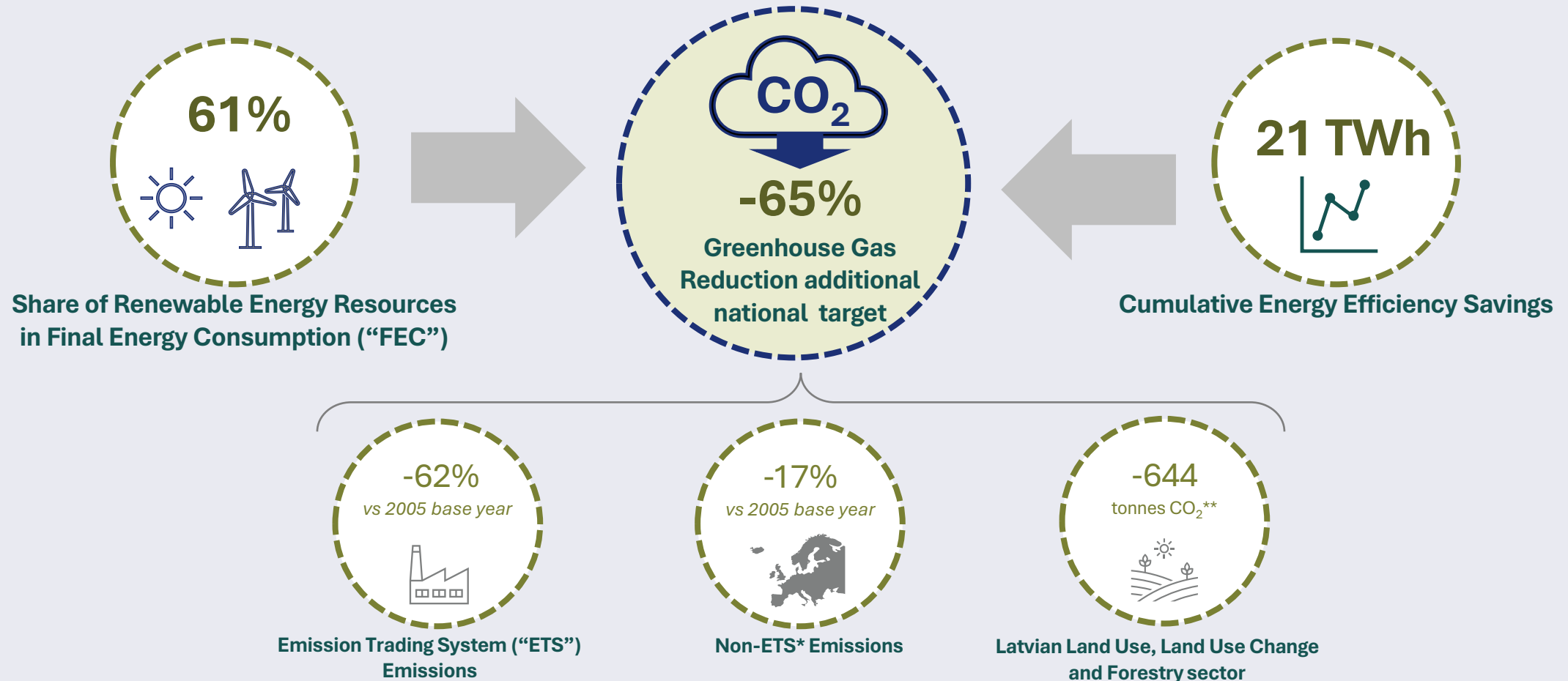
Long-term vision for the development of the state's publicly-used railway infrastructure

Providing modern, user friendly, green and safe rail infrastructure:



Greenhouse Gas Reduction Goals by 2030 – “Fit for 55”

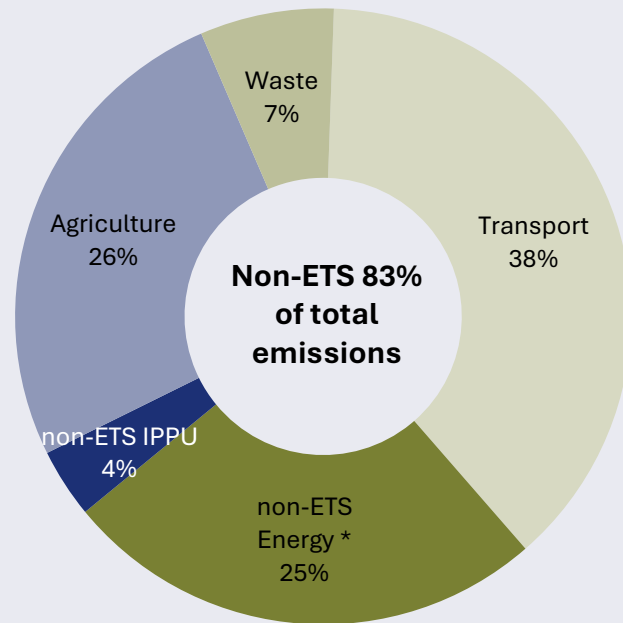
The European climate law makes reaching the EU’s climate goal of reducing EU emissions by at least 55% by 2030 a legal obligation. Latvia has adopted legislation and set up 2030 targets that contribute to put the EU in a climate-neutral trajectory by 2050



