

2022

2027

Strategy

ICO Group

Business growth
and competitiveness

Digital transformation

Sustainable finance

Corporate governance



Instituto de Crédito Oficial

Aligned with:



Plan de Recuperación,
Transformación y Resiliencia



Financiado por
la Unión Europea
NextGenerationEU





Introduction: “Working together, looking to the future”	4
Our purpose	5
Objectives 2022-2027	6
Strategy 2022-22027	7
Strategic axis I: business growth	10
Action plan 1: Direct funding	11
Action plan 2: ICO Second-floor facilities	12
Action plan 3: Complementary funding	13
Action plan 4: Internationalisation	14
Action plan 5: Private equity. Axis	15
Action plan 6: Channelling public sector and EU resources	16
Action plan 7: State funds management	18
Strategic axis II: digital transformation	20
Action plan 8: Financing and business digitalisation	21
Action plan 9: Digitalisation through private equity	22
Action plan 10: Financing of the audiovisual sector	23
Strategic axis III: sustainable finance	24
Action plan 11: Sustainable financing	25
Action plan 12: Promoting sustainable entrepreneurship	26
Action plan 13: Sustainable bonds issuance	27
Action plan 14: Institutional cooperation	28
Action plan 15: Training and technical assistance	29
Strategic axis IV: corporate governance	30
Action plan 16: Corporate governance	31
Action plan 17: Talent	32
Action plan 18: Internal digitalisation	33
Action plan 19: Institutional relations and communication	34
Action plan 20: CSR, education and knowledge	35

“Working together, looking to the future”

The ICO Group has demonstrated its capacity to anticipate and adapt in order to support the business fabric, contributing to the achievement of economic policy objectives and driving growth, job creation and the transformation of the Spanish economy.

ICO aims to offer the Spanish business community the widest and most flexible range of financial instruments to enable the development of its transformative business projects and drivers of a new model of economic growth in Spain defined by competitiveness, digital transformation and environmental and social sustainability.

The ICO Group’s strategy for the period 2022-2027 is structured around ICO as a credit institution, AXIS, as a private equity fund manager 100% owned by ICO, and Fundación ICO as a state public foundation that carries out its activities under the sole sponsorship of Instituto de Crédito Oficial.



ICO's Strategy 2022-2027 is aligned with the transformation of the Spanish economy's growth model towards a more sustainable and digital model with a greater capacity to generate quality employment.

Over the coming years, ICO will provide an effective response to the needs of Spanish companies, to help drive the process of recovery, transformation and strengthening of Spain's growth model, in accordance with the priorities defined in the Recovery, Transformation and Resilience Plan approved by the Government, and in line with the Next Generation EU Programme and the European Union's Multiannual Financial Framework 2021-2027.



Our purpose

- Facilitate public-private collaboration between ICO and the Spanish financial and business sector.
- Financing business growth and employment generation.
- Facilitate the internationalisation of companies.
- Channelling European funds towards the Spanish business fabric.
- Financing the transformation of the economy towards a sustainable growth model.
- Promote digitalisation and innovation in Spanish companies.
- Collaborate with other public administrations at all levels and with the European Union.
- Boosting and consolidating the private venture capital fund ecosystem.
- Provide complementary funding.

Driving sustainable economic growth

Channelling
17,000
million

Mobilising
more than
60,000
million

+40% new sustainable operations

Target 2022-2027

Channelling 17,000 million euros directly through the ICO Group and mobilising more than 60,000 million in public-private partnerships to contribute to the transformation of the growth model of the Spanish economy and the business fabric and entities of the social economy.

40% of all new operations in the period 2022-2027 will be sustainable.





Strategy 2022-2027

In line with the priorities of the Spanish economy and the cross-cutting objectives set out in the Recovery, Transformation and Resilience Plan – moving towards a greener, digital, socially and territorially cohesive and more egalitarian Spain – ICO's strategy is based on **4 strategic axes that are translated into 20 action plans** to be implemented in the short and medium term.

1. Business growth. Boost business growth, the competitiveness and resilience of the Spanish economy and the generation of employment.

2. Digital transformation. Promote the digital transformation of the Spanish productive fabric.

3. Sustainable finance. Promote the ecological transition and the environmental, social and governance (ESG) sustainability of the Spanish business fabric.

4. Corporate Governance. Strengthen governance and digital/technological resources, promote organisational transformation and expand institutional, communication and CSR activity.



ICO Group Strategy 2022-2027

Strategic axes	Action Plans	
I Boosting Business Growth, Competitiveness and Resilience of the Spanish Economy	1 Direct Financing	Extend the scope of ICO direct financing to new companies with a tractor effect and especially to midcaps.
	2 ICO Second-Floor Facilities	Strengthen and adapt ICO's Second-Floor Facilities to the needs of companies, especially SMEs, the self-employed and social economy entities.
	3 Complementary Financing	Encourage complementary financing through other instruments such as bonds, promissory notes, securitisations and other modalities.
	4 Internationalisation	Promote business internationalisation by expanding and diversifying markets, currencies and financial products with pulling effects.
	5 Private Equity Axis	Boost the growth and dynamism of the entrepreneurial ecosystem through financing and investments in private equity and venture capital funds.
	6 Channelling public sector and EU resources	<p>Promote collaboration with Ministries, Autonomous Communities and their dependent bodies in channelling budgetary resources and European funds from the MFF 2021-2027 in support of the business fabric. These actions will be framed within the priorities of the Recovery, Transformation and Resilience Plan.</p> <p>Combined financing: Develop innovative financing instruments and modalities through the use of guarantees, risk sharing and combined products that integrate grants or aid from Spanish or European public bodies into loans and guarantees, promoting public-private collaboration.</p>
	7 State Funds Management	Boost the efficient management of the State Funds destined for internationalisation, development cooperation and territorial financing with new initiatives and synergies. Covid Guarantee Facilities: Efficient management of the Covid Guarantee Facilities, monitoring of the portfolio and adaptation of modifications to the needs at any given time and recovery of defaults.
II Promote the Digital Transformation of the Spanish productive fabric.	8 Financing Business Digitalisation	Collaborate with different financing instruments and channelling budgetary or European resources to promote the digitalisation of all types of companies, with special interest in SMEs and the dynamising effect on larger companies.
	9 Digitalisation through Private Equity	Collaborate in the development of private equity funds and entrepreneurship initiatives and projects linked to digitalisation through the funds managed by AXIS and especially through Fond-ICO Next Tech .
	10 Boosting Financing for the Audiovisual Sector	Collaborate with entities and developing different financing instruments, where appropriate with European resources for the promotion of the Spanish audiovisual sector .

