

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.

Excellent

Good

Aligned

Not Aligned

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.

Relevant UN Sustainable Development Goals



1
NO POVERTY



2
ZERO HUNGER



3
GOOD HEALTH AND WELL-BEING



4
QUALITY EDUCATION



6
CLEAN WATER AND SANITATION



7
AFFORDABLE AND CLEAN ENERGY

Framework Type	Sustainability
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2025 (ICMA) ✓ Social Bond Principles 2025 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA)
Date assigned	13 May 2026
SPO Methodology	
See Appendix B for definitions.	

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8
DECENT WORK AND
ECONOMIC GROWTH



9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10
REDUCED INEQUALITIES



11
SUSTAINABLE CITIES AND
COMMUNITIES



12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION



13
CLIMATE ACTION



14
LIFE BELOW WATER



15
LIFE ON LAND

Use of Proceeds Summary – ICMA Categories^a

Green	<ul style="list-style-type: none"> Green buildings Energy efficiency Clean transportation Circular economy Pollution prevention and control Environmentally sustainable management of living natural resources and land use Terrestrial and aquatic biodiversity conservation Climate change adaptation
Social	<ul style="list-style-type: none"> Access to essential services Affordable basic infrastructure Socioeconomic advancement and empowerment Food security and sustainable food systems

^aClassifications of the UoP categories in the framework based on the ICMA categories.

Note: The framework's category of "research, innovation and awareness raising" can relate to various ICMA categories.

Source: ICMA, Latvia sustainability bond framework (May 2026)

Framework Highlights

We consider transactions under Latvia's sustainability bond framework to be aligned with the ICMA Green Bond Principles 2025 (GBP), Social Bond Principles 2025 (SBP) and Sustainability Bond Guidelines 2021 (SBG) and assess the framework's alignment as 'Excellent'.

Latvia published its inaugural sustainability bond framework in November 2021 and placed its first sustainability bond in December 2021. Latvia's updated framework from May 2026 allows bonds to finance or refinance eligible green and social expenditures from the state budget incurred during a defined two-year lookback period prior to the bond issuance, in the year of issuance and during a two-year look-forward window.

The revised framework updates, expands and reorganises the eligible categories. It updated the pollution prevention and control; research, innovation, and awareness raising; access to essential services: healthcare; and food security and sustainable food systems categories, and now includes sustainable water and wastewater management within the climate change adaptation category. This means the updated framework has eight green and five social project categories.

Where feasible, Latvia considers the EU taxonomy SCC on a best-effort basis; it does not currently consider the do no significant harm criteria and minimum safeguards. Latvia monitors EU taxonomy developments, and where possible, will disclose the share of proceeds aligned with the EU taxonomy SCC in its reporting.

Proceeds allocated to the green categories are associated with Latvia's environmental policy framework, which aims to achieve a climate-neutral, resilient and socially inclusive economy by 2050. Proceeds allocated to social categories will support economic and social development in Latvia and help achieve its goal of benefitting individuals through inclusive solutions.

The ICMA GBP, SBP and SBG recommend that eligible projects are clearly described in the legal documentation for transactions. We have only reviewed the sustainability bond framework for this Second-Party Opinion and have not reviewed any transaction legal documents or marketing materials; however, the framework provides the description of projects.

Source: Sustainable Fitch, Latvia sustainability bond framework (May 2026)

Entity Highlights

Latvia, located in the Baltic region of northern Europe, has around 1.85 million inhabitants across 43 municipalities, of which 36 are regional municipalities and seven are state cities with their own governance. Latvia had a GDP of around EUR39.6 billion in 2023, with 65.8% (EUR26 billion) being from the Riga region and the capital, according to the Central Statistical Bureau data. Its GDP accounted for 0.2% of the EU's total GDP.

Latvia targets climate neutrality by 2050, with an intermediate 2030 target of a 65% GHG reduction compared with 1990. The country has a policy framework to achieve this, which includes the established 2020 strategy for achieving climate neutrality, the updated 2024 national energy and climate plan (2024 NECP) for 2021–2030, and the new law on climate resilience and economic sustainability that came into effect in December 2025. The Latvian strategy for climate neutrality is scheduled for an update in 2026 to align with the amended EU climate law's indicative 2040 target.

The 2024 NECP sets 2030 targets to achieve a 61% share of renewables in gross final energy consumption, a 29% share of renewable energy sources in transportation and a 66.4% share in heating and cooling; as well as at least a 15% reduction in transport energy's life-cycle GHG intensity.

Latvia also established the ministry of climate and energy in 2023 to consolidate climate and energy governance; and operates an environmental advisory council, a national climate adaptation plan to 2030, and a recovery and resilience plan that totals EUR1.97 billion as of end-2023.

Latvia's decarbonisation plan covers energy, buildings, industry, transport, agriculture and land use, among others. Latvia plans multimodality and rail electrification, alternative refuelling and charging points, and other green measures.

The International Energy Agency (IEA) calls for faster electrification, rapid deployment of alternative green energy in the industrial sector, and a secure coal phase-out, while the UN urges stronger action this decade to stay on a 1.5°C pathway. Latvia's policy framework supports market-aligned green issuances, to mobilise capital and improve transparency for the energy transition.

Socially, Latvia aims to reduce poverty and income inequality; ensure social services are accessible; and promote inclusive, quality employment. These priorities are set in the sustainable development strategy of Latvia until 2030 (Latvia2030) and the national development plan of Latvia for 2021–2027 (NDP2027). These priorities are supported by the 2021–2027 education development guidelines, and the social protection and labour market policy guidelines, as well as other policies and guidelines.

