



Comunidad
de Madrid

CONSEJERÍA DE ECONOMÍA,
HACIENDA Y EMPLEO



II. SUSTAINABLE FINANCE



Rationale for Sustainable Financing



Community of Madrid' Sustainability Mandate

- Comunidad de Madrid devotes a substantial portion of its budget to social and environmental spending
- Via the issuance of sustainable debt, Community of Madrid contributes to its social and environmental policies and actions
- Alignment of the funding strategy with the sustainability strategy

Addressing the social and environmental transition

- By issuing Sustainable Finance Instruments, Community of Madrid contributes to global, EU and national social and environmental objectives
- Contribution to the achievement of UN Sustainable Development Goals (SDGs)
- Achievement of sustainable growth for Community of Madrid's citizens

Supporting the growth of a sustainable financial market

- Address the increasing demand for more sustainable assets by responsible investors
- Diversify its investor base targeting SRI and dark green investors, while fostering the relationship with existing investors
- Contribution to the development of a sustainable financial market

Comunidad de Madrid believes that Sustainable Finance Instruments are effective tools to channel investments to projects demonstrating climate and social benefits



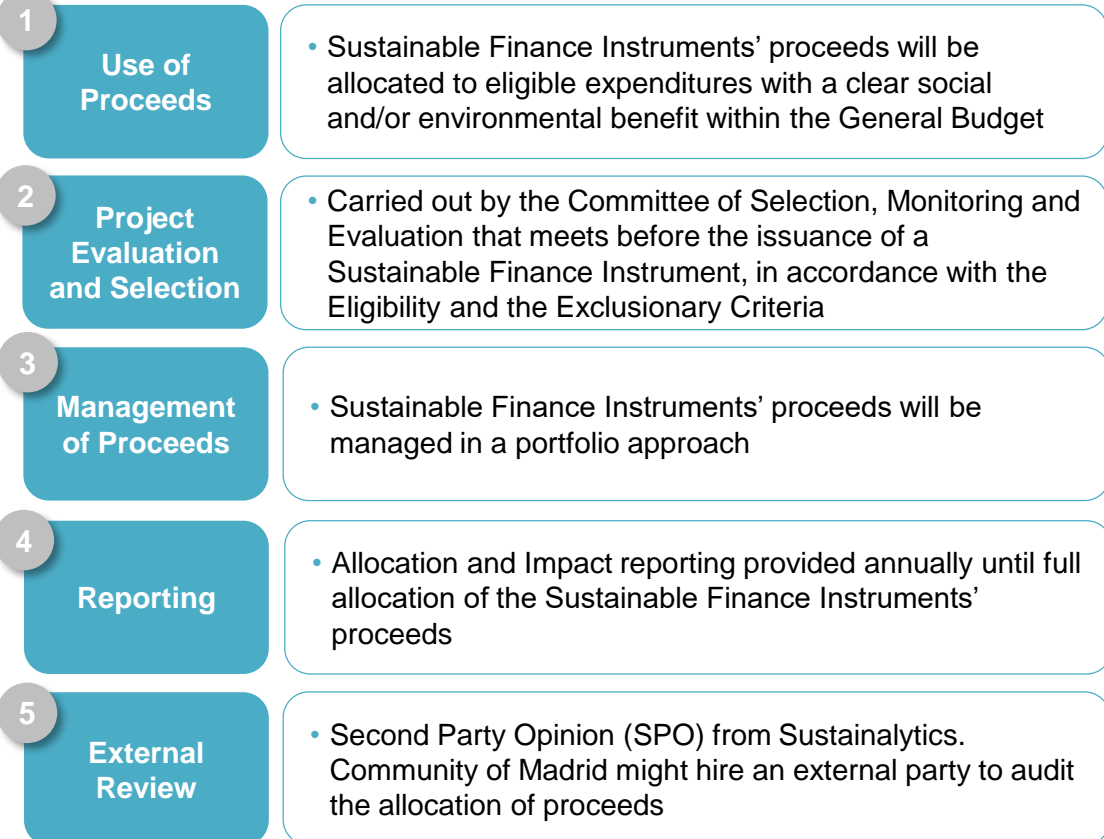
Sustainable Finance Framework

Alignment with the Standards

- The Sustainable Finance Framework of the Community of Madrid complies with:
- ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines
 - LMA Green Loan Principles