*Small energy, small industry, transport, agriculture, waste management sector ** indicative target according to Regulation 2018/841

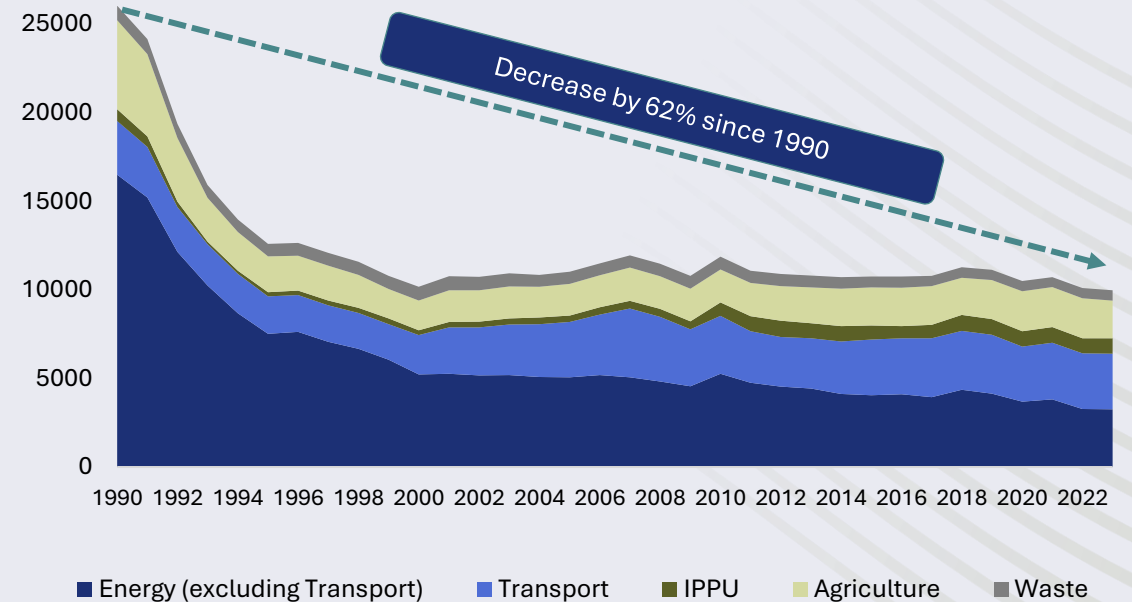
Latvia's GHG emissions profile

Latvia's non-ETS greenhouse gas (GHG) emissions structure without LULUCF 2023



Source: 2025 GHG inventory (1990 - 2023) UNFCCC

Latvia total greenhouse gas (GHG) emissions since 1990 without LULUCF (ktCO₂eq.)



Source: 2025 GHG inventory (1990 - 2023) UNFCCC

The Pivotal Role of Renewable Energy

Latvia's Energy Sector 2025-2050 KPIs

Electricity consumption
7 → **18 TWh**

Electricity production
6 → **25 TWh**

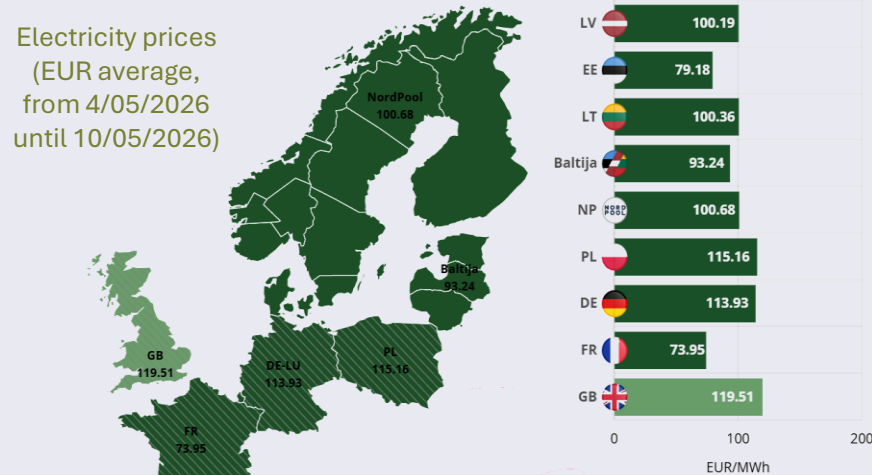
Emission reduction
6,6 → **3.4 ktCO₂eq.**

