



SOCIAL BOND REPORTING



















**Social Bond
launched November 2021**

Published September 2022



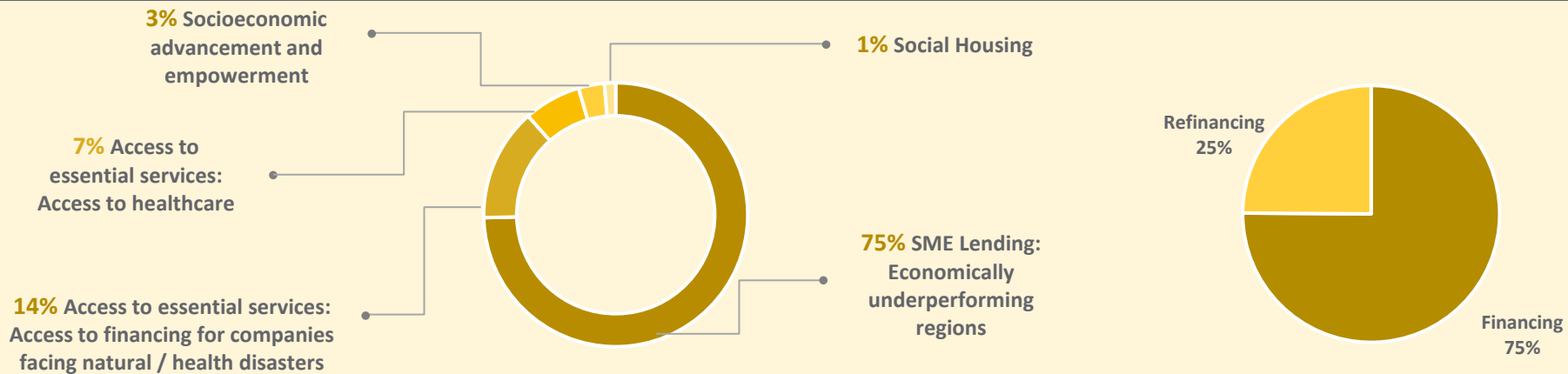
Social Bond Framework: overview

Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)

Project Category	Definition	SDG
Second floor facilities		
SME Lending	Loans to SMEs established in economically underperforming regions of Spain, established in municipalities of Spain facing depopulation (hence supporting the fight against the 'Empty Spain) and affected by any natural / health disaster (pandemics, earthquakes, floods, droughts...)	  
Direct lending		
Socioeconomic advancement and empowerment	Programs that support the Socioeconomic advancement and empowerment (projects aiming at supporting, integrating and providing basic services to vulnerable population or developing job security / basic needs / equal opportunities)	   
Social Housing	Loans dedicated to the development and provision of Social Housing, including renovation, maintenance and improvements of social housing projects and Social Housing with adapted rents to disadvantaged targeted populations	 
Access to essential services	Healthcare, education, professional training or financing for companies facing natural / health disasters (pandemics, earthquakes, floods, droughts...)	  
Affordable basic infrastructure	Water and sanitation, connectivity and digital access	 
Axis Venture Capital		
Socioeconomic advancement and empowerment	Investments in Social Funds providing funding to social enterprises, recognized as European social entrepreneurship fund, aligned with the European Union regulation for Social entrepreneurship funds.	   

Allocations

Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)

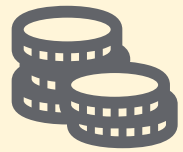


	No. projects	Allocated amount (millions)	Average maturity of loans (years)	Top regions
SME Lending: Economically underperforming regions	4.998	373,25 EUR	7	Andalucía, Galicia Comunidad Valenciana
Socioeconomic advancement and empowerment	1	35 EUR	9	Comunidad de Madrid
Social Housing	1	6,90 EUR	25	Andalucía
Access to essential services: Access to healthcare	1	15,85 EUR	5	Nicaragua
Access to essential services: Access to financing for companies facing natural / health disasters (pandemics, earthquakes, floods, droughts...)	3	69 EUR	6	Comunidad de Madrid, Andalucía
	5.004	500,00 EUR	7	

Total mobilized funds: EUR 710 mn

UoP category: SME Lending: Economically underperforming regions (I)

Social Bond EUR 500m 0.25% due April 2025 launched Nov 2021 (XS2412060092)