Latvia2030 sets 2030 social indicators, to achieve a poverty risk index after social transfers below 16% (26% baseline as of 2008); labour productivity of over 95% of the EU average (51.3% measured in purchasing power standards in 2008); and average life expectancy of men that is above 75 years and for women is above 82 years.

Latvia2030 also explicitly aims to grow the country's GDP while also reducing social inequality and income inequality, promoting social inclusion, reducing poverty risks and fostering a socially and economically stable middle class. It also targets accessible, high-quality lifelong learning, which is essential to develop human capital and enable an educated, creative society to participate efficiently in the labour market.

The NDP2027 reinforces Latvia2030 through inclusive education objectives and indicators (eg increasing the number of people with basic and advanced digital skills, and participation in general secondary and vocational programmes).

Source: Sustainable Fitch, Latvia sustainability bond framework (May 2026)



Use of Proceeds – Eligible Projects

Alignment: Excellent

Company Material

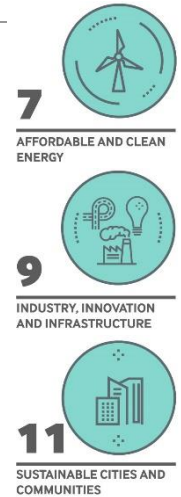
Sustainable Fitch's View

Green UoP categories

Green buildings and energy efficiency

- This UoP covers expenditures related to green buildings and energy efficiency measures, including:
 - construction of energy-efficient buildings; or
 - renovation of buildings leading to a reduction of primary energy demand (PED) of at least 30%.
- It further includes individual renovation measures, such as installation or maintenance of solar panels, heating system automation, improved insulation and energy-efficient windows.

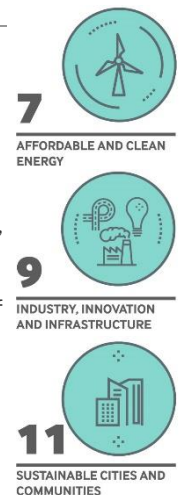
- This UoP has a positive environmental impact by increasing the share of new, energy-efficient buildings and improving the energy efficiency of the existing building stock.
- Investments in green buildings and building renovations are important enablers of the energy transition and climate change mitigation through GHG emissions reductions. Financing high-performing new buildings or retrofitting existing buildings to improve energy efficiency or achieve higher environmental standards has a material impact.
- Residential buildings in Latvia account for nearly 28% of the total energy consumption in the country (IEA, 2023), which is larger than the shares of transport (26%) and industry (24%).
- Latvia's climate action strategy includes reducing households' energy consumption by 22% by 2030.
- The updated NECP notes that Latvia is making an effort to improve the energy efficiency of existing and new residential buildings.
- We also positively view activities related to installation, maintenance and repair of energy-efficiency equipment, and instruments and devices for measuring, regulating and controlling energy performance of buildings. These improve buildings' energy efficiency and reduce fossil fuel dependency.
- The projects financed under this UoP contribute to SDGs 7 (affordable and clean energy), 9 (industry, innovation and infrastructure) and 11 (sustainable cities and communities).
- This UoP is in line with the green buildings and energy efficiency categories of the ICMA GBP.



Clean transportation

- This UoP can finance expenditures related to the construction, operation and maintenance of rail and road transport services, including:
 - passenger trains with zero direct tailpipe CO2 emissions;
 - electrified railway infrastructure, or other infrastructure where there is a plan for electrification;
 - multi-modal infrastructure crossings between different modes of transport; and
 - electric vehicle charging stations and supporting infrastructure.
- Rail infrastructure dedicated solely to the transportation of fossil fuels is not eligible.

- This UoP has a positive environmental impact. Clean transportation and mobility are central to sustainable development, as they support the transition to a low-carbon economy by reducing GHG emissions, increasing the resilience of cities and reducing dependency on fossil fuel transport.
- The IEA reports that the transportation sector accounts for 23% of global energy-related CO2 emissions (26% for Latvia), and transitioning to low-carbon transport can make a significant contribution to climate change mitigation.
- Passenger transportation by rail is the least polluting mode of transporting people, with emissions averaging around 35gCO2e per passenger-kilometre (pkm) in Europe, compared to 80gCO2e/pkm for buses and coaches, over 125gCO2e/pkm for aviation and slightly more than 140gCO2e/pkm for single-passenger cars, as reported by the European Environment Agency in 2021.
- Promoting zero-carbon transportation, such as electrified trains, as part of the decarbonisation effort also helps Latvia achieve its goal of climate neutrality by 2050 and its intermediate 2030 targets.
- Latvia's framework defines eligible projects as those involving the construction, operation or maintenance of rail services on fully electrified railway infrastructure, or on infrastructure that is planned to be electrified.
- Latvia's framework excludes expenditures to rail transportation infrastructure dedicated solely to the transport or storage of fossil fuel. This limits the potential





exposure to activities with significant negative impacts, and further shows the positive environmental impact.

- The category can also finance electric vehicle charging infrastructure and supporting infrastructure, which we also view positively.
- Investments in zero-emissions transportation support SDGs 7, 9 and 11, as they help decarbonise the transport sector and contribute to air quality improvement.
- This UoP is in line with the clean transportation category of the ICMA GBP.