Electricity prices
80 → **59€ /MWh**

Share of Imported resources
45% → **23%**

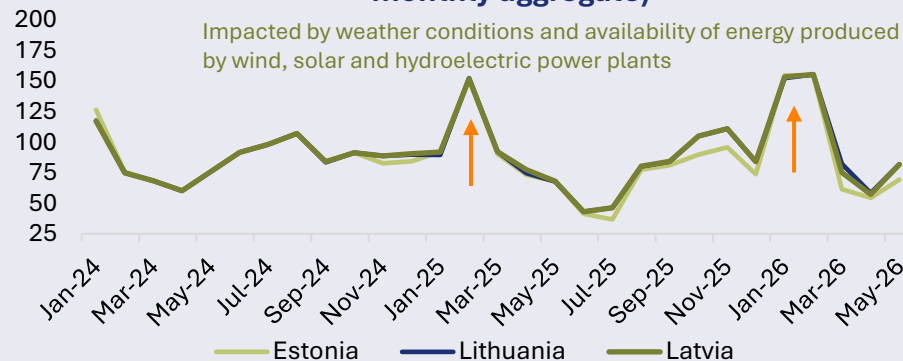
After permanent disconnection from the Russian power system as of 9th February 2025 and successfully joining the Continental Europe Synchronous Area

Electricity prices (EUR average, from 4/05/2026 until 10/05/2026)



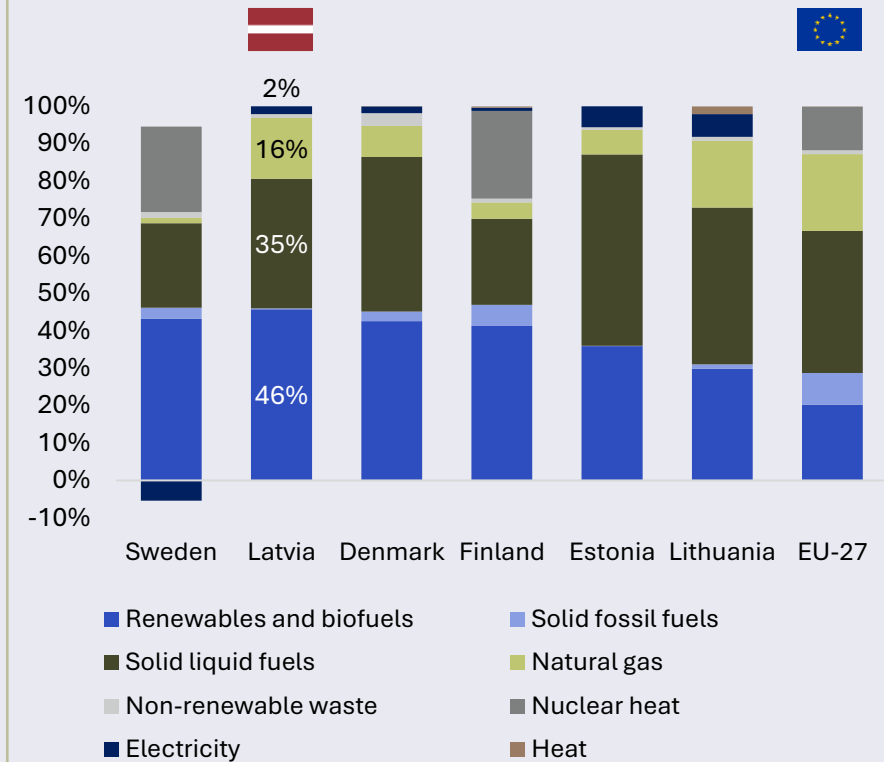
Source: Latvenergo

Nord Pool day-ahead electricity prices in Baltic states (EUR, monthly aggregate)



