



GOBIERNO VASCO

SECOND PARTY OPINION : GOBIERNO VASCO
SUSTAINABLE FINANCE FRAMEWORK (SFF)



Document Title: Second Party Opinion on GOBIERNO VASCO SFF

Prepared By: DNV Business Assurance Spain

Location: Madrid, Spain

Date: 19/12/2025

Project Number: PRJN-1092140

Identification: DNV-2025-ASR-839774

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Basque Government (Eusko Jaurlaritza or the "Customer") is the self-governing executive body for the Basque Autonomous Community in Spain, managing key areas like health, education, security, and economic development, with its Lehendakari (President) elected by the Basque Parliament, headquartered in Vitoria-Gasteiz, and focused on strategic plans for industry (Euskadi 2030), talent, and open government to boost its global presence and innovation.

Basque Government has developed a Sustainable Financing Framework ("the Framework" or the SFF) under which it intends to issue Sustainable Financing instruments (SFI), including bonds, private placements, loans or Schuldcscheins, and use the proceeds to finance and/or refinance, in whole or in part, a mix of beneficial environmental and/or social projects aimed at promoting a green and inclusive Basque Country. The Framework is in alignment with the stated Principles and Standards (collectively the "Principles & Standards"):

- Green Bond Principles (GBP), June 2025 issued by the International Capital Market Association ("ICMA").
- Social Bond Principles (SBP), June 2025 issued by the International Capital Market Association ("ICMA").
- Sustainability Bond Guidelines (SBG), June 2021 issued by the International Capital Market Association ("ICMA").
- Green Loan Principles (GLP), March 2025 issued by the Asian Pacific Loan Market Association (APLMA), Loan Markets Association (LMA) and Loan Syndications & Trading Association ("LSTA").

DNV Business Assurance Spain, S.L.U. ("DNV") has been commissioned by the Basque Government to review its Framework and provide a Second Party Opinion on the Framework, based on the Principles & Standards.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

Responsibilities of the Management of Basque Government and DNV.

The management of Basque Government has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Basque Government management and other interested stakeholders in the Framework as to whether the Framework is aligned with the Principles & Standards. In our work we have relied on the information and the facts presented to us by Basque Government. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Basque Government's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the Basque Government-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / a borrower of a loan must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond / a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green/Social Bond/Loan proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental and social benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Basque Government in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the bond, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by Basque Government on the bond and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by Basque Government and Basque Government's website;
- Discussions with Basque Government's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings on the alignment with Principles & Standards are listed below:

1. Use of Proceeds

Basque Government intends to use the net proceeds of the Sustainable Financing Instruments to finance and/or refinance of new and/or existing eligible projects.

The Framework defines the following green or social eligible project categories, as detailed in Schedule 1:

- Affordable housing
- Education
- Healthcare
- Socio-economic progress
- Employment generation
- Renewable energy
- Clean transportation
- Pollution prevention and control
- Sustainable water and wastewater management
- Terrestrial and aquatic biodiversity conservation
- Energy efficiency
- Climate change adaptation

Eligibility criteria for the use of proceeds have been defined for each project category. Only the Basque Government's own expenditure (net of EU grants, EIB loans, and other revenues earmarked for specific purposes) is eligible. Specific sections of budgetary programmes will be excluded, including personnel expenditure, financing costs, contingency funds, financial assets and financial liabilities. Other exclusionary criteria include investments in companies involved in the production of controversial weapons or tobacco, or in companies that violate the UNGC or OECD guidelines, or that derive 1% or more of their revenues from hard coal and lignite.

DNV undertook an analysis of the associated project type to determine the eligibility as Green and/or Social and in line with the Principles & Standards. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles & Standards.

2. Process for Project Evaluation and Selection

The Basque Government Sustainable Financing Committee is responsible for selecting and evaluating potential eligible projects and programmes from the General Budget. Each department carries out an ex-ante evaluation of the projects' impact indicators, in addition to an environmental impact assessment and other actions foreseen in the regulation. The Committee comprises four representatives from the Department of Treasury and Finance and one representative from each of the following departments: Education; Healthcare; Industry, Energy Transition and Sustainability; Food, Rural Development, Agriculture and Fisheries; Housing and the Urban Agenda; Sustainable Mobility; Well-Being; Youth and the Demographic Challenge; and the Public Environmental Management Company (IHOBE). The Committee may also request the participation of representatives from other Basque Government departments when additional knowledge or specific expertise is required.