Circular economy

- This UoP can finance expenditures related to the promotion of the circular economy, including:
 - collection, treatment and recycling of municipal waste; and
 - development and production of new products using redundant and reusable materials.

- This UoP has a positive environmental impact, as it supports climate change mitigation, pollution prevention and control, and the circular economy.
- The NECP calls for improved waste management and circular economy practices to reduce GHG emissions and enhance resource efficiency. It focuses on the efficient use of local resources, including bioresources (through the application of eco-design principles and the introduction of the circular economy across sectors), and aims to reduce municipal waste generated per capita.
- Latvia's national waste plan management for 2021–2028 includes plans to reduce household waste by around 13%, total municipal waste by about 25% and hazardous waste by around 55%. It also plans to raise the municipal recycling rate to 55% by 2028, from 44% in 2021, and increase hazardous waste recycling to 75% by 2028 from 17% in 2021.
- Some of the projects to be financed under this category include separate waste collection and segregation; for example, the LIFE Waste to Resources integrated programme focuses on improved separate collection for key fractions (bio- and food waste, textiles, packaging and e-waste), to support source segregation and reduce cross-contamination.
- The projects related to biological treatment include automated composting for separately collected bio-waste to reduce landfilling and recover resources; they do not include anaerobic digestion.
- Finally, it includes projects related to circularity and pollution prevention, supporting circularity via separate waste collection, recycling and composting, and reducing pollution risks from mismanaged waste and landfilling.
- Raw material trade is often related to opaque supply chains, price volatility and import dependency. Recycling existing raw materials can mitigate these negative side effects, as well as reducing GHG emissions, natural resource use and biodiversity loss. However, these processes can be energy intensive and lead to transport-related emissions for raw materials, potentially offsetting some of the environmental benefits.
- Latvia has confirmed that new products using redundant and reusable material will be exclusively from non-hazardous waste.
- We view the financing in this UoP to contribute to SDGs 11 and 12 (responsible consumption and production) by helping improve the efficiency and effectiveness of waste management systems, thereby reducing environmental pollution and promoting sustainable practices.
- This UoP aligns with the circular economy-adapted products, production technologies and processes and the pollution prevention and control categories of the ICMA GBP.





Pollution prevention and control

- This UoP can finance expenditures related to pollution prevention and control, namely:
 - the reduction and elimination sources of radiation, to avoid risk of soil and groundwater pollution; and
 - substitution or resource efficiency measures to reduce emissions of hazardous substances.
- This UoP has a positive environmental impact by reducing pollution from contaminated sites and restoring ecosystems.
- Financing under this UoP helps Latvia limit risks to soil and groundwater quality and to protect public health and ecosystems. Measures to reduce and eliminate sources of radiation can prevent long-lasting contamination, which is difficult and costly to remediate once it occurs.
- In parallel, substituting hazardous substances and improving resource efficiency can reduce emissions to air, water and land, lowering exposure risks for communities and supporting compliance with updated EU environmental requirements.
- These activities help reduce legacy pollution risks, strengthen environmental resilience and support more sustainable municipal practices.
- We expect expenditures under this UoP to support SDGs 11 and 12 by promoting environmentally sound management of chemicals and waste throughout the life cycle, and by reducing releases to air, water and soil to minimise negative impacts.
- This UoP is in line with the pollution prevention and control category of the ICMA GBP.



Environmentally sustainable management of living natural resources and land use

- This UoP covers expenditures related to measures and project development for the protection of living natural resources:
 - sustainable agriculture according to national and/or EU legislation or certified organic farming; and
 - sustainable forest management according to national and/or EU legislation, or certified under recognised certifications, namely the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification.
- This UoP has a positive environmental impact, by promoting sustainable agricultural and forestry practices that conserve ecosystems, improve soil health and reduce emissions.
- Sustainable agricultural management is essential to prevent soil degradation, such as organic matter loss and erosion, which is often caused by overgrazing and intensive agriculture in Latvia.
- Forest raw materials are renewable, recyclable and biodegradable, and can be used for various products and to replace fossil alternatives. Through sustainable forests, the issuer supports the country's CO2 reduction, counters climate change and helps preserve biodiversity.
- Latvia's NDP2027 embeds biodiversity protection and sustainable resource management into agriculture and forestry. The plan aims to balance natural capital use with biodiversity and carbon commitments, while considering regional growth, employment and fair compensation.
- This UoP category directly supports these goals, contributing to restoring biodiversity, improving soil quality, enhancing resilience to climate change and improving ecosystem health.
- The World Bank reports Latvia's agricultural land area represents around 31.7% of the country as of end-2023, while forest area represents 55%. We consider certifications, such as those from the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification, as important components of sustainable forestry and as promoting measures for forest protection, restoration and ecosystem rehabilitation. However, they may vary in the robustness of their criteria and offer less transparency than major taxonomies.
- Sustainable forestry directly contributes to climate change mitigation and supports SDG 15 (life on land).
- Sustainable agriculture supports SDGs 2 (zero hunger), 12 and 15 by promoting biodiversity and increasing resilience to climate change.
- This UoP is in line with the environmentally sustainable management of living natural resources and land use category of the ICMA GBP.





Terrestrial and aquatic biodiversity conservation

- This UoP can finance expenditures that ensure the protection and conservation of terrestrial and aquatic biodiversity, including:
 - preservation and restoration of protected areas (eg natural parks or Natura 2000 areas);
 - protection and conservation of species (eg legally protected species and migratory bird species); and
 - promotion of sustainable use of biological resources and plant health (eg fish stock restocking, and the national phytosanitary surveillance system that safeguards crops).