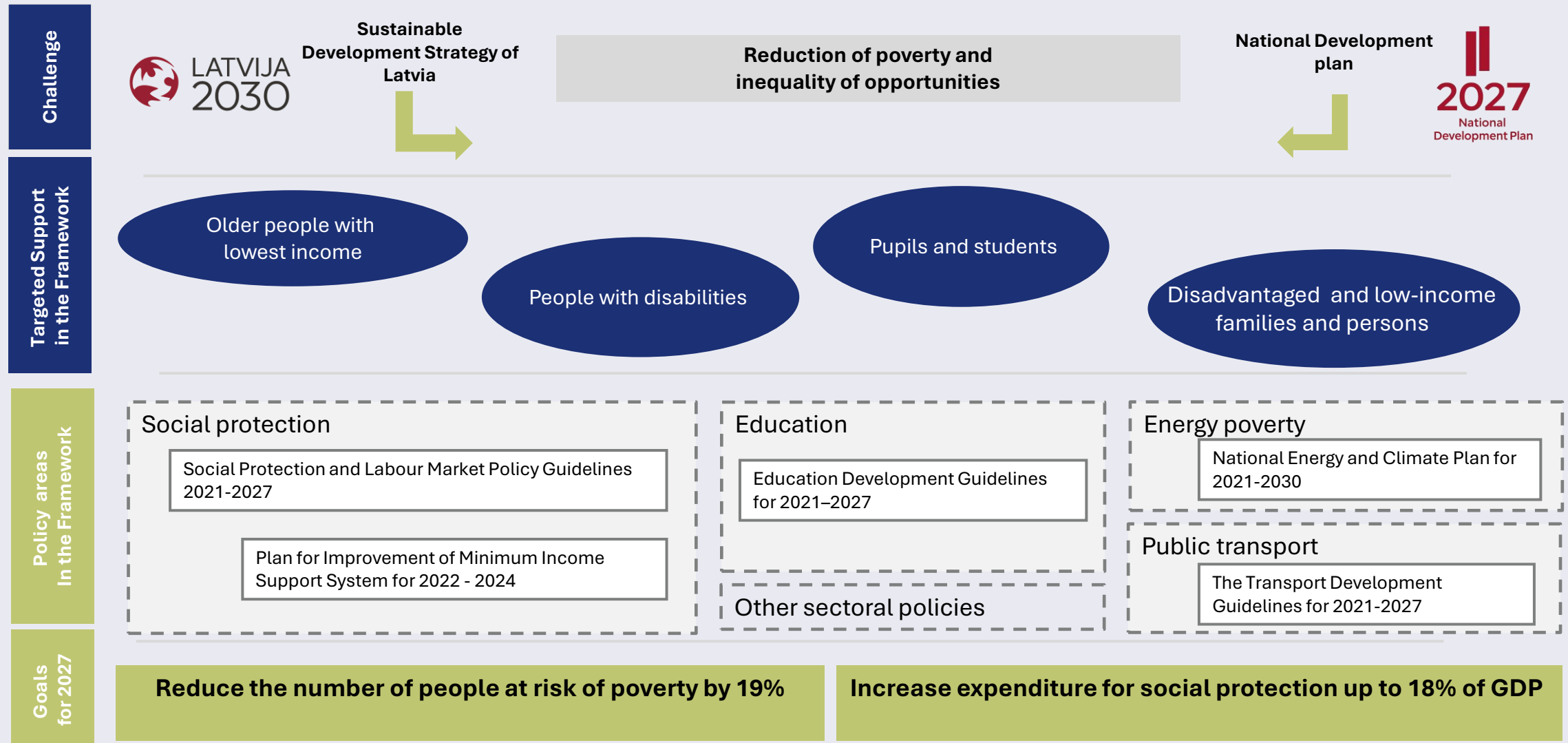
Source: Nord Pool, as of May 12, 2026

Selected EU Member states energy mix, 2024 (in %)



Source: Eurostat

Promotion of social inclusion in Latvia



An aerial photograph of a winding river flowing through a rural landscape. The river is a vibrant blue, curving through green fields, dense forests with autumn-colored trees, and a large brown plowed field. The overall scene is bright and scenic, with a soft light filtering through the trees.

Sustainability Bond Framework

Rationale for the update of the Framework



Motivation to update the Framework

- Ensure that it **maintains the Framework in line with latest and best market practices**
- Reflect and present **Latvia's updated sustainability policies and strategies**
- **Expand the scope of eligible government expenditures** which can be financed through Green, Social and/or Sustainability Bonds

Key features of the 2026 Framework

- Aligns with the **ICMA Green Bond Principles 2025, Social Bond Principles 2025 and Sustainability Bond Guidelines 2021**
- **Further implements the EU Taxonomy**, by considering, on a best effort basis, the Substantial Contribution Criteria for the Green Eligible Expenditures
- **Reorganization of existing Eligible Expenditures and expansion of the Eligible Green and Social Categories leading to:**
 - **new Eligible Categories:** Pollution Prevention & Control, Research, Innovation & Awareness Raising, Access to Essential Services: Healthcare, and Food Security & Sustainable Food Systems; and
 - **elimination of categories that do not apply for the time being**, namely Renewable Energy and Sustainable Water and Water management

Sustainability Bond Framework at a Glance

1. Use of Proceeds

- **13 categories** (8 Green & 5 Social)
- For Green Categories, the eligibility criteria **take into account, on a best effort basis, the Substantial Contribution Criteria from the EU Taxonomy Delegated Acts**
- Eligible expenditures include those incurred
 - i. **in the two budget years preceding issuance**
 - ii. **the issuance year itself**
 - iii. **in the two budget years following issuance**

2. Evaluation and selection process

- Established a **multi-layered, interministerial process that is based on three levers**
 - i. The **line ministries** are the first line of selection of Eligible Green and Social Expenditures
 - ii. An **Interministerial Working Group** has been established to oversee the Framework's implementation and coordinate stakeholders efficiently
 - iii. The **Treasury** is responsible for all operational tasks related to the Framework and Bonds issued under it