ICO Group Strategy 2022-2027

Strategic axes		Action Plans	
III Promote Ecological Transition and Environmental, Social and Governance Sustainability (ESG) of the Business Fabric	11	Sustainable Financing	Contribute to sustainable business financing through specific products: green and social loans, loans linked to sustainability objectives, purchase of sustainable promissory notes and bonds, green securitisations or other futures, channelling European funds where appropriate.
	12	Promotion of Sustainable Entrepreneurship	Collaborate in the application of sustainability criteria in the entrepreneurial ecosystem, promoting the development of venture capital funds and social and environmental impact initiatives, mainly through the funds managed by AXIS.
	13	Sustainable Bond Issue	Promote and expand the Spanish and European sustainable bond market, maintaining ICO's leading position.
	14	Institutional Cooperation	Encourage partnerships and joint initiatives with national, European and international, public and private institutions in the field of sustainability.
	15	Training and Technical Assistance	Develop initiatives to improve the capacity of businesses, especially SMEs, in the area of sustainable finance.
IV Strengthening Governance and digital/ technological resources at ICO, Driving Organisational Transformation and Expanding Institutional, Communication and CSR Activity	16	Corporate governance	Improve ICO's internal corporate governance: better governance practices incorporating the ESG component in all areas.
	17	Talent	Expand HR, talent attraction, retention and continuous training.
	18	Internal Digitalisation	Deepen the digital and technological transformation by orienting actions towards a technological financial company to improve processes and efficiency.
	19	Institutional Relations and Communication	Expand and diversify the communication networks and institutional contacts and the communication activity to raise awareness and bring ICO's financial instruments, programmes and priorities closer to companies, mainly in Spain but also in the EU and other countries.
	20	CSR: Education and Knowledge	Financial education and training; dissemination of knowledge and debate on national, EU and international economics and finance, sustainable finance, SME growth, with the support of Fundación ICO.



Strategic Axis I. **Boosting business growth, competitiveness and resilience of the Spanish economy**

Spain has an average company size below the EU average, which affects its competitiveness. The recovery and transformation of the Spanish economy requires, among other aspects, promoting the growth of its companies and their size in order to achieve higher levels of competitiveness, investment capacity, R&D, human capital and digitalisation, improved quality of employment, productivity and greater resilience in the face of the evolution of the economic cycle.

The action plans in this axis aim to diversify, expand and develop new financial instruments to improve access to long-term financing for companies of all sectors and sizes, especially SMEs, midcaps, the self-employed, entrepreneurs and social economy entities, facilitating their growth and competitiveness and boosting their activity at national and international markets.

Action Plan 1

Direct Financing: Extend the scope of ICO direct financing to new companies, with a leverage effect and especially to midcaps

ICO is active in all business sizes and sectors, with a comprehensive financing offer. With this action plan, it will continue to work on broadening the scope of direct financing, especially towards midcaps, for the promotion of investment projects in Spain or projects abroad with the participation of Spanish companies.

Actions

- Strengthen and expand the **catalogue of direct financing products**, supporting companies in all sectors, with special attention to those aligned with the objectives set out in ICO's strategic axes and with the capacity for growth, dynamism and a driving effect on other sectors or other companies and on the generation of employment and the transformation of the Spanish economy.
- Develop and consolidate the **Midcaps Financing Programme**—medium-sized enterprises—to strengthen their capacity for growth, digitalisation and job creation.
- Identify companies in **public-private collaboration with associations and initiatives** such as Cepyyme500 or Cre100do, and other initiatives promoted with general or sectoral business associations to boost their growth and employment generation.
- Cooperate and build alliances with **other actors in the Spanish and European financial sector**, both public and private, and with other financial institutions and management companies, both individually and with associations representing the sector.



Action Plan 2

ICO Second-Floor Facilities: Strengthening and adapting the ICO Second-Floor Facilities to the needs of companies, especially SMEs, the self-employed and social economy organisations.

In the ICO Second-Floor Facilities, the financial institutions are the financing intermediaries, with the Institute acting as a second-tier bank. This activity is consolidated in the Spanish financial sector, including the National Second-Floor Facilities (Companies and Entrepreneurs and Short-term Commercial Credit) and the International Facilities (Internationalisation and Short-term Export Credit) as a successful experience of public-private collaboration between ICO and the financial sector.

The objectives are to boost business activity by providing long-term value, as well as stability and flexibility in the sources of financing available to the business fabric at all stages of its productive activity.