- This UoP has a positive environmental impact, by maintaining ecosystems, promoting biodiversity and mitigating climate change.
- The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services' 2019 assessment indicates that around 75% of terrestrial environments have been significantly altered by human actions.
- Sustainable land use is essential to prevent harmful activities that drive land degradation and desertification, which protects soil health, reduces erosion and preserves ecosystem services.
- Financing land preservation and restoration also improves carbon sequestration and biodiversity, and strengthens water purification and flood regulation, making landscapes more climate resilient and supporting sustainable livelihoods.
- Latvia's Natura 2000 network included 333 territories as of 2021, including four nature reserves, four national parks, 239 nature closures, 37 nature parks, nine protected landscape areas, seven protected marine areas, nine natural monuments and 24 micro reserves, all of which amount to terrestrial territory coverage of 12%.
- Therefore, we positively view this UoP as it safeguards these areas' positive environmental impact, and helps control invasive species and implement water and soil management plans, to ensure impacts are mitigated and projects support environmental and social sustainability.
- This UoP also aims to reduce overfishing and achieve efficient use of natural resources through solutions that value natural capital, which supports Latvia's actions to integrate biodiversity into fishery through sustainable natural resource management under its NDP2027 and Latvia2030's "nature as future capital". These prioritise preserving biological diversity and the use of ecosystem services.
- The requirements outlined in this UoP are broad, and offer some assurance of reduced negative environmental impact.
- This UoP aligns with SDGs 14 (life below water) and 15 by protecting and restoring protected areas, habitats and species; supporting biodiversity; and increasing resilience to climate change.
- This UoP is in line with the terrestrial and aquatic biodiversity conservation category of the ICMA GBP.



Climate change adaptation

- This UoP covers expenditures to strengthen adaptation, promote climate resilience, and prevent the adverse social and environmental impacts of both acute and chronic hazards arising from climate-change-driven extreme weather, such as flooding, wildfires and drought. These include:
 - infrastructure, technologies and prevention measures that enhance climate resilience;
 - construction or maintenance of water collection and drainage infrastructure;
 - infrastructure and services for emergency response services, including health services, rescue services, firefighting services and civil protection; and
 - measures supporting the monitoring and prediction of weather and environmental conditions.

- This UoP has a positive environmental impact, by helping conserve water resources and protect aquatic ecosystems, as well as through climate change adaptation against floods and other physical risks.
- Climate change adaptation measures are crucial due to the increasing frequency and severity of extreme weather events and the long-term impact of climate change. The covered activities help prevent and reduce risks from climate-related hazards.
- We positively view this UoP, as it promotes climate-adapted urban and rural development, and helps cities and rural areas adapt to climate change by reducing risks from heat, drought and flooding while preserving and enhancing green spaces and biodiversity, making environments more resilient and liveable for people and wildlife.
- Latvia's NDP2027 and recovery and resilience plan set out climate adaptation measures to reduce disaster risks, including floods and coastal erosion, through upgraded infrastructure, improved materials, and reforms to early warning and disaster management systems.





- The adaptation strategy also supports emergency services, nature-based solutions, environmental monitoring and climate data systems, and the construction of disaster management centres, reflecting the growing frequency and severity of extreme events and the long-term impacts of climate change.
- Strengthening monitoring, forecasting and early warning systems is crucial to protect the country from extreme weather, particularly floods. Deploying ICT and communication technologies to share meteorological and climate information, alongside financing meteorological and hydrological monitoring, modelling and risk mapping, can enable timely responses and reduce climate-related impacts.
- Inadequate water and wastewater management can have severe negative environmental impacts, by contributing to water pollution, water scarcity and loss of biodiversity. The framework is broad, limiting our ability to confirm alignment with best practices for sustainable water without further evidence.
- Nonetheless, we recognise the UoP's environmental benefits in supporting adaptation to increased water scarcity. The OECD does not consider water scarcity to be a typical issue in Latvia, though climate change may make scarcity events more frequent and prolonged.
- We also positively view the financing of water collection and drainage infrastructure under this category, as it supports Latvia's NDP2027. The policy includes measures to increase good-quality surface and ground waters, improve inland and marine water quality, protect groundwater, and reduce harmful wastewater impacts by establishing necessary infrastructure and processing sewage sludge.
- This UoP aligns with SDGs 6 (clean water and sanitation) and 13 (climate action) by supporting green public infrastructure that is resilient and adapted to climate change, and that improves public health, protects ecosystems, helps maintain the security of water supply, and directly helps reduce the vulnerability of the population and ecosystems to extreme natural events.
- This UoP is in line with the climate change adaptation and sustainable water and wastewater management categories of the ICMA GBP.

Research, innovation and awareness raising

- This UoP can finance eligible expenditures aimed at enhancing and facilitating knowledge and innovation about climate and environmental topics, including but not limited to one of the following:
 - climate issues;
 - biodiversity and preservation of living natural resources; and
 - promotion of the use of renewable energy.