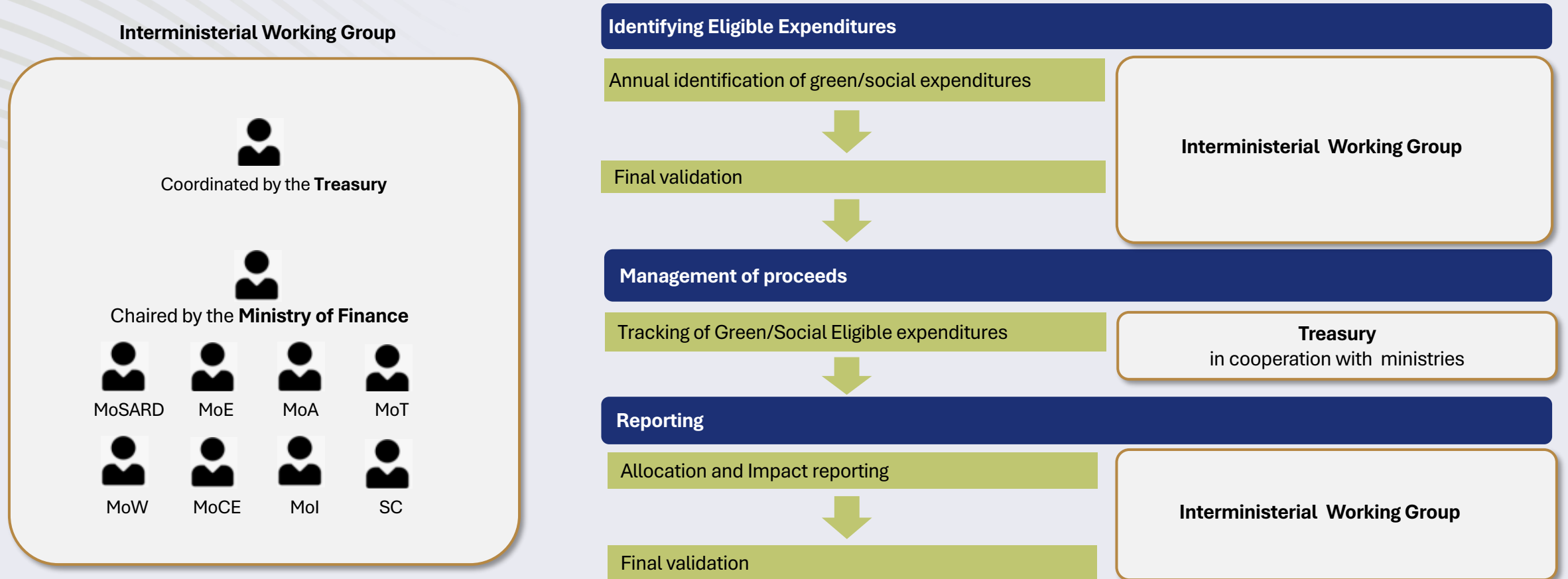
3. Management of Proceeds

- Coordinate and ensure that an amount equal to the net proceeds is **allocated fully and specifically to Eligible Expenditures from State budget**
- Intends to allocate the proceeds at the earliest convenience and commit **to reach full allocation within two years on a best effort basis**
- If needed, **will replace ineligible expenditures by other expenditures** that meet the criteria defined under in the Framework **as soon as reasonably practicable**

4. Reporting

- Publish a Sustainability Bond Report **within one year of the date of issuance and annually thereafter until full allocation**, including among others information on:
 - i. **Breakdown of proceeds** allocated to each of the categories, per budget year and type of expenditure
 - ii. The share of proceeds **aligned with the EU Taxonomy Substantial Contribution Criteria**
 - iii. **Output, outcome and impact indicators.** Methodologies used to calculate these indicators will be published in the Report

Project evaluation and selection process



MoSARD -Ministry of Smart Administration and Regional Development

MoE - Ministry of Economics

MoA- Ministry of Agriculture

MoT- Ministry of Transport

MoW- Ministry of Welfare

MoCE – Ministry of Climate and Energy

MoI - Ministry of the Interior

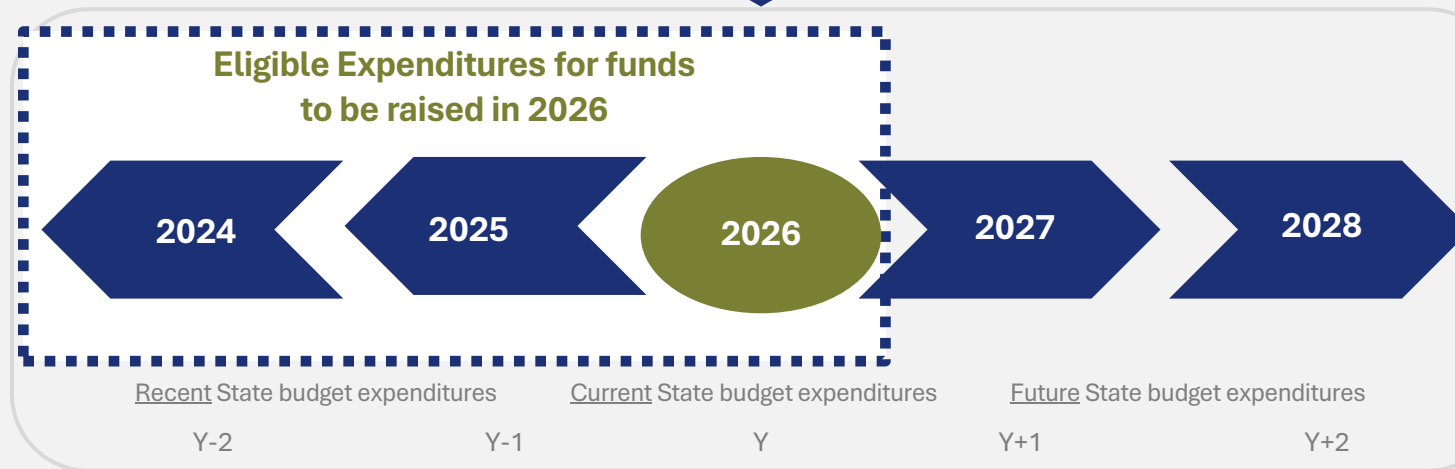
SC – State Chancellery

Management of Proceeds and Allocation Principles

Latvian State budget execution takes place according to general regulations and following public budget execution rules