Actions

- Extend the scope of ICO's Second-Floor Facilities to all sectors of activity and all sizes of companies. To this end, the **network of financial institutions and collaborating agents** will be extended and the connectivity of institutions will be strengthened through their branch networks nationwide.
- Adapt the **conditions and characteristics of the Second-Floor Facilities** to the needs of companies according to the market situation; improvement and stability of the rates charged, deadlines, simplification of procedures and the management system.
- Incorporate in the **ICO Second-Floor Facilities a combination of products and financial conditions** such as the possibility of counter-guaranteeing up to a certain maximum percentage per entity and per operation.
- Generate **synergies with the intermediation scheme** for the distribution of other ICO initiatives and financial instruments included in the other action plans.
- Collaborate with **CERSA and the Mutual Guarantee Associations** to complement and mobilise financial resources as complementary and additional financing to bank financing.



Action Plan 3

Complementary funding: Boost complementary financing through other instruments such as bonds, promissory notes, securitisations and other modalities.

ICO promotes the development of complementary sources of financing, such as the direct financing programme for the acquisition of bonds, promissory notes and obligations issued by Spanish companies. Likewise, ICO has a general framework for investing in securitisation assets to encourage the diversification of financing for SMEs and entrepreneurs in Spain. The Strategy will boost this type of complementary financing.

Actions

- Develop and diversify **non-loan corporate financing instruments** by expanding and consolidating complementary financing programmes through the purchase of bonds, notes and other obligations.
- Structure **guarantees for loan and securitisation portfolios**, for loans to SMEs and the self-employed, and justifiably for loans for the purchase of consumer durables with a pulling effect on the demand and financing of these goods. Such investments will be subject to the subsidiary and complementary nature of ICO vis-à-vis the private sector.
- Collaborate with other **entities in the development of new products**, such as the Aquisgrán Securitisation Fund with the EIF and CERSA and Mutual Guarantee Societies.



Action Plan 4

Internationalisation: Promote business internationalisation by expanding and diversifying markets, currencies and financial products with a leverage effect.

Boosting the international activity of Spanish companies and attracting foreign investment is one of ICO's priorities, helping to strengthen the foreign sector and consolidating its role as a driving force in the growth, recovery and transformation of the Spanish economy. ICO is part of and actively contributes to the Strategy for the Internationalisation of the Spanish Economy 2017-2027.

Actions

- Strengthen and disseminate the set of **financial instruments specialised** in internationalisation available to Spanish companies.
 - **ICO Second-Floor Facilities**, focused on promoting the internationalisation and commercial activity of SMEs abroad.
 - **International Channel** expanding and diversifying by geographic area.
 - **Direct financing to larger companies** with a drag and pull effect on the value and supply chains of Spanish content, extending and intensifying activities to the financing of medium-sized companies (structuring, syndicates, project finance, acquisition of bonds, etc.).
 - **International tenders, sureties and guarantees** in a complementary manner and generating synergies with CESCE's activity.
- Expand, improve and diversify **the conditions of the portfolio of financial products** aimed at internationalisation, adapting them to companies of different sizes, experience and maturity, covering new currencies, promoting the participation of Spanish companies in international tender contracts.
- Extend **strategic partnerships with financial institutions in third markets** through the International Channel and other interested EU national promotional banks, and multilaterals—inter alia the EIB or EBRD—in Africa, Asia and Latin America.



Action Plan 5

Private Equity. Axis: Promote the growth and dynamism of the entrepreneurial ecosystem through financing and investments in private equity and venture capital funds, mainly through funds managed by AXIS.

AXIS, the venture capital subsidiary of ICO, plays a very important role in the financing of companies, through investment in funds and companies operating at all stages of business development in a wide range of sectors, promoting alternative investments to bank financing. ICO will act mainly through its management company's funds: FOND-ICO Global, Fond-ICO Pyme, Fond-ICO Infraestructuras ESG, and Fond-ICO Next Tech.

Actions

- Strengthen **public-private collaboration with relevant associations in the sector**.
- Adapt and make the **conditions of Fond-ICO Global** as a fund of funds more flexible to the current needs of economic recovery, consolidating the financial capacities of companies and business growth.
- Approve an additional 2.5 billion euros over the next 5 years for Fond-ICO Global. The use of these resources in any of the funds managed by AXIS will be considered depending on the absorption capacity of the private sector.
- Analyse and develop possible **new initiatives that could be financed with Fond-ICO Pyme** under market and profitability criteria for ICO. Among other initiatives, an analysis will be made of actions linked to funds specialising in the IPO of companies on alternative stock markets (BME Growth), initiatives to support crowdlending/crowdfunding funds and platforms, and Corporate Venture Capital initiatives to boost the leverage effect of large companies on entrepreneurship and innovative start-ups.
- Promote the alignment of **Fond-ICO Infraestructuras with Sustainability objectives**. During 2021, ESG sustainability requirements have been incorporated, which will require that in this new period at least more than 50% of new investments have this measurable objective with recognised standards.
- Develop **Fond-ICO Next Tech in collaboration with SEDIA** as a new innovative vehicle focused on scale-up companies specialising in the development and/or application of digital technologies / Artificial Intelligence with a strong focus on investors in Spain with the objective of jointly mobilising 4 billion euros over the period.
- Implement the programme for attracting funds and **international investment projects** and European funds linked to the ecological transition, digitalisation and industrial innovation 4.0 and entrepreneurship.

Action Plan 6

Channelling EU and public sector resources: Promote collaboration with Ministries, Autonomous Communities and their dependent bodies in the channelling of budgetary resources and European funds from the MFF 2021-2027 in support of the business fabric.

Combined Financing: develop innovative financing instruments and modalities through the use of guarantees, risk sharing and combined products that integrate grants or aid from Spanish or European public bodies into loans and guarantees, promoting public-private collaboration.

The ICO Group has extensive experience in channelling European funds (such as the Juncker Plan), collaborating with the European Commission, the EIB and the EIF in mobilising European resources for companies and projects of Spanish interest. Of particular note is ICO's accreditation in 2020 as an implementing partner of the European Commission for the Invest EU Programme, which has also enabled it to finance projects through the Connecting Europe Facility (CEF).