EUR 373.25 mn
4,998 projects

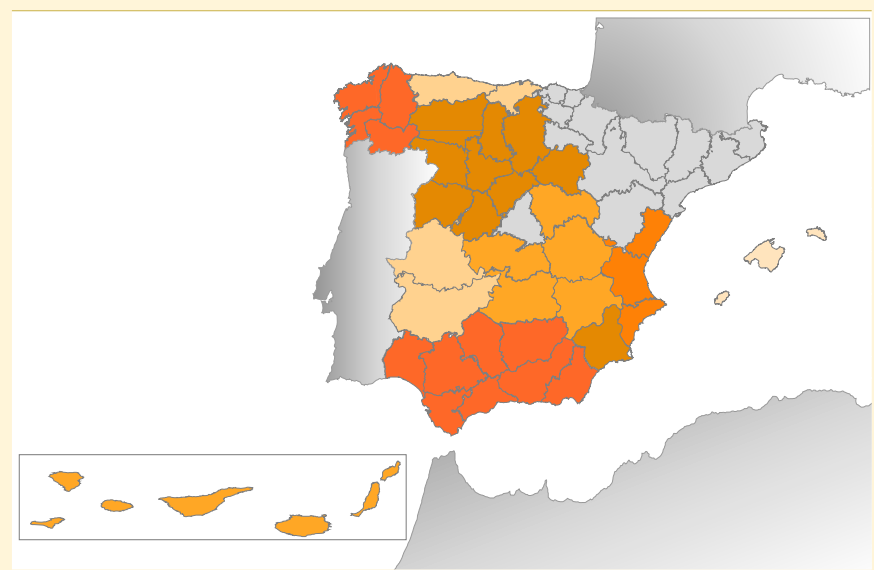
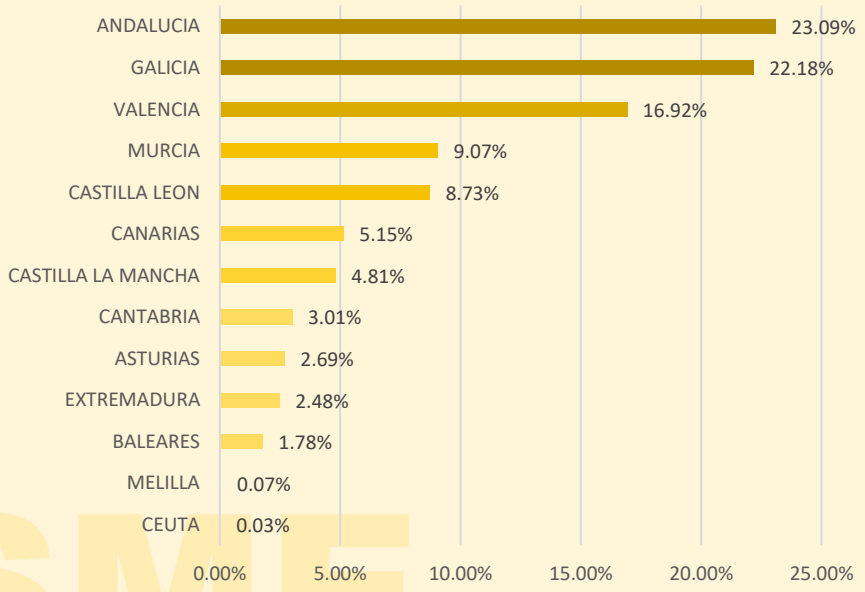