Net proceeds are allocated by the Treasury to finance or refinance Eligible Expenditures incurred:

- in the two budget years preceding the bond issuance date
- in the same budget year as the bond issuance date
- expected in the two budget years following the bond issuance date



For a benchmark-sized Sustainability Bond to be issued in 2026, Latvia has identified an adequate amount of Eligible Expenditures from 2024, 2025 and 2026 budget years

Sustainability Bond Reporting

The Republic of Latvia commits to transparent reporting by publishing an annual Sustainability Bond Report within one year of issuance and each year thereafter until proceeds are fully allocated, detailing both the allocation of funds and their environmental and social impacts

Allocation Reporting

- A detailed breakdown of proceeds **allocated to each of the Eligible Expenditures Categories**
- A breakdown of the allocated proceeds **per budget year and per type of expenditure**
- **The balance of unallocated proceeds** at the end of the reporting period (if any)
- **Case studies** of some of the largest and most representative expenditures
- **The share of proceeds aligned with the EU Taxonomy Substantial Contribution Criteria** (to the extent feasible for Green Eligible Expenditures)



Impact Reporting

- The impact reporting aims to provide information on **output and outcome indicators, but also environmental and/ or social impact indicators**
- **Methodologies used to calculate these indicators** will be published in the Sustainability Bond Report
- Impact reporting will **follow ICMA's Harmonised Framework and IFC Biodiversity Metrics** where applicable

Will engage an independent third party to provide a post-issuance review of the Sustainability Bond Report (incl. both allocation & impact)

An aerial photograph of a rural landscape. A winding river flows through the center-right of the image. To the left of the river, there are large green fields, some of which appear to be cornfields. Further left, there is a dense forest with trees showing early autumn colors. The sky is a mix of soft pinks, oranges, and blues, suggesting a sunset or sunrise. The overall scene is peaceful and scenic.

Overview of the Identified Eligible Expenditures

Use of Proceeds – Overview

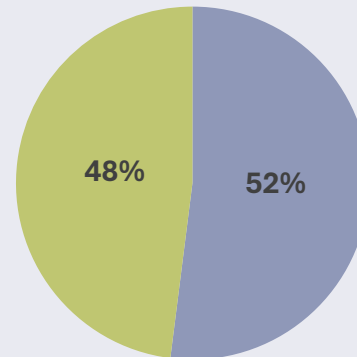
- An amount equal to the net proceeds from the issuance of each Green, Social and/or Sustainability bonds will be allocated to relevant Eligible Expenditures from the State budget of the Republic of Latvia
- Eligible Expenditures may include investment expenditures, transfers, subsidies and grants

Eligible Green Categories

- Clean Transportation (35%)
- Climate Change Adaptation (5%)
- Environmentally Sustainable Management of Living Natural Resources & Land Use (4%)
- Terrestrial & Aquatic Biodiversity Conservation (2%)
- Research, Innovation & Awareness Raising (<1%)
- Circular Economy (<1%)
- Pollution Prevention & Control (<1%)
- Green Buildings & Energy Efficiency (<1%)

Total eligible expenditures covering the 2024-2027 period*

c. EUR 2.4bn



Eligible Social Categories






- Access to Essential Services:
 - Social Inclusion (44%)
 - Education (2%)
 - Health and Healthcare (1%)
- Affordable Basic Infrastructure: Energy Power (4%)
- Food Security and Sustainable Food Systems (1%)

*Total eligible expenditures: 2024/25 = 44% ; 2026/27=56%. Although the figures represented in this slide are an accurate representation of the total volume of eligible expenditures as of 18/05/2026, these should not be taken as an allocation commitment (as this is dependent on the ESG label chosen for the bond and potential updated figures). Concrete allocation figures will be disclosed in Latvia's Sustainability Bond Report.