The Committee will select eligible projects or programmes from sections of the General Budget that align with the eligibility criteria defined in the Sustainable Financing Framework.

As not all activities within the selected budget programmes may be eligible under the Sustainable Financing Framework, the Basque Government will provide investors with information on the proportion of each eligible budget programme that was eligible for each Sustainable Financing instrument.

DNV concludes that Basque Government's Framework appropriately describes the process for Project Evaluation and Selection.

3. Management of Proceeds

The Basque Government describes the process for management of net proceeds under this Framework: The Basque government will allocate the proceeds from sustainable financing instruments to eligible budgetary programmes in the general budget for the fiscal year of sustainable financing. Total expenditure on these programmes will equal or exceed the net proceeds of the financing.

The proceeds from the sustainable financing instruments will be allocated directly to eligible projects upon settlement. If the full amount cannot be allocated, the Basque Government will temporarily hold the unallocated funds in cash, liquid assets, or time deposits with banks. This will be monitored by the Basque Government's Financial Policy Department and reviewed by the Sustainable Financing Committee.

The Basque Government has internal systems in place to track the proceeds of its financing and to account for all eligible programmes. Thus, the Committee will monitor and prevent any double allocation of proceeds. If a selected programme becomes ineligible or is cancelled, the Basque Government will reallocate the proceeds from the sustainable financing instruments to another eligible programme.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds.

4. Reporting

The Framework states that the Basque Government will provide investors with access to allocation reporting within one year of the date of the Sustainable Financing Instruments and on an annual basis until the proceeds have been fully allocated. This will provide insight into the total amount provided to various eligible budgetary programmes, as well as the total for each eligibility category. The information will be made available on the Basque Government's website. The Basque Government will also provide investors with a dedicated Sustainable Financing Impact Report. This report will include estimates of the main environmental and social impacts or outputs of the eligible programmes, along with relevant social and environmental impact indicators, as well as case studies of projects to illustrate the positive impact.

DNV concludes that Basque Government has made appropriate plans to produce reporting on the allocation and the impact of the issuances, and that the process for Reporting is consistent with the criteria set out in the Principles & Standards.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that Basque Government Sustainable Financing Framework is not, in all material respects, in accordance with the Pre-Issuance requirements of the associated green or social project categories, and the Principles & Standards.

For DNV Business Assurance Spain, S.L.U.

Madrid, Spain / 19th December 2025



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Schedule 1. Description of Categories to be financed or refinanced through the Sustainable Finance Framework

Eligible Social Project Categories	Eligible Criteria and Description	DNV Findings
Affordable housing	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Programmes for construction of new social housing in a rental regime. - Programmes to ensure that privately owned uninhabited homes are placed on the rental housing market. - Programmes for the financing of the housing economic benefit for eligible low-income recipients. - Programmes that offer direct rental assistance to young people. - Programmes for the renovation or the refurbishment of housing and buildings to improve accessibility, mobility and energy efficiency. 	<p>These projects align with the 2025-2027 Housing Master Plan, which aims to provide vulnerable individuals with universal access to decent, adequate and affordable housing. Specific target populations have been identified, and clear social benefits have been defined.</p>
Education	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Development of day-care centres - Programmes to support educational success and prevent absenteeism and school dropout. - Programmes for the inclusive and intercultural education to support immigrant students. - Programmes to support the access to vocational training for young vulnerable people. - Programmes to promote transition to employment. - Programmes to promote entrepreneurship, innovation and mobility to third countries. - Programmes to attract research and teaching staff into the Basque University. - Educational programmes for young people at risk of exclusion. - Programmes that support the integration of students with special needs arising from 	<p>These projects align with:</p> <ul style="list-style-type: none"> - The "Marco Universidades + Euskadi Basque Country 2030" strategy. - The "University Plan 2023-2026. - The "VI Basque Vocational Education and Training Plan". - The III Coeducation Plan. - The 2025-2030 Strategy for Coexistence and Coeducation. <p>Specific target populations have been identified, and clear social benefits have been defined.</p>