The channelling of these funds in their different modalities will be further expanded and collaboration will be promoted with Ministries, Autonomous Communities and their dependent bodies in the channelling of budgetary resources and EU funds in support of the business fabric. These actions are part of the priorities contained in the Recovery, Transformation and Resilience Plan.

All of this is without prejudice to other resources that could come from the new EU Multiannual Financial Framework 2021-27 or the Next Generation EU Programme.



Actions

- Channelling **European funds** in line with the different sources of European funding available.
- Collaborate from ICO in the **implementation of different sectoral policies and in the deployment and channelling of part of the resources of the Recovery, Transformation and Resilience Plan** in coordination with the competent Ministries that will form part of the action plans of each axis.
ICO's actions would preferably focus on:
 - Digitalisation of SMEs
 - Sustainable Mobility
 - Renewable Energies and Energy Efficiency
 - Environmental sustainability
 - Territorial and social cohesion
- Develop and promote **blending schemes for the financing of strategic projects** (PERTE) articulating transfers of European funds (Next Generation EU and Multiannual Financial Framework) together with the budgets and programmes of other Ministries, ACs and LAs and with bank financing from ICO, as well as other instruments in public-private collaboration with the banking sector.
- Implement **blending programmes** that allow the combination of transfers, grants, bank financing and guarantees, both through ICO's Second-Floor and Direct Financing Facilities.
- Develop **risk-sharing schemes**, incorporation of **direct or portfolio guarantees**. New instruments will be promoted, including the use of guarantee-based formulas alongside different classic financing formulas.
- Channelling guarantees or sureties for the **development of initiatives from other European bodies, in particular** from different programmes of the European Commission or the EIB/EIF Group, including the new European Guarantee Fund and other programmes in which ICO participates: Connecting Europe Facility, InvestEU program...
- Analyse the possibility of **raising other sources of funding on the long term liabilities side**, through loans and operations with the European Commission, either directly or through the EIB or the General Secretariat of the Treasury and International Finance.



Action Plan 7

State Funds Management: Promote the efficient management of the State Funds destined for internationalisation, development cooperation and territorial financing, with new initiatives and synergies.

Covid Guarantee Facilities: efficient management and monitoring of Covid Guarantee Facilities



ICO manages support instruments for internationalisation on behalf of the Ministry of Industry, Trade and Tourism, through FIEM and CARI. It also manages development cooperation instruments, through the Cooperation Fund for Water and Sanitation (FCAS) and FONPRODE, on behalf of AECID, and manages the Financing Fund for Autonomous Communities (FFCAA) and the Financing Fund for Local Entities (FFEELL), on behalf of the State, through the Ministry of Finance. Within the framework of the 2022-2027 Strategy, ICO plans to contribute and generate synergies, increasing the contribution of value and speeding up its execution.

Since 2020, ICO has taken on new responsibilities arising from the management of some of the most relevant measures adopted by the Spanish Government to mitigate the economic effects of Covid-19 on business activity.

Actions

- Contribute to the updating of **the Plan for the Internationalisation of the Spanish Economy** in the entire catalogue of ICO activities, both on its own account and in the management of **FIEM and CARI** on behalf of the Secretary of State for Trade, collaborating with other entities dependent on it, such as **ICEX, COFIDES and CESCE**.
- Strengthen the management of **FONPRODE**, on behalf of AECID, and contribute to reinforcing the various cooperation initiatives carried out in third countries.
- Strengthen and expand, in collaboration with AECID, projects under the **FCAS Water and Sanitation Cooperation Fund** with the EIB and other national promotional banks of EU Member States.
- To carry out the financial management of the new compartment of the **Financing Fund for the Autonomous Communities “Fondo de Liquidez REACT-UE”** established in the LPGE 2021 and endowed with 12,400 million euros, to provide resources to those administrations that are on the front line in the field of health and education. Extension and adaptation of the Local Government Financing Fund.



Actions relating to the Covid Guarantee Facilities.

- Carry out the **execution, management and monitoring over the next 10 years** of the operations derived from the Covid guarantee facilities with more than 1,100,000 operations that have mobilised more than 130,000 million euros of financing with the participation of more than 100 financial institutions to support business activity, following the Covid health crisis.
- **Manage, monitor and control declared defaults** and executions of guarantees, as well as, where appropriate, the **recovery of debts** arising from them in order to minimise the impact on the deficit and public accounts. This activity will continue for the next 10-15 years.

Other Actions:

- Provide support for possible new funds to be managed on behalf of the State or by mandate of the State, adapting management, where appropriate, to the recommendations of audit bodies such as the General Comptroller of the State Administration (IGAE) or the Court of Auditors.

Strategic Axis II.

Promoting the digital transformation of the Spanish productive fabric

Digital transformation is one of the challenges that the Spanish economy must face as part of its structural transformation and modernisation and is one of the four transversal axes of the Recovery, Transformation and Resilience Plan. The business fabric must undertake this process, as digitalisation is one of the main vectors for promoting competitiveness, productivity, sustainable economic growth and job creation, as well as providing the productive fabric with greater resilience to face future shocks and dynamism to take advantage of new opportunities. It is also an important element in promoting territorial cohesion.

The different financing mechanisms that ICO makes available to the Spanish business fabric will boost the investments needed to undertake the digitalisation transformations of companies, especially SMEs and start-ups, and industry in terms of R&D&I.



Action Plan 8

Financing business digitalisation: Collaborate with different financing instruments and the channelling of budgetary or European resources in the promotion of the digitalisation of all types of companies, with special interest in SMEs and with a dynamising effect on larger companies.