Use of Proceeds – Eligible Green Categories

Eligible Green Categories	Description	Examples of Eligible Expenditures
 Green Buildings & Energy Efficiency	<ul style="list-style-type: none"> • Construction of energy efficient buildings (min. NZEB) • Renovations leading to a reduction of PED of at least 30% • Individual renovation measures in public buildings 	Support for measures reducing primary energy consumption and greenhouse gas emissions in governmental and/or municipal buildings
 Clean Transportation	<ul style="list-style-type: none"> • Construction and management of electrified railway infrastructure • Deployment of passenger electric rolling stock • Management of Latvia's national public electric vehicle charging stations 	Construction of Rail Baltica project connecting Latvia with Central Europe
 Circular Economy	<ul style="list-style-type: none"> • Collection, treatment and recycling of municipal waste • Development of new products using redundant and reusable materials 	Pilot project on the utilisation of biomass from grassland
 Environmentally Sustainable Management of Living Natural Resources & Land Use	<ul style="list-style-type: none"> • Sustainable agriculture (according to national and/or EU legislation or certified organic farming) • Sustainable forest management (according to national and/or EU legislation or certified through recognised certifications) 	State subsidies for organic farming
 Pollution Prevention & Control	<ul style="list-style-type: none"> • Eliminating sources of radiation avoiding risk of soil and groundwater pollution • Reduction of hazardous substance emissions 	Safety monitoring works for the non-operational Salaspils nuclear research reactor
 Terrestrial & Aquatic Biodiversity Conservation	<ul style="list-style-type: none"> • Preservation and restoration of national protected areas, habitats and species • Promotion of sustainable use of biological resources and crop health monitoring 	Restoration and maintenance of a favourable conservation status of habitats and species of European Union importance
 Climate Change Adaptation	<ul style="list-style-type: none"> • Infrastructure, technologies and measures for enhanced climate change resilience • Prevention of adverse social and environmental impacts of both acute and chronic hazards arising from climate-change-driven extreme weather events 	Investments in the national weather and environmental forecasting system, in water collection and drainage systems and in emergency response services
 Research, Innovation & Awareness Raising	<ul style="list-style-type: none"> • Promotion of research, innovation and knowledge sharing about climate and environmental topics 	Establishment and development of the Nature Centre of Gauja National Park, Ķemeri National Park, North Vidzeme Biosphere Reserve

Use of Proceeds – Eligible Social Categories

Eligible Social Categories		Description	Target Population*	Examples of Eligible Expenditures
Access to Essential Services	 Health and Healthcare	Enhancing the access to healthcare infrastructures and services	Persons with Group II disability and/or disadvantaged persons status	Specialised outpatient health care services, physical therapy and rehabilitation
	 Education	Improving quality and providing access to essential educational infrastructure, programmes and services	Schoolchildren to 12 th grade, university staff, academic staff, secondary/ vocational school staff, students and scientists	Funding for secondary and higher education, vocational education and science
	 Social Inclusion	Providing minimum income for population groups at risk of poverty	Persons receiving low old-age pensions, low pensions for disabilities, low pensions in case of loss of provider or state social security benefit	Minimum income reform
		Provision of public transport services at subsidised fares and/or passengers underserved with transportation connectivity	Passenger groups entitled to receive reduced public transport fares and/or passengers underserved with transportation connectivity	Subsidies to passenger carrying companies to compensate reduced fares to certain passenger groups
Affordable Basic Infrastructure	 Energy Power	Expenditures to ensure access to affordable, reliable, sustainable and modern energy for all	Disadvantaged persons or low-income family (person) , a large family (3 and more children) or family (person) caring for a disabled child, persons with Group I disability	Subsidised final price of electricity
 Food Security and Sustainable Food Systems	Supply of fresh, locally produced food, accompanied by supportive educational measures on agriculture production, healthy eating habits, local production, environmental issues and food waste reduction	Children and schools within 300km of the production site	Funding for supply of fresh products and for carrying out accompanying educational measures under the framework of EU scheme for supply of fruit, vegetables and milk	

*“Disadvantaged person”, “Low income”, “Group I/ II disabilities” and other terms are defined in applicable Latvian legislation. All details are provided in the Sustainability Bond Framework

Use of Proceeds – Case Studies

Biggest Expenditure Project

RAIL BALTICA

CLEAN TRANSPORTATION

- Rail Baltica is a greenfield cross-border rail transport infrastructure project. As part of EU's North Sea – Baltic TEN-T core network it will play a crucial role in ensuring the full functioning of the North Sea – Baltic TEN-T Core Network Corridor
- The project will be the largest infrastructure project ever in the Baltics. The almost 900km of fully electrified high speed rail has been planned to use 100% renewable electricity and to cut travel times in half, making commuting faster and sustainable
- The implementation of the project is financed by the member states co-funded from the European Union. The first phase of the project is scheduled to be finalized by 2030



Reconstruction of Riga Central Station

Additional details [here](#)

Climate Change Adaptation

DEVELOPMENT OF THE NATIONAL ENVIRONMENTAL MONITORING AND CONTROL SYSTEM

CLIMATE CHANGE ADAPTATION

- Aim of the project is to modernize and expand water and air monitoring infrastructure, ensuring high-quality environmental data and enhanced public safety.
- Hydrological monitoring expansion by integrating 6 new flow sensors. Modernization of 10 existing groundwater monitoring stations. Expanding the atmospheric air quality network with 8 new monitoring stations. Development of an advanced air quality modeling tool. Modernizing 23 radiation monitoring stations. Installation of specialized equipment to monitoring of air aerosol radioactivity.
- The project is financed by the European Union (co-funded from the state budget), implementation until 2028.