	physical conditions or socio-economic circumstances.	
Healthcare	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Equipment, technology, facilities and infrastructure in the public health service system in areas with special needs for vulnerable populations. - Sanitary equipment and diagnostic services for primary care and mental health centres and hospitals. - Precision medicine and digital therapies. - Research and innovation in health services. - Strengthening public health through alert systems, epidemiology and rapid risk response. - Programmes to prevent and treat specific diseases and addictions. 	<p>These projects align with "The Euskadi Health Plan 2030", which aims to ensure the health of the population <i>leaving no one behind</i>.</p> <p>Specific target populations have been identified, and clear social benefits have been defined through four main objectives:</p> <ul style="list-style-type: none"> - Promote health among children and teenagers. - Foster active and fulfilling aging. - Reduce morbidity and mortality. - Reduce health inequalities.
Socio-economic progress	<p>Eligible projects considered in the Framework are the financing of:</p> <ul style="list-style-type: none"> - The Guaranteed Income system (Renta de Garantía de Ingresos) providing financial aid to cover basic needs of beneficiaries. - Emergency Social Aid programmes. - Support benefits for families with small children. - Support benefits for work-life balance. - Programs to guarantee equal opportunities. - Expenses to support victims of gender-based violence. - Support benefits for youth emancipation. - A guarantee programme to help young people under the age of 40 acquire their first home. 	<p>These projects align with the "V Basque Inclusion Plan 2022-2026"</p> <p>Specific target populations have been identified, and clear social benefits have been defined.</p>
Employment generation	Eligible projects considered in the Framework are:	These projects align with the "Basque Employment Strategy 2030", the "2025/2027 three-year

	<ul style="list-style-type: none"> - Specific employment programmes. - Training and learning programmes. - Training programmes linked to energy-climate, digital and demographic-social transitions. - Programmes to promote the social economy, entrepreneurship and self-employment. - Financing of employment and training programmes. - The Lehen Aukera programme that promotes the employability of young or unemployed people. - Financing of the dual training programme to support the transition from education to work. - Programmes that promote intergenerational employment and the attraction and retention of talent. - Programmes aimed at helping young people return to education or the labour market and receive job training. 	<p>Employment Plan", and the Employment Law 15/2023.</p> <p>Specific target populations have been identified, and clear social benefits have been defined.</p>
Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Renewable energy	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Programmes that increase the use of biomass. - Programmes that encourage the use of renewable energy in households, public and private buildings and the industry. - Financing of new low-power installations, including the installation and renovation of onshore and offshore wind farms and biomass (waste energy) plants. 	<p>These projects are aligned with 8 action lines defined at 2030 Euskadi Energy Strategy</p> <p>Eligibility criteria include energy plants using biomass waste and residuals from agroforestry.</p>
Clean Transportation	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Programmes that promote the progressive decarbonisation of transport. - Finance the development and implementation of the 	<p>These projects are aligned with 6 general objectives and 51 action lines defined at Master Plan Sustainable Transport de Euskadi 2030 and electric mobility plan.</p>

	<p>Comprehensive Electric Mobility Plan.</p> <ul style="list-style-type: none"> - Programmes that promote sustainable mobility and the use of more efficient modes of transport, such as electric buses, trams, trains, etc. - Programmes that promote the renewal of the fleet of vehicles, both light and heavy, with hybrid and electric vehicles. 	
Pollution prevention and control	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Ensure air quality and improve the management of contaminated soils. - Programmes to enhance ecosystem services through the restoration of degraded areas, such as recovery of industrial land for new uses. 	<p>These projects are aligned with Environmental Framework Programme 2030.</p>
Sustainable water and wastewater management	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Maintenance and restoration work of water channels. - To obtain a good state of surface and underground water bodies - Programmes to ensure quality long-term water supply and quality and deploy demand management instruments. - Development, construction and maintenance of wastewater management infrastructure, including sewage treatment plants, etc. 	<p>These projects are aligned with the 2022–2027 Hydrological Plan and the 2022–2027 Flood Risk Management Plan.</p>
Terrestrial and aquatic biodiversity conservation	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Programmes that aim to protect and restore ecosystems. - Monitoring and Evaluation of the Natural Heritage of the Basque Country. - Financing of actions and educational activities to enhance and to promote the involvement of the community, public 	<p>These projects are aligned with 4 general objectives of Biodiversity Strategy of the Basque Country 2030 and 2050 Climate Change Strategy Basque Country (Klima 2050)</p>