The promotion of digitalisation of the Spanish economy as a source of competitiveness and growth is linked to the widespread adoption of digital technologies by companies of all sectors and sizes.

Through the ICO's various general or specific financing products, channelling Spanish or European budgetary resources, the aim is to boost investment in digitalisation throughout the productive fabric, with special attention to SMEs and the self-employed.

Actions

- Deploy and carry out the capillary channelling of the financial instruments contemplated in the **SME Digitalisation Plan 2021-2025**, in collaboration with the **State Secretariat for Digitalisation and Artificial Intelligence and its agency RED.ES**, especially with regard to basic digitalisation, the Disruptive Innovation programmes for the Digital Transformation of SMEs and the sectoral programmes focused on industry, tourism and commerce.
- **Analyse possible agreements or collaboration schemes between ICO and SEDIA** (Secretary of State for Digitalisation and Artificial Intelligence) to carry out with financial institutions the dissemination and mobilisation of available resources and, where appropriate, calls for proposals aimed at the digitalisation of Spanish SMEs.
- Promote **direct corporate financing for large strategic projects** and PERTES with a driving and catalytic effect on SMEs, deploying, where appropriate, the combination of grants and financing offered by ICO and financial institutions.
- Mobilise resources from the **Multiannual Financial Framework 2021-2027**, especially from Invest EU guarantees to boost and catalyse private sector financing for companies and business digitalisation projects, with a special focus on SMEs.
- Strengthen institutional and communication relations, **expanding the network of agreements and collaborating agents** together with Spanish associations specialised in digital transformation to adapt and design new instruments and to publicise the existing financing options for digitalisation processes.
- Collaborate and participate, where appropriate, through **funding for the digital transformation of the financial system** through projects participating in the regulatory Sandbox as a controlled testing space.

Action Plan 9

Digitalisation through Private Equity: Collaborate in the development of private equity funds and entrepreneurship initiatives and projects linked to digitalisation mainly through the funds managed by AXIS and especially through Fond-ICO Next Tech.

The private equity sector can play a very important role in accelerating digitalisation processes, both by supporting companies in sectors directly related to digital and for the transformation of other companies and sectors. The experience of ICO, through its subsidiary AXIS, has shown that certain initiatives can have an important catalytic effect on the sector as a whole, leading to a dragging effect.

Actions

- Strengthen, together with the Secretary of State for Digitalisation and Artificial Intelligence, **Fond-ICO Next Tech**, which, based on a public-private partnership scheme, with public participation of up to 49%, specialises in investment through other private funds—mainly as a fund of funds—but also in direct co-investment or investment vehicles in companies in the digital and artificial intelligence sectors that are in the growth phase.
- Promote **Corporate Venture Capital** initiatives through Fond-ICO Next Tech or Fond-ICO pyme, depending on the size of the projects, to promote and co-finance innovation and digital entrepreneurship oriented towards the market and value chains of Spanish technology companies, together with large companies with a driving effect.
- Systematically include in the **Fond-ICO Global calls for proposals the digital transformation** of the investee companies of the funds presented as a reinforced qualitative assessment criterion.
- Develop and participate with the sectors involved in **new initiatives that take advantage of synergies** between digitalisation solutions and their application to other challenges in the transformation process of the Spanish economy, especially the ecological transition, the demographic challenge and gender equality.

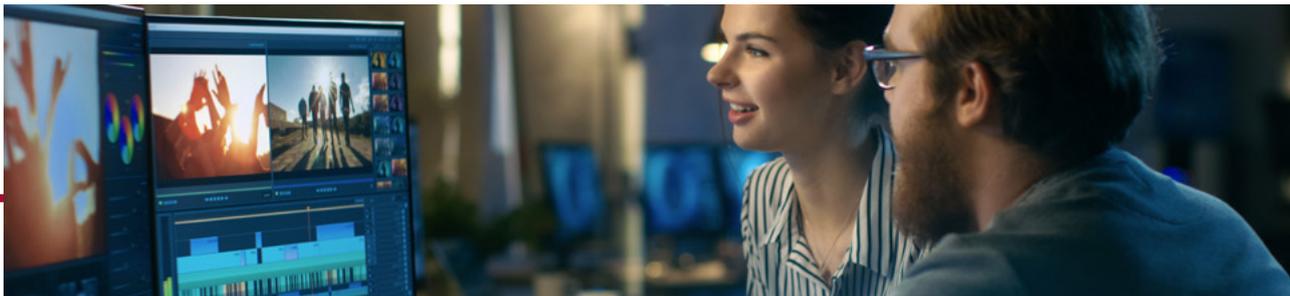


Action Plan 10

Promote the Financing of the Audiovisual Sector:
Collaborate with entities and develop different financing instruments, if necessary with European resources, for the promotion of the Spanish audiovisual sector.

The audiovisual sector is undergoing a global revolution, with the emergence of new business models and technologies that are profoundly changing the way content is produced. This sector is strategic, due to its capacity to promote economic and cultural development, job creation and the attraction of talent, as well as its role in the construction of Spain's image abroad and in tourism promotion activities, as set out in the **“2025 Digital Spain”** strategy, developed through the Plan to Boost the Audiovisual Sector.

ICO is a relevant actor for the improvement of the financial and fiscal instruments of the Spain **Audiovisual Hub Europe Plan**.



Actions

- Scaling up and extending the **“audiovisual financing programme”** with RTVE to other public and private, national and regional broadcasters and broadening the type of projects eligible for ICO financing.
- Continue to promote **direct corporate financing for large projects and series**, of a strategic nature or with international projection, including the advance of aid awarded to production companies, as well as through the Covid-19 guarantee facilities.
- **Strengthen the set of official support instruments for internationalisation** to promote the financing and risk coverage of international audiovisual production projects, with the aim of promoting and internationalising the sector.
- Enhance the diversification of funding sources, promoting collaboration with **mutual guarantee associations specialised in the sector**, exploring modalities such as equity loans, equity participations and other forms of private equity in collaboration with institutions such as the European Investment Fund.
- **Promote institutional relations and communication** activities in this sector.