Air quality monitoring station

Source: SLLC, Latvian Environment, Geology and Meteorology Centre

Focus on Social

MINIMUM INCOME REFORM

SOCIAL INCLUSION

- Reform aimed at reducing the depth of poverty resulting in establishing fair, transparent and socio-economically sound material support for minimum income recipients
- Minimum income levels are linked to socio-economic indicators and are automatically reviewed on an annual basis
- The main beneficiaries: people at retirement age, persons with disability, survivors
- Reform finalized in 2023 with further improvements in 2025



Additional details [here](#)

Contribution to International Sustainability Goals

- Latvia's Framework aims to contribute to the UN Sustainable Development Goals, aligning with the country's integrated approach to sustainable development, which ensures a balance in the environmental, social and economic dimensions of sustainability
- Additionally, Latvia's Green Expenditures aim to contribute, on a best-effort basis, to the Climate and Environmental Objectives set forth by the EU Commission in the context of the EU Green Deal and the EU Taxonomy

Latvia's Eligible Expenditures contribute positively to 14 out of the 17 UN Sustainable Development Goals

Priority & Key SDG for Latvia



Green Categories, the eligibility criteria consider, on a best effort basis, the Substantial Contribution Criteria from the EU Taxonomy Delegated Acts*

Green categories	Green Buildings & Energy Efficiency	Clean Transp.	Circular Economy	Pollution Prevention & Control	Sust. Mgt. of Living Natural Resources & Land Use	Terrestrial & Aquatic Biodiv. Cons.	Climate Change Adaptation	Research, Innovation & Awareness Raising
EU Objectives								
Climate change mitigation	✓	✓	✓		✓			✓
Climate change adaptation							✓	
Sustainable use and protection of water and marine resources							✓	
Protection and restoration of biodiversity and ecosystems						✓		

* The applicable EU Taxonomy Activities in respect to each EU Environmental Objective are presented in Latvia's 2026 Sustainability Bond Framework. Sustainable activities listed by the Delegated Acts for the "Pollution prevention & control" and "Transition to circular economy" were not considered directly linkable to Latvia's Eligible Green Expenditures due to unmatched description

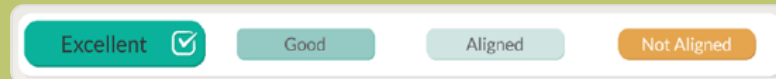
Other SDGs that Latvia is contributing to, but which are not directly targeted by the Framework



Second Party Opinion

Second Party Opinion by Sustainable Fitch

The SPO provided by Sustainable Fitch considers transactions under the Sustainability Bond Framework to be aligned with the ICMA Green Bond and Social Bond Principles 2025 and assesses the Framework’s alignment as “Excellent”



Use of Proceeds with clear environmental & social benefits

- The green and social UoP categories have a positive impact and support Latvia’s sustainability objectives as well as contribute to the UN Sustainable Development Goals
- Sets clear exclusions, namely nuclear power; fossil-fuel production, transmission and distribution; and the armament, tobacco, alcohol, gambling and gaming industries



Robust Evaluation & Selection process

- Positively view the clear, multi-layered process for selecting and annually screening eligible expenditures, led by an Interministerial Working Group, that encompasses several state ministries, favoring a balanced decision making
- Considers favorably the commitment to respecting Latvia’s legal and regulatory requirements

Adequate Management of Proceeds



- Deems that the process described for managing the proceeds aligns with market standards
- Including features such as virtual allocation system with ongoing monitoring, two-year allocation target, and a replacement mechanism for non-compliant expenditures



Comprehensive Reporting

- Considers the reporting in line with market practice with positive elements such as disclosure of data on expected benefits, the methodology used and information on compliance with the Substantial Contribution Criteria of the EU Taxonomy
- The report will be verified annually by an independent third party on both the allocation and impact, which reinforces the information’s credibility

Latvia
Second-Party Opinion – Sustainability Bond Framework

Latvia has updated its sustainability bond framework in 2026. The framework includes use of proceeds (UoP) categories such as clean transportation, climate change adaptation, terrestrial and aquatic biodiversity conservation, access to essential services, social inclusion and affordable basic infrastructure: energy power, among others. Transactions under the framework align with the core pillars of the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> • Sustainable Fitch views the eligible categories to be aligned with the principles and guidelines detailed in the sidebar. • The green UoP categories have a positive impact and support Latvia’s sustainability objectives. Latvia considers the EU taxonomy substantial contribution criteria (SCC) on a best-effort basis, however, not all projects are taxonomy-eligible or have sufficient evidence of meeting the SCC. • The social UoP categories have a positive impact as they contribute to the UN Sustainable Development Goals (SDGs), we view positively that the framework specifies target populations.
Use of Proceeds - Other Information	Excellent	<ul style="list-style-type: none"> • The framework finances state-budget investments and operational expenditures, including transfers and subsidies. • Latvia’s framework sets clear exclusions, namely nuclear power generation, fossil-fuel production, transmission and distribution, and the armament, tobacco, alcohol, gambling and gaming industries, in line with good market practices.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> • We positively view its clear, multi-layered process for selecting and annually screening eligible expenditures, led by an interministerial working group (IWG), that encompasses several state ministries, favouring balanced decision making.
Management of Proceeds	Excellent	<ul style="list-style-type: none"> • It has an adequate process for managing proceeds, with virtual segregation of expenditures; it aims for full allocation within two years. Proceeds for projects that are no longer eligible will be reassigned to initiatives that meet the criteria in the framework.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> • A sustainability bond report will be published within one year of issuance and updated annually until full allocation, covering allocation and impact. The report will be verified annually by an independent third party.

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Sustainability Bond Framework

May 2026