EUR 74,679.21 average loan
6.8 years average loan maturity



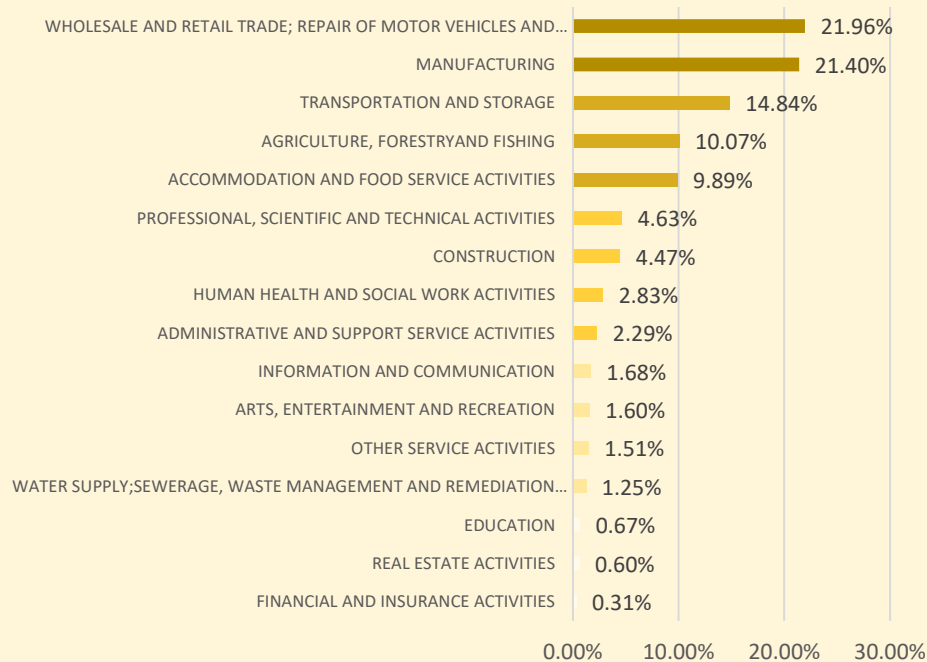
36,227 jobs created
and/or retained

Regional distribution of the proceeds



SME

Distribution of the funds by activity sector



8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

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

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all



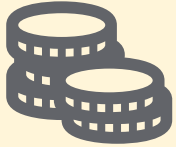
9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets



10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status



EUR 35 mn for a EUR 194.77 total project cost, which represents a share of **18%** funded by ICO



The overall project has provided a new job opportunity to more than **300 people with disabilities**



As of August 31st, **43%** of the workforce of the recipient of the financing were **people with disabilities**, which represented a number close to **16,000 employees**



Located in **Madrid**



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

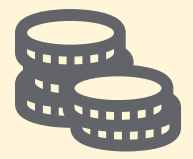


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UoP category: Social Housing

Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)



EUR 9.2 mn (100% of the project funded by ICO)



15 out of these 81 houses have enabled **15 families** to be assigned a home **adapted to their mobility problems**



Purchase of a total of **81 privately owned homes**, in order to be incorporated into the rental market for vulnerable groups



Located in **Andalucía**



1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

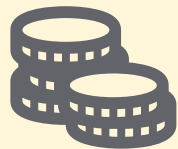


11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums



UoP category: Access to essential services: Access to healthcare

Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)



EUR 15,85 mn for a USD 66.73 total project cost, which represents a share of **25.84%** funded by ICO



1 hospital built to replace an existing one



207 beds, which represents an increase of 45 beds compared to the previous hospital. Thanks to this, the **hospital bed capacity** of the region increases **18.4%**



7 new medical specialties and improvement of the remaining 8 ones (total specialties 15)



3,200 deliveries attended



339,494 patients benefitting from healthcare or medical treatment what represents an **increase of 29,243 patients from current scenario**



5,295 major surgeries per year



4% reduction in childhood mortality



527 direct permanent jobs created by the project, of **which 65% are women**



Will provide **health coverage to 897** surrounding **communities in disadvantaged and/or rural areas**



Located in **Nicaragua**

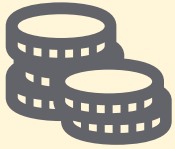


3.7 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

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

UoP category: Access to essential services: Access to financing for companies facing natural / health disasters (I)

Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)