Strategic Axis III. Promoting the ecological transition and the environmental, social and governance (ESG) sustainability of the corporate fabric

Achieving a sustainable growth model requires high levels of investment. To mobilise the necessary resources, the financial sector is a key actor, generating incentives and mobilising resources on the scale and timeframe needed. Sustainable finance, understood as the long-term alignment of the objectives and decisions of financial operators with sustainability objectives (ESG), involves the establishment of new financial products to mobilise resources for environmental, social and governance objectives, as well as the definition of rules, metrics, standards and methodologies for calculating the effective impact on the sustainability of financial products and assets and the disclosure of information on sustainability.

In this context, ICO, as one of the main national promotional banks at European level, has a fundamental role working in public-private collaboration in the development of sustainable finance, aligning its activity on the basis of its Sustainability Policy with the sustainability objectives established by the United Nations in the SDGs of the 2030 Agenda and the Paris Agreements.

Action Plan 11

Sustainable Financing: Contribute to sustainable business financing through specific products: green and social loans, loans linked to sustainability objectives, purchase of sustainable promissory notes and bonds, green securitisations or other futures, channelling European funds where appropriate.

There are a growing number of financial instruments specifically designed to finance and incentivise investment in activities with a positive social and/or environmental impact. These include green loans, loans linked to sustainability objectives, green securitisations, purchase of sustainable bonds and promissory notes, sureties or guarantees for sustainability projects. ICO will help to expand and strengthen these instruments.

Actions

- Develop financing through **loans and other sustainable** (green and social) products linked to ecological transition, social and territorial cohesion.
- Focus the purpose of the operations financed and to be financed in the coming years, among others, on **sustainable mobility**; development of **renewable energies**, renewable hydrogen; **energy efficiency**; **circular economy**, water treatment, improvement of energy efficiency and sustainability of buildings, improvement of accessibility in buildings/housing, urban and rural regeneration and renovation, transport, energy, hospital, elderly or educational infrastructure projects with public and private companies and construction and rehabilitation of social or affordable housing.
- Adapt financial instruments (purchase of bonds or promissory notes, sureties or guarantees) so that they can respond to the needs of companies and focus them on sustainable projects.
- Finance renewable energy infrastructure projects directly from ICO or through financial institutions—including wind, photovoltaic, solar thermal—as well as the upgrade and modernisation of more efficient conventional energy technologies that eliminate or substantially reduce the carbon footprint and gas emissions in order to accelerate the energy transition towards a more sustainable model and contribute to the fight against climate change under principles of financial balance and in a complementary manner to the private sector.
- Continue to apply from ICO, in the projects it finances, both nationally and internationally, the **EU taxonomy and the Ecuador Principles or other international standards** to which it may adhere at any given time, categorising projects according to risk and encouraging the implementation of environmental and social management systems and plans by clients and borrowers in the planning and execution of projects.
- Promote **Sustainability and Social Integration**, intensifying ICO's financing directly and with other financial institutions, including the EIB, of social and territorial cohesion programmes such as, among others, the construction or rehabilitation of social housing for rent carried out by the Autonomous Communities and Local Authorities.

Action Plan 12

Promotion of sustainable entrepreneurship: Collaborate in the application of sustainability criteria in the entrepreneurship ecosystem, promoting the development of venture capital funds and social and environmental impact initiatives, mainly through the funds managed by AXIS.

Present and future environmental challenges must be met by fostering an entrepreneurial spirit that favours the development of new business models, new products and solutions. And in this work, AXIS, a venture capital company and subsidiary of ICO, has supported the Spanish business fabric in its early stages of development, promoting the creation and growth of companies in various sectors, including those linked to sustainability.

All AXIS instruments, currently Fond-ICO Global, Fond-ICO Pyme, Fond-ICO Next Tech and Fond-ICO Infraestructuras, which has integrated ESG objectives, have a focus on investments to support companies with a leverage effect on their growth and job creation.

Actions

In this context, ICO will continue to promote, together with Axis, the development of private equity sector financing for social and environmental impact investment through various measures, such as:

- Convert Fond-ICO Infraestructuras into **Fond-ICO Infraestructuras ESG**, with a broader scope of action and clearer signalling of the fund's investment objectives in sustainable projects (renewable energy, energy efficiency, social infrastructures).
- Promote the implementation of **green infrastructure** funds, from a national or European perspective, in collaboration with other entities where appropriate.
- Leverage **Spanish or European budgetary resources or structures** for the implementation of guarantees for certain investments, in particular those of the InvestEU programme.
- Broaden the scope and diversify the range of action of the Sustainability and Social Impact Initiative within **Fond-ICO Pyme**.
- Generate synergies with private equity funds of a public or private nature focused on green or social impact investments.
- Incorporate in the **Fond-ICO Global** Calls for Proposals the sustainability of the investee companies of the funds presented as a reinforced qualitative assessment criterion.
- Promote **Corporate Venture Capital** initiatives focused on sectors linked to ecological transition (sustainable mobility, electrification, energy storage, etc.) and social sustainability (social cohesion and employment).
- Participate in or promote other initiatives that foster the promotion of sustainability in the national and international private equity and venture capital sector.



Action Plan 13

Sustainable bond issuance: Promote and expand the Spanish and European sustainable bond market, maintaining ICO's leading position.