	awareness and knowledge of biodiversity and its protection.	
Energy efficiency	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Programmes that promote energy savings and management in the industry. - Finance the improvement of energy efficiency and demand management. - Programmes to promote energy improvements in commercial and residential buildings and homes. - Programmes to promote energy efficiency in public administration buildings and public housing. 	These projects are aligned with 2030 Euskadi Energy Strategy and 2050 Climate Change Strategy Basque Country (Klima 2050).
Climate change adaptation	<p>Eligible projects considered in the Framework are:</p> <ul style="list-style-type: none"> - Financing of plans of action and activities to reduce the impacts of extreme climatic events in vulnerable areas, such as flood prevention, landslide, impact in coastal areas. - Increase the efficiency and resilience of the territory, the natural environment and the primary sector. - Environmental risk prevention. 	These projects are aligned with Goal 7 anticipating the risk from Climate Change Strategy Basque Country (Klima 2050).

Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Affordable housing	 11 SUSTAINABLE CITIES AND COMMUNITIES	DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the UN SDGs.
Education	 4 QUALITY EDUCATION	
Healthcare	 3 GOOD HEALTH AND WELL-BEING	
Socio-economic progress	 10 REDUCED INEQUALITIES	
Employment generation	 8 DECENT WORK AND ECONOMIC GROWTH	
Renewable energy	 7 AFFORDABLE AND CLEAN ENERGY	 13 CLIMATE ACTION
Clean transportation	 11 SUSTAINABLE CITIES AND COMMUNITIES	 13 CLIMATE ACTION
Pollution prevention and control	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Sustainable water and wastewater management	 6 CLEAN WATER AND SANITATION	
Terrestrial and aquatic biodiversity conservation	 15 LIFE ON LAND	
Energy efficiency	 7 AFFORDABLE AND CLEAN ENERGY	 13 CLIMATE ACTION
Climate change adaptation	 11 SUSTAINABLE CITIES AND COMMUNITIES	 13 CLIMATE ACTION

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond /Loan	<p>The Bond/Loan must fall in one of the following categories, as defined by the Principles & Standards:</p> <ul style="list-style-type: none"> • Green/Social - Use of Proceeds Bond • Green/Social - Use of Proceeds Revenue Bond • Green/Social - Project Bond • Green/Social - Securitized Bond • Loan instrument made available for Green/Social - project (Green/Social - use of loan proceeds) 	<p>The Framework states that Sustainable Financing instruments, can take different structures such as bonds, private placements, loans or Schuldscheins.</p> <p>The reviewed evidence confirms that the Green Financing Instruments meet the criteria under the Principles, and DNV confirms this process to be well aligned with the Principles.</p>
1b	Green/Social - Project Categories	<p>The cornerstones of Green/Social Bonds and Loans are the utilization of the proceeds of the bonds or the loans which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by Basque Government are as follows:</p> <ul style="list-style-type: none"> - Affordable housing - Education - Healthcare - Socio-economic progress - Employment generation - Renewable energy - Clean transportation - Pollution prevention and control - Sustainable water and wastewater management - Terrestrial and aquatic biodiversity conservation - Energy efficiency - Climate change adaptation <p>The above-mentioned project category meets the Eligible Green Project Categories in the Principles & Standards. DNV confirms this to be well aligned with the Principles & Standards.</p>
1c	Environmental/Social Benefits	<p>All designated Green/Social - Project categories should provide clear environmentally and socially sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>The Framework states social benefits and target populations benefited for each social project category, and environmental benefits for each green project category. See details in Schedule 1.</p> <p>DNV confirms that the proposed use of proceeds will reasonably be</p>