- We view this category as having a positive environmental impact when used for expenditures related to, or supporting, eligible green projects, provided these address climate issues, biodiversity and the preservation of living natural resources, or promote the use of renewable energy.
- This category can also support the NDP2027's aim of promoting behavioural change and awareness of sustainable management of natural resources.
- Persistent knowledge gaps can hinder effective decarbonisation and climate resilience, as discussed by the Intergovernmental Panel on Climate Change's sixth assessment report and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services assessments.
- R&D and policy-oriented spending can be broad and may include activities without measurable, near-term environmental benefits, whereas the ICMA expects a transparent linkage between expenditures and intended environmental outcomes.
- Alignment may benefit from Latvia introducing a materiality test so funded research, innovation and awareness-raising





have a credible pathway to deployment or to delivering measurable environmental improvements.

- “Research, innovation and awareness-raising” is not a standalone category under the ICMA GBP, though it is an eligible project type under these principles and can support one or more environmental objectives.
- This expenditure is consistent with the GBP and the 2025 ICMA Guidance Handbook, which permit financing or refinancing of related intangible assets and R&D-specific expenditures that support eligible projects.
- We view this category to directly support SDGs 1 (no poverty) and 13.

Social UoP categories

Access to essential services: health and healthcare

- This UoP finances expenditures to enhance access to healthcare infrastructure and services.
- The target population includes people with “group II disabilities” status, defined in line with the procedure laid down by the cabinet of ministers; and/or disadvantaged persons, as defined by the government.

- This UoP has a positive social impact as it contributes to the provision of essential services to vulnerable populations.
- Health and healthcare expenditures directly enhance well-being and accessibility for vulnerable groups.
- Latvia can play a key role by financing specialised infrastructure, to ensure infrastructure is modern and provides safe, high-quality services. These also support employment and innovation in the sector, contributing to the country’s prosperity.
- We view positively that Latvia has identified targeted populations under its social protection policy, including disability group II (severe functioning limitations). Latvia reported 45,197 people aged 18 to 64 were in this group at end-2024.
- The target populations also include disadvantaged persons, designated by each local government or municipality. Latvia’s ministry of welfare reports the monthly income threshold for a low-income household is at most EUR604 for the first or only person in the household and EUR423 for other people in the household.
- This UoP contributes to SDG 3 (good health and well-being) by improving the accessibility of these services. It also supports the economy by encouraging innovation in the healthcare sector.
- We expect this UoP to align with the access to essential services category of the ICMA SBP.



Access to essential services: education

- This UoP finances expenditures that improve the quality of, and provide access to, essential educational infrastructure, programmes and services.
- The target populations include schoolchildren up to the 12th grade, university staff, academic staff, secondary and vocational school staff, students and scientists.

- This UoP has a positive social impact by improving access to quality education and vocational training for the general population, including target groups. Modern, well-maintained education facilities improve education quality and support innovation, employability and economic growth.
- Access to educational resources empowers individuals, leading to better socioeconomic outcomes and reduced inequality. Supporting professional training and continuous education helps people adapt to changing job markets and contributes to economic resilience.
- Latvia’s education development guidelines 2021–2027 prioritise qualitative and accessible education; they acknowledge that global trends, such as labour markets, technology and climate change, will influence education policy and outcomes.
- The target populations include the whole student population regardless of income capacity, with particular attention to some targeted socially vulnerable groups. Overall, we view this UoP as promoting inclusion and equity in the educational sector through targeted support for students facing hardship.
- This UoP supports educational infrastructure and access to education; it directly contributes to SDG 4 (quality





education) by increasing public access to educational facilities and opportunities for upskilling; enabling individuals to adapt to changing job markets; and promoting economic resilience and growth.

- This UoP is in line with the access to essential services category of the ICMA SBP.

Access to essential services: social inclusion

- This UoP covers expenditures providing a minimum income for population groups at risk of poverty.
- The target population includes persons receiving low old-age pensions, low pensions for disabilities, low pensions in case of loss of provider or state social security benefit.
- It also covers the provision of public transport services at subsidised fares and/or for passengers under-served with transportation connectivity.
- The target populations include passenger groups entitled to receive reduced public transport fares and/or passengers under-served with transportation connectivity.

- This UoP has a positive social impact as it can support community cohesion and individual well-being by mitigating the adverse social effects associated with poverty, joblessness and health issues.
- Poverty and inequality are major societal challenges. Financing social inclusion measures to reduce income inequality (including by introducing a minimum income level) is a key priority for Latvia, as it is among the EU countries with a high income-inequality, particularly due to the low redistribution impact of the pension and benefits system.
- Latvia's NDP2027 places social inclusion at the centre of efforts to reduce poverty and income inequality; it explicitly introduces a minimum income level and sets related challenges, aims and monitoring indicators.
- We view positively that the target populations for the minimum income and social protection are people receiving low old-age pensions, low disability pensions, low survivor pensions or state social security benefits.
- Latvia updates its minimum income thresholds regularly and uses housing benefit coefficients that provide more support to retirees and people with disabilities. From 1 January 2025, it raised the lowest threshold to 22% of the median income, from 20%; this also affects housing benefits and related state social security benefits.
- This means the current thresholds are:
 - 22% for social security for retirees and people with disabilities;
 - 25% for people with disabilities since childhood, survivor benefits for children up to age seven, minimum old-age pension base and minimum pension for persons with disabilities;
 - 30% for survivor benefit for children over age seven, and minimum pension base for people with disabilities since childhood);
 - 50% for households or people in need; and
 - 50%-80% for low-income households or people.
- This UoP also supports universal accessibility to the public transport system, by providing subsidies for public transport passes.
- Financing subsidies for public transport in under-served areas with limited connectivity helps improve mobility and access to services, which are central to quality of life and regional cohesion.
- The subsidies are available for target and vulnerable populations, including preschool children; people with a group I (grave form of disability) or group II disability; people under 18 with a disability, and members of large families who use the state-implemented support programme "Latvian honorary family certificate".
- This UoP contributes to SDGs 1, 8 (decent work and economic growth) and 10 (reduced inequalities) by ensuring poor and vulnerable individuals have equal rights to economic resources, as well as access to basic services.
- This UoP is in line with the access to essential services category of the ICMA SBP.