Community of Madrid Framework's pillars



Under the Green Finance Framework, Community of Madrid can issue Sustainable Finance Instruments which include Green, Social, Sustainability bonds, private placements and loans

Source: Comunidad de Madrid



Second Party Opinion by Sustainalytics¹

Use of Proceeds

- By financing social housing, CdM **directly supports Spain's State Housing Plan**
- Comunidad de Madrid's finances **public education for all**, and allocates resources to guarantee access to education for **students in disadvantaged situations**
- The financing of the healthcare programme will facilitate **the ongoing provision of quality healthcare services to the local population**
- Comunidad de Madrid **supports social cohesion and inclusion, protection of children and women, and care for the elderly and incapacitated** via its measures and policies
- The support provided to Madrid's SMEs, will **strengthen the competitiveness of SMEs and leading to the creation and preservation of jobs**, and **promote the integration of vulnerable people**
- Financing **low carbon transportation and reduction of global CO2 emissions** are considered an impactful use of proceeds

Project Evaluation and Selection

In line with market practice

Management of Proceeds

In line with market practice

Reporting

In line with market practice



Sustainalytics is of the opinion that the Comunidad de Madrid Sustainable Finance Framework is credible and impactful, and aligns with the Green and Social Bond Principles and Green Loan Principles 2018