EUR 69 mn
3 projects

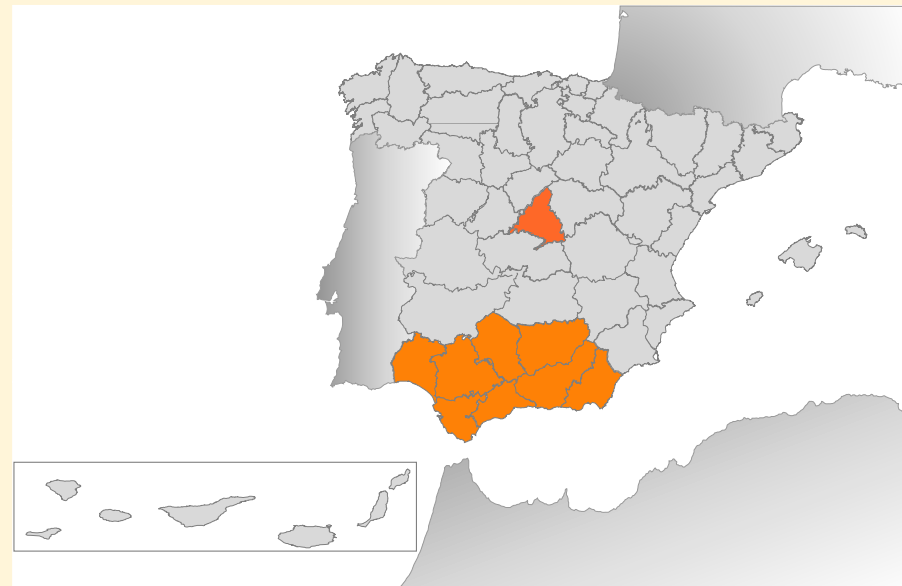
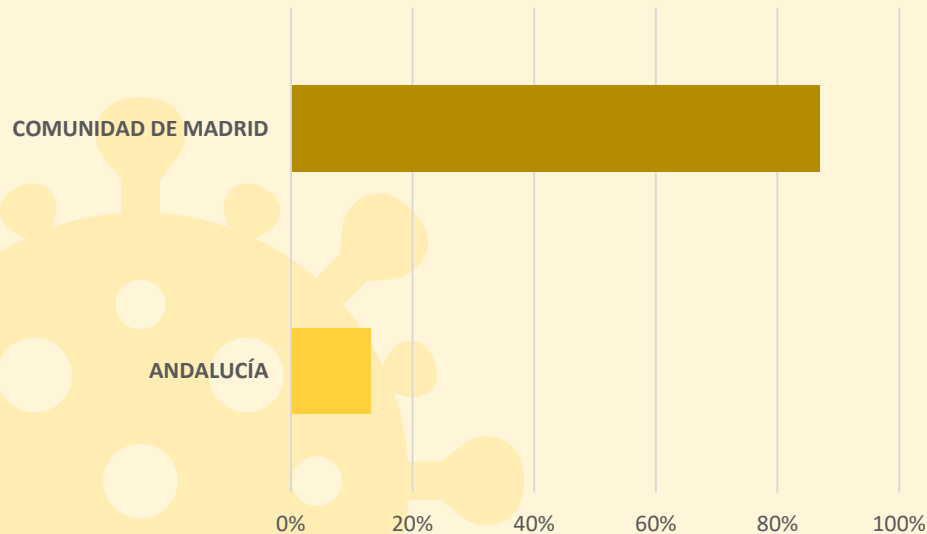


6 years average loan maturity



1,458 jobs created and/or retained

Regional distribution of the proceeds



UoP category: Access to essential services: Access to financing for companies facing natural / health disasters (II)

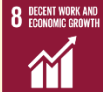
Social Bond EUR 500 mn 0.25% due April 2025 launched Nov 2021 (XS2412060092)



72% of the funds allocated to **hospitality sector**



28% of the funds allocated to **food and beverages sector**



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Total impact and allocation: summary

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Project description	Project Category			Target Population	Allocation information					Social Indicators	
	SBP Category	Sub-category	SDG addressed	Target Group	Signed amount (EUR mill)	Share of Total Financing (percent)	Eligibility of Social Bond (percent of signed amt.)	Allocated amount (EUR)	Portfolio lifetime or budgeted years (years)		
Financing of 4,998 of SMEs in regions with a GDP below the national average	Employment generation	SME financing	8, 9, 10	SMEs in line with European Union's standards and Economically underperforming regions	373.25	100.00%	100%	373.25	6.8	Number of SMEs financed	4,998
										Number of jobs created/retained	36,227
Financing to a projects that supports employment among disabled people	Socioeconomic advancement and empowerment	-	8, 10	Aged / disabled individuals and companies with a high proportion of disabled persons in the workforce	35	18%	100%	35	9	Number of disabled people provided a job opportunity	300
										% of disabled employees in the company	43%
Financing the purchase of social houses	Affordable housing	Social Housing	1, 11	Eligible beneficiaries according to socio-economic requirements set by regional governments	6.9	100%	100%	6.9	25	Number of houses purchased	81
Construction of a hospital for the replacement of an existing one	Access to essential services	Health Care	3	Hospitals/ Healthcare (open to all population)	32.81	25.84%	100%	15.85	5	Number of hospitals built	1
										Number of beds provided	207
										Number of patients reached	339,494
Financing for helping 3 companies face economic effects from Covid-19 crisis	Access to essential services	Financing and financial services	8, 9, 10	Population in Spain affected by a natural/ health disaster	69	100.00%	100%	69	6	Number of SMEs financed	3
										Number of jobs created/retained	1,458

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ILUNION is a major creator of quality employment for people with disabilities and other groups who face difficulties finding employment, both in Spain and across the globe. As part of the Grupo Social ONCE, its operations are socially responsible and are carried out in line with profitability, social, and environmental criteria.