Affordable basic infrastructure: energy power

- This UoP covers expenditures to ensure access to affordable, reliable, sustainable and modern energy for all.
- The target populations include disadvantaged families (or persons), low-income families (or persons), large families (three or more children), families (or persons) caring for a disabled child, or persons with a group I disability or their trustee.
- This UoP has a positive social impact as it supports access to affordable, reliable, sustainable and modern energy for vulnerable groups.
- Proceeds finance municipal energy support measures, primarily housing benefits covering electricity and heating costs, alongside minimum income reforms and targeted social assistance to increase the disposable income and pay the energy bills of disadvantaged families (or persons), low-income families (or persons), large families (three or more children), families (or persons) caring for a disabled child, or persons with a group I disability or their trustees.
- This directly supports Latvia’s NECP target to keep the share of the population at risk of energy poverty at around 5% until 2030, by reducing the population’s inability to keep their homes adequately warm, arrears on utility bills and high energy-cost burdens.
- The target populations are well defined; they include disadvantaged families (or persons), low-income families (or persons), large families (three or more children), families (or persons) caring for a disabled child, or persons with a group I disability or their trustee. This means the UoP addresses energy poverty and supports inclusion of at-risk populations.
- This UoP contributes to SDG 7 by improving energy access for vulnerable and low-income groups.
- This UoP is in line with the affordable basic infrastructure category of the ICMA SBP.



Food security and sustainable food systems

- This UoP can finance the 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.
- The target populations include children and schools within 300km of the production site.
- This UoP has a positive social impact as it improves access to nutritious food, reduces hunger and malnutrition, and improves the livelihoods and well-being of vulnerable populations, particularly children.
- Latvia’s NDP2027 underscores that safe food and efficient natural resource management are part of environmental sustainability and public health; improving healthy nutrition is highlighted in the “quality of life” section.
- This UoP can finance solutions dedicated to agricultural transformation with the goal of ensuring sustainable food systems. These projects are vital for improving the sustainability and productivity of the agricultural sector, thereby promoting healthy and sustainable food consumption and generating positive social impacts.
- The UoP is dedicated to promoting healthy and resilient dietary habits from an early age and to increasing consumption of fresh, healthy EU-origin products, such as fruit, vegetables and milk.
- The target population includes children and schools within 300km of the production site. Focusing on these means addressing sustainable food systems, helping to reduce hunger and malnutrition, improve health outcomes and foster social well-being.
- These projects can also stimulate local economies by creating jobs and supporting smallholder farmers, in turn promoting economic stability and growth.
- This eligible project category directly contributes to SDG 2 as it ensures a stable food supply, supports rural economies and reduces food production’s footprint.
- This UoP is in line with the food security and sustainable food systems category of the ICMA SBP.



Source: Latvia sustainability bond framework (May 2026)

Source: Sustainable Fitch



Use of Proceeds – Other Information

Company Material

- Expenditures in the budget year of issuance or subsequent budget years will be considered financing, while expenditures within the two budget years prior to issuance will be considered refinancing.
- An amount equal to the net proceeds will be allocated to eligible expenditures from the state budget of Latvia.
- Eligible expenditures may include investment expenditures and opex (eg current expenditures, transfers, subsidies and grants). EU funds and other dedicated financing are excluded to avoid double counting; in co-financed projects, only the portion financed by Latvia is eligible.
- Expenditures may be incurred in the two budget years preceding the bond issuance date, the same budget year as issuance, and the two budget years following issuance.
- Any expenditure related to the following activities shall be excluded from eligible expenditure under this framework:
 - nuclear power generation;
 - production, transmission and distribution of fossil fuels;
 - armament, tobacco, alcohol, gambling or gaming industries.

Source: Latvia sustainability bond framework (May 2026)