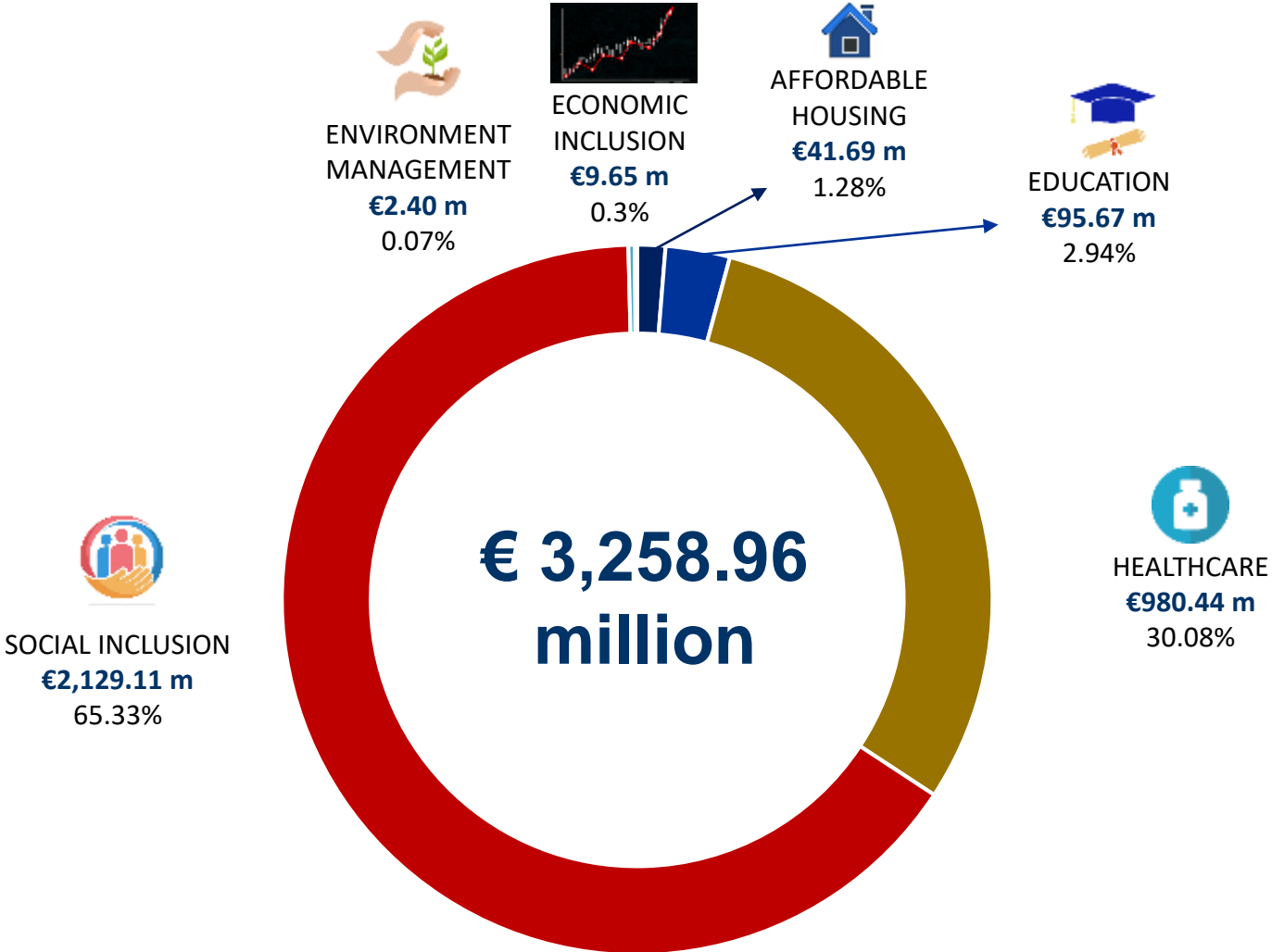
Source Comunidad de Madrid

¹The full Second Party Opinion is available at: <http://www.comunidad.madrid/inversion/relacion-inversores/deuda-sostenible>











2024 Eligible Portfolio – Budgetary Programs

AMOUNT OF THE RESPONSIBLE EXECUTED PORTFOLIO



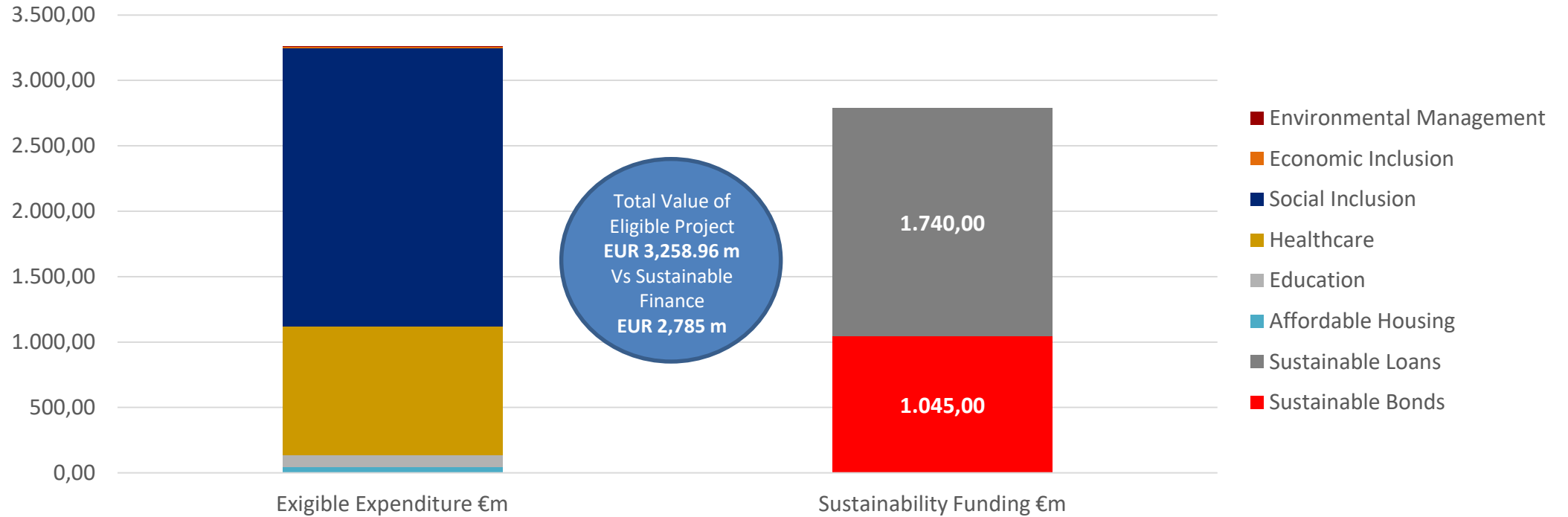
2024 Eligible Portfolio – Budgetary Programs