			expected to deliver meaningful environmental benefits.
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>Proceeds may be used for both financing and re-financing. An estimate of the share of financing vs re-financing will be provided at the moment of issuance of each Use of Proceeds instrument.</p> <p>The proposed management of net proceeds from the Green Finance Instruments is confirmed by DNV to reasonably be expected to meet the criteria under the Principles & Standards.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	<p>The Issuer of a Green /Social - Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green/Social - Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • The environmental objectives of the eligible Green/ Social - Projects; • The process by which the issuer determines how the projects fit within the eligible Green/Social - Projects categories; and • Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s). 	<p>The Basque Government's Sustainable Financing Committee is responsible for identifying and evaluating eligible projects from the General Budget based on defined sustainability criteria. This multi-departmental group ensures rigorous oversight through impact assessments and environmental evaluations for every selected initiative. To ensure transparency, the Committee provides investors with specific data on what proportion of each budget programme qualifies for funding. They also leverage expert input from various departments to maintain a high standard of project selection and specialized knowledge.</p> <p>DNV confirms this process for project selection and evaluation to be well aligned with the Principles & Standards</p>
2b	Issuer/ Borrower's Environmental, Social and Governance Framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> • Position the relevant information within the context of the issuer's overarching objectives, 	<p>The Basque Government has developed the SFF in the context of the 'Government's Strategic Plans for the XIII Legislature 2024-2028' and the 'Ongizatean Hazi' programme. Grow in Well-Being, and the Euskadi</p>

		<p>strategy, policy and/or processes relating to environmental sustainability.</p> <ul style="list-style-type: none"> Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s). 	<p>Next 21-26 programme, which aims to build a green, digital and inclusive Euskadi by supporting projects involving structural change that have a lasting impact on economic and social resilience, sustainability, long-term competitiveness and employment.</p> <p>DNV confirms that Basque Government's environmental, social, and governance (ESG) strategies and grouping of projects with eligibility criteria, are well aligned with the Principles & Standards.</p>
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3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	<p>The net proceeds of SFI (Bonds and Loans) - should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/ Social - Projects.</p> <p>Where a green/social loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</p>	<p>The Basque Government ensures that proceeds from sustainable financing are allocated to budget programs that meet or exceed the total funds raised. If funds aren't used immediately, they are held in liquid assets and monitored by the Financial Policy Department and the Sustainable Financing Committee. Internal tracking systems are used to verify project eligibility and strictly prevent the double allocation of funds. Should a project become ineligible or be cancelled, the government guarantees the reallocation of those proceeds to a different qualifying program.</p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Principles & Standards.</p>
3b	Tracking Procedure	<p>So long as the Green/ Social - Bonds or Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan</p>	<p>Internal tracking systems are used to verify project eligibility and strictly prevent the double allocation of funds. Should a project become ineligible or be cancelled, the government guarantees the reallocation of those proceeds to a different qualifying program.</p>

		disbursements made during that period.	DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Principles & Standards.
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green/Social - Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The proceeds from the sustainable financing instruments will be allocated directly to eligible projects upon settlement. If the full amount cannot be allocated, the Basque Government will temporarily hold the unallocated funds in cash, liquid assets, or time deposits with banks. This will be monitored by the Basque Government's Financial Policy Department and reviewed by the Sustainable Financing Committee.</p> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Principles & Standards.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	<ul style="list-style-type: none"> Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. The annual report should include a list of the projects to which Green/Social - Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). 	<p>The Basque Government will provide annual allocation reports starting within one year of issuance, continuing until all funds are fully distributed via their website. These reports will detail the total capital assigned to various eligible programs and specific categories to ensure investor transparency. Furthermore, a dedicated Impact Report will be published to quantify the environmental and social outcomes of these initiatives. This reporting will include specific impact indicators and case studies to illustrate the real-world positive effects of the financed projects.</p> <p>DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles & Standards.</p>

About DNV

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