Alignment: Excellent

Sustainable Fitch's View

- The framework is dedicated exclusively to financing sovereign expenditures, including current expenditures, transfers, subsidies and grants. Only the portion of co-financed projects that is financed by Latvia is eligible.
- We view positively that Latvia has committed to allocating an amount equal to the net proceeds to eligible state-budget expenditures within a defined clear window and aims, on a best-effort basis, to reach full allocation within two years.
- The lookback period of two years is in line with standard market practice, particularly in the context of a sovereign issuer where the issuances are often allocated to projects and programmes with long-term horizons.
- We positively view that potential environmental and social risks are managed through Latvia's general laws and regulations. ESG controversies can trigger withdrawal and replacement of expenditures.
- In line with market best practices, the framework includes an exclusion list that explicitly defines the activities that will be excluded from eligible expenditures for presenting significant environmental and social risks.
- The framework does not specify the expected ratio of refinancing to financing; Latvia intends to disclose this after allocation, as the issuer is unable to determine in advance the share of new financing for its green, social and sustainability issuances.
- Nonetheless, the stability of the Latvian state budget's macro-categories suggests the refinancing share will be broadly consistent with past allocations. Some UoP subcategories may fund longstanding programmes that likely include new projects or new beneficiaries.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- Latvia selects eligible green and social expenditures for its green and social and sustainability bonds through a multi-layered and transparent process.
- The line ministries screen their respective ministerial budgets for potential expenditures that could fall within the eligible categories.
- The process is overseen by an IWG chaired by the Ministry of Finance and coordinated by the treasury of Latvia.
- The IWG is composed of several state ministries, including the Ministry of Climate and Energy; the Ministry of Smart Administration and Regional Development; the Ministry of Health; the Ministry of Economics; the Ministry of Finance; the Ministry of Welfare; the Ministry of Agriculture; the Ministry of Transport; the Ministry of the Interior, and the State Chancellery.
- The IWG's key responsibilities include:
 - selecting and approving the eligible expenditures to be allocated to the respective green, social or sustainability bond, by confirming, in cooperation between the treasury and the ministry managing the respective budget expenditure, their compliance with the eligibility criteria of the framework;
 - approving and updating the sustainability bond framework, if and when necessary; and
 - monitoring the compliance of the expenditures with the eligibility criteria and exclusion criteria of the sustainability bond framework.
- The treasury of Latvia will be responsible for all operational tasks related to the framework and bonds issued under it.
- As such, the treasury manages the framework on an active basis, coordinating with and gathering information from the IWG members to

Alignment: Excellent

Sustainable Fitch's View

- The issuer has a well-defined, documented process and procedures for evaluating and selecting eligible projects, with the detailed steps being described in the framework. This aligns with the requirements of the ICMA GBP, SBP and SBG.
- Positively, the framework confirms that the IWG includes representatives from ministries with sustainability expertise linked to the eligible categories, such as the ministries of agriculture, health, welfare and transport. This ensures the decision-making process includes environmental and social factors, and that a specialised technical vision strengthens the evaluation and selection process.
- We also positively view the commitment to respecting Latvia's legal and regulatory requirements.
- The framework lists the different steps to be followed during the evaluation and selection process; it demonstrates a multi-layered process, which ensures that the eligible projects are screened thoroughly before inclusion in the portfolio.
- Regular supervision from the IWG and the treasury of Latvia of the projects' alignment with the eligible criteria helps boost investor confidence by ensuring it has a rigorous due diligence process and that the funded projects comply with the framework.

Evaluation and Selection	Alignment: Excellent
Company Material	Sustainable Fitch's View
ensure that all eligible expenditures are appropriately assessed and selected.	
Source: Latvia sustainability bond framework (May 2026)	Source: Sustainable Fitch

Management of Proceeds	Alignment: Excellent
Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> It will be the responsibility of the treasury of Latvia to coordinate and ensure that an amount equal to the net proceeds of the green, social and sustainability bonds is allocated fully and specially to eligible expenditures from the state budget of Latvia, in accordance with the framework. Latvia intends to allocate the proceeds of any bond(s) at the earliest convenience and in any case commits, on a best-effort basis, to reach full allocation within two years of the applicable bond issuance. The proceeds from issuances are managed within treasury's general cash and debt management, with a virtual allocation of the nominal value to eligible expenditures. Latvia will strive to keep the volume of available eligible expenditures exceeding the amount of any green and social bond issuance. If an expenditure needs to be replaced (for example, if the criteria applicable at the time of allocation are not met) after the IWG has allocated the proceeds of the issuance, Latvia will replace this expenditure with other expenditures that meet the criteria defined under the framework as soon as reasonably practicable. In such cases, expenditures can also be reallocated to eligible expenditures from other fiscal years. 	<ul style="list-style-type: none"> The issuer virtually allocates eligible expenditures in its internal systems; this is in line with the requirements of the ICMA GBP, SBP and SBG and standard market practices. We consider further segregation between the bond proceeds and the issuer's other funds, such as by using a dedicated bank account, as best practice to prevent commingling and to ensure stronger separation and control. However, we recognise that sovereign issuers may face administrative constraints on fully segregating funds raised under labelled bonds and loans. The ICMA recommends issuers disclose the intended types of temporary placement for unallocated proceeds. Holding the proceeds in cash aligns with market practice. Latvia monitors compliance with the eligibility criteria, which aligns with standard market practice. Allocated proceeds will no longer be counted as part of eligible expenditures if a project or expenditure no longer meets the framework criteria and will be replaced by other eligible expenditures.
Source: Latvia sustainability bond framework (May 2026)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> Latvia intends to produce and publish a sustainability bond report within one year of the date of issuance of a green, social and sustainability bond and annually thereafter until full allocation of the outstanding bond proceeds, and on a timely basis in case of material developments. The sustainability bond report shall include both the allocation of proceeds from the bond issuances and related environmental and social impact elements, as described in the framework, and will be made available on the treasury's website. With the aim of providing transparent disclosure on the allocation of net proceeds, the allocation report will include: <ul style="list-style-type: none"> a detailed breakdown of proceeds allocated to each of the eligible expenditures categories from the Latvian state budget; 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); the share of proceeds aligned with the EU taxonomy SCC, to the extent possible, for green expenditures; and case studies of some of the most representative expenditures. The impact report will provide detailed information on the associated environmental and social impact of the green and social eligible expenditures, subject to the availability of suitable information and data. The approach to impact reporting may be updated over time to align with emerging reporting standards and depending on the data the treasury has obtained from line ministries. 	<ul style="list-style-type: none"> We consider the reporting and verification commitments described in the framework to be in line with the requirements of the ICMA principles. Latvia will publish an annual sustainability bond report, including allocation and impact information until the proceeds are fully allocated. The impact report will include social and environmental indicators related to the expenditures financed, in line with standard market practices. Latvia intends to provide impact reporting, subject to data availability and in line with the ICMA Harmonised Framework for Impact Reporting and the IFC Biodiversity Finance Metrics for Impact Reporting. We positively view that the impact report will include data on expected benefits, the methodology used and information on compliance with the SCC of the EU taxonomy. We also view positively that the proposed indicators are quantifiable, align with national and international standards, and allow for a clear measurement of the benefits of the projects. The allocation and impact reporting will be presented at expense category level and in aggregate form for UoP. We view instrument- and project-level reporting for each instrument more positively, as it provides more transparency and allows monitoring of the destination and use of proceeds, as well as the impact of each project. The issuer confirmed that the post-issuance report will be independently verified by an independent third party for both the allocation and impact, which reinforces the information's credibility. The verification will be publicly available on the treasury's website, facilitating access to the information for investors and other interested parties.