Eligible categories	Program Description	Program in the General Budget	Amount in € million (budgeted 2024)	UN SDGs
Affordable Housing	<ul style="list-style-type: none"> Provision of affordable housing and shelter to disadvantaged populations 	261B	470.85	
Education	<ul style="list-style-type: none"> Provision of education to the youth (including disadvantaged groups) and support of public schools and universities 	232A / 322A, B, C, F / 323M / 324M	2,955.62	
Healthcare	<ul style="list-style-type: none"> Support to Madrid's Public Healthcare System and financing of high impact medicines against rare diseases 	312A, 313B	3,813.17	
Social Inclusion	<ul style="list-style-type: none"> Fight against gender violence and promotion of equal opportunities Integration, education and employment programmes and financial assistance to vulnerable groups at risk of social exclusion Universal accessibility to the public transportation system (reduced price ticket) Provision of goods and services to the elderly and the mentally and/or physically disabled 	231A,B,C,D,E,F,I/ 232A, B, E / 241A, M/ 261B / 322A,B,F / 323M / 324 M / 422B/ 431A/ 433A/ 453N / 463A /	2,618.50	 
Economic Inclusion	<ul style="list-style-type: none"> SMEs financing Employment promotion and advancement, including people with distance to labour market 	463A / 466A	547.94	 
Environmental Management	<ul style="list-style-type: none"> Environmental conservation and biodiversity 	422B / 453N / 456A,N	797.97	

Source: Comunidad de Madrid



Reporting Framework example: Sustainability Financing: Allocation Reporting 2024



% of Eligible Sustainable Project Portfolio allocated: 85.5%

% Sustainable net proceeds allocated: 100%

Source: Comunidad de Madrid



Sustainability Financing Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group (if applicable)	Executed amount	Allocated to sustainable financing (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	Disadvantaged and underserved groups	41,686,300.49	41,686,300.49	1.50%	76	Families with social housing	Number of social housing units acquired	144
								Number of mortgages granted	2,277
Education	Goal 4: Quality education	Youth, disadvantaged groups	95,674,408.83	95,674,408.83	3.44%	523,646	Number of vulnerable students	Number of students with academic reinforcement	32,834
								Number of scholarships professional training higher degree	10,752
								Number of public schools (0-18 years)	1,466
Healthcare	Goal 3: Good Health and Well-being	Citizens (including disadvantaged and underserved groups)	980,439,250.96	980,439,250.96	35.20%	872	Number of people with a rare disease being provided access to services and adequate medication	Number of people treatment medication high impact	65,862
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	Disadvantaged and underserved groups	2,129,109,613.17	1,655,151,262.87	59.43%	1,574,778	Number of individuals or families benefiting from social benefits	Number of individuals or families benefiting of social minimum income	1,416
								Number of victims of gender violence supported	2,638
								Number of subsidized trips	671 millions
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	SMEs and long-term unemployed	9,650,933.71	9,650,933.71	0.35%	235	Number of SMEs that received support	Number of projects that received subsidies	171
Environmental management	Goal 13: Climate Action		2,397,843.14	2,397,843.14	0.09%			Number of annual data for air quality parameters	1,405,740
								Number of annual data meteorological parameters	1,688,003
								Number of environmental education centers	12
Total			3,258,958,350.30	2,785,000,000.00	100.0%	2,099,607			