ICO is a leading player in the international sustainable bond markets and applies the ICMA (International Capital Markets Association) Green Bond Principles and Social Bond Principles, and since 2020 has been a member of the Nasdaq Sustainable Bond Network, a platform that promotes transparency in the global sustainable bond market. ICO will continue to strengthen its role in this market.

Actions

- Continuously update the **framework of social bonds and green bonds** within the framework of the ICMA principles, in order to adapt their scope to the regulations within the EU Sustainable Finance Action Plan and the needs of the process of recovery and transformation of the Spanish economy's productive model.
- Broaden the modalities of issuance, considering possible specialised typologies such as the **blue economy** to promote projects of interest to the Spanish tourism and fisheries sector.
- Cooperate, together with the General Secretariat of the Treasury and Financial Policy, in the definition of the National Sustainable Finance Plan, drawing on accumulated experience.
- Contribute to the development of sustainable bond markets and broaden the ESG investor base of ICOs by increasing the amount and/or frequency of sustainable issuance
- Intensify **ICO's communication and marketing activities as an issuer in the sustainable bond market** among investors and benchmark institutions.



Action Plan 14

Institutional Cooperation: Promote partnerships and joint initiatives with national, international and European, public and private institutions in the field of sustainability.

ICO's participation in national and international forums or associations promoting sustainability has been key to the successful implementation of its sustainability financing activity. Among others, ICO's participation as a member of the Advisory Board of the Executive Committee of ICMA's Green and Social Bond Principles; or at the European level, its participation in the **"Joint Initiative on Circular Economy"** JICE, together with the EIB and other European counterparts, to accelerate the transition to a sustainable and circular economy. In addition, ICO is a member of the **Clean Oceans Initiative** to promote projects that reduce the dumping of plastic and other solid waste in watersheds.



Actions

- Expand the network of partnerships, commitments and joint projects at national level and with European counterparts, linked to ecological transition and social sustainability objectives.
- Promote the development of funds specialised in sustainable investments aimed at promoting sustainable infrastructure projects and new emerging sectors such as the implementation of green hydrogen in productive activity and mobility or others with relevance in this area.

Action Plan 15

Training and Technical Assistance: Development of initiatives to improve the capacity of companies, especially SMEs, in the area of sustainable finance.

The availability of information, knowledge and technical capacity is a key aspect for SMEs to be able to fully develop the opportunities linked to sustainability, properly defining their business plans and accessing the necessary financing to implement them.

The ICO Group is increasingly active in financial education, especially aimed at training SMEs in various areas of sustainability and in specific segments such as the Circular Economy.

Actions

During the period 2022-2027, **both ICO and Fundación ICO will carry out, among others, the following actions:**

- Carry out specific training initiatives on sustainable finance to provide SMEs with the necessary tools and resources to develop the opportunities offered by the transition to a more sustainable growth model.
- Evaluate the implementation of **specific scholarship programmes** that allow both ICO and the rest of the financial and business sector to have the necessary talent to design and deploy new sustainable financing instruments, sustainable bond issues, as well as the measurement, compilation and specialised reporting of information on the real sustainable impact of the activity carried out by companies.
- Deepen the development of **studies and practical guides together with the main sectoral associations** and think tanks, aimed at enabling SMEs to take advantage of all the opportunities offered by the new sustainable finance framework.



Strategic Axis IV.

Strengthen governance and digital and technological resources at ICO, drive organisational transformation and expand institutional, communication and CSR activity

In the area of governance, every company must define, implement and update strategies, policies and actions to ensure that its internal management is based on the best standards and that its activity is sustainable at an environmental, social and governance level, both internally and with the stakeholders with whom it interacts in the development of its activity. In addition, every company must convey an image of transparency, credibility and trust.

ICO's Strategy for the period 2022-2027 must take into consideration the need to adapt ICO's governance to best practices and to the new requirements of the regulations applicable to its activity, with special attention to ESG criteria, and to promote its organisational transformation in order to effectively face the challenges arising from the structural change of the Spanish economy in the coming years, in which digitalisation will play a very important role.



Action Plan 16

Corporate governance: Improve ICO's internal corporate governance: best governance practices by incorporating the ESG component in all areas.

The ICO's involvement in **improving internal governance** has been demonstrated for years, notably the inclusion of independent directors in the composition of the ICO Board since 2015 and the implementation of decision-making procedures that involve the Board in the management of the Institute. ICO has regulations to ensure transparency and good governance.

In terms of **evaluation**, it is crucial to analyse the impact of the ICO's activity on the economy and businesses, to quantify this influence and to ensure that the actions are fulfilling the tasks for which they were designed.

It is also important to incorporate **ESG risk management** associated with projects to contribute to the achievement of global sustainability commitments by assessing environmental, social, climate and human rights impacts.

Actions

To **improve governance, transparency and internal control**, and to continue to foster the culture of evaluation and the incorporation of sustainability in risk management:

- Implement mechanisms to **improve management, transparency and internal control** in accordance with the best **regulatory and market standards**.
- To continue to offer, in an agile and efficient manner, the most appropriate responses to the needs of companies and the economy. Continue to advance and deepen **best practices** in order to place ICO at the forefront in this regard, including through **quality management models**.
- Systematise the **annual Integrated Report**, incorporating an executive summary to better align with the SDGs and the new, updated reporting requirements that are established as best practice.
- Continue to make progress at ICO in internal control in general, in line with the new banking environment characterised by a culture of greater control, as well as in updating the **IACL** (Capital and Liquidity Self-Assessment Report), its **Risk Appetite Framework** and the rest of the regulatory requirements, following best banking practices and the best standards in this area, incorporating digital and sustainability criteria.
- Improve cross-cutting coordination for the monitoring and analysis of financial and non-financial risks.
- Promote the widespread use of evaluation tools, with special attention to **sustainability metrics**. ICO will incorporate the **standards and recommendations** that regulators, such as the **European Banking Authority (EBA) and the Bank of Spain**, are defining for the incorporation of ESG criteria in business strategies, governance, risk management and supervision of credit institutions.
- Promote the reduction of the carbon footprint at its headquarters by carrying out a comprehensive **refurbishment of the building and the reorganisation** of its layout to achieve a more sustainable, efficient and intelligent building.