Reporting and Transparency

Alignment: Excellent

Company Material







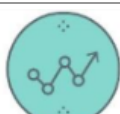

Sustainable Fitch's View

- The impact reporting aims to provide information on output and outcome indicators, as well as environmental and social impact indicators.
- The treasury intends to align, on a best-effort basis, with the ICMA recommendations for impact reporting on green and social bonds, namely the "Handbook - Harmonised Framework for Impact Reporting" (June 2024) for Green Bonds and the "Handbook - Harmonised Framework for Impact Reporting for Social Bonds" (June 2025), as well as the International Finance Corporation's (IFC) Biodiversity Finance Metrics for Impact Reporting (October 2024).
- The methodologies used to calculate these indicators will be published in the sustainability bond report.

Source: Latvia sustainability bond framework (May 2026)

Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

<ul style="list-style-type: none"> 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. 	 <p>1 NO POVERTY</p>
<ul style="list-style-type: none"> 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality. 	 <p>2 ZERO HUNGER</p>
<ul style="list-style-type: none"> 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 	 <p>3 GOOD HEALTH AND WELL-BEING</p>
<ul style="list-style-type: none"> 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. 4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. 	 <p>4 QUALITY EDUCATION</p>
<ul style="list-style-type: none"> 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all. 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. 6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes. 	 <p>6 CLEAN WATER AND SANITATION</p>
<ul style="list-style-type: none"> 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services. 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3: By 2030, double the global rate of improvement in energy efficiency. 	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>
<ul style="list-style-type: none"> 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>
<ul style="list-style-type: none"> 9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. 	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>



Relevant UN Sustainable Development Goals

- **10.4:** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.



- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
- **11.6:** By 2030, reduce the per capita negative environmental impact of cities, including by paying particular attention to air quality and municipal and other waste management.



- **12.2:** By 2030, achieve sustainable management and efficient use of natural resources.
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



- **13.1:** Strengthen resilience and adaptive capacity to climate-related risks and natural disasters in all countries.
- **13.2:** Incorporate climate change measures into national policies, strategies and plans.



- **14.2:** By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
- **14.5:** By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information.



- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and the services they provide, in particular forests, wetlands, mountains and drylands, consistent with obligations under international agreements.
- **15.2:** By 2020, promote sustainable management of all types of forests, end deforestation, restore degraded forests, and increase afforestation and reforestation globally.
- **15.3:** By 2030, combat desertification, rehabilitate degraded lands and soils, including lands affected by desertification, drought and floods, and strive for a land degradation-neutral world.
- **15.5:** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Sustainability

Four Pillars

1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider

Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)

UoP as per Green Bond Principles (GBP)	
Renewable energy	No
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	Yes
Sustainable water and wastewater management	No
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	Yes
Other	Financed projects within research, innovation and awareness raising were mapped to various ICMA categories.

UoP as per Social Bond Principles (SBP)

Affordable basic infrastructure	Yes
Access to essential services	Yes
Affordable housing	No
Employment generation (through SME financing and microfinancing)	No
Food security	Yes
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.

Target Populations

Living below the poverty line	Yes
Excluded and/or marginalised populations and /or communities	Yes
People with disabilities	Yes
Migrants and/or displaced persons	Yes
Undereducated	No
Under-served, owing to a lack of quality access to essential goods and services	Yes
Unemployed and/or workers affected by climate transition	No



Type of Instrument: Sustainability

Women and/or sexual and gender minorities	Yes
Ageing populations and vulnerable youth	No
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	Yes
Other	Children and schools within 300km of the production site

2) Project Evaluation and Selection

Evaluation and Selection

Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability

Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds

Tracking of Proceeds

Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure

Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	No
Other	Expenditure-by-expenditure

UoP Reporting/Information Reported

Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency



Type of Instrument: Sustainability

Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	No
Other	Expenditure-by-expenditure

Impact Reporting/Information Reported (exp. ex-post)

GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes
Other ESG indicators	Renewable energy generation on-site, cumulative amount of electrified rail infrastructure, areas where flood risk is reduced, population with reduced risks from radiation in numbers, increase in area under certified organic or sustainable agriculture, average monthly beneficiaries benefiting from reduced energy tariffs, others (as disclosed in the framework).

Impact Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure

Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance



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