Sustainability Bond Impact KPIs

Project category		Target population	Allocation information			Impact indicators			
Eligible Project Category	SDG Addressed	Target Group (if applicable)	Executed amount	Allocated to sustainable bond (amount)	Share of Total Budget Financing	Number of beneficiaries		Other impact indicators	
			mEUR		%	Number	Unit of measure	Additional Indicators	number / unit of measure
Affordable Housing	Goal 1: No Poverty Goal 11: Sustainable Cities and Communities	Disadvantaged and underserved groups	41,686,300.49	15,641,717.78	1.50%	29	Families with social housing	Number of social housing units acquired	54
								Number of mortgages granted	854
Education	Goal 4: Quality education	Youth, disadvantaged groups	95,674,408.83	35,899,374.23	3.44%	196,485	Number of vulnerable students	Number of students with academic reinforcement	12,320
								Number of scholarships professional training higher degree	4,034
								Number of public schools (0-18 years)	550
Healthcare	Goal 3: Good Health and Well-being	Citizens (including disadvantaged and underserved groups)	980,439,250.96	367,884,745.87	35.20%	327	Number of people with a rare disease being provided access to services and adequate medication	Number of people treatment medication high impact	24,713
Social inclusion	Goal 1: No Poverty SDG 5: Gender equality	Disadvantaged and underserved groups	2,129,109,613.17	621,053,166.86	59.43%	590,895	Number of individuals or families benefiting from social benefits	Number of individuals or families benefiting of social minimum income	531
								Number of victims of gender violence supported	990
								Number of subsidized trips	251 million
Economic inclusion	Goal 4: Quality education Goal 8: Decent work and economic growth	SMEs and long-term unemployed	9,650,933.71	3,621,265.97	0.35%	88	Number of SMEs that received support	Number of projects that received subsidies	64
Environmental management	Goal 13: Climate Action		2,397,843.14	899,729.29	0.09%			Number of annual data for air quality parameters	527,468
								Number of annual data meteorological parameters	633,380
								Number of environmental education centers	5
Total			3,258,958,350.30	1,045,000,000.00	100.0%	787,824			



Selected Projects for the 2024 Sustainability Bond

Comunidad de Madrid has a clear social and environmental mandate to meet the needs of its citizens.

Sustainable development is at the centre of our policies for strong, sustainable and inclusive growth and development.

SELECTED PROJECTS



ELEGIBLE CATEGORY	PROJECT NAME	AMOUNT
Affordable Housing	Maintenance and upkeep of inhabited social housing.	5,388,019.28
	My First House.	25,000,000.00
	Construction of new social housing developments.	3,436,283.01
	Repair of uninhabited social housing for second allocation.	6,574,078.62
Education	Neighbourhood Assistance Service of the Community of Madrid. ASIVECAM.	1,287,919.58
	Attention to students with specific educational support needs.	3,667,265
	Book lending programme. ACCEDE Programme.	32,960,653
	Maintenance of Secondary Education Centres.	22,840,000
	Refuerza Programme (academic support and reinforcement activity).	2,488,200
	Training and awareness-raising for women in situations of social exclusion.	403,994
	Scholarships for advanced vocational training.	26,607,679
Healthcare	Educational compensation classrooms.	706,619
	Study aid for public universities.	6,000,000
	High-impact medicines and orphan drugs.	977,720,000
	Collaboration with CCLL.	63,760.00
Social Inclusion	Collaboration with professional bodies.	105491
	Mobile service for drug addicts.	2,050,000
	Collaboration with citizens' organisations.	500,000
	Reduced prices for school meals.	50,780,706.61
	Economic benefits in situations of dependency.	364,139,441.31
	Home help in situations of dependency.	140,902,299.42
	Care for the elderly in centres.	410,869,609.99
	Subsidies for public transport users.	1,095,039,214.00
	Care for the elderly in centres for the elderly.	16,131,822.00
	Comprehensive care in Residential Centres. Gender violence.	535,335.62
	Social canteens.	3,955,924.00
	Economic benefits for social integration of women victims of gender violence.	318,960.00
	Free school transport service for pupils in special education centres.	7,893,623.46
	Free transport service for pupils with physical disabilities.	8,673,114.68
	Free school canteen service for pupils in special education centres.	2,949,474.24
	Free school transport service for pupils in shantytowns.	784,642.92
	Participation and integration centres (CEPI).	2,371,420.00
	Volunteer school.	164,304.54
	Housing First Programme.	489,416.01
	Care centre for people in situations of social exclusion.	2,393,927.27
	Network of volunteer information points (PIV).	79,678.50
	Madrid LGTBI Information and Care Programme.	233,936.34
	Minimum Insertion Income (RMI).	4,256,435.92
Subsidies for integration projects linked to Minimum Insertion Income.	4,900,000.00	
Subsidies for LGTBI non-profit organisations.	699,298.22	
Subsidies for Development Cooperation.	4,490,000.00	
Young people in a situation of social exclusion.	2,187,108.57	
Young people. Temporary residential foster care. Serious risk of social exclusion.	139,693.75	
Young people. First professional experience.	1,300,000.00	
Convalescent care, serious risk of social exclusion.	1,632,123.80	
Homeless women.	500,000.00	
"Get off the street" programme.	298,102.00	
Economic Inclusion	Aid for the promotion of technological sectors. Start-ups	3,567,257.79
	Aid for the use of innovation services in SMEs Innovation cheque.	531,910.47
	Aid for industrial SMEs. Industry 4.0 projects.	4,815,888.66
	Aid to Innovation Intermediary Entities.	735,876.79
Climate Change and Environment Management	Measures to protect and improve the environment. Environmental education.	879,793.00
	Subsidies to non-profit organisations with environmental aims.	500,000.00
	Air Quality Network	1,018,050.14
	TOTAL	3,258,958,350.30