Action Plan 17

Talent: HR development, talent attraction, retention and continuous training.

The growing activity derived from the management of new financial instruments and initiatives implemented to mitigate the effects of Covid-19 (Guarantee Facilities), the promotion of economic recovery (management of instruments under the Recovery, Transformation and Resilience Plan), the channelling of European resources and the identification and measurement of the impact of projects in the new sustainable finance framework, will require more staff, the adaptation of the organisational structure and the retention of ICO talent.

Actions

- Attract and retain the **talent of ICO's professionals**, in order to reduce staff turnover and the loss of talent, a decisive and necessary measure to meet the challenges that the Institute has taken on and will take on in the coming years.
- Implement a broad and open **training programme** that allows for greater depth and broader integration of knowledge and greater transversality and interaction between teams that systematically updates and expands knowledge and skills in finance, sustainability and CSR, EU programmes and technology and digital tools.

Action Plan 18

Internal digitalisation: Deepen the digital and technological transformation by orienting actions towards a technological financial company to improve processes and efficiency.

Technological and digital transformation is one of ICO's strategic axes of action. The Institute should move towards a more developed digitalisation, focusing on cybersecurity, data governance and economy, artificial intelligence and other digital technologies that will drive the digital transformation of ICO.

ICO's strategy should aim to be a benchmark in digitalisation within public and financial institutions, with the implementation of new technological paradigms, such as robotisation and artificial intelligence, effective digitalisation and the adaptation of staff to a model of coexistence with technology and innovation. In this way, future challenges can be taken on with guarantees of success and greater flexibility, through, among other things, the digitalisation of processes, technological innovation, data management and governance and collaborative work.

Actions

- Deploy and complete the Systems Plan or **Digitalisation Plan 2021-2023**, the objective of which will be to intensify the simplification of internal procedures, transformation towards a technological financial company.
- Modernising business solutions. In particular, to strengthen and efficiently manage relations with customers and financial institutions through the implementation of **Customer Relationship Management (CRM)**, aligning it with national and international market standards, without prejudice to the necessary risk control and compliance mechanisms.
- Develop a **Digitalisation Plan 2024-27 to be implemented in ICO's digital/technological systems** in order to deepen the above trends.

- Equip and implement technologies for a gradual intensification of teleworking.



Action Plan 19

Institutional Relations and Communication: Expand and diversify the communication networks and institutional contacts and the communication activity to raise awareness and bring ICO's financial instruments, programmes and priorities closer to companies, mainly in Spain but also in the EU and other countries.

ICO currently has a wide network of collaborating agents to disseminate its range of financial products and solutions to business associations. Likewise, it has a wide range of collaboration agreements with institutions that facilitate the organisation of events and activities to disseminate the Institute's activities.

Actions

- Expand and consolidate **public-private collaboration** with financial and business organisations and associations in all sectors, without exception, as well as professional and social associations in Spain.
- Establish a systematic and recurrent programme with all ICO Directorates General for **collaboration in the European Union sphere** aimed at the implementation of projects and joint financial participation both with EU institutions, EIB, EIF, etc., and with other national promotional banks of EU Member States and public and private financial institutions.
- Reform and expand **institutional collaboration with national, regional and multilateral institutions and banks in Latin America, Asia and Africa** aimed at joint financing activities.
- Significantly expand institutional and communication activities to raise awareness of the ICO's financial instruments, programmes and priorities, as well as to highlight success stories that can serve as a benchmark for the Spanish business community, especially SMEs and the self-employed.
- Extend and provide more resources for **publicity campaigns** to make ICO's instruments and new programmes widely and thoroughly known among the Spanish business sector in its activity as a national promotional bank, state financial agency and financial instrument for economic policy, as well as in its various financial education activities.
- Develop greater activity on **social media** and interaction with other national and international platforms.



Action Plan 20

CSR: Education and Knowledge: Financial education; dissemination of knowledge and debate on national and international economics and finance, sustainable finance, SME growth... with the support of Fundación ICO.

The ICO Group is committed to boosting and contributing to various initiatives in public-private collaboration with other institutions such as the Bank of Spain and the CNMV to the financial education and training of all groups, especially young people. It also contributes through sponsorships and initiatives to the dissemination of knowledge of economics and finance in Spanish society, actions which it carries out through its Foundation.

Actions

- Expand initiatives and resources for **financial education** for young people.
- Promote the dissemination and publication of the economic thought of national and international authors of reference.
- Introduce a **reference publication or report on sustainable finance in Spain** that recurrently articulates and systematises the situation, progress and challenges with special reference to the circular economy and SMEs.
- Promote analysis and debate on **Economic and Monetary Union in the European Union**.
- Analyse and participate with peers and long-term investors in **international forums and publications on the contribution of national promotional banks** to sustainable economic growth and infrastructure.
- Disseminate in specialised forums and business associations the financing alternatives and the **contribution of venture capital investment and entrepreneurship to the growth of Spanish companies**, their innovation and export and job creation capacity.
- Reorient the **ICO Museum's specialisation in architecture** also towards the positioning of Spanish architecture, engineering and quality infrastructures in the world and their relationship with sustainability and the fight against climate change and new digital technologies, energy efficiency solutions and construction with sustainable materials.





Instituto de Crédito Oficial

Paseo del Prado, 4
28014 Madrid

www.ico.es