Management is based on four cornerstones that are present in all its operations: people, ongoing transformation, excellence in management and sustainability, for the betterment of both the client and employee experience.



With over 50 lines of business, ILUNION is a significant service provider, both to other businesses (Industrial Laundries, Facility Services, Contact Centre, Industrial Services, etc.) and to private individuals (Hotels, Health and Social Care, Retail, etc.).

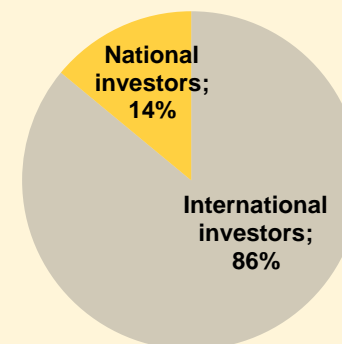
In 2017 it established its business model in Colombia, where it already has two industrial laundry facilities. ILUNION is a pioneer of inclusion and of highlighting the value of the work of Colombians with disabilities.

On 31 August 2021, ILUNION had a workforce of over 37,000, of which 43%, almost 16,000 employees, are people with disabilities.

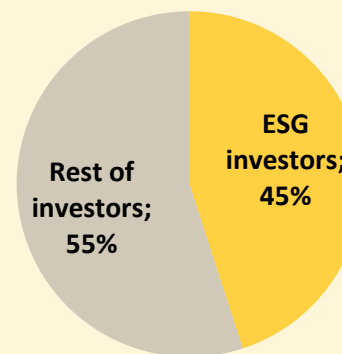
ICO financing has enabled ILUNION not only to retain its workforce of people with disabilities despite the financial and social impact of COVID-19, but also to hire over 300 workers with disabilities in the last year.

Issuer:	Instituto de Crédito Oficial (A-/Baa1/A-/A)
Issue Amount:	€ 500,000,000
Pricing Date:	16 th November 2021
Payment Date:	24 th November 2021
Maturity Date:	30 th April 2025
Annual Coupon:	0%
Re-offer Price:	101.112%
Re-offer Spread:	SPGB 1,6 04/30/25+7bps
Re-offer Yield:	- 0.322%
ISIN Code:	XS2412060092
Listing:	Luxembourg
Denominations:	€1k
Documentation:	GMTN Programme

International investors accounted for 86% of the final book



ESG investors accounted for 45% of the final book



Sustainalytics report

“Based on the limited assurance procedures conducted, nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of ICO’s social bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. ICO has disclosed to Sustainalytics that the proceeds of the social bond were fully allocated from a total of EUR 500 million, as of August 31, 2022.”

<https://www.ico.es/documents/20124/39505/ICO+Social+Bond+Framework+Annual+Review+2022.pdf>

During 2021, ICO approved operations in different areas of **sustainability** (ESG) for a volume of more than **EUR 1,810 million**. Among these operations, those with **environmental impact (EUR 1,463 million)** stand out this year. ICO, in its commitment to the transition towards a resilient and low carbon economy, has promoted the financing of operations that contribute to the climate objectives of mitigation and adaptation. Additionally, ICO has maintained its support to **social impact financing (347 million)**. Most of this financing is part of the urgent measures implemented by the Government to face the economic and social impact of COVID-19, whose objective is to preserve the normality of the financing flows and maintain the economic activity of the companies.

Latest SRI milestones

- In 2021, ICO has renewed its membership in **the Advisory Council of the Executive Committee of the Principles** from ICMA.
- In 2021, ICO joined **OFISO (Observatorio Español de la Financiación Sostenible)**, a meeting, information and debate forum for companies, financial entities, public administrations, investors and other agents of the financial industry, through its Sustainable Finance professionals, and a platform to give visibility and notoriety to its commitment to Financing Sustainable.
- As an **Implementing Partner of the European Union**, ICO has received approval to manage funds from the **InvestEU** Program, requesting a first guarantee of up to 125 million euros to cover the risk assumed for its participation as an investor in Venture Capital Funds. Sustainable Infrastructure.
- ICO, together with other five European national promotional banks and institutions, launched a two-billion-Euro **“Quick Response - Care for Ukrainian Refugees in Europe”** initiative as a quick response to support EU member states hosting Ukrainian refugees.
- The **Clean Oceans Initiative**, the largest common initiative dedicated to funding projects aimed at reducing plastic pollution at sea, doubled its commitment to provide **EUR 4 billion by 2025** to protect the Oceans, instead of the EUR 2 billion initially expected to be reached by 2023.