Source: Comunidad de Madrid



CASE STUDY for HEALTHCARE



High Impact Medicines and Orphan Drugs



- Comunidad de Madrid offers universal healthcare coverage to all of its citizens. The overall objective of the healthcare programme is the maintenance of a quality healthcare service and an efficient use of resources. Madrid's public healthcare service includes plans such as the **"Plan to improve healthcare services for people with rare diseases"**.

- Providing integrated and comprehensive care by all the agents involved is essential to improve the daily life of these people and their families.
- Within the **Plan to Improve Healthcare for People with Rare Diseases**, Comunidad de Madrid financed **EUR 978m** for rare diseases treatments, over **65,000 patients** were treated:
 - 872 patients which annual costs is over EUR100,000
 - 715 patients with Chronic Hepatitis C
 - 133 CAR-T therapy treatments.
 - 8,252 multiple sclerosis
 - 30,576 immune-mediated inflammatory diseases patients
 - 24,346 HIV patients
 - 946 Pulmonary hypertension

Mobile Support Service for Drug Dependency



- **Comunidad de Madrid provides healthcare** to about **20,905 drug addicts** out of treatment **through mobile devices in marginal areas**.
- This project aims to minimize the negative effects related to consumption and contributes to public health by controlling and monitoring transmitted diseases, providing referrals to drug addiction treatment, counselling and support services network.

Proceeds of the bond will be allocated to projects aimed at providing a modern and sustainable public healthcare service system to the citizens of Madrid (including, but not limited to, vulnerable groups)

Source: Comunidad de Madrid



CASE STUDY for EDUCATION



ACCEDE – Book lending program



- **Accede Program textbook lending program** for eligible students of Primary Education, Compulsory Secondary Education and Basic Vocational Training.
- Over **510,000 students** from nearly **1,500 schools** benefited from this program.
- Comunidad de Madrid has allocated **EUR 32,9m** to this program.

Education Centers Maintenance



- Comunidad de Madrid **offers a wide network of public primary and secondary education schools and special education schools.**
- Every year, Comunidad de Madrid builds new centers to cope with takes care of the maintenance of schools, by taking preventive, diagnostic, updating, replacement, and repair procedures. In 2024 **375 schools** benefited from these procedures.

REFUERZA-Academic Support



- **The Academic Support program** seeks to complement Primary Schools training by offering students reinforcement activities, study techniques or knowledge expansion sessions.
- Over **19,000 students** benefited from this program.

Education is a fundamental social right, bringing significant benefits to society. An educated and skilled workforce is essential for our region's competitiveness.

Source: Comunidad de Madrid



CASE STUDY for AFFORDABLE HOUSING



Uninhabited Social Houses Refurbishment



- **Comunidad de Madrid** dedicated close to **EUR 6,57m** to Social Housing projects.
- Among others those dedicated to the maintenance and conservation of inhabited social housing to **improve the safety** and the **accessibility** and enhance its **energy efficiency**
- **307 vacant** social homes were **refurbish**

Mortgage Assistance Program



- **'Mi primera Vivienda'** is a pioneering plan for young people under 40 years old who are economically solvent but do not have savings.
- The project facilitates the granting of up to 100% of the mortgage
- Budget of 25 million euros for 2024
- 2,277 mortgages conceded

ASIVECAM – Neighborhood Assistance



- **ASIVECAM** – the Comunidad de Madrid Neighborhood Assistance service
- Aims to favor and activate processes of coexistence and communication, to provide answers to the problems raised in the promotions of public housing of the Social Housing Agency, which facilitate the integration of people and the development of these, through their participation.
- Hired 42 socio-educational technicians, acquisition 5 vehicles

Comunidad de Madrid is committed to tackle inequalities and provide access to affordable and quality housing. Social housing plays a vital role in meeting the housing needs of people across Comunidad de Madrid

Source: Comunidad de Madrid



CASE STUDY for SOCIAL INCLUSION



Minimum Insertion Income (RMI)



- **Minimum Insertion Income (RMI)** refers to the different programs aimed at individuals and families who lack sufficient economic resources to cover their basic needs, accompanied by a process of social intervention.
- In 2024, **1,416 people received the RMI in the Comunidad de Madrid.**
- Comunidad de Madrid earmarked **EUR8m** for this purpose

Assistance for Women Victims of Gender Violence



- Comunidad de Madrid funds a broad range of initiatives and programs aiming to **end all forms of gender-based violence**
- In 2024, **111 women and 84 children** were treated in **Shelter Centers** specialized in offering women and their dependents a comprehensive recovery treatment that from the psychological, educational, socio-labour and legal fields, favors the normalization of the family unit.

Care for Seniors in Centers



- Comunidad de Madrid provided assistance to more than **21,879 dependent people.**
- Promote the social integration of older people by encouraging them to remain in their environment.
- Create and maintain adequate resources for the care of dependent elderly people through the provision of specialised and quality services.

Comunidad de Madrid's strategy for social inclusion aims to achieve the full integration in society of people who are in a situation (or at risk) of poverty and social exclusion, fighting against gender violence and promoting equal opportunities

Source: Comunidad de Madrid



CASE STUDY for SME FINANCING



Industry digitalization projects



- **SMEs** play a major role in Comunidad de Madrid's economy.
- **Supporting SMEs is a priority for the regional government**, as well as providing these companies with the necessary tools to adapt to current market needs and expand their businesses
- Under the **Digitalization program**, Comunidad de Madrid provided in 2024 assistance and funding of **92 digital projects** for the development and implementation of innovative projects

AID FOR TECHNOLOGY SECTORS START-UPS



- Comunidad de Madrid has helped **45 companies considered Start-Up or Highly Innovative Intensity SMEs**.
- Help for young and innovative Start-Up companies or High Intensity Innovative SMEs developing their projects in the Region of Madrid.

Digitising industries is one of the key challenges to be tackled for fostering growth. Comunidad de Madrid is committed in supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation

Source: Comunidad de Madrid



Leadership in Sustainable Bonds

- First Spanish Region to issue Sustainable Bonds.
- Largest number of Sustainable Bonds issued in Spain.
- Ability to Issue Green, Social and Sustainable Bonds and Loans.
- 8 Sustainable benchmark public bond issued since 2017.
- 63.45% of Sustainable finance in Comunidad de Madrid's annual issuance in 2024.
- Largest amount outstanding in Sustainable Bonds (8,316 MM*).
- Transparent and public reporting on projects financed by under the framework.

	Amount (EUR million)	Sttlement	Tenor
Sustainable Bond (Public) (MATURED)	700	04/18/2017	5
Sustainable Bond (Public)	1,000	02/23/2018	10
Sustainable Bond (Public)	1,250	02/14/2019	10
Sustainable Bond (Public)	1,250	02/27/2020	10
Green Bond	700	05/08/2020	7
Sustainable Bond (Public)	1,000	03/26/2021	10
Green Bond	500	11/26/2021	7
Sustainable Bond (Public)	1,000	04/11/2022	10
Green Bond	500	10/14/2022	7
Sustainable Bond (Public)	1,000	02/24/2023	10
Green Bond	600	06/29/2023	5
Sustainable Bond (Public)	1,000	02/29/2024	10
Green Bond	600	05/31/2024	5

Source: Comunidad de Madrid

*outstanding of sustainable bonds excluding green bond issuances

